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WPG HOLDINGS LIMITED

2015 Annual Report

Annual Report website
Market Observation Post System
<http://mops.twse.com.tw>
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Branch	None	
Factory	None	

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Last Annual Financial Statements Auditors

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Listing Exchange for Euro-Convertible Bonds

None

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1. Letter to Shareholders

Benefited from the correct product layout, growing productivity as well as the continuity of operation expansion, we continue to be distributor of electronics components in 2015 and outrun our competitors in the ranking, become the most dominating professional distributor of semiconductor components in the world. Our franchised product lines for the reputable brands include leading semiconductor company—Intel, NXP, MICRON, TI, TOSHIBA, SAMSUNG and others, is more than 250 semi-conductor brands. The current sales offices are mainly in Taiwan, China, Hong Kong and Southern Asia, with an increasing extension to over 120 locations in East Northern Asia, The Association of Southeast Asian Nations (ASEAN), India, and North America. Regarding 2015 worldwide semiconductor sales growth rate, ranging from wearable devices, energy-saving products, automotive electronics to Internet of things (IOT) in the market with growing mature application environment, we continue to provide value-added supply chain management services, competitive components, products and turnkey solution to help our clients develop and invest in future markets, and to create a win-win situation with our suppliers and clients.

1. The Review of 2015

Our consolidated revenue and Operating Income in 2015 hit the record high of the WPG Holdings. Consolidated revenue exceeded NT\$500 billion and reached NT\$515.5 billion (US\$16.2 billion), with an annual growth of 13.94%. Operating income was NT\$8.47 billion, with an annual growth of 6.70%. Net profit after tax hit the second highest and was around NT\$5.42 billion. Basic EPS was NT\$3.27. Return on Working Capital (ROWC), the key performance indicator, was 8.71%, and ROE was 11.60%.

Over the past one year, those 3C products like 3G and 4G high-end mobile phones, affordable smartphones, wireless broadband and cloud servers became the main products for shipping in 2015. Non-3C products such as automotive electronics, Industrial electronics and power saving performed sustained sales growth. The number of employees exceeded 5,500, among them were Field Application Engineer (FAE) team members, occupied 16%. They offered up to 244 "online program" items like product marketing, operations and supply chain support in other areas. The number of VMI logistics projects in Asia-Pacific region was approximately 700, carrying out the One-Stop service, providing customers with higher added value services.

WPG Holding Group was ranked Grade A++ (highest) in the 12th Information Disclosure and Transparency Ranking (IDTR) in April, 2015, and received the highest award (A++ rating accounts for about 5% among TSEC-listed and OTC-listed Companies) for two consecutive years. Besides, our corporate governance was among the top 20 % of that, and selected as the stocks of "TWSE Corporate Governance 100

Index". In 2015 we have moved up 51 places to 1814 on the Forbes Global 2000, and ranked up 3 places among the Top 650 Service Enterprises on the CommonWealth Magazine Top 2000 Survey. We also received the '2015 Award of Excellence for Electronic Component Distributors: Top 10 Overseas Distributor' from Electronics Supply and Manufacturing China (ESM China). Those achievements prove that our provision of value-added services in semiconductor supply chain has been deeply appreciated by our clients and suppliers.

2. The Outlook for 2016

Facing the external fluctuations in *general economic conditions as well as the restructuring of Chinese market*, and the continued growth in semiconductor industry and the upstream factory integration, the WPG Holding Group will continue to renew the organization, *product-line* combinations and management system by increasing per capita output, controlling operating assets and raising after-tax profit as the main strategic objectives to maximize the output and efficiency in 2016. Our main strategy of this year is illustrated as the following:

■ **Financial Indicator** : We will strive for increase the net profit after tax and continuously improving the productivity of the employees. We will set the Return on Working Capital (ROWC) as the Group's key financial indicator and strengthen the risk management for the operating asset. We also ensure the asset quality and liquidity, strong capital structure and profitability to improve return on equity and dividend payment.

■ **Expanding Market Influence** : Focusing on the target market, we will strive for information collection, analysis and coordination. Through integrating the Group's strengths, we will develop various solutions for resource sharing and business cooperation to improve the quality of our customer service and to expand market influence. We will increase the penetration rate in the specific domestic market by using the characteristics of each production line. Focusing on Taiwan's target clients, we will optimize management capacity and keep pursuing the goal of output. We strictly control the process of overseas business development and resource allocation, aim at providing services for global clients.

■ **Enhancing Portfolio Management** : The WPG networking sites (IoT.wpg20.com) formally launched in 2015. After connecting with electronic business platform, we expect to meet the needs of *online shopping* for customers on quality and quantity. Besides, to integrate into software ecosystems centered on the *platform* offerings of *major cloud* is also the main focus of work in 2016. We will keep optimizing the online content marketing programs, and *full-coverage* community interaction mechanism. Meanwhile, the goal of WPG is to support supplier and demand for front end to

combine online and offline activities, enhance social networking connectivity, extend brand's ability to attract customers and improve customer loyalty.

- **Operational Risk Management** : We authorized an external consultant for recommendations on WPG risk management system, organizational structure and operational mechanism in 2015 and implemented after gaining the approval of Audit Committee and Board of Directors. We also completed risk identification and analysis based on main focus on holdings. For mid- and high-frequency loss resulting in a significant risk of interruptions on instantaneous operation, we proposed the strategy and program against the risk, began to act immediately. In 2016, we expect to expand the range of risk identification to the front-end group and gradually establish a front-end risk management system through risk identification, assessment and response process. To introduce crisis management system for holding companies is another major job. We shall establish appropriate norms and processes based on structure, event classification and notification process.
- **Cultivation of Talent and Employee Relations** : To establish future long-term strategic development objectives and specific short-term action, we will put efforts to cultivate high-end talent for future industries, such as to hire experts to assist in the strategic discussion except for conducting special research on robots and electric vehicles industries. Meanwhile, we train the cores by planning bridging courses to reduce the gap between the two sides and enhance team's knowledge and ability in a more programmatic and comprehensive way. In addition to assisting colleagues of each unit in achieving performance goals and raising the output value, we build a working atmosphere that brings colleagues and teams toward high enthusiasm, high morale positive development.
- **Integration Information Processes and Platform** : In response to 2020 operational goals, the Information Department proposed a mis2.0 plan (Mobility · Intelligence · Simplicity) for 3 years with customer-oriented view, tailor service settings for different users. For logistics boundary spanning management, we will continue the three-year work plan proposed in 2015 to improve service quality and reduce operating costs. Our goal is to optimize service performance (bandwidth), meet the needs of the overall operations of the Company by using available manpower.
- **Corporate Governance and Corporate Social Responsibility(CSR)** : We strive to improve corporate governance and social responsibility activities, and establish CSR working group to elaborate and promote CSR policy and activities together, keep the promise of sustainable development in mind and make a CSR Report. We develop and promote the "supply chain management" training, build WPG Holdings Education Foundation and cooperate with universities or support social enterprises, put effort to

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social engagement and environmental protection. WPG Holdings ranked the top 20% in the TWSE corporate governance assessment, assigned by Financial Supervisory Commission in 2015. We will maintain the same goal in 2016.

This year, while facing the outside fluctuation in overall economic environment that makes market uncertain, WPG Holdings is still good at understanding the market growth opportunities after many years of active allocation and hard work. In the future, the Company will have been serving as the global leader, the agents for more new online products. Moreover, we provide customers higher value-added services, open up new sales areas to seek value-added acquisitions. The vision of WPG is "Industry first, channel benchmark" by comprehensively promoting the core value of "team, Integrity, professionalism and effectiveness", and creates a professional services based situation of win-win outcomes among suppliers, customers and shareholders

The Company's management team and colleagues express our deep gratitude to all the members of our shareholders for your support and encouragement. For the coming year, we look forward to your guidance and advice. Always holding our consistent business philosophy and service, we will demonstrate exceptional business results and share them with you.

Here, we sincerely welcome all our great participants and members of shareholders to offer your valuable concern and advice.

Chairman Huang, Wei-Siang

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2. Company Profile

2.1. Date of Incorporation: Nov. 9, 2005

2.2. Milestones

Nov., 2005	WPG Holdings Limited 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.
Dec., 2005	Appointed by Atheros as Asia Pacific Distributor
May, 2006	Ranked top 10 among top 500 service companies in Taiwan by Common Wealth Magazine
Jun., 2006	Ranked 4 th for worldwide and 1 st for APAC electronics component distributor by ESM
Jun., 2006	BOD resolves to pay out TWD 0.16 for cash dividend per share
2006	Newly appointed by CREE, ACTIONS, Microchip, and Mstar as APAC or greater China distributor, underpinning High Power LED, and mobile device, Imaging, consumer electronics markets in China as well
Jan., 2007	Established WPG Korea Co., Ltd. and dedicated for Korean customers
Apr., 2007	Ranked no.1 APAC electronic component distributor by ESM
May, 2007	Ranked top 10 among top 500 service companies in Taiwan by Common Wealth Magazine
May, 2007	Awarded cross-strait Industry top 100 by Business Weekly
May, 2007	Ranked most preferred regional distributor by ESMC; specially awarded best supply capability, best technical support, and best logistics service
Jun., 2007	BOD resolves to pay out TWD 1.2 for cash dividend per share and TWD 0.5 for stock dividend per share
2007	Newly appointed by LITE ON and Renesas as APAC or greater China distributor
Jan., 2008	Awarded MII sponsored, CQAE and CEPA co-certified RECS qualifications in China, supply & distribution recognized for being one of the first to qualify
May, 2008	WPG Holdings awarded no.1 IC distributor by Common Wealth Magazine and Business Weekly

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May, 2008	Re-elected best and largest Asian electronics distributor and ranked the 3 rd worldwide semiconductor distributor by My-ESM
Jun., 2008	Re-elected best overseas distributor by ESMC, a single to sweep best supply capability, best technical support, best logistics service, and best E-commerce capability
Jun., 2008	BOD resolves to pay out TWD 2.15 dividend per share for cash, and 0.315 for stock dividend per share
Jun., 2008	BOD early reelection, re-staffing Independent directors with 5 seats instead of 2, accounting for one third of BOD and making up audit committee exclusively
Jul., 2008	WPG acquires passive component distributor Pemas Electronics Co., Ltd. (security code: 3256) through share swap, Jul. 16 set for reference day
Oct., 2008	WPG Holdings Limited has moved to a new office at "10F, No.97, Tun Hua S. Rd., Sec.2, Taipei 106, Taiwan, R.O.C."
Oct., 2008	WPG Holdings forms Investment and finance committee
2008	Newly appointed by SETI, Telechips, Elan, Harvatek, and Volterra as APAC or greater China distributor
Feb., 2009	WPG (TSE:3702) Announced to acquire AIT (Code:6159) 100% share by share swap, and the effective date for closure was set for February 6th, 2009
Feb., 2009	WPG Holdings forms remuneration committee
May, 2009	Included by MSCI as the first-ever Taiwan IC distributor constituent
Jun., 2009	Elected best overseas authorized distributor by ESMC, and awarded best supply capability, best logistics service, and best volume flexibility
Jun., 2009	Re-elected APAC no. 1 electronics distributor by EETimes, ranked the 3 rd worldwide distributor
Jun., 2009	BOD resolves to pay out TWD 1.40 for cash dividend per share
Dec., 2009	WPG-launched webinars attract much attention from China customers
Dec., 2009	WPG Electronics (HK) awarded Logistics Awards Hong Kong
2009	Newly appointed by TA-I, TDK, KEMET, Wintek, K.S Terminals Inc., Macro Image Technology, Orister Corp., and SG Micro Corp.(Hong Kong) as APAC or greater China distributor
Mar., 2010	WPI Group the subsidiary of WPG Holdings acquires AIO Components Company Ltd. (AIO) for overseas dealing

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May, 2010 SAC Group the subsidiary of WPG Holdings acquires the electronic components business of Silicon Application Pte. Ltd.

May, 2010 Elected best overseas authorized distributor by ESMC, and awarded best supply capability, best logistics service, and best volume flexibility

Jun., 2010 Re-elected APAC no. 1 electronics distributor by EETimes, ranked the 3rd worldwide distributor

Jun., 2010 BOD resolves to pay out TWD 2.0 for cash per share, and 1.8 for stock dividend per share

Nov., 2010 WPG acquires YOSUN Industrial Corp.(security code: 2403) through share swap, Nov. 15 set for reference day

Nov., 2010 Celebrate 5th anniversary; set forth "the First Choice of Industry; the Benchmark of Distribution" for the new group vision

2010 Newly or additively appointed or by Raontech, GigaDevice, INSIDE, Advanced Silicon, Redmere, NXP Semiconductors, OSRAM Opto Semiconductors, Synerchip, Sitronix, Epson, Infineon Technologies, Sanyo Semiconductors, Summit Microelectronics Inc., ST Ericsson, AMIC Technology Corporation, Silergy, AMS, Nutune, Trident, AcSiP, HuaJie, Evolution, TT Electronics, Leadcore, Rockchip, Synic, Black Sand, ATLAS, SGMICRO, UBIQ, EPICOM, RAYDIUM, TAI-SAW, ALCOR, FUDATONG, PST, Wellypower, ABT, and ZILLTEK as APAC or greater China distributor

May., 2011 Re-elected APAC no. 1 electronics distributor by EETimes, ranked the 3rd worldwide distributor

Jun., 2011 BOD resolves to pay out TWD 2.1 for cash, and 0.9 for stock dividend

Jul., 2011 Frontek Technology Corporation, subsidiary of WPG Holdings' subgroup AIT Group, acquires Hong Kong-based FlyCastle Technologies, Inc. for its AzureWave line card

Sep., 2011 Hong Kong subsidiary of SAC Group, a WPG Holdings' subgroup, acquires Wintek Technology Investment (China) Ltd. in cash for its electronics component business

2011 Newly or additively appointed by Quality, Energylid Corp., Phoenix, TTM, Marvell, SMSC, Mindspeed, TranSwitch, Vitesse, ICP, mCube, ARM, AzureWave, Citruscom, DomIntech, ESMC, FuDaTong, InfoTM, JustPower, Kingston, Neotec, Novatek, Powervation, Quintic, and Winbond as APAC or greater China distributor

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Mar., 2012 WPG acquires AEEO Technology Co., Ltd.(security code: 6119) through share swap, Mar. 1 set for reference day

Apr., 2012 Longview Technology Inc., subsidiary of WPG Holdings' subgroup WPI Group, acquires Long-Think group's electronics components business in greater China area in cash

May, 2012 Re-elected APAC no. 1 electronics distributor by EETimes, ranked the 3rd worldwide distributor

Jun., 2012 BOD resolves to pay out TWD 2.6 for cash dividend per share

2012 Newly or additively appointed by Bridgelux, ADDA, Prolific, GigaDevice, Action, Hanergy, Sigma Designs, RFM, Eri, Metrodyne, ERP, TUL, PTC, Philips Lumiled, Siano, CHAMPION, CPT, IR, mCube, and Sinopower as APAC or greater China distributor

May., 2013 Elected 2013 top 25 global electronics component distributors by EDN, ranked the 3rd worldwide distributor

Jun., 2013 BOD resolves to pay out TWD 2.4 for cash dividend per share

Aug., 2013 Made debut and ranked 27th for Excellence in CSR from Common Wealth Magazine

2013 Newly or additively appointed by Goodix, Touchstone, LITEON-SILI, T&T, ELAN, Silicon Line, Aptos, CellWise, Next Biometrics, Cyntec, Kingston, Merry, and Wolfson as APAC or greater China distributor

Jan., 2014 BOD resolves the share swap transactions: World Peace Industrial Co., Ltd. in exchange for Aeco Technology Co., Yosun Industrial Corp. in exchange for RichPower Electronic Devices Co., Ltd., and Silicon Application Corp. in exchange for Pernas Electronics Co., Ltd.; Jan. 1 set for reference days

May, 2014 BOD resolution to the first issue of domestic unsecured convertible bonds

Jul., 2014 WPG Holdings top-graded A++ in Information Disclosure and Transparency Ranking

Dec., 2014 Awarded the best choice of authorized semiconductor distributor of yr2014 EEPW editors' choice

Dec., 2014 WPG I-Design Contest finals come to an end in Beijing

2014 Newly appointed by Q2 Micro, ISSC, Huntersun, Solteam, Fibocom, SEQUANS, VANCHIP, and OTUS as distributor

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Mar., 2015 Distributor of Semiconductor Components - WPG Holdings Limited (TWSE:3702) Commences a Cash Tender Offer for Genuine C&C INC. (OTC:5384)

Apr., 2015 Received an "A++" ranking in "Transparency and Information Disclosure" from Taiwan's Securities and Futures Institute.

Apr., 2015 Ranked among the top 20% of TWSE listed and TPEx listed companies in the 1st ranking of Corporate Governance Evaluation result

May., 2015 Ranked 1814 places on the Forbes Global 2000.

May., 2015 Received the 2015 Award of Excellence for Electronic Component Distributors: Top 10 Overseas Distributor from Electronics Supply and Manufacturing China (ESM China).

2015 Added agent and distribution rights increasingly from SANA · ISSC · Thine · TBPC · Akustica Inc. · BRIGHTTEK, Panda, VANCHIP · High-Flying · Ambiq Beken etc.

Jan., 2016 Won Cal-Comp Electronics and Communications 2015 Outstanding International Supplier.

Feb., 2016 Won Intel SEA Regional Sales Biggest Revenue SEA Embedded Distributor

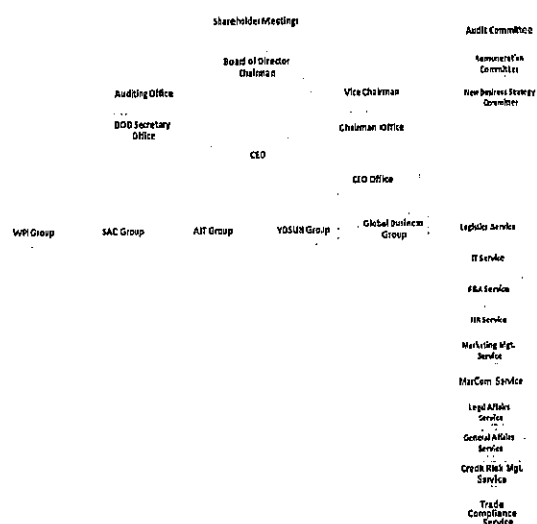
Apr., 2016 Ranked among the top 20% of TWSE listed and TPEx listed companies in the 2nd ranking of Corporate Governance Evaluation result

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3. Corporate Governance Report

3.1. Organization

3.1.1. Organization Chart



3.1.2. Major Corporate Functions

WPG Holdings is established in cooperation with WPI Group, SAC Group, AIT Group, and YOSUN Group, and its business is characterized by cross-group, cross-region, and cross-company operations.

WPG Holdings is organized in alignment with the need for ever-changing marketplace. In order to fulfill the shared vision of "the First Choice of Industry; the Benchmark of Distribution" WPG Holdings positions its functions on: establish management mechanism and supervision for its affiliated subgroups and subsidiaries; highlight backend management effectiveness and frontend coordination through sharing/integral resource

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management effectiveness and frontend coordination through sharing/integral resource platform in order for enhanced frontend effectiveness; specialize in capital market, investor relations, and sourcing of funds.

i. Auditing Office:

Responsible for conducting audit of Internal regulations and institutional implementation for WPG Holdings. Also make recommendations for improvement if any.

ii. Corporate Logistics Service Unit:

Responsible for the managing of WPG Holdings logistics operations and expanding external operational services

iii. Corporate Information Service Unit:

Responsible for matters related to finance and accounting for WPG Holdings, as well as maintaining relationship with investors. Also bear the responsibility of management control, policy guidance and supervision of each group's corresponding functions. The CFO also serves as the Company Spokesperson.

iv. Corporate Finance & Accounting Unit:

Responsible for holding company's matters regarding financial, accounting, and investor relations, as well as the control, policy direction and supervision for the function in each group; CFO also serves as the corporate spokesperson

v. Corporate HR Service Unit:

Responsible for matters related to human resources for WPG Holdings. Also bear the responsibility of management control, policy guidance and supervision of each group's corresponding functions.

vi. Corporate Marketing Management Service Unit:

Responsible for the coordination of front-end operation, systems, and standard consistency. Also make recommendations, develop principles for common practice, and track results, in order to improve productivity, through collaboration with each group's contact window.

vii. Corporate MarCom Service Unit:

Responsible for brand image, as well as planning, implementing and supervising the WPG Holdings e-marketing platform. Also bear the responsibility of management control, policy guidance, and supervision of each group's corresponding functions

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viii. Corporate Legal Affairs Service Unit:

Responsible for the WPG Holdings legal affairs. Also bear the responsibility of management control, policy guidance, and supervision of each group's corresponding functions

ix. Corporate General Affairs Service Unit:

Responsible for the WPG Holdings general administrative affairs. Also bear the responsibility of management control, policy guidance and, supervision of each group's corresponding functions.

x. Corporate Credit Management Service Unit:

Responsible for the WPG credit management services. Also bear the responsibility of management control, policy guidance and, supervision of each group's corresponding functions.

xi. Trade Compliance Service Unit:

Responsible for Trade Compliance of all WPG Holdings organization. Ensure that all the transactions, customers, and products are well managed in accordance to the global and local trade compliance regulations.

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3.2. Director, Supervisor, General Manager, Vice President, and Division/Affiliate Head

3.2.1. Director/Supervisors Profile

3.2.1.1. Director/Supervisors Datasheet

Title	Name	Date Elected	Term	Date First Elected	Initial Shareholding		Current Shareholding		Current System & New Shareholding		Shareholding Held under Other names	Selected Education & Past Positions	Concurrent Positions at WPG and Other Companies	Other Managerial Personnel/Director/Supervisor Whose Relation is Spouse or Relative within the Second Degree of Kinship
					Shares	%	Shares	%	Shares	%				
Chairman	R.O.C. Huang	Jun. 14, 2014	3 years	Jun. 14, 2005	41,512,208	2.51	46,511,508	2.81	11,148,226	0.6	-	Republic Engineering Science, National Cheng-Ping University, Director, Supervisor of Taiwan Arms Co. Ltd.	Chairman & Director, WPG Holdings affiliated venture; Chair, Creative CAC Inc.; Director, Shuang Industrial Standard Foundation; Executive Governor, Taidi Electronic Components	-
Vice Chairman	R.O.C. Tseng	Jun. 16, 2014	3 years	Jun. 23, 2011	10,992,000	0.66	10,842,000	0.64	20,710,000	1.2	-	Electronic Engineering, National Tsing-Tsun University, Director, Deep Accelerator Unit, Sales Manager, Arwin Sheng Electronics Co. Ltd.	Chairman & Director, WPG Holdings affiliated venture; Director, Deep Accelerator Unit; Ability System Management Co. Ltd. (Corporate Representative); and Ability 1 Venture Capital (Corporate Representative)	-

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Title	Name	Date Elected	Term	Date First Elected	Initial Shareholding		Current Shareholding		Current System & New Shareholding		Shareholding Held under Other names	Selected Education & Past Positions	Concurrent Positions at WPG and Other Companies	Other Managerial Personnel/Director/Supervisor Whose Relation is Spouse or Relative within the Second Degree of Kinship
					Shares	%	Shares	%	Shares	%				
Director	S.O.C. Hsu	Jun. 14, 2014	3 years	Jun. 14, 2005	27,758,824	1.65	27,338,874	1.65	632,770	0.04	-	Electronic Engineering, National Tsing-Tsun University of Technology, General Manager, for Eastern, Chip & Technology, General Manager, WPG Components Supplier Association (TCCSA)	Chairman & Director, WPG Holdings affiliated venture; Director (Corporate Representative), Creative CAC Inc.; General Manager, WPG Components Supplier Association (TCCSA)	-
Director	T.L. Lin	Jun. 14, 2014	3 years	Jun. 14, 2005	27,758,824	1.65	26,371,707	1.59	15,556,401	0.9	-	Electronic Engineering, National Tsing-Tsun University of Technology, General Manager, WPG Holdings affiliated venture	Chairman, WPG Holdings affiliated venture; Delta Leasing Co. Ltd., Director (Corporate Representative), Evermore Corp., Ability 1 Venture Capital Corp., Shuang Technology Co. Ltd., GEMATEX CAC Inc., FANTASY STORY INC, SHENKING Info Workstation Co. Ltd., Executive Governor, Taidi Electronic Components	-
Director	R.O.C. Chen	Jun. 14, 2014	3 years	Jun. 14, 2005	8,715,033	0.53	8,715,033	0.53	1,603	0.00	-	Taiwanese, Doctor, physicist, National Chiao-Tung University, Director, Apple Group Holdings Ltd., Andrew Match Inc., Executive Manager, Electronics and	Chairman & Director, WPG Holdings affiliated venture; Director, Apple Group Holdings Ltd., Andrew Match Inc., Executive Manager, Electronics and	-

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Name of Director/Shareholder	Nationality	Date of Birth	Date of Appointment	Initial Shareholding		Current Shareholding		Shareholding Held under Other Names		Scheduled Education & Post Qualifications	Concurrent Positions at WPC and Other Companies	Other Managerial Positions/Relationships with WPC and Other Companies
				Shares	%	Shares	%	Shares	%			
Mr. [Name]	[Nationality]	[Date of Birth]	[Date of Appointment]	[Shares]	[%]	[Shares]	[%]	[Shares]	[%]	[Education]	[Positions]	[Other Positions]

Title	Name	Date Elected	Term	Date First Elected		Initial Shareholding		Current Shareholding		Current Spouse & Other Shareholding		Shareholding held under "Others" names	Selected Education & Past Positions	Concurrent Positions at VWS and Other Companies	Other Managerial Personnel/Directors Operative Where Relationship Relates within the Second Degree of Kinship
				Shares	%	Shares	%	Shares	%	Shares	%				
Director	R.O.C. Frank Yeh	Jun. 18, 2014	3 years	3,390,564	0.08	1,200,584	0.06	116,397	0.005	-	-	Oriented Research Laboratories, Industrial Technology Research Institute Engineer General Electric Company	Component Supplies Association (ITCAI) Independent Director, TIDC Global Holdings	CED, WVS Holdings Ltd., Director, WVS Holdings affiliated venture; Independent Director, Benq Helix Ltd. Corp.	-
Director	Fallen Chen Techno Layer Co. (Patre serial ve : David Lai)	Jun. 18, 2014	3 years	58,134,951	3.51	50,636,951	2.06	-	-	-	-	National Tsing Hua University of Technology, Sales Manager, Murty Corporation	Chairman, Paterian Technology Co.; Director (Corporate Representative), Engemore Co. Ltd.; Leader Entrepreneurial Co. Ltd.; Stern Technology Ltd. Co.; Stern Technology Limited, Star Digital Inc.; Oxenna Technology Co. Ltd.; Director, HUST Innovations Co. Ltd.; Technovation Venture Capital Supernovastokada	Chairman, Paterian Technology Co.; Director (Corporate Representative), Engemore Co. Ltd.; Leader Entrepreneurial Co. Ltd.; Stern Technology Ltd. Co.; Stern Technology Limited, Star Digital Inc.; Oxenna Technology Co. Ltd.; Director, HUST Innovations Co. Ltd.; Technovation Venture Capital Supernovastokada	-

Major Shareholders of WPG's Corporate Director/Supervisor		Apr. 24, 2016 Shareholding %
Corporate Director/Supervisor Fullerton Technology Co. Co.	Major Shareholders	
	Lai, Ru-Kai(3.29%), Liao, Mei-Qi(3.28%), Wu, Chang-Qing(3.1%), Shi Ren Investment Co. Ltd.(1.77%), CTCB Bank Trustee Account For Trust Property(1.73%), Liu, Yan-Hong(1.67%), Liu, Yan-Fei(1.67%), Taipei Fubon Commercial Bank Trust Account (1.38%), Taipei Fubon Commercial Bank Trust Account (1.36%), Dimensional Emerging Markets Value Fund Inc. Account in Citibank Custody (1.35%)	20.6

Major Shareholders of the Corporate Shareholder of the Corporate Director/Supervisor		Apr. 24, 2016 Shareholding %
Corporate Name	Major Shareholders	
	Daewoo Electronics Technology Corporation (99.99%)	99.99%

Name	Title	Address	Date of Birth	Term	Date First Elected	Initial Shareholding		Current Shareholding		Current Spouse & Minor Shareholding		Shareholding held under Others' names		Selected Education & Past Positions	Concurrent Positions at HKEX and Other Companies	Other Material Relationships or Potential Conflicts of Interest
						Shares	%	Shares	%	Shares	%	Shares	%			
Director	R.O.C.	Henry Shaw	Jan. 18, 2014	3 years	Nov. 9, 2005	221,618	0.01	406,618	0.02	-	-	-	-	Master Business Administration, National Cheng-Chi University; Vice President, Nestlé Inc.; Vice President, TransMac Capital Pte Ltd.	Senior Partner, Ashford Partners, TCY (TP) Ltd.; Director, TONGYI Corp.; Greater CAC Inc. (VPG Holdings); affiliated with, Schenck Corp. (Corporate representation), Global Communication Services, LLC.; Chairman, LUNG KIN Finance Co. Ltd.	Other Material Relationships or Potential Conflicts of Interest
Independent Director	R.O.C.	Y. T. Huang	Jan. 18, 2014	3 years	Jun. 25, 2008	-	-	-	-	-	-	-	-	G.S.O., Harvard University; LL.M., Northwestern University; LL.B., National Taiwan University	Partner-in-Charge, Jones Day Taipei; Director, Yuen Meter Co., Ltd (Corporate representative); Independent Director, Taiwan Mobile Co., Ltd, SINTIC Corp., and EIC Corp.	-
Independent Director	R.O.C.	Rong-Ruey Dai	Jun. 18, 2014	3 years	Jun. 25, 2008	-	-	-	-	-	-	-	-	Ph.D. Accounting, National Taiwan University College of Management; Assistant Professor, National Taiwan University College of Management; Chairman, Accounting Research and Development Club, Taiwan Accounting Association	Professor, Accounting, National Taiwan University College of Management	-

REMARKS: REMUNERATION PAID TO DIRECTOR, SUPERVISOR, GENERAL MANAGER AND VICE PRESIDENT IN PREVIOUS YEAR

ii. An entity to the following:

- A. An employee of the company or any of its affiliates;
- B. A director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares;
- C. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of more than 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings;
- D. A spouse, relative within the second degree of kinship, or in-law relative within the third degree of kinship, of any of the persons referred to in the three subparagraphs;
- E. A director, supervisor, or officer of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company or that holds shares ranking in the top five in holdings;
- F. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or organization that has a financial or business relationship with the company;
- G. A professional partnership, firm, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides consulting, legal, design, or other services or consultation to the company, or to any affiliate of the company, or a spouse thereof, provided that this restriction does not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock is Listed on the TWSE or Traded on the GTSX;

iii. A spouse or relative within the second degree of kinship of any other directors;

iv. Any of the circumstances in the subparagraphs of Article 30 of the Company Act;

v. Elected in the capacity of the government, a Juristic person, or a representative thereof, as provided in Article 27 of the Company Act.

Name	
	A
	B
	C
	D
	E
	F
	G

Remuneration Scales	NAME			AFFECTED PFC		
	A-Z: C-0	From WPG	From Entities of Consolidated Financial Reporting	From WPG	From Entities of Consolidated Financial Reporting	
Under TWD 2,000,000	Simon Huang, Frank Yeh, Mike Chang, T.L. Lin, K.Y. Chen, Kong-Ruey Duh, Henry Shaw, Fullerton Technology Co. (Representative: David Lai)		Simon Huang, Frank Yeh, Mike Chang, T.L. Lin, K.Y. Chen, K.D. Tseng, Jack T. T. Huang, Yung-Hong Yu, Kong-Ruey Duh, Henry Shaw, Fullerton Technology Co. (Representative: David Lai)	Mike Chang, Jack T. T. Huang, Yung-Hong Yu, Kong-Ruey Duh, Henry Shaw, Fullerton Technology Co. (Representative: David Lai)	Jack T. T. Huang, Yung-Hong Yu, Kong-Ruey Duh, Henry Shaw, Fullerton Technology Co. (Representative: David Lai)	
TWD 2,000,000 - 4,999,999	David Lai			T.L. Lin	T.L. Lin	
TWD 5,000,000 - 9,999,999		-	-			
TWD 10,000,000 - 14,999,999		-	-	K.D. Tseng, K.Y. Chen	K.Y. Chen	
TWD 15,000,000 - 29,999,999		-	-	Simon Huang,	Simon Huang, K.D. Tseng, Mike Chang	
TWD 30,000,000 - 49,999,999		-	-	Frank Yeh	Frank Yeh	
TWD 50,000,000 - 99,999,999		-	-	-	-	
Above TWD 100,000,000		-	-	-	-	
	11		11	11		11

3.2.3. Remuneration Paid to Director, Supervisor, General Manager and Vice President in Previous Year

3.2.3.1. Remuneration Paid to Directors

[illegible]

100 resolved on Apr. 26, 2015; will take effect upon the resolution of General Meeting on Jun. 22, 2016.
100 resolved on Apr. 26, 2015; and will take effect upon the resolution of General Meeting on Jun. 22, 2016.

BOO resolved on Apr. 16, 2016, and with full effect upon the resolution of General Meeting on Jun. 22, 2016.

3.2.3.2. Remuneration Paid to General Manager and Vice Presidents

Title	Name	Salary (A)		Bonuses (B)		Total Compensation (C)		The Proportion of Total Compensation (C) to Net Income (D)		General Manager and Vice Presidents		Dec. 31, 2015: In thousands	
		From WPG	From Entities of Consolidated Financial Reporting	From WPG	From Entities of Consolidated Financial Reporting	From WPG	From Entities of Consolidated Financial Reporting	From WPG	From Entities of Consolidated Financial Reporting	From WPG	From Entities of Consolidated Financial Reporting	From WPG	From Entities of Consolidated Financial Reporting
General Manager	Frank Yeh	12,072	12,072	401	26,485	12,238	12,238	1.04	1.06	-	-	-	-
Senior Vice President	Cooper Hsieh	-	-	-	-	-	-	-	-	-	-	-	-
Vice President	Scott Lin	-	-	-	-	-	-	-	-	-	-	-	-
Vice President	Cliff Yuan	-	-	-	-	-	-	-	-	-	-	-	-
Vice President	Frank Yeh	-	-	-	-	-	-	-	-	-	-	-	-
Vice President	David Li	-	-	-	-	-	-	-	-	-	-	-	-
Total		12,072	12,072	401	26,485	12,238	12,238	1.04	1.06	-	-	-	-

* AGD received the proposed amount of cash bonuses allocated to employees on Apr. 26, 2016, and will take effect upon the resolution of General Meeting on Jun. 22, 2016.

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Remuneration Scales	Name		From Entities of Consolidated Financial Reporting
	From WPG		
Under TWD 2,000,000		Scott Lin, David Li	
TWD 2,000,000 - 4,999,999	Cooper Hsieh, Cliff Yuan, Jazz Chuang	Cooper Hsieh, Cliff Yuan, Jazz Chuang	
TWD 5,000,000 - 9,999,999			
TWD 10,000,000 - 14,999,999			
TWD 15,000,000 - 19,999,999		Frank Yeh	
TWD 20,000,000 - 24,999,999			
TWD 25,000,000 - 29,999,999			
TWD 30,000,000 - 34,999,999			
TWD 35,000,000 - 39,999,999			
TWD 40,000,000 - 49,999,999			
TWD 50,000,000 - 99,999,999			
Above TWD 100,000,000			
	6	6	

3.2.3.3. Bonus-Reward Managerial Personnel And Allotments

Title	Name	Share Bonus	Cash Bonus*	The Proportion of Total Compensation (C) to Net Income (D)	
				Manager and Vice Presidents	0.226%
General Manager	Frank Yeh	Aggregate	12,238	12,238	0.226%
Senior Vice President	Cooper Hsieh	-	-	-	-
Vice President	Scott Lin	-	-	-	-
Vice President (act. in 2015)	Cliff Yuan	-	-	-	-
Vice President	Frank Yeh	-	-	-	-
Vice President	David Li	-	-	-	-

* AGD received the proposed amount of cash bonuses allocated to employees on Apr. 26, 2016, and will take effect upon the resolution of General Meeting on Jun. 22, 2016.

3.2.3.4. Remuneration Policies, Standards/Packages, Formulation Procedures, the Linkage to Operating Performance and Future Risk Exposure for WPG and Entities of Consolidated Financial Reporting in Previous 2 Years

3.2.3.4.1. Proportion of Gross Remuneration Paid to Directors, Supervisors, General Manager, and Vice Presidents to Net Income in Previous 2 Years

Remuneration Type	From WPG		From Entities of Consolidated Financial Reporting	
	2014	2015	2014	2015
Pay of Director	40,315	35,760	40,315	35,760
Proportion of Pay Aggregate to Net Income (%)	0.69	0.66	0.69	0.66
Pay of Supervisor	-	-	-	-
Proportion of Pay Aggregate to Net Income (%)	-	-	-	-
Pay of General Manager and Vice President	58,746	56,195	58,978	57,211
Proportion of Pay Aggregate to Net Income (%)	1.01	1.04	1.02	1.06
Net Income (loss)	5,808,839	5,420,469	5,808,839	5,420,469

As shown in above table, the directors' remuneration, as well as remuneration paid to general manager and vice presidents decline in 2015. The reduction in net income in 2015 is primarily attributable to the percentage growth in the directors' remuneration (from entities of consolidated financial reporting), as well as remuneration paid to general manager and vice presidents.

3.2.3.4.2. Policies, Standards/Packages, Formulation Procedures, the Linkage to Operating Performance and Future Risk Exposure with Respect to Remuneration Paid to Directors, Supervisors, General Manager, and Vice Presidents

- The rules governing director and supervisor's remuneration are as follow: By the Articles of Incorporation, WPG shall, at the time of reported year-end surplus profits, after losses over the years have been covered and all taxes and dues have been paid, first set aside 10% of such profits as a legal reserve, appropriate another sum as a special reserve as laws and regulations stipulate, propose a distribution scheme, obtain the resolution at a meeting of shareholders, and then distribute the accumulated allocable profits according to the following:
 - directors and supervisors' remuneration accounting for 3% or less, and

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- bonuses of employee ranging between 0.01% and 5%
- The rules governing general manager and vice president's remuneration are as follow: By WPG's Articles of Incorporation, general manager and other managerial persons' compensation shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the company; the compensation of vice president shall be proposed and submitted by general manager for chairperson's approval.
- By WPG's Articles of Incorporation, operational profit and losses do not condition the pay of directors conducting the business of the company, which is authorized to and decided by a resolution at a meeting of the board of directors in the light of participation and value of contributions to the company and with reference to industry standards. The establishment of remuneration committee under board of directors assists in the development of compensation policies for directors, senior management, and the company as a whole. At the time of reported year-end surplus profits, the board of directors shall propose a distribution scheme, obtain the resolution at a meeting of shareholders, and then distribute the compensation for directors. By WPG board resolutions, directors and committee conveners receive fixed pay every month; committee members are offered allowance according to attendance of meetings, and no compensation else. By the Articles of Incorporation and functioning of board and remuneration committee, WPG shall from time to time review the remuneration for director and senior management according to one's participation and value of contributions to the company, and minimize the possibility of and linkage to future risk events, in order for balance between sustainable management and risk management. WPG has insured the board and managerial personnel against liability, with insured amounts adding up to USD 15,000 thousand; by means of D&O insurance, WPG mitigates the risk exposure, shifting the potential damages arising from the business conduct of directors, managerial personnel and corporation.

3.3. Overview of Corporate Governance

3.3.1. Operational Status of Board

The 3rd term of office of board of directors is composed of 17 directors. After the reelection on Jun 18, 2014, the board is composed of 11 directors who are professional and experienced at semiconductor, financial, business, and management fields. Attorney Jack J.T. Huang of Jones Day, Professor Rong-Ruey Duh of National Taiwan University College of Management, and Yung-Hong Yu the director & general manager of A1 Management Consulting Ltd., among others, are independent

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directors.

The board has the responsibility to supervise the overall operations and affairs of the company and make decisions for major investment and M&A matters. In the most recent year, the board had 10 meetings; the status of attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Proportion of Attendance in Person (%)	Remarks
Chair	Simon Huang	9	1	90	Successive term
Vice Chair	K.D. Tseng	8	2	80	Successive term
Director	Moh Chien	9	1	90	Successive term
Director	T.L. Lin	10	0	100	Successive term
Director	K.Y. Chen	10	0	100	Successive term
Director	Frank Yeh	8	2	80	Taking office on Jun. 18, 2014 re-election of the board
Director	Fullerton Technology Co. (Representative: David Lai)	10	0	100	Successive term
Director	Henry Shaw	10	0	100	Elected in his own name on Jun. 18, 2014 re-election of the directors and independent directors
Independent director	Jack J. T. Huang	10	0	100	Successive term
Independent Director	Rong-Ruey Duh	10	0	100	Successive term
Independent Director	Yung-Hong Yu	10	0	100	Successive term

Statement:
1. For the matters provided in Article 14-3 of Securities and Exchange Act and other resolutions included in records or stated in writing regarding independent director's dissenting or qualified opinion, the date, period, agenda items of the board meeting, independent directors' opinions and the actions taken by the company shall be stated: none.
2. For the status of independent directors' recusal with respect to relationship of interest, the names, agenda items, reasons to enter recusal, and status of voting shall be stated: none.
3. Targets of enhanced functions of board of directors (i.e. establishment of audit committee, enhancement of information transparency) of the year and in the most recent year and progress assessment: in order to sounder supervising functions of board of directors and robust managerial mechanism, starting from 2008, NIPD advances the establishment and operation of audit and nomination committees, and establishes the new business strategy committee on Oct. 29, 2013. Refer to 3.3.4 "Operational Status of Audit Committee", 3.3.3 "Composition, Duties, and Operational Status of Remuneration Committee", and 3.3.4 "Operational Status of New Business Strategy Committee" in page 30.

3.3.2. Operational Status of Audit Committee

The 4th term of office of board of directors is composed of three independent directors. The audit committee is composed of all of the three independent directors in place in order to better corporate governance, sounder audit supervision, and robust managerial function. The purpose of the committee is to assist the board of directors in implementing supervising functions; the matters under review include corporate financial statements, corporate policy and procedures for auditing and accounting, corporate internal control mechanism, major acquisition or disposal of assets, appointment/dismissal/compensation of certifying accountant, and other material corporate affairs or items required by competent authorities, the status of attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Proportion of Attendance in Person (%)	Remarks
Independent director (convener)	Rong-Ruey Duh	10	0	100	Successive term
Independent director (member)	Jack J. T. Huang	10	0	100	Successive term
Independent director (member)	Yung-Hong Yu	10	0	100	Successive term

Statement:
1. For the matters provided in Article 14-5 of Securities and Exchange Act and other resolutions that has not been passed by the audit committee but has been adopted with the approval of two-thirds or more of all board directors, the date, period, agenda items, the resolution result of audit committee, and the actions taken by the company shall be stated: none.
2. For the status of independent directors' recusal with respect to relationship of interest, the names, agenda items, reasons to enter recusal, and status of voting shall be stated: none.
3. Status of independent directors' communication with internal auditors and independent auditors: the audit committee is composed of all of the three independent directors, meeting at least one time per quarter, joined in auditor, accounting and financial head's routine presentation; the certifying accountants also regularly communicate with the audit committee.

3.3.3. Composition, Duties, and Operational Status of Remuneration Committee

3.3.3.1. Committee Member Profile

Position	Qualification Name	With At Least Five Years Work Experience And Following Professional Qualification Requirement	Independence								Concurrent Service As An Remuneration Committee Member of Other Public Companies
			1	2	3	4	5	6	7	8	
Independent Director	Yung-Hong Yu	Instructional or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private college, college, or university	V	V	V	V	V	V	V	V	1
Independent Director	Jack J. T. Huang	Instructional or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private college, college, or university	V	V	V	V	V	V	V	V	3
Independent Director	Rong-Ruey Duh	Instructional or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private college, college, or university	V	V	V	V	V	V	V	V	0

*Mark V if during the two years before being elected or during the term of office, the member didn't and doesn't

meet any of the following:

- An employee of the company or any of its affiliates;
- A director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the company is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares;
- A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings;
- A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs;
- A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company or that holds shares ranking in the top five in holdings;
- A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company;
- A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company;
- Any of the circumstances in the subparagraphs of Article 30 of the Company Act

3.3.3.2. The Operational Status of the Remuneration Committee

The purpose of the committee is to assist the board of directors in the deliberation and formulation of director and managerial personnel remuneration, assessment of companywide remuneration policies, and the transaction of remuneration evaluation affairs.

The committee is composed of three members. The 4th term of office is from Jun. 18, 2014 to Jun. 17, 2017. Yung-Hong Yu, the independent director, convenes the committee no less than two times a year.

The committee chairman Yung-Hong Yu convenes four meetings in FY2015; the

status of attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Proportion of Attendance in Person (%)	Remarks
Independent Director (convener)	Yung-Hong Yu	4	0	100	Successive term
Independent Director (member)	Jack J. T. Huang	4	0	100	Successive term
Independent Director (member)	Rong-Ruey Duh	3	1	75	Taking office on Jun. 18, 2014 re-election of the board

Statement:
1. If the board of directors will decline to adopt a recommendation of the remuneration committee, the date, period, agenda items, the resolution outcome of the committee and the actions taken by the company (i.e. If the remuneration passed by the board exceeds the recommendation of the committee, the circumstances and cause for the difference shall be specified) shall be stated: none.
2. If with respect to any resolution of the committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the date, period, agenda items, opinions of all members and actions taken on shall be stated: none.

3.3.4. The Operational Status of the New Business Strategy Committee

The purpose of the committee is to assist the company with the development of second tier core business, in order for elevated strategy-making and beneficial outcomes.

The committee is set up on Oct. 29, 2013, composed of five members, including four directors and one independent director. Director K.D. Tseng convenes the committee no less than four times a year.

The chairman K.D. Tseng convenes five meetings in FY2015; the status of attendance is as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Proportion of Attendance in Person (%)	Remarks
Director (convener)	K.D. Tseng	5	0	100	Successive term
Director (member)	Simon Huang	5	0	100	Successive term
Director (member)	T.L. Lin	5	0	100	Successive term
Director (member)	K.Y. Chen	5	0	100	Successive term
Independent Director (member)	Yung-Hong Yu	5	0	100	Successive term

Statement: none.

3.3.5. The State of the Company's Implementation of Corporate Governance, Departure of Such Implementation from the Corporate Governance Best Practice Principles for TWSE/GTSH Listed Companies, and the Reason for Any Such Departure

Item	State of Implementation ¹			Departure and Reason for Such Departure from the Corporate Governance Best-Practice Principles for TWSE/GTSH Listed Companies
	Yes	N	Summary	
1. The company formulates and discloses own corporate governance principles with reference to "Corporate Governance Best-Practice Principles for TWSE/GTSH Listed Companies".	V		WPG has formulated the corporate governance principles on Jul. 27, 2010; refer to "Overview of Corporate Governance" of the annual report.	None.
2. Ownership Structure and the Rights and Interests of Shareholders				
2.1. The company formulates and implements internal procedures for handling of matters referred to shareholder proposals, inquiries, and disputes.	V		2.1. WPG designates spokesperson, deputy spokesperson, and shareholder services agent to handle such matters.	None.
2.2. The company retains a register of major shareholders who have controlling power, and of the persons with ultimate control over those major shareholders.	V		2.2. WPG's shareholder services division retains the register of major shareholders; such records are disclosed, by law, on the designated internet information pooling system of Securities and Futures Institute.	None.
2.3. The company establishes and carries out the risk management and firewall control between itself and its affiliated enterprises.	V		2.3. WPG's internal control systems already have relevant systems; clear distinction has been drawn between the responsibilities and duties of involved persons and no abnormal transactions have been identified.	None.

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Item	State of Implementation ¹			Departure and Reason for Such Departure from the Corporate Governance Best-Practice Principles for TWSE/GTSH Listed Companies
	Yes	N	Summary	
2.4. The company formulates internal rules prohibiting company insiders from trading securities using information not disclosed to the market.	V		4. WPG has "Procedure for the Management and Prevention of Insider Trading" in place, prohibiting company insiders from trading securities using information not disclosed to the market.	None.
3. The composition and duties of the board of directors				
3.1. The board of directors formulates and implements a policy on diversity of board composition.	V		3.1. The WPG's board composition is on diversity: background of board members include law, accounting, finance, human resources and management etc., in addition to the electronics component business.	None.
3.2. The company sets up other optional functional committees, in addition to the compulsory remuneration and auditing committee.	V		3.3. WPG has auditing, remuneration, and new business strategy committee in place.	None.
3.3. The company formulates rules and procedures for board performance assessments, and each year conducts regularly scheduled performance assessments.	V		3.4. WPG conducts director self-assessment via closed- and open-ended questionnaires at July or so each year, and proposes to formulate rules and procedures for board performance assessment in FY2015.	None.
3.4. The company evaluates periodically the independence of the attending CPA.	V		3.4. Each year, according to the adopted Procedures for Election and Evaluation of Attending CPA approved by the auditing committee, CPA (certified public accountants) should regularly	None.

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Item	State of Implementation ¹			Departure and Reason for Such Departure from the Corporate Governance Best-Practice Principles for TWSE/GTSH Listed Companies
	Yes	N	Summary	
4. The company establishes a channel to communicate with the stakeholders, designates a stakeholder's section on its website, and appropriately responds to corporate social responsibility issues of stakeholders' concern.	V		submit statement, and the accounting department conducts evaluation for the independence, competence and relation of attending CPA, then submitting to the board for approval after the committee's review. Aiming for enhanced corporate governance, WPG has set up a website of "Stakeholder Engagement" to offer direct channels of communication with "company stakeholders" like employees, shareholders, corresponding banks, consumers, suppliers etc.(.). The website provides the e-mail address of auditing committee as Procedure for Advice Receiving and Complaint Case Handling by Audit Committee provides, directing issues including but not limited to CSR to the committee for their response; so as to build a direct and undistracted channel between stakeholders and auditing committee to respect and safeguard their legal rights. To the connecting address is as follows: http://www.vogholdings.com/stakeholder/index.php .	None.
5. The company engages a professional shareholder services agent to handle shareholders meeting matters.	V		WPG engages Capital Securities Corporation to handle shareholders meeting matters.	None.

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Item	State of Implementation ¹			Departure and Reason for Such Departure from the Corporate Governance Best-Practice Principles for TWSE/GTSH Listed Companies
	Yes	N	Summary	
6. Information Disclosure				
6.1. The company sets up a website disclosing the information regarding the company's finances, operations and corporate governance.	V		6.2. WPG has a public website (www.vogholdings.com) in place, regularly disclosing and updating the information regarding the company's finances, operations and corporate governance for investors' reference.	None.
6.2. The company adopts additional means of information disclosure (i.e. set-up of English website, appointment of personnel responsible for gathering and disclosing the information, establishment of spokesperson system, publication of audio or video record of investor conference on corporate website etc.)	V		6.2. The WPG website in place is English-furnished and the information thereof is gathered and disclosed by responsible persons; briefings of investor conference are also available for investors' reference.	None.
7. The company avails additional major information in favor of understanding its operation of corporate governance, (including but not limited to: interests of the employees, care for employees, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, policy of risk management, executive state of risk metrics, executive state of customers policy,	V		7.1. Interests of the employees, care for employees: refer to page 93-100 for detail of "Labor Relation" section of the annual report; 7.2. WPG is a holding company, engaging neither manufacturing nor selling, hence not polluting the environment; transactions with suppliers are primarily everyday general business operations. 7.3. In order for sound corporate governance systems, WPG already formulates its corporate	None.

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Title	Name	Date Elected	Curriculum Start Date	End Date	Organizer	Subject	Hours
Director	K.Y. Chen	Jun. 14, 2005	May 12, 2015	May 12, 2015	Securities and Futures Institute	Director/Board Performance Assessment	3
Director	Frank Yeh	Jun. 18, 2014	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Director/Board Performance Assessment	3
Corporate Representative Director	David Lu	Jun. 14, 2005	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Raising the Function of Director/Board	3
Director	Harry Shaw	Jun. 14, 2005	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Master the Corporate Governance and CSR Trends	3
Independent Director	Rock-Ruey Duh	Jun. 25, 2008	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Director/Board Performance Assessment	3
Independent Director	Jack J. T. Huang	Jun. 14, 2005	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Raising the Function of Director/Board	3.5
Independent Director	Yung-Hong Yu	Jun. 25, 2008	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Director/Board Performance Assessment	3

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3.3.5. The Status of Implementation of the Corporate Social Responsibility Policy Systems, Action Plans, and Results of Environmental Protection, Community Involvement, Social Contribution, Social Services, Social Good, Interests of Consumer, Human Rights, Safety and Health, and Other Social Responsibility Activities

Item	Status of Implementation ¹			Departure and Reason for Such Departure from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No	Summary	Departure from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies	Hours
1. Exercise corporate governance					
1.1. The company formulates policies or systems for CSR, and reviews the results thereof.	V			None	
1.2. The company regularly organizes education and training on social responsibility.	V			None	
1.3. The company establishes an exclusively (or concurrently) dedicated unit, appoints executive-level positions, to be in charge of CSR initiatives and to report on the same to the board of directors on a periodic basis.	V			None	
1.4. The company formulates reasonable remuneration policies, combines employee performance evaluation system with CSR policies, and establishes clear and effective incentive and discipline system.	V			Continue the prudent follow-up	

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Item	State of Implementation ¹			Departure and Reason for Such Departure from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
provision of D&O liability insurance etc.)		0	<p>governance principles on Jul. 27, 2010 with reference to TWSE and GTSM's "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".</p> <p>7.4. WPG's directors have faithfully conducted corporate affairs and perform the duty of care of a good administrator in exercising their powers.</p> <p>7.5. WPG provides D&O liability insurance for its directors and managerial persons.</p> <p>7.6. WPG already formulates the per-WPG "Policy and Procedure for Risk Management" on Apr. 24, 2012, and has amended the executive state of risk management policy and risk metrics on Jan. 26, 2015; refer to page 335-342 for detail of "Risk Management" section of the annual report.</p> <p>7.7. The continuing education of directors is governed by Directors for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies; refer to page 37 for detail.</p>	None.
8. The company's corporate governance is evaluated and reported through self-assessment or engaging outside	V		In 2015, WPG signs up for the Corporate Governance Evaluation System held by Securities and Futures Institute under the authorization of TWSE; WPG	

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Item	State of Implementation ¹			Departure and Reason for Such Departure from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
professional institutions. (If yes, please state the opinions of the board, result of self-assessment or outside evaluation, major deficiency, recommendations, and state of improvement) ²			ranked the top 20% among 798 TWSE Listed Companies in 2014 and the top 6%-20% among 824 TWSE Listed Companies in 2015. The audit committee will enhance our "implementation of CSR" based on the result of evaluation.	None.

- Whether yes or no, provision of summary is required.
- The report of corporate governance self-assessment is the reporting and statement regarding current item implementation and execution state made by the company itself according to the items of corporate governance self-evaluation.

Title	Name	Date Elected	Curriculum Start Date	End Date	Organizer	Subject	Hours
Chair	Simon Huang	Jun. 14, 2005	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Director/Board Performance Assessment	3
Vice Chair	K.D. Yang	Jun. 22, 2011	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Raising the Function of Director/Board	3
Director	T.L. Lin	Jun. 14, 2005	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Director/Board Performance Assessment	3
Director	Mike Chang	Jun. 14, 2005	May 12, 2015	May 12, 2015	Taiwan Corporate Governance Association	Raising the Function of Director/Board	3

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Item	Status of Implementation ¹		Departure and Reason for Such Departure from the Corporate Social Responsibilities Best-Practice Principles for TWSE/ETSH Listed Companies
	Yes	No	
3.6. The company establishes relevant policies on protection of rights and interests of consumers and procedure for accepting consumer complaints with respect to R&D, procurement, production, operations, and services.	V		position/level, aligning human resource, career development, and business objectives for a win-win-win outcome. 3.6. WPG's business model is B2B for businesses and supply chain management, no outreach for end consumers; the form is integral governance by means of industrial holding company, engaging capital markets, along with the provision of corporate governance on corporate website for investors' reference, contact person and email address also available for complaints and inquiry resp%.
3.7. The company follows relevant laws, regulations and international guidelines when marketing or labeling their products and services.	V		3.7. WPG's services of B2B business sale and supply chain are in compliance with internal and external regulations, setting up trade compliance unit in charge of export control, ensuring circulation of goods obeying U.S. laws and decrees, and the counterparties are legal and legitimate.
3.8. The company assesses whether there is any record of a supplier's impact on the environment and society prior to engaging in commercial dealings.	V		3.8. WPG's not fully taken the supplier's records of environmental and social impacts into consideration yet.

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Item	Status of Implementation ¹		Departure and Reason for Such Departure from the Corporate Social Responsibilities Best-Practice Principles for TWSE/ETSH Listed Companies
	Yes	No	
3.9. The company enters into a contract, whose terms stipulate that such contract may be terminated or rescinded any time if the supplier has violated the company's CSR policy and has caused significant negative impact on the environment and society, with any of their major suppliers.	V		3.9. WPG's not got under way yet.
4. Enhance disclosure of information 4.1. The company discloses relevant and reliable information relating to their CSR initiatives on its website and Market Observation Post System.	V		WPG provides Corporate Governance as well as Stakeholder Engagement on its website, and discloses relevant information from time to time through the two sections.
5. The company establishing own CSR policies according to Corporate Social Responsibilities Best-Practice Principles shall state any discrepancy of practice from such policies: WPG has CSR policies in place. So far, WPG has actively aligned itself and its affiliates with such policies. 6. Additional major information availing the understanding of the operation of the company's CSR: Following the provisions enacted by financial administrations, WPG is a corporate to make CSR report regularly. Regarding such information download the report at website: http://www.wpgtrading.com/csr_area/index.php 7. The company whose CSR report has been adopted by relevant certification bodies shall state: None.			Continue the prudent follow-up

1. Whether yes or no, provision of descriptive summary is required.
2. The descriptive summary may be replaced with the annotations referring to the CSR reports (if any) or the indexed paging thereof.

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Item	Status of Implementation ¹		Departure and Reason for Such Departure from the Corporate Social Responsibilities Best-Practice Principles for TWSE/ETSH Listed Companies
	Yes	No	
2. Foster a sustainable environment 2.1. The company endeavors to utilize all resources more efficiently and use renewable materials which have a low impact on the environment.	V		2.1. WPG and its affiliates dedicate themselves to promotion and enhancement of sustainable environment, through propaganda and execution, lining the efficiency of resource reuse in respect of energy saving and waste reduction, lowering the impact on environment.
2.2. The company establishes proper environment management systems based on the characteristics of their industries.	V		2.2. With regard to environmental health and safety initiatives, WPG and its affiliates plan to popularize relevant acts, decrees, and spirits companywide in order to elevate relevant staff skills and lessen the risk events.
2.3. The company monitors the impact of climate change on their operations, enforces corporate greenhouse gas inventory, and establishes strategies for energy conservation and carbon and greenhouse gas reduction.	V		2.3. Climate change to date has grown into investors and businesses' major concern. WPG and its affiliates appreciate the consequential price hike of commodities and supplies even affecting the supply and operations, along with uncontrollable natural disasters and the direct damage to business activities; as a result, the companies review energy-saving and carbon reduction at issue, actively improving internal process of transportation and packing, saving energy and reducing carbon for real result.

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Item	Status of Implementation ¹		Departure and Reason for Such Departure from the Corporate Social Responsibilities Best-Practice Principles for TWSE/ETSH Listed Companies
	Yes	No	
3. Preserve public welfare 3.1. The company adopts relevant management policies and processes in compliance with International Bill of Human Rights.	V		3.1. WPG and its affiliates comply with local labor laws and regulations, respecting internal recognized basic labor rights, laying down rules of governance, ensuring the basic interests and right of the workforce
3.2. The company establishes grievance mechanism and channel and responds to any employee's grievance in an appropriate manner.	V		3.2. WPG provides channels of communication for employees, setting up "staffs' box" and "e-mail account" for them to submit opinions, and sending the feedbacks to responsible units.
3.3. The company provides safe and healthful work environments for their employees, and organizes training on safety and health for employees on a regular basis.	V		3.3. WPG and its subgroups have dedicated units for education and training of workplace safety, organizing events, courses of lecture, and regular health exams, in order for coherence and physical/mental health of workforce.
3.4. The company establishes a mechanism to facilitate regular communication with employees, and informs employees of operation changes that might have material impacts by reasonable means.	V		3.4. WPG and its subgroups convene monthly and quarterly gatherings to announce major corporate operations and changes in governance procedures.
3.5. The company establishes effective training programs to foster career skills.	V		3.5. WPG and its subgroups organize education training package (i.e. seniority/EHSA) in the light of

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3.3.6.1. Additional Major Information Availing the Understanding of the Operation of Corporate CSR

WPG Holdings follow Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies, refer GRI Guidelines to make CSR reports for affiliated corporations, make a comparative report to represent its structure based on business development and core competence; thereby fully disclose information with various stakeholders. To review and improve the internal organization by making annual report and is a basis for coming year's plan. Next is to summarize the guidelines but important descriptions of the main four subjects "sustainable governance, personnel development, industry exchange and social participation".

I. Sustainable governance mechanisms

WPG Holdings is a pioneer in Taiwan's industrial holding business, with "industrial holdings" patterns in line with the principles of competition and cooperation and more flexible in resource use in business; "to be divided in front-end will fight and closed in the back-end will win" in trading strategy. In such a business background will WPG Holdings pay greater attention to the organization's corporate governance structure and related management regulations.

a. Perfect in corporate governance structure

WPGH's Board of Directors consists of eleven distinguished members. Their outstanding careers and breadth of experience encompass semiconductor, finance, business, and management. Three of the eleven members are independent directors; Professor Rong-Ruey Duh of National Taiwan University, Mr. Jack J. T. Huang, Chairman of Jones Day's, and Mr. Yung-Hong Yu, Managing director of A1 Management Consulting Ltd. The Board's primary duty is to oversee the overall business and corporate affairs of WPGH and resolve issues like major investments, merger and acquisition etc. Three functional committees under the Board of Directors are Audit Committee, Remuneration Committee and New Business Strategy Committee. The status of implementation of the board of directors and committees in 2015 are:

10 meetings of Board of Director; 94.55% attendance rate by directors.

10 meetings of Audit Committee; 100% attendance rate by members.

4 meetings of Remuneration Committee; 92% attendance rate by members.

5 meetings of New Business Strategy Committee; 100% attendance rate by members.

b. The establishment of Corporate Social Responsibility Committee

WPG Holdings suggests that "meaningful CSR activities must be based on core competence, internalize within the organizational culture, and continue to improve" and "uses unique resource and expertise to engage in issues related to public interest so as to enhance their contribution in society."

In addition to comply with the regulations from administrations, preparing CSR report with outside consultants in 2015, WPG Holdings re-examined the relevant management unit and established WPG Holdings CSR Committee and groups. They brought each top management team into the member of Committee, set short and medium term objectives and management agreement of holding regular meetings.

Corporate social responsibility is not only to participate in social welfare, but the overall implementation in business operations. The range is wide and profound, encompasses all departments issues. Only by linking the organizational resources of each unit does it complete gradually.

II. Multi-talented development blueprint

WPG Holdings and its subgroups provide professional supply chains as their business goal. They convince that only with good human capital can they offer the outstanding professional services. For the cultivation of human capital, we have been long devoting into that without hesitation. To nurture talent is like the rice cultivation, only by non-stop irrigation will it have a fruitful harvest future.

a. The implementation of professional skills cultivation

Owing to the fact that the affiliates, subsidiaries under the banner of WPG Holdings Limited have their own unique characteristics on business policies and organizational cultures, different manpower training and development resources can be used for the presentation of the variety of learning features. The overall training structure is built on the basis of general and professional training programs for the cultivation of employee's competitiveness and the creation of organizational performance. Our step by step training programs promoted throughout all sectors construct leading teams to guide our organization in facing the challenges for sustainable development and growth.

The classification of training	Main Participants	Main contents of courses	Courses of goals
General training program	Newly-employed personnel	Including a presentation of our Company, Introduction to the Concept of "core values" and relevant introductory courses for basic skills. The general training program includes courses in information management and the implementation of the	To help the newly-employed personnel understand the company and function well as part of a team operation for the development of professional expertise at their workplace

The classification of training	Main Participants	Main contents of courses	Courses of goals
		cultivation for use of internal corporate platform systems (e.g. ERP/WMS/WEBFLOW)	gradually. Also, to help them get familiar with information tools and make the best use of tools for the enhancement of work outputs and effectiveness.
Professional Training program	Products staff / Business staff	To plan and allocate suitable and appropriate professional skill courses in accordance with different position/competency levels. Also, irregular training sessions will be targeted and conducted according to the product technologies and business models used by the upstream and downstream supply chains.	Creating our competitive professional front end-services, planning and performing our corresponding training courses for other types of competencies along with the professional development trends and the formulation of related laws and regulations for employees' continuous enhancement of professional capabilities.
Management Training program	Supervisors and middle management	Management courses for Supervisors and middle management	To cultivate the capabilities of supervisors and middle management in accordance with the requirements of organizational developments, operational competitions and human layouts.

b. Exchanges of Framework's Core Competencies

At first, WPG Holdings concentrated continuously the internal expert knowledge of all aspects to resolve emergent major issues by means of virtual reality team projects. We conducted the team's learning and growth through knowledge exchange and sharing of experiences. At present, we focus on the talents with high and intermediate levels to form executive elite class and EMBA class. Giving them the cross territory professional learning courses of talents management, practice of strategies, change management, lead and staffing skills to face the eventful and challenging operating environments. All learning teams get practices of individual experiences matching with theory structures, and the reciprocal searching and introspection achieving dual cycling of learning. In addition, through the analysis and decomposition cases from benchmarking corporations for issues concerning management and leadership creates learning effects of emulation and obtaining experiences by other's mistakes. The exploration of issues with different aspects via pattern of organizational learning surges and abstracts the organizational capabilities that belongs to WPG Holdings.

The training courses conducted in 2015 are:

Types of classes	Time	Locations	Main contents of courses	Number of participants
Executive elite class	104.03	Taipei	Changing organizational developments and talents strategies	About 40 persons
Executive elite class	104.07	Taipei	Strategic considerations and organizational developments under new age	About 40 persons
EMBA class	103.12 104.01 104.03	Taipei Shenzhen Shanghai	Analysis business and strengths business coaching and consultancy	About 150 persons
EMBA class	104.04 104.04 104.05	Taipei Shenzhen Shanghai	Marching towards the summit by conducting of team leadership	About 150 persons
EMBA class	104.03 104.05 104.08	Taipei Shenzhen Shanghai	To serve as the connecting link between the preceding and the following for sustainable growth	About 150 persons

II. Industrial expertise sharing

a. Industrial expertise sharing

- WPG's monthly e-papers attract 735,000 tags from collaborative tagging, and the open rate grows 90%, deliverability striking 97%, with 49 categories and 14 catalogs of collaborative tagging. Associates from subgroups actively engage in industrial news sharing, sparing little knowledge and while elevating transnational competitiveness.
- 6,193 news exposures; 4,441 news exposures for programs; In China, the average times of indexing per news article is 54. (In 2015)
- WPG's Weibo has 316,800 fans, growing 200,000 during the year. The fans and posts both outnumber industrial peers.
- WPG's Weixin, the first micro portal in IC Industry, leads the peers. The graphic forwarding rate of the four deliveries of mass message is near 3%, and there are over 1 million reads, 32,000 shares, and 35,551 precision fans. Sharing of core expertise allows the general public to get better picture of industrial update and trends, and advances the professional depth and width so as to integrate the international standards and elevate the competitiveness.
- In response to customers' changing usage habits owing to the generation of mobile network approaches, WPG Holdings are continuously optimizing our online content marketing program and full-coverage mechanism of interactive community marketing by creating and continuous promoting inbound marketing, which leads an interactive cooperation and mobile marketing. At the same time, we are transforming with specific numerical values to realize marketing promotion effectiveness by establishing complex inbound marketing effectiveness index (short form: Inbound AD Value). Our integrated overall promotion value during fiscal year 2015 is close to the amount of RMB 80M, which has increased 300 percent that of 2014. Community resources such as large double micro, circle of friends, forums and have been effectively used to promote our self-media operational effects creating sensitive services through cross selling between upstream and downstream supply chains for the continuous enhancement of adherence to customers loyalty.

Through the promotion of the above-mentioned marketing activities to further cultivate talents who are more competitive and outstanding.

b. Research collaborations between academia and industry

WPG Holdings has been collaborating with The College of Commerce at National Chengchi University since 2010, rooting for "Industry-Academia Collaboration

Program over supply chains management". To systematically organize the technical know-how within Taiwan supply chains management with the combination of theories and practices is our first target. To create a complete set of teaching material and study cases for supply chains management is our second target, and to provide Taiwan industry supply chains with administrative talents is our third and final target.

The promotion program is conducted on a termly basis and each term lasts three years. The first term began in September 2010 and ended in August 2013, and the collaboration projects accomplished include the planning and execution of the credit program in supply chain management, the cultivation of the supply chain management professional, and the planning of industry expert forums. The second term began in September 2013 and ended in August 2016, for which the total budget amounted to NT\$11M targeting the setting up of the supply chain management research center the main collaborative goal. The College of Commerce at National Chengchi University is going to integrate the research personnel related to supply chain management engaging medium and long term and forward-looking research agendas over the related innovation and management issues with their industrial experiences to resolve industry supply chain operation dilemma, to develop innovation strategies for industry supply chain, and to look forward to achieving the following goals:

- Conducting researches in relation to service designation and management, and developing the innovation models over supply chain via the establishment of knowledge management platform for industry.
- Providing consultations for advanced studies of industry, government, academia, research and pathways for collaboration. Giving an impetus to the industry to conduct service designation, management and innovation for supply chain in perspective of service science.

3.3.6.1.1 Social Participation and Green behavior

The affiliates and subsidiaries under the banner of WPG Holdings deliver effectively the love resources in their organizations to society/community groups through information sharing and link resources. They make the best use of all types of organizational resources, bring the abilities that organization or employees needed into play in contributing to social participation. The employees' efforts for environmental protection required by WPG Holdings, its affiliates and subsidiaries have been focusing on planning and management for carbon reduction and recycling and reuse of packaging consumptive material, which are different from those of employees who work for other corporations in which to save energy for their daily used office environment equipment only.

a. Human Nature Logo

With social responsibility vision, core competence and the faith of taken from society, give back to society, WPG Holdings and its affiliates, subsidiaries clipped in to found "WPG Holdings Education Foundation" aiming at enhancing knowledge economy, constructing high quality educational environment, promoting academic and practices research over business management, showing love care for arts and humanities, and environment education as their objectives. At the same time, we are striving for high quality educational environment through industry-academia collaboration and relevant continuing education group. Looking forward to cultivating young students more and enhancing our international competitiveness.

Work Projects	Time for activities	Implementation contents	Related information and total number of participants
Scholarship for poor students	April 2015 & November 2015	Scholarship distribution for poor students	A total of 10 students from National Taipei University of Technology has been granted. NT\$25,000 each.
Library facility augment project for Chang-Te Junior High School	2015/7/01~2015/08/31	Sponsoring for augment library environment facility for Chang-Te Junior High School	1. Exploring new horizons in reading comprehension to develop students to their full potential. Coaching them for adaptive development in cultivation of language professional. 2. Promoting reading diversification to individually encourage students' participation in various of reading comprehension

Work Projects	Time for activities	Implementation contents	Related information and total number of participants
Wangdao Forum, "Wangdao Forum 2015" project	2015/09/14-15 September 14-15, 2015	Wangdao Forum, Sponsoring for activity of "Wangdao Forum 2015"	competitions held inside and outside school in cultivation of students' sense of honor and gain a credit for their schools. 1. Forum theme: Taking a kindly way of walking to fulfill your best dreams: Constructing a platform for value co-production by global overseas Chinese 2. Issue: Taking value co-production of ecological balance issue as a main shaft, integration of developed projects in industry, government territories, or ideas proposed for promotion by emerging a substantial platform echoing and brainstorming the aggregation of Chinese power for the realization of a practical contribution to global economy and culture.

Work Projects	Time for activities	Implementation contents	Related information and total number of participants
			3. A totalling of 300 participants.
Zayin choral group of fundraising road show events	2015/06/01~2015/12/31	Sponsoring of Zayin choral group members (blind or visually impaired) in their road show events of 2015 for composition practice by blowing musical instruments and signing. Letting love spread out.	With beautiful harmonies and amusing performance, Zayin choral group sang out some memorable foreign and local golden oldies such as "The Pistle in a Flower", Home Sweet Home" and "I am a Train". Although blind and visually impaired members are unable to see any hope or vision because of vast and hazy laying before their eyes, they are unyielding and use their best efforts to perform by their self-confidence, optimism and strong attitudes. They regard their fingertips as their eyes, practice industriously to overcome various of performance obstacles. The choral group hopes to activate songs lifetime by singing

Work Projects	Time for activities	Implementation contents	Related information and total number of participants
			them, they want to bring the choir artwork they persist and persevere into health care settings and prisons in attempt to arouse the deep thought of life and awakening to prisoners and the general public for their gaining back the hope of life. It is presumed that the number of the indirectly benefited diffused audience will be inestimable.
2015 concert tours performed by blind or visually impaired persons	2015/10/17 October 17, 2015	Co-Sponsorship with "Music Foundation for the Blind in Taipei" to conduct 2015 concerts with a theme of "Sparkling in the dark nights"	Supporting music education and employment development for people who are blind or visually impaired. The total number of participants is around 1,000.
2015 unique to paradise theater tours	January 1, 2015~December 31, 2015	Sponsoring for 2015 unique to paradise theater tours	To internationally and domestically promote unique to paradise theater by using workshop or show types for an in-depth exchange of views with

Work Projects	Time for activities	Implementation contents	Related information and total number of participants
			the public. Making popularization of Taiwanese fine arts in regaining the identification of their own culture and for the enhancement of humanistic education over domestic arts. Total of thirteen (13) sessions held in 2015, around 4,500 people participated in the activity.

1. Employee communication and participation

Communications mechanism for labor and employer to hear from each other's opinions, e.g. satisfactory survey, industrial negotiation etc., fundamentally effects the review and improvement of business management, cultivating the culture of understanding and foundation of mutual trust, promoting and enhancing each other, learning and growing, achieving the idea of sustainability for both corporate operation and laborer's career.

WPG and its subgroups gather employees' voice and opinion through satisfactory survey, and propose enhancements in the identified weaker parts out of satisfactory statistics; by means of irregular surveys, shed light on job satisfaction at different levels, and employees' acceptance of governance policies.

3.3.6.1.2 Environmental Protection

1. Environmental action items

3.3.7 The Status of and the Measures Taken for the Implementation of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

3.3.8		Status of Implementation ^a		Departure and Reason for Such Departure from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
Item		Yes	No	
1 Adopt ethical corporate management best practice principles				
1.1 The company clearly specifies in its rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies.	V		1.1 WPG adopted and publicized Code of Ethical Management and Code of Ethical Conduct on its website with reference the templates prepared by competent authority, proclaiming the policy to general public on Jan., 29 2013.	None
1.2 The company adopts programs to prevent unethical conduct and sets out in each program the standard operating procedures, conduct guidelines, disciplinary and appeal system, and carry out such programs.	V		1.2 WPG adopts Consent of Services, clearing stating the criteria regarding non-disclosure of confidential information, prohibition of insider trading etc., and provides procedures for discipline in reward and discipline system in the event of non-ethical acts. HR proposes division heads regularly reviewing the status of staff's compliance with ethical conduct by means of evaluation and incentives system.	None
1.3 The company adopts preventive measures against the subparagraphs in Paragraph 2, Article 7 of Ethical Corporate Management Best Practice	V		1.3 WPG proclaims in code of conduct, in the event of violation against work discipline and ethical acts, disciplinary treatment shall apply; constitution of material breach of labor contract in the event of	None

Item	Status of Implementation ¹		Descriptive Summary	Departure and Reason for Such Departure from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No		
Principles and other business activities within its business scope which are at a higher risk of being involved in an unethical conduct.			demanding or accepting firm or interested party's rebates by opportunistic use of position and such as to impact on corporate goodwill serves as precautionary measures against staff's unethical conduct. For all staffs, WPG's auditing committee provides special e-mail for receiving complaints and supervising relevant control mechanisms based on Procedures for Auditing Committee Handling Stakeholder's Grievance and Advice.	
2 Facilitate ethical corporate management				
2.1 The company assesses the records of counterparties' ethical corporate management, and expressly includes in the contractual terms the clauses regarding ethical conduct.	V		2.1 WPG accommodates downstream customers' management practice, signing up the code of ethical and integrity conduct, supervising the upright principle in conduct of business, prohibiting the pursuit of private interests and illegal acts.	None
2.2 The company establishes a dedicated unit that is under the board of directors; such unit is in charge of ethical corporate management initiatives and reports to the board of directors on a regular basis.	V		2.2 WPG, since its incorporation in 2005, has taken Teamwork, Integrity, Professionalism, and Effectiveness (a.k.a. "T.I.P.E.") as the core values and staff's code of conduct, along with dedicated unit responsible for promotion, implementation, and supervision. Integrity constitutes the core	None

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Item	Status of Implementation ¹		Descriptive Summary	Departure and Reason for Such Departure from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No		
			values, present at everyday self-discipline. WPG teams up CSR work group, whose duties include promotion of relevant ethical management, of direct reporting to the chair; in case of matters of significance, such issues are submitted to the board for discussion.	
2.3 The company adopts policies for preventing conflicts of interest, offers appropriate means to explain, and carry out such policies.	V		2.3 WPG's adoption of Ethical Management Policy and Ethical Conduct Policy includes the provisions of recusal due to conflict of interest, reporting, and discipline, serving as the foundation of implementation.	None
2.4 The company establishes effective accounting systems and internal control systems so as to carry out ethical conduct, and such systems are audited by internal auditors or CPAs.	V		2.4 WPG's responsible units conduct regular auditing of business: finance and accounting divisions, along with outside accounting firm, conduct quarterly and annually on-site auditing, ensuring compliance with relevant decrees and standards, and philosophy of ethical management; auditing unit and relevant divisions join forces to conduct scheduled internal control self-assessment, along with routine internal auditing.	None
2.5 The company periodically organizes internal and external training of ethical corporate management.	V		2.5 WPG from time to time organizes training sessions in ethical corporate management; in case of real life event, opportunity of	None

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Item	Status of Implementation ¹		Descriptive Summary	Departure and Reason for Such Departure from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No		
			education is taken via monthly gathering, so as to popularize the recognition of ethical management.	
3 Implement whistle-blowing system				
3.1 The company adopts concrete whistle-blowing systems and incentive measures, establishes convenient reporting means, and appoints appropriate dedicated personnel to handle the reported parties.	V		3.1 WPG provides suggestion box for staff, and special e-mail account of auditing committee for the public, for interested parties to air grievances, yet lack of incentives system for whistle-blowing.	None
3.2 The company adopts standard operational procedures and relevant confidentiality mechanisms for the investigation of whistle-blowing reporting.	V		3.2 The auditing committee sets up special e-mail box, along with "Procedures for Handling Stakeholder's Grievance and Advice", as WPG's basis for handling such matters.	None
3.3 The company adopts measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.	V		3.3 WPG hears and replies independently according to Procedures for Handling Stakeholder's Grievance and Advice, ensuring non-disclosure of reporter's identity.	None
4 Reinforce information disclosure				None
4.1 The company discloses the content and effectiveness of promotion of its ethical corporate management best	V		4.1 WPG's website provides Investor Relations section, disclosing organization of corporate governance and relevant corporate	

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Item	Status of Implementation ¹		Descriptive Summary	Departure and Reason for Such Departure from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No		
			policies and rules, for stakeholders' reference. Responsible persons are appointed to maintain the website, gather information, and receive inquiries.	
5. The company adopting own ethical corporate management policies according to Ethical Corporate Management Best Practice Principles shall state any discrepancy of practice from such policies: WPG adopts own ethical corporate management policy, and deliberates to derive relevant operational procedure and conduct guideline accordingly.				
6. Additional major information availing the understanding of the operation of the company's ethical management (e.g. review/amendment of the company's ethical corporate management policy): none.				

1. Whether yes or no, provision of descriptive summary is required.

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3.3.9 The company whose corporate governance policy and relevant rules are in place shall disclose such place to find

WPG has adopted corporate governance policy, go to "Major Internal Policies" section of WPG's website (URL: http://www.wpgholdings.com/investors/corporate_governance/zh-tw/major-internal-policies) for detail; also refer to "Overview of Corporate Governance" of the annual report (page 26 ~ 59) for the status of implementation of such policy.

3.3.10 Additional major information sufficing for better understanding of operation of the company's corporate governance can be disclosed

I. So as to regulate the inside information, WPG adopts "Procedure for the Management and Prevention of Insider Trading" and notifies directors, managerial persons, and staff of such procedure. The procedure is publicized on corporate webpage for the sake of compliance and prevention of violations or insider trading events.

II. WPG's Insiders, e.g. directors, managerial persons etc., are handed copies of "Directions Concerning Securities Market Regulatory Matters for TWSE Listed Companies and Their Directors, Supervisors, and Major Shareholders" and "Compliance Brochure for Directors and Supervisors of TWSE/GTSM-Listed and Emerging Market Companies" compiled by TWSE upon assumption of office for the sake of compliance.

III. Market Observation Post System: <http://mops.twse.com.tw/>

IV. WPG Holdings' Website: <http://www.wpgholdings.com>

3.3.11 Executive Summary of Internal Control Systems

3.3.10.1. Statement of Internal Controls (provided with scanned files)

3.3.10.2. The company engaging a certified public accountant to carry out ad hoc auditing of internal control systems shall disclose the CPA's report: none.

3.3.12 For the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: none.

3.3.13 Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report

3.3.13.1 WPG Holdings Inc. holds its 2015 Annual General Meeting on Jun. 24, 2015 in Taipei City, wherein following agenda items are passed:

- To accept 2014 Business Report and Financial Statements
Status: resolved, and accepted
- To accept the proposal for distribution of 2014 profits
Status: Profit distribution date: Aug., 12, 2015; Issue date: Sep., 4, 2015 (cash dividend per share NT\$2.5)
- To release the prohibition on directors from participation in competitive business
Status: resolved, accepted, and execution completed as resolved

3.3.13.2 During the 2015 fiscal year up to the date of printing of the annual report, WPG's board of directors has convened 14 regular meetings and one extraordinary meeting; important resolutions are summarized as follows:

- To convene 2015 Annual General Meeting
- To approve 2014 business report and financial statements
- To approve the distribution of 2014 profits (dividends and bonuses)
- To amend the Articles of Incorporation
- To release directors from noncompetition restrictions
- To convene 2016 Annual General Meeting
- To accept 2015 business report and financial statements
- To approve distribution of 2015 profits (dividends and bonuses)
- To adopt the investment in Tyche Partners, L.P. Strategic Fund.
- To adopt the capital injection to the affiliated WPG Core Investment Co., Ltd.,

- To adopt the capital injection to the affiliated WPG Americas Inc.
- To adopt the tender offer for Genuine C&C Inc.
- To adopt the appointment of AIT Group CEO (WPG's Subsidiary)
- To formulate or revise "Project to Improve Self-making Financial Report" "Operating Procedures for Application of Suspending and Resuming Trading" "Rules of Procedure for the Board of Directors" "Board Performance Evaluation Policy" as well as "Risk Management Policies and Guidelines".

3.3.14 Where, during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, a director or supervisor whose opinion dissenting a material resolution passed by the board of directors, and such opinion has been recorded or stated in written: none.

3.3.15 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, regarding the company's financial reporting persons (i.e. chairman, general manager, accounting head, financial head, chief internal auditor, and research and development head): none.

3.4 Information on CPA Professional Fees

3.4.1 Fees:

Name of accounting firm	Name of CPA	Audit fees	Non-audit fees						Remarks
			Accounting system design	Business registrations	Human resource	Other	Sub-total	Full fiscal year audited	
PricewaterhouseCoopers Taiwan	Zeng, Hui-Jin Zhou, Jian-Hong	4,333	-	0	-	650	650	Jan. 1 to Dec. 31 of 2015	Primarily fees of transfer pricing
In thousand TWD									
Fee Scales/ Fee Items			Non-audit fees						
1	Under 2,000	-	650						650
2	2,000 ~ 3,999	-	-						-
3	4,000 ~ 5,999	4,333	-						4,333
4	6,000 ~ 7,999	-	-						-
5	8,000 ~ 9,999	-	-						-
6	10,000 or more	-	-						-

As above table indicates, the non-audit fees paid fall short of one quarter of the audit fees paid.

3.4.2 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: none.

3.5 Information on replacement of certified public accountant: none

3.6 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: none

3.7 Any transfer of equities and/or pledge of or change in equities by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report

Title	Name	FY 2015		YTD, as at Apr. 24	
		Shareholding +/-	Pledge +/-	Shareholding +/-	Pledge +/-
Chair	Simon Huang	5,000,000	-	-	-
Vice chair	K.D. Tseng	(280,000)	-	-	-
Director	Mike Chang	-	-	-	-
Director	T.L. Lin	(1,400,000)	-	(210,000)	-
Director	K.Y. Chen	-	-	-	-
Director	Frank Yeh	-	300,000	-	-
Director	Henry Shaw	33,000	-	150,000	-
Independent Director	Jack J. T. Huang	-	-	-	-
Independent Director	Rong-Ruey Duh	-	-	-	-
Independent Director	Yung-Hong Yu	-	-	-	-
General Manager	Frank Yeh	-	300,000	-	-
Vice President	Cooper Hsieh	(25,778)	-	-	-
Vice President	Scott Lin	(44,000)	-	-	-
Vice President (acct., fin. head)	Cliff Yuan	(14,000)	-	-	-
Vice President	Jazz Chuang	-	-	-	-
Vice President	David Li	-	-	-	-

3.7.1. Information on transfer of equities: none.

3.7.2. Information on pledge of equities: none.

3.8 Relationship information on reciprocal related parties pronounced by Statements of Financial Accounting Standards No.6 among the company's Top 10 shareholders

Apr. 24, 2015; In shares, %

Name	Own Shareholdings		Spouse & minor shareholdings		Shareholdings held through nominees		Names & relations of related parties pronounced by Statements of Financial Accounting Standards No.6 among top 10 shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Fubon Insurance Co., Ltd.	105,000,000	6.34	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd.	83,942,000	5.07	-	-	-	-	-	-	-
Fullerton Technology Co.	50,635,951	3.06	-	-	-	-	-	-	-
Simon Huang	46,512,508	2.81	11,438,226	0.69	-	-	-	-	-
Nan Shan Life Insurance Co., Ltd.	39,129,000	2.36	-	-	-	-	-	-	-
Mike Chang	27,358,674	1.65	632,770	0.04	-	-	-	-	-
Kaystar International Limited	26,692,454	1.61	-	-	-	-	-	-	-
HSBC-Custody Provident Investment Trust Account	26,458,000	1.60	-	-	-	-	-	-	-
T.L. Lin	26,371,707	1.59	18,596,401	1.12	-	-	-	-	-
Taiwan Life Insurance Co., Ltd.	21,981,000	1.33	-	-	-	-	-	-	-

3.9 The total number of shares and total shareholding ratio held in any single affiliated business by the company, its directors and supervisors, managerial persons, and any business controlled either directly or indirectly by the company

Affiliate*	Affiliated to the company		Affiliated to directors and supervisors, managerial persons, and directly or indirectly controlled business		Total	
	Shares	%	Shares	%	Shares	%
World Peace Industrial Co., Ltd.	981,100	100	-	-	981,100	100
Silicon Application Corp.	406,570	100	-	-	406,570	100
Asian Information Technology Inc.	346,812	100	-	-	346,812	100
WPG Electronics Limited	3,920	100	-	-	3,920	100
WPG Korea Co. Ltd.	1,088	100	-	-	1,088	100
Genuine C&C INC.	35,175	44.21	12,964	16.29	48,139	60.50
WPG International (CI) Limited	124,443	100	-	-	124,443	100
Yosun Industrial Corp.	649,650	100	-	-	649,650	100
Shi You Investment Co. Ltd.	50,000	100	-	-	50,000	100
Xin Lian Da Investment Co. Ltd.	4,500	100	-	-	4,500	100

*Long-term equity investments adopt the equity method.

4. INFORMATION ON RAISING CAPITAL

4.1 Capital & Shares

4.1.1 Sources of Equity Capital

4.1.1.1. Sources of Equity Capital

April 24, 2016 Unit: Share/NT\$

Post Year	Issue Price	Authorized Capital Stock		Paid-in Capital		Remarks	
		Number of Shares	Amount	Number of Shares	Amount	Source of Equity Capital	Preferred Stock (NT\$)
2015/12/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/1/1	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/2/28	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/3/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/4/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/5/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/6/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/7/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/8/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/9/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/10/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/11/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/12/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-

Post Year	Issue Price	Authorized Capital Stock		Paid-in Capital		Remarks	
		Number of Shares	Amount	Number of Shares	Amount	Source of Equity Capital	Preferred Stock (NT\$)
2015/12/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/1/1	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/2/28	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/3/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/4/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/5/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/6/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/7/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/8/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/9/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/10/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/11/30	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-
2016/12/31	10	2,000,000	20,000,000	884,432.31	8,844,323.10	Exercise of Stock Warrants	-

4.1.1.2. Types of Shares

April 24, 2016 Unit/Share

Types of Shares	Authorized Capital Stock			Subscription Warrants Attached to Preferred Stock Or Bonds	
	Outstanding Capital Stock (Remark)	Capital Stock Unissued	Total	Total	Total
Common Shares	1,655,709,212	-	1,655,709,212	344,290,788	2,000,000,000

Remark: The Authorized Share Capital of WPG Holdings is 200M shares, of which up to 50M shares are reserved as subscription warrants issued along with Preferred Stocks or Bonds.

4.1.2. Shareholder Structure

April 24, 2016

Shareholders	Government Organizations	Financial Institutions	Other Legal Persons	Individuals	Foreign Institutions & Aliens	Total
Quantity						
The Number of Shareholders	7	60	194	73,666	604	74,531
Number of shares held	23,330,176	324,152,085	132,947,556	680,723,000	494,556,395	1,655,709,212
Shareholding Ratio	1.41	19.58	8.03	41.11	29.87	100.00

4.1.3. The latest status of Publicly Held Common Shares

April 24, 2016

Owner Class	Number of the Shareholders	The number of Shareholdings	Shareholding Ratio
1 to 999	27,827	6,506,267	0.39
1,000 to 5,000	31,770	69,768,973	4.21
5,001 to 10,000	7,349	53,223,430	3.21
10,001 to 15,000	2,647	32,334,001	1.95
15,001 to 20,000	1,229	22,028,942	1.33
20,001 to 30,000	1,209	29,912,690	1.81
30,001 to 40,000	589	20,474,699	1.24
40,001 to 50,000	351	16,161,557	0.98
50,001 to 100,000	666	47,087,997	2.84
100,001 to 200,000	357	51,650,083	3.12
200,001 to 400,000	197	55,531,361	3.35
400,001 to 600,000	82	39,572,468	2.39
600,001 to 800,000	57	39,495,494	2.39
800,001 to 1,000,000	24	22,015,033	1.33
More than 1,000,001	177	1,149,946,197	69.45
Total	74,531	1,655,709,212	100.00

4.1.4. The Name List of Major Shareholders

Details of Shareholders owning more than 5% or the top 10 of company's stock
April 24, 2016/Unit:Share

Name of major shareholders	Shares	Number of Shareholding	Shareholding Ratio(%)
Fubon Life Insurance Co., Ltd.		105,000,000	6.34
Cathay Life Insurance Co., Ltd.		83,942,000	5.07
Fullerton Technology Co., Ltd.		50,635,951	3.06
Mr. Simon Huang		46,512,508	2.81
Nan Shan Life Insurance Co., Ltd.		39,129,000	2.36
Mr. Mike Chang		27,358,674	1.65
Keystar International Limited(Supplier, Hong Kong)		26,692,454	1.61
The separately managed account of HSBC employees' provident fund		26,458,000	1.60
Mr. T. L. Lin		26,371,707	1.59
Taiwan Life Insurance Co., Ltd.		21,981,000	1.33

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4.1.5. Market Price per share, Book Value per share, Earning per share, Dividend per share for the last two years and the related information

Item		FY 2014	FY 2015	FY 2016 As of March 31
Market Price Per Share	Highest	43.50	41.40	35.10
	Lowest	34.05	27.25	29.90
	Average	37.56	35.50	32.66
Book Value Per Share	Before the allocation	27.21	28.85	29.33
	After the allocation	24.71	Note 1	Note 1
Earning Per Share	(The weighted average number of shares (1000 shares))	1,655,709	1,655,709	1,655,709
	Before making a retrospective adjustment	3.51	3.27	0.94
	After making a retrospective adjustment	3.51	Note 1	-
Dividend per share	Cash Dividend	2.50	Note 1	-
	Stock Dividend from retained earnings	-	-	-
	Stock Dividend from Capital Reserve for Allotment of Shares	-	-	-
	Previous unpaid dividends Accumulated	-	-	-
	Price-Earnings Ratio (Note 2)	10.70	10.98	-
Return analysis on investment	Ratio of dividend (Note 3)	15.02	Note 1	-
	Cash Dividend Yield (%) (Note 4)	6.66	Note 1	-

Note 1.: The data is listed based on the next annual shareholders' meeting resolution. However, the distribution of 2014 retained earnings has not been resolved.

Note 2.: Price-Earnings Ratio (PE) is defined as market price per share divided by annual earnings per share.

Note 3.: Cost-Benefit Ratio (CBR) is defined as market price per share divided by annual cash dividend per share.

Note 4.: Cash Dividend Yield (CDY) is defined as cash dividend per share divided by annual market price per share.

4.1.6 Dividend policy and Implementation status:

4.1.6.1 By the Articles of Incorporation, WPG shall, at the time of reported year-end surplus profits, after losses over the years have been covered and all taxes and dues have been paid, first set aside 10% of such profits as a legal reserve, appropriate another sum as a special reserve as laws and regulations stipulate, propose a distribution scheme, obtain the resolution at a meeting of shareholders, and then distribute the accumulated allocable profits.

- directors and supervisors' remuneration accounting for 3% or less, and
- bonuses of employee ranging between 0.01% and 5%
- The remaining earnings may be declared as dividends. At least 20% of the total dividends shall be in the form of cash dividends

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4.1.6.2 Dividend distribution: from the Company's accumulated undistributed retained earnings in 2015, NT\$3,973,702,109 is proposed to be distributed as dividend. Upon the approval of (board of director, BOD) on April 26, 2016, It is resolved to pay out TWD 2.4 for cash.

4.1.7 The Impact of stock dividend issuance on business performance.

EPS proposed by the annual meeting of shareholders: not applicable.

4.1.8. The rules of employees benefits, director and supervisor's remuneration are as follow:

4.1.8.1 By the Articles of Incorporation, WPG shall, at the time of reported year-end surplus profits, after losses over the years have been covered and all taxes and dues have been paid, first set aside 10% of such profits as a legal reserve, appropriate another sum as a special reserve as laws and regulations stipulate, propose a distribution scheme, obtain the resolution at a meeting of shareholders, and then distribute the accumulated allocable profits according to the following:

- directors and supervisors' remuneration accounting for 3% or less, and
- bonuses of employee ranging between 0.01% and 5%

4.1.8.2. The accounting based on the estimated employee benefits, directors' and supervisors' remuneration, as well as actual allotted amount will deal with any differences compared to the estimated columns.

The estimated amount for 2015 employee benefits, directors' and supervisors' remuneration in accordance with past experience will be dealt under the relevant resolution of shareholder's meeting on June 22, 2016. Any difference of the amount existing between the two item will be adjusted in an account based on changes in accounting estimate.

4.1.8.3. Employee benefits proposed by BOD:

The BOD resolved the proposed amount NT\$ 12,237,525 of distributed bonuses to employees, and the proposed amount NT\$30,000,000 of distributed bonuses for directors' 2015 remuneration on Apr. 26, 2016. All of the above amount will be issued by cash and considered to be expenditure, no impact on EPS

4.1.8.4. The actual amount of employee benefits, directors' and supervisors' remuneration of 2015 (including the allotted shares, the amount and share price) shall contain the different column, causes and treatment if any difference exists in recognized employees' bonus and director, supervisor remuneration.

Through the resolution of 2015 shareholder's meeting, 2014 employee benefits, directors' and supervisors' remuneration was accrued at \$33,323,000, and at \$20,892,000 respectively, which were the same as the accrued amounts in 2014 financial statement.

4.1.9 Buying back shares: none.

4.2 Corporate bonds

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4.2.1. For the enhanced use of capital and performance of investments, the BOD has resolved to issue the first domestic unsecured convertible bonds on May 13, 2014, endorsed by the Financial Supervisory Commission (FSC) on July 9, 2014 under the letter No. 1030025140 and Taipei Exchange on July 22, 2014 under the letter No. 1030400476.

4.2.2. The Company has funded and issued NT\$60,000,000,000, 0% domestic unsecured convertible bonds, with a par value of \$10 (in dollars) per share on July 25, 2014. The bonds mature 3 years from the issue date.

4.2.3. As of March 29, 2016, none of the bonds amount NT6,000,000 thousand has been requested for conversion to ordinary shares.

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4.3 Preferred stock: none

4.4 Overseas depositary receipt: none

4.5 Employee stock option certificates: none

4.6 Limited employee rights shares: none

4.7 The new shares issued by merged corporations:

- I. The new shares issued by merged corporations in the recent year and as of the publication date of the annual report:
 - i. The assessment of the organizer underwriters issuing new shares by merging or transferring in the 1st quarter of 2016: none.
 - ii. The implementation such as execution or beneficial result under the schedule in the 1st quarter of 2016 shall specify the impact on shareholders' equity and improvement: none.
- II. BOD's approval on the new shares issued by merged corporations in the recent year and as of the publication date of the annual report
 - i. Basic information on merged corporations: none.
 - ii. The implementation of new shares issued by merged corporations and impact on shareholders' equity: none.

4.8 The implementation of raising capital: none.

5. Operational Highlights

5.1. Scope of Business

5.1.1 Business activities:

5.1.1.1 WPG Holdings: Investment Industry

5.1.1.2 WPG Group

i. Main business activities

II. WPG Holdings is the first in the world, the Asia-Pacific region's largest semiconductor and electronic components headquartered in Taipei (TSE: 3702), which owns WPI, SAC, AIT and YOSUN with employees more than 5,500, products suppliers more than 250, and more than 120 distributor locations worldwide (Asia-Pacific region about 70).

III. Sales percentage (2015)

Product name	Sales percentage
Core components	30.23%
Analog and mixed single components	16.63%
Discrete and logic components	11.11%
Memory component	16.13%
Passive, electromagnetic and connector components	6.20%
Optical components	8.34%
Other component	11.36%
Total	100.00%

IV. Products (service) of the Group:

I. Franchised semiconductor brand

II. We are the authorized distributor of more than 250 semiconductor brands, such as ADI, ALI, AOS, Avago, CREE, Fairchild, Infineon, Intel, MediaTek, Micron, MPS, Novatek, NXP, OmniVision, ON semi, Realtek, Richtek, Samsung Electronics, SDI (Samsung SDI), SEMCO, ST Micro, SEMTECH, Skyworks, Spreadtrum, TI, Toshiba, Vishay and Winbond.

iii. Franchised semiconductor product category/name

Main product category	Application
Core components	Chipsets, assorted graphics/audio/video controllers, smartphone chips, network/modem chipsets, 4/8/16/32/64 b CPU/MPU and RISC CPU, and etc.
Analog and mixed single component	Bipolar, CMOS operational amplifiers, comparators, digital/analog converters, power supply controllers, audio and video amplifiers or controllers, and etc.
Discrete and logic components	Diodes, rectifiers, transistors, thyristors, insulated gate bipolar transistors, optical transistors, logic ICs, and etc.
Memory component	DRAM, SRAM, EPROM, EEPROM, Flash, Mask ROM, MCP, and etc.
Passive, electromagnetic and connector components	Resistors, MLCC, Inductors, magnetic components, cables, connectors, crystals, oscillators, and etc.
Optical components	TFT LCD panels, solar wafers, sensors, LED and etc.
Other component	MEMS (Micro Electro mechanical Systems), DC fan motor module, and etc.

V. New products (service) planned to develop:

Product application category	New franchise in plan
Computer & Peripheral	Tablet solutions, touch panels, network storage servers and cloud computing solutions
Communication	Wireless communication solutions for wearable devices, TD-LTE (4 th generation wireless communication, SOC), e-wallets,
Consumer electronics	Smart home security systems, smart lighting, smart health management systems and outdoor lighting
Industrial electronics	Security monitoring solutions, motor control solutions, power management solutions and wireless charging solutions
Automotive Electronics	Auto video solutions, car camcorders, RKE solutions, tire pressure monitoring systems (TPMS), internet of vehicles
Others Propose	IoT, aircraft, robot

5.1.2 Industry Overview

5.1.2.1 WPG Holdings:

WPG Holdings is the first investment holding company which consists of professional semiconductor component distributors in Taiwan. The Holdings unites excellent management teams of each corporate, integrate logistics support platforms and reduce operational costs. Our performance has continued to make improvement and run far ahead of other competitors since the establishment. We will remain outrunning others and become the pioneer and pilot of semiconductor component distributors in Asia-Pacific as a Holding company.

5.1.2.2 WPG Group

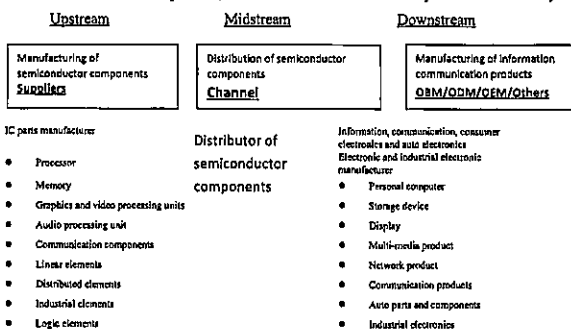
5.1.2.2.1 Current status and development of the industry

- I. Gartner has projected that the revenues of global semiconductor industry would decrease by 1.9% to USD 333.7 million dollars in 2015 compared with 2014 in Jan., 2016, it's also the first recession after 2013. The reason was continuing weak demand in the overall PC market. Microsoft Windows 10 didn't bring an enthusiastic of smartphone replacement. Also in the overall mobile phone market, the demand grew but slowed down. The 2016 worldwide semiconductor revenue growth rate in the wearable, energy-saving products and the Internet of Things (IoT) will have an opportunity to back to the rate of 1.9% as shown in Table 2.

Year	2012	2013	2014	2015(F)	2016(F)	2017(F)	2018(F)
Revenue							
Unit:	299.9	315.4	340.3	333.7	340.1	356.3	374.2
US\$ billion							
Annual change rate	-2.3%	5.2%	7.9%	-1.9%	1.9%	5.4%	4.4%

Note : data from Gartner Jan, 2016

ii. Connection of the upstream, midstream and downstream companies in the industry



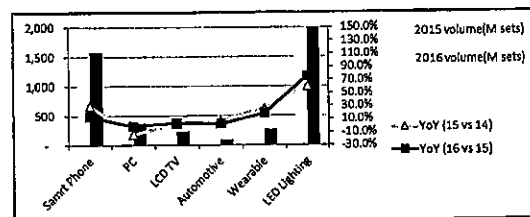
iii. It can be known from the above-mentioned that the midstream distributor complements the service provided by the upstream IC designers so that the upstream company can put all resources in IC design, R&D and manufacturing. Furthermore, the distributor can build the most economically-efficient distribution channel based on its distribution network across the entire market to save administrative cost for the upstream and facilitate their entrance to the market in order to increase their market share. For downstream vendor, the midstream company can quickly provide required elements and technology to reduce related costs and the management risks. On the other hand, the midstream distributor can integrate the downstream requirements, make purchase to the upstream manufacturers and sell the products to their downstream vendors with flexible inventory management and diversified authorized products. As a result, the upstream, midstream and downstream vendors work together to effectively improve the operational efficiency of the entire electronic information and communication industries.

iv. The statistics of the semiconductor applications are compiled and described as below:

The three major markets of mobile communication and wearable devices, energy-saving products and the IOT are still the mainstream in 2016. The reasons are analyzed below and shown in Fig. 3.

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Fig. Estimated growth rate of the global major semiconductor applications in 2015-2016



■ Smart phone

According to Gartner research, the proportion of all mobile phone sales has come to 78% after years of rapid growth in smartphone though its sales growth rate was facing slowdown. It estimates that the output will be 1,398 billion less than 10% of the expected in 2015. YoY growth rate was only 9.67%. But according to Trend Force, the shipments of Chinese brands smartphone reached 527 million, YoY growth rate was 14.5% (including export). The market share of Chinese brand smartphone shipments in the global market has been up to nearly 40%.

It's expected to see an opportunity to reach 1,588 billion in 2016 smartphone market under the gradual warming of many other features and application environment for e-wallet, fingerprint identification, wearable devices and IOT. The mobile phone sales will account for 84%, and the growth rate will have a possibility to return to double-digit growth of 13.6%, while Chinese smart phone shipments brand will also break through 600 million.

There will be an estimated 11.2% of consumers will choose 5.5 Inch (or more) - large-size smartphones especially in India, Brazil and China market. Trend Force data shows that the world's three largest smartphone plants like Samsung, Apple and Huawei have occupied nearly 50%. Industrial concentration has been presenting the trend of "The big ones get bigger." When the global market shares for Chinese brand plants such as Huawei, Mi, Lenovo, OPPO, VIVO account for 29.3%, China's mobile phone industry will become a battleground.

■ PC, including Desktops and notebooks which includes Ultra book and Net book

According to Gartner research shows the overall poor performance that the global PC market shipments in 2015 was 377 million, represented a 13.3% decline compared with those in 2014. The desktop PC shipments remained weak, only reached 116 million, decreased 11.7%. Traditional NB shipments also declined in 2015 by only

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128 million units, represented a 9.2% decrease. Shipments of ultra-thin notebooks and tablets (such as MacBook Air and Microsoft Surface Pro) are also hard to be inevitable, just 133 million units, decreased 18.2% compared with 2014.

It's expected that the 2016 global PC market shipments will be only 373 million units, still shrinks by 1.3% compared with 2015. Shipments of ultra-thin notebooks and tablet PCs are expected to rise slightly to 141 million units, an increase of 6.5% compared with 2015. Traditional NB shipments will be estimated 118 million units, decrease 8.0% compared with 2014. Only gaming NB, according to WitsView's estimates, will exceed 600 million units, an increase of 16.2%. Desktop PC shipments will be estimated at 114 million units, a decline of 2.8% compared with 2014.

■ LCD TV

It is indicated in the Gartner analytical report that the LCD TV grew only slightly by 2.9% globally in 2015 to 215 million units due to the instability of the global economy. The LCD TV shipment is forecast to reach 223 million units by 2016, an 3.7% increase from 2015. Especially, 4K TVs, in spite of being supported by Chinese brands and LCD manufacturing plants, are difficult to expand the overall LCD TV market size caused by the shortage of relevant programs and applications. Only if in the IOT era when the overall application environment of smart home becomes matured, will LCD TV have a chance to regain growth momentum.

■ Automotive

According to the information from AlixPartners LLP, the global automotive manufacturers sales reached 87.9 million units in 2015, grew at an annual growth rate of 7.1%. The growth was driven by the strengthened demand from economically stabilized US and strong demand from Europe and Chinese market. Many electronic devices are forecast to play the increasingly important roles in the automotive market in 2016 due to energy efficiency and safety requirements. Moreover, the hybrid cars, electric cars, driverless cars and other innovative technology make semiconductor an indispensable element in the automotive market. In 2016, the sales volume of all cars combined may have a chance to exceed 90 million units resulted from the sustain effects on global economic uncertainties though driven by the positive factors mentioned above. The annual growth rate is estimated 2.6% only.

■ Wearable Device

Wearable devices have been considerably concerned since the Google Glass launched in the market. However, variables have been existed because of many uncertain elements of lacking of maturity of soft and hardware and that of consumers' applications. With the long-anticipated launches of Apple Watch, Millet bracelet, the market developments of wearable devices have been fermenting.

Records from Gartner in January 2016 showed that the output volume of wearable devices reached 232 million units in 2015, YoY growth rate was 26.2 percent. Growth of 18.3 percent is estimated to be made in 2016 reaching a total 275 million units among which traditional blue shoots headphones will continue to grow 46.8 percent. The sustained growth momentum maintains Smartwatch, Smart bracelet, Sport Watch, and fitness monitor as four main types of connective devices which are accounted for 47.5 percent of total sales, growth rate: 27.2 percent. With the combination of new applications such as virtual and augmented realities which will be gradually be mature will show strength and growth more.

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■ LED Lighting

Following with LED lighting prices drop rapidly, and the continuous enhancement of luminous efficiency, the LED market penetration rate has been enhancing. As LED Inside and Digi Times reports, global market size of lighting products 2015 reached US\$25.65 billion in which Europe represented 23 percent, China represented 21 percent, North America represented 19 percent, Asia represented 13 percent. LED Light Bulbs will be the most promising growth force in the future. The global output number of LED Bulbs in 2015 reached 1.81 billion, YoY growth rate was 60 percent, and the market penetration rate was 13.9 percent. It is estimated that the global output number of LED Bulbs will reach to 3.23 billion, YoY growth rate: 78.5 percent, and market penetration rate is likely to exceed 20 percent in 2016.

■ IoT

Gartner forecasts that the number of the installed units base of Internet of Things worldwide up to 2020 will reach to 20.8 billion, complex growth rate of 31.7 percent. The shipments of IoT functional models will reach to 6.6 million units, complex growth rate of 33 percent. The business opportunities brought by IoT have become strengths which will not be ignored by all parties involved. Following chart shows the details:

Forecasting Chart of IoT Endpoint Shipments by Units

Forecast (Millions)	2013	2014	2015	2016	2017	2018	2019	2020	CAGR (%)
Installed Base	3,034	3,807	4,902	6,392	8,459	11,348	15,384	20,797	31.7
Shipments	895	1,129	1,497	1,996	2,696	3,669	4,995	6,601	33.0

Source: Gartner (October 2015)

WPG Holdings is on one hand quickening its pace to discuss with IoT relevant third party Eco-Systems such as WeChat, Alys Networks, QQ IoT platforms for business collaborations, and is on the other hand seeking positive opportunities to be a new product agent striving for reciprocal layout of business opportunities with Original Equipment manufacturers (OEM). At present, a total of more than 30 agent production lines are underway. WPG Holdings is in anticipating that it can create multi-wins among OEMs, Customers and itself by providing necessary assistances to its customers in this huge wave of opportunities brought by IoT business.

■ Brief Summary

Instead of many uncertain elements still exist in the market, the future growth directions of semiconductor market can be clearly seen. Despite the aforesaid commodities in relating to mobile communications, wearable devices, eco-friendly balancing, there are huge business opportunities injected by IoT business. The future growth momentum of semiconductor is worth waiting.

Owing to the fact that the diversities of developments over the applications of semiconductor, the derived components of business opportunities tend to be abundant. For example, Micro Electro Mechanical Systems (MEMS), Sensor, Microcontroller Unit

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(MCU), Bluetooth low energy (BLE) and Internet of Things (IoT) models... and so on. WPG Holdings has continuously been laying out and cultivating in the industry. We have fully controlled the market growth opportunities. No matter how the future market development is evolved, we have left our visible footprints all over the land.

5.1.3 Technology and R&D overview

5.1.3.1. WPG Holdings: The Company is an investment holding company. Technological R&D is conducted by each group of the Holdings.

5.1.3.2. WPG

- R&D expenses of the recent year and as of the publication date of the annual report (including the percentage in total sales revenues)
The Group is a professional distributor of semiconductor components supports product design and provides value-added service. The R&D expenses which have been devoted in these 2 years and as of the publication date of the annual report are shown in the table below.

Unit: NT\$ thousands; %

Item\ Year	2014	2015	~March 31, 2016
R&D expense	113,217	60,810	8,224
R&D expense (%)	0.02	0.012	0.007

- Expected future R&D expenses in revenues (%):
- The Group plans to support product design and provide value-added service to clients in 2016. It is estimated that R&D expenses will occupy 0.01~0.03% of revenues.
- Successfully developed technologies and products of these years and as of the publication date of the annual report

The Group continues to provide solutions for different applications and "WPG Solution On-line Network" has been launched in February, 2009 to provide solutions for different applications such as "consumer electronics", "mobile phone and communication", "computer and peripherals (including tablets)", "automotive electronics" and "Industrial electronics". The solutions are updated irregularly and the latest hotspot solutions are demonstrated on line. The solutions proposed in 2015 are summarized as below:

Category	Applications	Solutions
Mobile phone and communication	Smart phones	NFC solutions, LTE smartphones, wireless charging solutions, wearable devices and fingerprint identification
	Wireless communication	High integrated wireless communication modules, Zigbee technological solutions
Computer and peripherals	NB, tablets and etc.	Tablet integration solutions, network storage servers, cloud computing solutions and industrial computers
Consumer electronics	TV, lighting, security surveillance	UAV, smart home solution, home security surveillance systems and health care systems, multi-media integration, LED lighting
Auto electronics	AV and auto sensors	Automotive multimedia solutions, car sensors, vehicle condition monitoring and keyless entry systems
Industrial electronics	Safety monitoring, instruments and power supply	Safety monitoring integration, smart meters, smart grids, DC brushless fans and motor control solutions, and digital power supply

v. Technologies and products planned to developed in the future

Category	Applications
Mobile phones and communication	Smart phones, wearable device solutions, wireless module and fingerprint identification etc.
Computer and peripherals	Industrial computers, cloud computing and storage and etc.
Consumer electronics	Smart homes, LED lighting, smart health solutions, UAV and service robot
Auto electronics	AV, vehicle condition monitoring and Internet of vehicles
Industrial electronics	Industrial meters, wireless security control, machine control and motor control

5.1.4 Long-term and short-term business development plan

5.1.4.1. WPG Holdings

I. Short-term plan

We will try hard to retain excellent talents during M&A in emerging markets, especially Mainland China. Each group keeps its characteristics and the Holdings will help them with communication, coordination and resources integration. Because of the competitive and cooperative organization, the operational costs of the Group are reduced, overall competitiveness is improved and more complete service can be offered to clients while ROE increases for shareholders.

II. Long-term plan

We plan to expand the enterprise arrangement of the semiconductor component market in Asia-Pacific, integrate industries related to 3C, automobiles, industrial electronics and IOT to have the most complete production line and continue to strengthen the provision of high valued-added service and our position of the e-commerce distributor to reach economics of scale and continue to pioneer in the industry. Accordingly, WPG will not only become the pioneer and leader of the semiconductor components in Asia Pacific but also move toward the goal of "Best Choice in the Industry - Benchmark of Distributors".

5.1.4.2. WPG Group

I. Short-term plan

- Expand the production line of all series and enhance performance management

According to the 2015 Top 25 Semiconductor Supplier Report published by Gartner in Jan., 2016, more than half the brands are our clients, including Intel, Samsung, Micron, TI, Toshiba, ST Micro, MTK, Infineon, NXP, AMD, ON - ADI and Skyworks. While the market share rises increasingly, we continue to develop new production lines, integrate new products and increase the contribution of information, communication, consumer and auto electronics, industrial electronics and PEMCO in revenues.

Moreover, the global electronic industry continues to promote BTO (built-to-order) and other related measures in order to effectively reduce cost. With the increasing demands for design, logistics and warehousing, distributors can follow the BOT trend to continue increase business opportunities and reach a win-win situation.

- Develop distribution footholds

Controlling of the distribution footholds is the key to control the distribution channel. When the semiconductor component channel is transforming, WPG gradually expands our distribution footholds to Japan, South Korea, India, Vietnam and North America from the existing strongholds in Taiwan, Singapore, Hong Kong and Mainland China in order to meet the needs of clients who want to establish strongholds overseas and build a distribution network of global semiconductor components. Besides, we purchase other companies, establish subsidiaries and build alliance with local component suppliers to optimize the arrangement of product resources and build long-term competitiveness.

- Actively strive for the authorization of new production lines

We actively strive for the authorization of new production lines by using the achievements and experience in Taiwan and expand the authorized distribution area from Taiwan to Hong Kong, Mainland China, South Korea, South-east Asia and North America.

- Expand the franchising and sales of new products and increase the market share

WPG aggressively explore new OEM opportunities and move toward the goal of energy saving and high integration while seeking for new production lines and clients through strategic alliance or M&A in the field of passive components.

- Enhance the function of e-commerce to integrate the upstream and downstream online order-placing operation and apply E-Service mode

We plan to be an e-commerce distributor under the B2B framework and establish the CRM and E-Service operation modes on the basis of the Asia-Pacific purchasing, sales and inventory supply chain system and knowledge management (KM) system which was developed and improved based on the ERP system. Thus, we can conduct business in an electronic way. Coupled with the official operation of the semiconductor components logistics center, the transaction process and the provision of related information can be significantly improved, making it easier for clients to introduce them into the enterprise resource planning (ERP) or supply chain management for more effective control.

- Enhance F&E and design-in service

The application engineers of the Group offer the following service:

A. Help clients with project design

B. Irregularly make technical reports and demonstrate design results to clients

WPG also continue to cooperate with the downstream system design houses based on our professionalism and technical capabilities which have been accumulated in long-term customer service to provide better product solutions, meet the requirements of some vendors in lack of R&D resources and even obtain patents in order to have close cooperation with clients.

- Enhance customer relationship management (CRM) and supply chain management (SCM) and strengthen horizontal connection through the enterprise resource planning (ERP) to accelerate response

In addition to strengthen the knowledge management of sales and product marketing engineers to make them capable of promoting all production lines and new products and make the sales and technical application personnel closely cooperate, we also improve the added value of products, build a better corporate image and increase the overall sales in view of the consideration of suppliers and professionalism of product knowledge.

- Improve the financial structure and strengthen corporate constitution

We will increase the user of financial leverage to improve the financial structure, diversify the channel to raise funds, and reduce management cost as well as management risks.

II. Long-term plan

- Become an international marketing distributor

We will continue expand our semiconductor component network in Asia Pacific with our professionalism and insistence and proactively strive to

become an international marketing distributor through M&A and strategic alliance with international mega semiconductor component vendors.

II. Expand the distribution channel

The business of WPG is founded on semiconductor components. The group members have built great interactive relationship with the upstream suppliers and downstream clients after working hard to manage the relationship for 3 decades. There are our logistics support center in Taiwan, Hong Kong, Singapore and Shanghai. We expect to have the opportunity to become the distributor of more electronic application products, grasp every movement in the market and obtain the key franchise in order to become a comprehensive semiconductor component distributor.

iii. Practically implement knowledge management, develop shared organization culture and value and continue to strengthen our management team in response to the future growth.

We will also build the organization culture of common values in the organization and system with an aim to build the long-lasting competitiveness of the organization and the strong management team.

iv. Internationalize funds and reduce operation costs

We will raise funds from the international capital market, stabilize the capital source and strengthen strategic alliance to share risks. Cheaper funds can be obtained through the diverse capital market and assorted financial tools to expand business and maximize the shareholder value.

v. Invest in business related to electronic channels and vertically expand the depth of our component service

Semiconductor components are still the main core business of WPG in our long-term development. In the future, we will focus on the major business while investing in the business related to electronic channels in order to vertically expand the depth of our customers service for the upstream, midstream and downstream vendors.

5.2. Market and sales and distribution overview

5.2.1 WPG Holdings: N/A

5.2.2 WPG Group

5.2.2.1. Market analysis

I. Sales (distribution) area of main goods (service)

Area	Year	Unit: NT\$ thousands; %			
		2014		2015	
		Net sales	%	Net sales	%
Taiwan		82,840,942	18.31	93,605,707	18.16
Mainland China		317,032,196	70.07	357,464,248	69.34
Others		52,588,860	11.62	64,466,534	12.50
Total		452,471,998	100.00	515,536,489	100.00

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II. Market share

According to the statistics of Gartner, total worldwide sales of semiconductor grew 1.2% in 2015, up to \$110.5 billion and WPG was better than average with growth rate of 10.5%. The market share of WPG in the global semiconductor market has risen from 13.5% in 2014 to 14.7% in 2015. Furthermore, WPG occupies the first place in the ranking among the global semiconductor distributors. Future supply and demand and growth.

I. Supply

The increasingly heavy dependence on various electronic products in daily life inspires semiconductor suppliers to continue investment. Traditional IDM factories, such as Intel and TI, fabless IC design houses like Qualcomm and Mediatek or foundries like TSMC and Global Foundries all continue to make investment in more advanced semiconductor equipment, technology and process to meet the requirements of the market.

II. Demand

Geographically, the Asia-Pacific market continues to expand and grow because the demands from the local emerging markets increase and many European and US companies move their manufacturing operations to the region. China, especially, has the greatest momentum.

The KPMG survey shows the application markets which will become important and grow quickly in the following years. They are mobile technology application, consumer products, computing application, alternative/renewable energy commodities, industrial application, automobiles, healthcare, wireless communication and IOT. The growing demands from these markets will be strong enough to support the prosperity of semiconductor-related industries.

III. Growth

80% operating incomes come from the shipment of each Group in WPG to mainland China. The growth of the operating incomes in China is mainly triggered by the continuous urbanization, increasing income of young men who were born after 1990s, relative low popularization of 4C products and strong support of government policies.

The Chinese government has saved no efforts in expanding domestic demands and adjust the industrial structure since it promoted the 5-year plan and continued to implement many policies, such as the car trade-in program, LED lighting, digital TV industry, telecommunication, Internet, tri-network integration and IOT to facilitate industries to upgrade and transform. If the information industries of China and Taiwan can build a cooperation mode for per products and brand business collectively and strengthen the integration of supply chains, it is believed that we will play a dominating role in the future global information industry.

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III. Competitive niche

I. Professional Image

WPG has managed the semiconductor component channel for over 3 decades and our professional image is recognized by the industry. We have won the awards of "World Top 3 Electronic Distributor" and "Asia-Pacific Top1 Electronic Channel" by EDN for many times in a row since 2007 while being selected as the "Most Satisfied Overseas Authorized Distributor" by the Chinese readers of ESM. In November, 2013, WPG was selected by ENDC, a Chinese media, as "Most Welcomed Authorized Distributor by Engineers." In "2014 EEPW Editor's Choice" held by EEPW, a core Chinese technological periodical, in December, 2014, WPG was awarded the prize of "Most Popular Authorized Distributor". These awards prove that we have widely won recognition from local suppliers in China.

In "2014 EDN China Innovation" which was held in July, 2014, WPG received the honor of "Excellent International Distributor." ACSC awarded "ACSC Best Supply Chain Management Achievement" to us in September, 2013 to emphasize our professionalism in logistics management. WPG was one of Top 2000 Global Business in the Bloomberg Business Week ranking in May, 2013 and Top 100 Taiwan Technology Companies as well as Top 100 Asia Technology Companies in the Business Next ranking. WPG was ranked Top 1000 Enterprises in Greater China by Business Today and has been selected as "No.1 in the IC Distribution Industry" by many financial magazines for many years in succession.

It can be seen from these honors that the technology industry is moving to a new era of software and application service, meaning that the value-added service provided in our supply chain is deeply recognized by clients and suppliers and the great management performance is also recognized by professional investors.

ii. Complete production line

We have accumulated much distribution experience as a semiconductor component distributor and can accurately judge the trend of the semiconductor component market. The Group becomes a professional semiconductor component distributor and the franchised products include central processing units, chipsets, logic IC, linear IC, memory, distributed elements and specific application IC and any other semiconductor components. The Group also increase PEMCO product portfolio to offer one-stop-shopping.

iii. Expand the application area

WPG has the production lines for 3C (Computer & Peripheral, Communication, Consumer) and plan to increase more for car (auto electronics), energy-efficient lighting, industrial electronics and IOT.

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iv. Asia-wide sales and distribution network

Our sales and distribution footholds spread across Taiwan, mainland China, Hong Kong, South Korea, Japan, Southeast Asia and North America. The foothold in China (including Hong Kong) controls the distribution network of every province, county and city in China while that in Singapore control the network of Southeast Asia and India, including Malaysia, Thailand, Philippines and Vietnam. As the sales and distribution networks expand, a strong distribution channel is formed to meet the requirements of downstream clients who want to establish factories in foreign countries and make inventory transfer more flexible. Accordingly, we have more bargaining chips to win franchise of new production lines.

v. Strong management team

The WPG management team integrates unit people with shared ambition and work together to realize their dreams. They have great management philosophy and work in sync with each other. Even more, the teams have carefully and continuously manage the semiconductor component channel, continue to think the management strategies and try to create the market value collectively. The significant increase in revenues and profits prove the capability to manage the channel and strong strength of the management team.

vi. Complete information management system

WPG actively develop and apply information technology to improve the distribution and management performance, for instance, the ERP system, EDI system, Internet service and other digital technology service used in the group. Coupled with the advantages of our franchised products and many distribution footholds as well as highly efficient warehousing and logistics management system, we can make transactions in the most rapid and accurate way. We offer professional service to allow clients to place order in any Asia-Pacific distribution foothold, deliver goods in anywhere to save time and transportation cost for clients and also lay a solid foundation for the future e-commerce.

vii. Provision of value-added service

Our value-added service is to offer the following service that is often provided by suppliers, consultants and partners.

A. Special delivery service

- (A) Meet clients' special requirements and provide special delivery service
- (B) Provide quick delivery, cross-border transactions and other international service for the foreign clients.

B. Market information service

- (A) Analyze information and exchange industrial information.

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(B) Issue "WPG E-paper" for every two weeks to provide latest market news, important trends and suggestion.

(C) Build a website to satisfy the needs of SMB and small purchases.

(D) Timely provide the latest product specifications.

C. Technical support

Recruit FAE to support product tests and design.

D. Technology tools

(A) Build a portal to allow international exchange of information.

(B) Build the EDI system which is connected with the upstream and downstream and cooperate with suppliers to link to Rosetta Net in order to timely and accurately transmit business data.

E. Financial support

(A) Allow cross-border transactions and payment, and support clients with industry migration.

(B) Provide credit lines for mutual prosperity.

(C) Work in the BTO mode.

VIII. The channel highly recognized by suppliers

WPG has 30 years of hard-working experience in the semiconductor component distribution and builds great reputation in the industry domestically. While some suppliers actively find us to discuss franchise because of our professional image, WPG also selected suitable products to discuss franchise among suppliers. Because highly recognized by suppliers, we can take initiative and have bargaining chips to strive for more advantageous conditions. The professional distribution ability and complete distribution network help us win more and more franchise cases, showing that WPG has strong franchise and sales abilities and successfully create the value of the semiconductor component distributor.

IV. Find out advantageous and disadvantageous factors and develop responsive strategies

I. Advantageous factor

A. Complete franchised brands and assorted components

Our clients include Intel, TI, NXP, Mediatek, Infineon, SAMSUNG, Micro, Toshiba and ST Micro which incessantly develop new products to create new market demands and maintain competitive advantages. Our products include distributed elements, linear IC, logic IC, basic memory, central processing unit/microprocessor, application-specific IC, application-specific controllers to offer the one-stop-shopping service.

B. Strengthen group management

Taiwan companies: Focus on popular consumer electronics manufacturers such as Apple, Amazon as well as traditional 3C manufacturers. It is the key to the growth of Taiwan companies.

China companies: Put attention to the makers of smartphones, tablets, STB, auto electronics and LED lighting. Other industrial applications, such as security surveillance, meters and smart grids are also important potential market as China expands domestic demands.

Multinational companies: Make overall arrangement in the North America market and help the Group expand globally. Build cross-group integration and coordination mechanism and help South Korea and Japan clients to conduct business in Asia.

C. Specialization-oriented customer marketing department

The customer marketing department is especially responsible for managing a particular industry or area, provide professional service and develop long-term customer relationship, including NB, communication/network, consumer electronics and other information industries. Our management footholds spread across Asia Pacific, such as Taiwan, Hong Kong, Singapore, Mainland China, South Korea, Japan and Southeast Asia.

D. Provide more technology application design service

We have hundreds of engineers currently to help clients complete design quickly in order to grasp early opportunities and ensure higher profits and market shares.

E. Management of high value-added supply chain

We provide service to the high technology industry in Asia Pacific by using the Asia Pacific purchase, sales and inventory supply chain system which was improved based on the Oracle ERP system as well as e-commerce coupled with the existing logistics and warehousing systems.

F. Room for market growth

"5 Year Plan" plays a key role in Chinese economy. The expansion of domestic demands and adjustment of the industry structure are especially emphasized in the plan to improve the old economic structure in which investment and exporting drove growth. The traditional manufacturing industry will upgrade while the information technology industry in China will also make great leap. Among them, communication, tri-network integration, IOT and cloud computing, new information technology, are closely connected to local development. How can WPG, as a component distributor, grasp the business opportunity to create higher revenue growth? And how can we make room to grow as the market of communication, NB and consumer electronics will expand rapidly in China after making long term efforts?

G. Migrate abroad with vendors

Along with the vendors who migrate abroad due to low production cost, WPG establishes footholds in China, India and Vietnam.

II. Disadvantageous factors and responsive strategies

A. Although the global financial market in 2015 is more stable than that in 2014, there are some variables of the economic outlook. Only with the "soft landing" of China and stable growth of other emerging countries can the global economy continue to grow steadily. The economic indices related to China are the keys.

B. Generally speaking, WPG should continue to pay attention to the "soft landing" of China. In the event of abnormality, responsive actions should be adopted immediately, such as reducing stocks and saving marketing costs. In normal time, operating capitals should be strictly controlled. Extremely high loans and high financial leverage should be avoided to ensure the company is exposed to acceptable risk.

C. Foreign companies merge and purchase local competitors

Responsive strategy:

*Provide localized and more flexible long-term client management, differ our service from ill-considered service, and strengthen and develop better relationship between clients and suppliers.

*Enhance employee training, get familiar with the franchised products, provide one-stop-shopping service and fully develop the value of the professional semiconductor distribution channel.

*Strengthen computerized business management, improve personal output, implement sales performance bonus system and encourage sales personnel to improve morale.

*Provide resource sharing platform to integrated local competitors.

D. Short product life cycle

Responsive strategy:

*Hold marketing department review meeting every week/every month, discuss the components that are used in the machine produced and developed by clients as well as purchase/sales performance, enhance computer data management system, clearly obtain the inventory aging schedule and set out processing and prevention measures.

*Strengthen product market development, establish the direction and opportunity based on the trend of products and the market, and appropriately introduce new franchise and develop new markets and clients to grasp the business opportunity.

*Provide integrated product design based on the requirements of the

market and clients to allow clients to timely complete design and grasp the business opportunity.

*Continue investment and expand OEM production lines in order to provide better service and actually grasp the business opportunity of the vendors whose business is migrated for lower production costs and prolonged product life cycle.

5.2.2.2. Important applications and manufacturing process of major products

I. Applications of major products

Category	Product name and applications
Core elements	Chipsets, assorted graphics/audio/video controllers, chips of smartphones, chipsets for network/modems, CPU/MPU/RISC CPU and etc.
Ana logic and mixed-signal elements	Bipolar, CMOS and advanced CMOS, computing amplifiers, comparators, digital/analog converters, power supply controllers, audio and video amplifiers or controllers, and etc.
Distributed and logic elements	Diodes, transistors, thyristors, commutators, photistor and etc.
Memory elements	DRAM · SRAM · EPROM · EEPROM · Flash · Mask ROM · MCP and etc.
Passive, electromagnetic and connector components	Resistors, MLCC, inductor, magnetic components, cables, connectors, crystals, oscillators and etc.
Optical element	TFT LCD panels, solar wafers, LED and etc.
Other elements	MEMS (Micro Electro Mechanical Systems), DC fan motor module, and etc.

II. Manufacturing process of major products: Omitted. (WPG Group is not a manufacturing company.)

5.2.2.3. Major materials supply: Omitted. (WPG Group is not a manufacturing company.)

5.2.2.4. Top 10 purchase and sales clients in these 2 years

I. The suppliers accounting for more than 10% of the gross purchase in either year

Unit: NT\$thousands; %

Item	2014				2015				Q1 of 2016			
	Name	Amount	Amount in gross purchase of the year (%)	Relation ship with the publisher	Name	Amount	Amount in gross purchase of the year (%)	Relation ship with the publisher	Name	Amount	Amount in gross purchase of the year (%)	Relation ship with the publisher
1	INTEL	52,316,625	12.00	No	INTEL	65,272,985	13.20	No	INTEL	19,956,507	16.35	No
2	TI	45,585,715	10.26	No	TI	56,523,348	11.37	No	TI	12,514,033	10.26	No
3	Others	365,402,871	77.74		Others	374,911,438	75.43		Others	89,546,210	73.39	
	Net purchase	444,305,211	100.00		Net purchase	497,007,771	100.00		Net purchase	122,018,750	100.00	

WPG Group maintains well long-term partnership with major suppliers and our purchase sources are stable. The suppliers accounting for more than 10% of the gross purchase in these 2 years became less. Because of the growth of other products, we purchase from other suppliers.

II. The clients accounting for more than 10% of the gross sales in either year

WPG Group has assorted products which have been sold to different clients. Therefore, there is no client account for more than 10% of the gross sales in these 2 years.

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5.2.2.5. Production amount of these 2 years: Omitted (WPG Group is not a manufacturing company.)

5.2.2.6. Sales amount of these 2 years

Unit: NT\$thousands; %

Year Product	2014		2015	
	Net sales	%	Net sales	%
Core elements	151,166,015	33.41	155,862,880	30.23
Ana logic and mixed-signal elements	78,357,353	17.32	85,756,502	16.63
Distributed and logic elements	51,726,076	11.43	57,295,589	11.11
Memory elements	73,989,956	16.35	83,146,404	16.13
Passive, electromagnetic and connector components	12,627,063	2.80	31,971,119	6.20
Optical element	38,659,253	8.54	43,004,869	8.34
Other elements	45,944,282	10.15	58,499,126	11.36
Total	452,471,998	100.00	515,536,489	100.00

Note: Because WPG Group has assorted products in different units, they cannot be calculated by the same unit. Thus, only sales amount is shown by the product category.

5.3. Employees

5.3.1. WPG Holdings

Year		2014	2015	March 31, 2016
Employee number	Sales & marketing	0	0	0
	Administration	112	119	142
	Total	112	119	142
Average age		39.1	39.0	38.9
Average seniority		8.7	8.8	8.6
Education background	Ph.D.	0%	0%	0%
	Master	30.4%	29.7%	30.1%
	College/university	68.8%	70.3%	69.2%
	Senior high	0.9%	0%	0.7%
	Below	0%	0%	0%

5.3.2. WPG Group

Year		2014	2015	March 31, 2016
Employee number	Product, sales, technology	4,257	4,164	4,079
	Administration	1,338	1,354	1,345
	Total	5,595	5,518	5,424
Average age		35.2	35.5	35.7

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Year		2014	2015	March 31, 2016
Average seniority		6.0	6.30	6.5
Education background	Ph.D.	0.1%	0.0%	0.0%
	Master	5.4%	5.7%	5.7%
	College/university	82.7%	82.8%	82.9%
	Senior high	5.2%	5.2%	5.1%
	Below	6.6%	6.3%	6.3%

5.3.3. The personnel related to financial transparency who obtain related license required by the competent authorities are described as below:

International internal audit license: 4 people of the audit office and 2 people of the accounting department

5.4. Environmental protection expenses

The Company and Group purchase and develop electronic components; therefore, there is no environmental pollution and no expenses related to environment information disclosure.

5.5. Labor and employer relationship

5.5.1. List the employee benefits, further education, training and retirement mechanisms as well as the implementation status, and the agreement between labor and employers as well as measures of protecting employee benefits

Employees are the most valuable assets of the company. When employees devote wholeheartedly to work and create profits for the company, the company has the responsibility to take care of and care for employees in return. In terms of personnel benefits, there are marriage, birth, death and relief subsidies as well as club activities. WPG Holdings and the groups establish the units which are responsible for planning leisure activities for employees in accordance with employee welfare regulations, such as family days, domestic incentive tours, dining and parties as well as artistic and cultural activities to facilitate the employee relationship, unit employees, and help employees recognize and cohere to the Company in order to mutually benefit and prosper.

5.5.1.1. WPG Holdings and groups offer abundant employee welfare measures in accordance with the culture of each group.

I. Abundant benefits:

Benefits include: Holiday bonus (Moon Festival, Dragon Boat festival and year-end bonus), defined contribution pension plan, domestic incentive tours, auto interest-free loan and maintenance subsidies, parking subsidies, mobile phone bill subsidies, computer subsidies and various club activities such as the bicycle club, study group, golf club and wine club.

II. Complete Insurance and protection:

Enroll employees in labor insurance in compliance with the government regulations, enroll employees, their dependents and retirees in National Health Insurance and provide

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employees and dependents with complete group hospitalization medical insurance, life insurance and accident insurance.

III. Considerate additional leaves:

The right to take leaves of employees is established in line with Labor Standards Act and the employees have birthday leaves additionally.

IV. Wedding and funeral subsidies and emergency relief:

The wedding and funeral subsidies and emergency relief for employees include: Marriage, childbirth, retirement, death of employees or their dependents

5.5.1.2. Further education and training:

We value employee learning, development and training, thus providing internal training, external training and knowledge management.

I. Internal training

The details of internal training in 2015:

Total trainee numbers	Total training hours	Total training expenses
362 people	2,292 hours	NT\$ 11,975,000

Internal training includes orientation training, management training, professional training and others.

I. Orientation training:

It covers introduction of the Holdings, our management philosophy, personnel management system, corporate resource website, common system operation as well as labor safety and legal affairs.

II. Management training:

The Company holds director seminar every half a year (half-year meeting) to communicate and discuss quarterly operation strategies and development key points, and time management and project execution training courses to enhance the management ability of directors.

III. Professional training:

Each department irregularly conducts professional training according to the working progress and professional requirements.

IV. Other training:

The monthly meeting is held every month to promote important affairs and allow departments to share "Knowledge of the Month" for employees to learn from each other. They share the afterthoughts of reading books to exchange their ideas and unite the team simultaneously.

II. External training

The employees can apply for external training based on the needs in work and for personal growth or the directors will designate the employee to join external professional training courses. The details of external professional trainings in 2015 are described as below:

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Total trainee numbers	Total training hours	Total training expenses
42 people	494 hours	NT\$ 425,000

The list of 2015 external profession training course:
(How do internal auditing staff read IFRS financial statement?) IFRS financial statement reading seminar for internal auditing staff
[Enhance competitiveness in your 3D] Google Analysis workshop
[Golden Club] eID teaching design courses
ACL course-control of information system-ERP system account
IT Audit and Information management-ERP system control and check
Oracle WebLogic Server 11g: Administration Essentials
Oracle WebLogic Server 11g: Diagnostics and Troubleshooting
VMware vSphere installation and setting course(V6.0)
WebMethods Integration Platform 9 Training
Google Analysis workshop I
Public traded company information administration work
The rules the internal auditing staff should follow
The roles internal auditing staff play for inner security control
The internal auditing core skills and practices
The internal auditing core knowledge series: the basics of internal auditing
The certified instructors inside companies training course
How to internal audit for business transaction cycle with ERP system
Contract management, execution, and auditing
How to keep trading secret and enhance management and security
Private fund collector and acquisition professional training course
Business risk management system practice
Seminar on the revised COSO, internal control and the whole system, for best solutions
Risk management, internal control and information management
The key to advancing economy-overseas acquisition
The latest Labor Standards Law

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The list of 2015 external profession training course:
The recent IFRSs development and EAS analysis
The essentials of KPI
The internal auditing core knowledge series: the basics of internal auditing
The key reference for internal control and audit practice
The most common anomaly in financial statement that each account manager should know
KPI and OKR, how to do with them?
Company act and management for Secretary of the Board
Database audit and personal information protection
Computer auditing
Forensic accounting and financial fraud auditing

The managers who participate in the training and course related to company governance:

manager	Training	hours
Huang Wei-Xiang	How to improve the productivity of Board?	3.0
(Chairman)	Director/Board Performance Assessment	3.0
Ye Fu-Hai (General Manager)	How to improve the productivity of Board?	3.0
	Director/Board Performance Assessment	3.0
	Organization development and HR strategies in evolution	14.0
	Strategies and organization development in new era	16.0
Yuan Xing-Wen (Accounting and financial director)	The recent IFRSs development and EAS analysis	3.0
	Forensic accounting and financial fraud auditing	6.0
	The most common anomaly in financial statement that each account manager should know	3.0
	"Customer only" Act with this in mind.	14.0
	"Customer only" Act with this in mind.-review	7.0

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manager	Training	hours
Chen Shu-Hui (Internal Auditing director)	Business risk management system practice	6.0
	Contract management, execution, and auditing	6.0
	The roles internal auditing staff play for inner security control	6.0
	"Customer only" Act with this in mind.	14.0
	"Customer only" Act with this in mind.-review	7.0
Li Zhao-Lin (Internal HR director)	Organization development and HR strategies in evolution	14.0
	Strategies and organization development in new era	16.0
	"Customer only" Act with this in mind.	14.0
	"Customer only" Act with this in mind.-review	7.0
	[Professional Dynamic Programs] certification training course	14.0
	[Professional Dynamic Programs] reality practice Workshop I	3.5
	[Professional Dynamic Programs] reality practice Workshop II	3.5

III. Knowledge management

There is a knowledge management platform in which the learning resources and standard operation processes of every department are properly categorized, managed and shared so that colleagues can learn during working.

5.5.1.3. Retirement system:

I. Monthly contribution to pension:

The Company is subject to the Labor Standard Act and makes monthly contribution to pension in accordance with the law. Labor Pension Preparation Supervisory Committee is responsible for supervision and the fund is deposited in Taiwan Bank. The Committee opens an account in Taiwan Bank for receiving, disbursing, keeping and using the funds.

II. Labor pension personal account:

The Company is subject to the Labor Standard Act make monthly contribution (no less

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than 6%) to the pension funds in accordance with Labor Pension Act. The funds are deposited in the labor pension personal account created by the employee in Bureau of labor Insurance according to the "Monthly Contribution Wages Classification of Labor Pension" approved by Administrative Yuan.

5.5.1.4. We do not have a union. The rights and benefits of the employees are in compliance with Labor Standard Act.

5.5.1.5. Working place and personal protection measures:

WPG Holdings and the groups establish safety and health management units to continue the improvement of safety and health measures in order to create a quality working place. We enhance the promotion of safety knowledge and promote healthy activities to effectively strengthen employees' safety and defense ability in order to ensure the working safety and take good care of employees' physical and psychological health.

In order to fulfill the social responsibility of the corporate and protect employees' safety, we set the primary goal to provide safe, health and comfortable working environment and promote health and safety management to help colleagues have correct health concepts and healthy bodies and minds. We adopt the following measures:

- Maintain and clean the central air-conditioning in the office twice a year to keep the air in the office fresh, and irregularly disinfect the environment to keep it clean.
- Regularly inspect the office, such as the water quality inspection.
- Sterilize hands with disinfectants at the door of the meeting room every day, and offer disinfectants at sinks to prevent employees catching flu and ensure their health.
- Require new recruits to participate in the employee training to get familiar with the working environment and promote working safety.
- Irregularly promote health education to reduce the occurrence of accidents.
- Regularly conduct employee health examinations and practically track their health conditions.
- Organize healthy activities and encourage colleagues to develop sports habits, such as mountain climbing, ball games and hiking.
- Prohibit smoking in the office to guarantee a non-smoking working environment.
- Promote energy saving, resource consumption and green activities in the office.
- Purchase General Liability/Business Liability for the office where colleagues work to ensure the safety of the working environment.
- Install and regularly maintain firefighting facilities and equipment in line with firefighting regulations.
- Implement Act of Gender Equality in Employment and Sexual Harassment Prevention Act in the office.

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5.5.1.6. Employee ethical accreditation:

The Company highly values the ethics of employees. We have three independent directors and establish the audit committee which is composed of all independent directors to supervise the manager and the high management to be the role model of ethical conducts. Besides, we take the following measures:

I. Promote and carry out the core values of WPG:

We promote the core values of "teamwork, integrity, professionalism and efficiency" based on our vision of "Best Choice in the Industry - Benchmark of Distributors" to unite the team. In addition to establish the code of conducts as the guidelines of WPG employees' conducts, we continue to promote and hold annual activities to allow employees to experience the true meaning of our core values in daily life and work. WPG's core values include the followings:

i. The creed of the team:

The optimized interest of WPG is the priority. In case of conflicts, prejudice and personal interest should be laid aside. The units of the same function should be integrated across groups, companies and regions for the interest of the team. All members of the units should be treated fairly without the bias of nationality and geography and mutually benefit.

ii. The creed of integrity:

The Company and employees must uphold the upright and descent management attitude, enthusiastically provide service, make promises solemnly, value and keep promises, act openly, have the courage to admit mistakes and make correction timely.

iii. The creed of professionalism:

We aim to be the first choice of clients/suppliers/shareholders, build a learning environment, require employees and teams to improve professionalism incessantly, focus on business and strictly carry out missions.

iv. The creed of efficiency:

The output, capacity and the balance between them are emphasized. We set up quantifiable goals, pay particular attention to details, clearly carry out and complete indicative missions, build SOP (Standard Operation Procedure) and allow mistakes but not repeatedly.

In order to make employees understand and feel the core values of corporate, WPG Holdings and the groups post posters about the core values on the walls of offices, meeting rooms and high traffic intersections. In addition to explain the core values through announcement on the website and special columns, we upload the quarterly activity information related to core values of every group on K-Space for reference and organize quarterly core-value-oriented activities to enhance the concept and feeling of core values and expect employees to follow.

The diligence appraisal, assessment, bonus-penalties and promotion of the employees of WPG Holdings and the groups are dealt with based on the spirit of the core values.

II. Strictly implement the audit system:

WPG establishes the audit unit under the Board to conduct comprehensive audit on every department, group and region in accordance with our policies and regulations. Thus, we can understand how every unit follow and implement the policies and regulations and prevent and stop possible abuses of employees.

5.5.2. List the loss generated due to dispute between labors and employers of these

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years and as of the publication date of the annual report, disclose the estimated amount and responsive measures of the disputes at present and in the future and explain the things that cannot be reasonably estimated

5.5.2.1. There is neither dispute nor agreement between labors and employers in these years and as of the publication date of the annual report.

5.5.2.2. Current and future responsive measures of fortifying the relationship between labors and employees

- Build the concept of the WPG family and allow labors and employers to mutually prosper and share.
- Build interactive communication and complaint channels and care for employees more actively.
- Completely obey by the labor laws and explain to directors and employees to make them fully understand their rights and obligations.
- Increase benefits of employees of the operation condition if the corporate allows.

5.5.2.3. Possible loss at present and in the future: No

5.6. Important agreements

Agreement	Interested parties	Period	Coverage	Restrictive conditions
Insurance agreement	AIG Taiwan Insurance Co., Ltd.	Period of coverage: 2016.01.01~2017.01.01	Corporate Liability Insurance	The limitation of cumulative liability for all indemnifications in this coverage is US\$15,000,000.

6. Financial Standing

6.1 Most Recent 5-Year Concise Financial Information

6.1.1 Consol Balance Sheet - IFRS

Units: NT\$ Thousands

Item	Period (Note1)	Most Recent 3-Year Financial Information				As of March 31,
		2013	2014	2015	2016	
Current assets		120,776,978	146,245,684	165,497,412	154,049,235	
Net property, plant and equipment (Note3)		6,073,211	5,820,475	5,797,929	5,742,011	
Intangible assets		5,842,880	5,756,557	5,671,154	5,664,329	
Other assets		2,413,355	2,524,500	2,095,370	2,137,672	
Total assets		135,106,424	160,347,216	179,051,665	167,593,241	
Current liabilities	Before Distribution	91,141,959	100,236,465	111,585,855	101,401,021	
	After Distribution	94,950,090	104,375,739	Note 2	Note 2	
Non-current liabilities	Before Distribution	4,031,878	14,993,069	19,148,252	17,619,053	
	After Distribution	95,173,837	115,229,534	130,734,107	119,020,074	
Total liability		98,981,968	119,358,808	Note 2	Note 2	
Equity attributable to owners of parent		39,874,875	45,055,731	47,770,420	48,054,404	
Share capital		16,557,092	16,557,092	16,557,092	16,557,092	
Capital surplus		14,951,793	15,185,802	15,187,178	15,187,281	
Retained earnings	Before Distribution	10,303,742	12,329,076	13,473,616	15,028,658	
	After Distribution	6,495,611	6,189,802	Note 2	Note 2	
Other equity interest		(1,937,752)	983,761	2,553,776	1,282,717	
Treasury stock		-	-	(1,242)	(1,354)	
Non-controlling interests		57,712	61,951	547,338	518,763	
Total equity	Before Distribution	39,932,587	45,117,682	48,317,758	48,573,167	
	After Distribution	36,124,456	40,978,408	Note 2	Note 2	

Note 1: The 2013-2015 financial data have been duly audited by independent auditors. * Except As of March 31 2016 have been duly reviewed by independent auditors.

Note 2: The abovementioned appropriations have not yet been approved by the stockholders.

Note 3: Including Investment property.

6.1.2 Consol Balance Sheet - R.O.C. GAAP

Units: NT\$ Thousands

Item	Period (Note1)	Recent Year Financial Information	
		2011	2012
Current assets		97,955,699	106,595,584
Fund and Long term			
Equity Investments		1,051,777	1,610,059

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Item	Period (Note1)	Recent Year Financial Information	
		2011	2012
Fixed assets		4,022,749	5,117,436
Intangible and Other assets		5,991,228	6,337,743
Total assets		109,021,453	119,660,822
Current liabilities	Before Distribution	66,679,692	74,429,665
	After Distribution	70,984,536	78,403,367
Long-term liabilities		3,577,619	6,441,227
Other liabilities		550,896	582,509
Total liabilities	Before Distribution	71,208,207	81,453,401
	After Distribution	75,513,051	85,427,103
Share capital		15,838,501	16,557,092
Capital surplus		13,319,208	14,937,606
Retained earnings	Before Distribution	9,440,533	9,601,400
	After Distribution	5,135,689	5,627,698
Unrealized gain (loss) of financial instruments		31,562	41,287
Translation adjustments and other equity adjustment		(1,514,883)	(2,981,460)
Unrecognized pension cost		(2,106)	(2,831)
Stockholders'	Before Distribution	37,813,246	38,207,421
	After Distribution	33,508,402	34,233,719

Note 1: The 2010-2012 financial data have been duly audited by independent auditors.

6.1.3 Comprehensive Income- IFRS

Units: NT\$ Thousands

Item	Period (Note1)	Most Recent 3-Year Financial Information			As of March 31,
		2013	2014	2015	
Operating revenues		406,256,031	452,471,999	515,536,489	121,532,749
Gross profit		18,538,313	20,483,805	21,450,249	5,171,611
Operating income		6,289,408	7,941,739	8,474,115	2,095,420
Non-operating income and expenses		(483,023)	(835,104)	(1,320,672)	(192,901)
Income before income tax		5,806,385	7,106,635	7,153,443	1,902,519
Consolidated net income		4,759,732	5,814,176	5,435,932	1,560,371
Other comprehensive income (loss)		1,057,428	2,947,514	1,472,670	(1,272,553)
Total comprehensive income		5,817,160	8,761,790	6,908,602	287,818
Consolidated net income attributable to: Owners of parent		4,756,308	5,808,839	5,420,469	1,555,052

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Item	Period (Notes)	Most Recent 3-Year Financial Information			As of March 31, 2016
		2013	2014	2015	
Consolidated net income attributable to:					
Non-controlling interests		3,426	5,337	15,463	5,319
Comprehensive income attributable to:					
Owners of parent		5,812,296	8,754,978	6,853,829	283,993
Comprehensive income attributable to:					
Non-controlling interests		4,864	6,812	54,773	3,825
Basic earnings per share (Note 2)		2.87	3.51	3.27	0.94

Note 1: The 2013-2015 financial data have been duly audited by independent auditors. Except As of March 31 2016 have been duly reviewed by independent auditors.

Note 2: Weighted average number of ordinary shares outstanding

6.1.4 Income Statement – R.O.C. GAAP

Item	Period(Notes)	Recent Year Financial Information	
		2011	2012
Operating revenues		332,322,591	360,614,159
Gross profit		18,028,822	18,094,611
Operating income		6,654,462	6,192,850
Non-operating income		556,594	411,779
Non-operating expenses		(944,449)	(1,064,045)
Profit (loss) from continuing operations before tax		5,266,607	5,540,584
Net Profit (loss)		5,080,433	4,465,711
Basic earnings per share (Note 2)		3.21	2.72

Note 1: The 2011-2012 financial data have been duly audited by independent auditors.

Note 2: Weighted average number of ordinary shares outstanding

6.1.5 Consol Balance Sheet – IFRS

Item	Period(Notes)	Most Recent 3-Year Financial Information		
		2013	2014	2015
Current assets		288,654	424,141	442,543
Net property, plant and equipment (Note3)		808,727	777,523	758,662
Intangible assets		24,512	16,743	11,858
Other assets		42,956,415	52,342,646	55,635,852
Total assets		44,078,408	53,561,051	57,848,925
Current liabilities	Before Distribution	3,627,414	2,091,415	3,603,513
	After Distribution	7,435,545	6,230,689	Note 2
Non-current liabilities		572,068	6,413,805	6,474,992

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Item	Before Distribution	After Distribution	Before Distribution	After Distribution	Note 2
Total liability	4,199,482	8,505,320	10,078,509		
Equity attributable to owners of parent	8,007,613	12,644,594	47,770,420		
Share capital	39,878,926	45,055,731	16,557,092		
Capital surplus	16,557,092	16,557,092	15,187,178		
Retained earnings	14,951,793	15,185,802	13,473,616		
Other equity interest	10,307,793	12,329,076	2,553,776		
Treasury Stock	6,499,662	8,189,802			
Non-controlling interests	(1,937,752)	983,761	(1,242)		
Total equity	39,878,926	45,055,731	47,770,420		
	36,070,795	40,916,457			

Note 1: The 2013-2015 financial data have been duly audited by independent auditors.

Note 2: The above-mentioned appropriations have not yet been approved by the stockholders.

Note 3: Including investment property.

6.1.6 Concise Balance Sheet – R.O.C. GAAP

Item	Period(Notes)	Recent Year Financial Information	
		2011	2012
Current assets		315,177	201,239
Fund and Long term Equity investments		38,545,174	40,189,497
Fixed assets		767,167	47,647
Intangible and Other assets		90,551	851,613
Total assets		39,718,069	41,289,996
Current liabilities	Before Distribution	2,592,953	2,548,892
	After Distribution	6,897,797	6,522,594
Long-term liabilities			575,000
Other liabilities		12,281	12,010
Total liabilities	Before Distribution	2,605,234	3,136,902
	After Distribution	6,910,078	7,110,604
Share capital		15,838,501	16,557,092
Capital surplus		13,319,208	14,937,606
Retained earnings	Before Distribution	9,440,533	9,601,400
	After Distribution	5,135,689	5,627,698
Unrealized gain (loss) of financial instruments		31,592	41,287
Translation adjustments and other equity adjustment		(1,514,893)	(2,581,460)
Unrecognized pension cost		(2,106)	(2,831)

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Item	Period(Notes)	Recent Year Financial Information	
		2011	2012
Stockholders'	Before Distribution	37,112,835	38,153,094
	After Distribution	32,807,991	34,179,392

Note 1: The 2011-2012 financial data have been duly audited by independent auditors.

6.1.7 Comprehensive Income- IFRS

Item	Period (Notes)	Most Recent 3-Year Financial Information		
		2013	2014	2015
Operating revenues		5,226,878	6,490,174	6,383,519
Gross profit		4,773,536	6,005,325	5,826,067
Operating income		4,773,536	6,005,325	5,826,067
Non-operating income and expenses		(30,128)	(56,262)	(93,817)
Income before income tax		4,743,408	5,949,063	5,732,250
Consolidated net income attributable to: Owners of parent		4,756,306	5,808,839	5,420,469
Other comprehensive income (loss)		1,055,990	2,946,139	1,433,360
Comprehensive income attributable to: Owners of parent		5,812,296	8,754,978	6,853,829
Consolidated net income attributable to: Owners of parent		4,756,306	5,808,839	5,420,469
Comprehensive income attributable to: Owners of parent		5,812,296	8,754,978	6,853,829
Basic earnings per share		2.87	3.51	3.27

6.1.8 Income Statement – R.O.C. GAAP

Item	Period (Notes)	Recent Year Financial Information	
		2011	2012
Operating revenues		5,430,266	5,065,051
Gross profit		5,057,171	4,644,049
Operating income		5,057,171	4,644,049
Non-operating income		3,718	4,736
Non-operating expenses		(16,761)	(32,622)
Profit (loss) from continuing operations before tax		5,044,128	4,616,163
Net Profit (loss)		5,080,433	4,465,711
Basic earnings per share (Note 2)		3.21	2.72

Note 1: The 2011-2012 financial data have been duly audited by independent auditors.

Note 2: Weighted average number of ordinary shares outstanding

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6.1.9 Auditors' Opinions from 2010 to 2014

Year	Accounting firm	Name of CPA	Audit Opinion
2011	PricewaterhouseCoopers	Vanesse Yeh, Audrey Tseng	Unqualified Opinion
2011	PricewaterhouseCoopers	Audrey Tseng, Joseph Chou	Unqualified Opinion
2012	PricewaterhouseCoopers	Audrey Tseng, Joseph Chou	Unqualified Opinion
2013	PricewaterhouseCoopers	Audrey Tseng, Joseph Chou	Unqualified Opinion
2015	PricewaterhouseCoopers	Audrey Tseng, Joseph Chou	Unqualified Opinion

6.2 Most Recent 5-Year Financial Analysis

6.2.1 Consolidated Financial Analysis – IFRS GAAP

Item	Period (note 1)	Most Recent 3-Year Financial Information			Financial Information up to March 31, 2016
		2013	2014	2015	
Financial Ratio (%)	Total liabilities to total assets	70.44	71.86	73.01	71.02
	Long-term capital to PP&E	723.91	1,032.75	1,163.62	1,152.77
	Quick ratio (%)	132.52	145.90	148.31	151.92
Ability to pay off debt	Current ratio (%)	92.14	96.49	100.72	94.70
	Quick ratio (%)	6.38	7.80	6.94	6.75
	Interest protection	6.10	5.84	5.86	5.68
	A/R turnover (times)	60	63	62	64
	A/R turnover days	11.05	10.29	9.97	8.61
Ability to operate	Inventory turnover (times)	10.83	10.67	11.44	10.17
	Account payable turnover (times)	33	35	37	42
	Days sales outstanding	71.93	76.09	86.74	84.25
	Fixed assets turnover (times)	3.19	3.06	3.04	2.80
	Total assets turnover (times)	4.24	4.52	3.78	4.22
Earning ability	Return on assets (%)	12.19	13.66	11.60	12.84
	Return on equity (%)	35.07	42.92	43.20	45.95
	PBT to paid-in capital (%)	1.17	1.28	1.05	1.28
	Net income ratio (%)	2.87	3.51	3.27	0.94
	Basic EPS(NTD)(note 2)	2.87	3.39	3.04	0.87
	Diluted EPS(NTD)(note 2)	-5.16	-13.42	-8.31	13.80
Cash flow (%)	Cash flow ratio	-18.31	-51.56	-77.85	-31.08
	Cash flow adequacy ratio	-19.27	-28.12	-19.47	20.77
	Cash reinvestment ratio				

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Item	Period (note 1)	Most Recent 3-Year Financial Information			Financial Information up to March 31, 2016
		2013	2014	2015	
Leverage	Operating leverage	1.66	1.50	1.57	1.52
	Financial leverage	1.14	1.15	1.17	1.19
KPI	ROWC (%)	9.19	8.98	8.71	9.66
	NWC/Sales	0.17	0.20	0.19	0.18

Note 1: The 2013-2015 financial data have been duly audited by independent auditors. - Except As of March 31 2015 have been duly reviewed by independent auditors.

Note 2: Weighted average number of ordinary shares outstanding

Note 3: Explanation of significant changes in 2015 compared with the previous year:

1. Cash flow ratio: In 2015 operating cash flow outflow decreased.
2. Cash flow adequacy ratio: In 2015 grew in Cash dividends distributed to shareholders.
3. Cash reinvestment ratio (%): In 2015 operating cash flow outflow decreased.

Note 4: Formula:

1. Financial Ratio

- (1) Total liabilities to Total assets = Total liabilities / Total assets
- (2) Long-term debts to fixed assets = (Net equity + Long-term debts) / Net fixed assets

2. Ability to Pay off Debt

- (1) Current ratio = Current Assets / Current liability
- (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liability
- (3) Interest protection = Net income before income tax and interest expense / Interest expense

3. Ability to Operate

- (1) Account receivable (including account receivable and notes receivable from operation) turnover = Net sales / the Average of account receivable (including account receivable and notes receivable from operation) balance
- (2) A/R turnover day = 365 / account receivable turnover
- (3) Inventory turnover = Cost of Goods Sold / the average of inventory
- (4) Account payable (including account payable and notes payable from operation) turnover = Cost of goods sold / the average of account payable (including account payable and notes payable from operation) balance
- (5) Inventory turnover day = 365 / Inventory turnover
- (6) Fixed assets turnover = Net sales / Net Fixed Assets
- (7) Total assets turnover = Net sales / Total assets

4. Earning Ability

- (1) Return on assets = [PAT + Interest expense x (1 - Interest rate)] / the average of total assets
- (2) Return on equity = PAT / the average of net equity
- (3) Net income ratio = PAT / Net sales

$$(4) \text{ EPS} = (\text{PAT} - \text{Dividend from prefer stock}) / \text{weighted average outstanding shares}$$

5. Cash Flow

- (1) Cash flow ratio = Cash flow from operating activities / Current liability
- (2) Cash flow adequacy ratio = Most recent 5-year Cash flow from operating activities / Most recent 5-year (Capital expenditure + the increase of inventory + cash dividend)
- (3) Cash investment ratio = (Cash flow from operating activities - cash dividend) / (Gross fixed assets + long-term investment + other assets + working capital)

6. Leverage

- (1) Operating leverage = (Net revenue - variable cost of goods sold and operating expense) / operating income
- (2) Financial leverage = Operating income / (Operating income - interest expenses)

7. KPI

- (1) ROWC = Operating income / (A/R + Inventory - Accounts payable)
- (2) NWC/Sales = (A/R + Inventory - Accounts payable) / Net sales

6.2.2 Consolidated Financial Analysis - RDC GAAP

Item	Period (note 1)	Recent Year Financial Information	
		2011	2012
Financial Ratio (%)	Total liabilities to total assets	65.32	68.07
	Long-term capital to PP&E	1,030.86	872.48
Ability to pay off debt	Current ratio (%)	146.90	143.22
	Quick ratio (%)	94.04	97.13
	Interest protection	10.24	8.21
	A/R turnover (times)	7.80	5.62
Ability to operate	A/R turnover days	47	55
	Inventory turnover (times)	9.51	9.85
	Account payable turnover (times)	11.67	11.08
	Days sales outstanding	38	37
	Fixed assets turnover (times)	93.67	76.91
	Total assets turnover (times)	3.28	3.15
	Return on assets (%)	5.58	4.46
Earning ability	Return on equity (%)	14.17	11.75
	% of paid-in capital	Operating income	42.01
		PBT	39.57
	Net income ratio (%)	1.53	1.24
	Basic EPS (NTD) (note 2)	3.21	2.72

Item	Period (note 1)	Recent Year Financial Information	
		2011	2012
Cash flow (%)	Diluted EPS (NTD) (note 2)	3.20	2.71
	Cash flow ratio	-9.41	0.31
	Cash flow adequacy ratio	13.88	23.47
	Cash reinvestment ratio	-21.53	-8.82
Leverage	Operating leverage	1.47	1.59
	Financial leverage	1.11	1.14
KPI	ROWC (%)	12.64	10.38
	NWC/Sales	0.16	0.17

Note 1: The 2011-2012 financial data have been duly audited by independent auditors.

Note 2: Weighted average number of ordinary shares outstanding

Note 3: Formula:

1. Financial Ratio

- (1) Total liabilities to Total assets = Total liabilities / Total assets
- (2) Long-term debts to fixed assets = (Net equity + Long-term debts) / Net fixed assets

2. Ability to Pay off Debt

- (1) Current ratio = Current Assets / Current liability
- (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liability
- (3) Interest protection = Net income before income tax and interest expense / Interest expense

3. Ability to Operate

- (1) Account receivable (including account receivable and notes receivable from operation) turnover = Net sales / the Average of account receivable (including account receivable and notes receivable from operation) balance
- (2) A/R turnover day = 365 / account receivable turnover
- (3) Inventory turnover = Cost of Goods Sold / the average of inventory
- (4) Account payable (including account payable and notes payable from operation) turnover = Cost of goods sold / the average of account payable (including account payable and notes payable from operation) balance
- (5) Inventory turnover day = 365 / Inventory turnover
- (6) Fixed assets turnover = Net sales / Net Fixed Assets
- (7) Total assets turnover = Net sales / Total assets

4. Earning Ability

- (1) Return on assets = [PAT + Interest expense x (1 - Interest rate)] / the average of total assets
- (2) Return on equity = PAT / the average of net equity
- (3) Net income ratio = PAT / Net sales
- (4) EPS = (PAT - Dividend from prefer stock) / weighted average outstanding shares

5. Cash Flow

- (1) Cash flow ratio = Cash flow from operating activities / Current liability

- (2) Cash flow adequacy ratio = Most recent 5-year Cash flow from operating activities / Most recent 5-year (Capital expenditure + the increase of inventory + cash dividend)
- (3) Cash investment ratio = (Cash flow from operating activities - cash dividend) / (Gross fixed assets + long-term investment + other assets + working capital)

6. Leverage

- (1) Operating leverage = (Net revenue - variable cost of goods sold and operating expense) / operating income
- (2) Financial leverage = Operating income / (Operating income - interest expenses)

7. KPI

- (1) ROWC = Operating income / (A/R + Inventory - Accounts payable)
- (2) NWC/Sales = (A/R + Inventory - Accounts payable) / Net sales

6.2.3 Stand-alone Financial Analysis - IFRS GAAP

Item	Period (note 1)	Most Recent 3-Year Financial Information		
		2013	2014	2015
Financial Ratio (%)	Total liabilities to total assets	9.53	15.88	17.43
	Long-term capital to PP&E	5,001.81	6,619.69	7,150.14
Ability to payoff debt	Current ratio (%)	7.96	20.28	12.28
	Quick ratio (%)	7.65	19.78	11.87
	Interest protection	114.26	156.02	172.43
	A/R turnover (times) (note 2)	8.94	9.14	9.26
Ability to operate	A/R turnover days	41	40	39
	Inventory turnover (times)	-	-	-
	Account payable turnover (times)	-	-	-
	Days sales outstanding	-	-	-
	Fixed assets turnover (times) (note 2)	6.52	8.18	8.31
	Total assets turnover (times) (note 2)	0.12	0.13	0.11
	Return on assets (%)	11.24	11.96	9.78
Earning ability	Return on equity (%)	12.21	13.68	11.68
	Pre-tax income as a % of paid-in capital (%)	29.65	36.27	35.19
	Net income ratio (%) (note 2)	91.00	89.50	84.91
	Basic EPS (NTD) (note 3)	2.87	3.51	3.27
	Diluted EPS (NTD) (note 3)	2.87	3.39	3.04
	Divided EPS (NTD) (note 3)	111.62	211.70	113.62
Cash flow (%)	Cash flow ratio	80.00	72.97	72.99
	Cash flow adequacy ratio	0.20	1.20	-0.08
	Cash reinvestment ratio (%)	1.01	1.01	1.01
Leverage	Operating leverage (note 2)	1.01	1.01	1.01
	Financial leverage	1.01	1.01	1.01

Item	Period(note 1)	Most Recent 3-Year Financial Information		
		2013	2014	2015

Note 1: The 2010-2012 financial data have been duly audited by independent auditors.

Note 2: Include Investment revenues and Service revenue.

Note 3: Weighted average number of ordinary shares outstanding.

Note 4: Explanation of significant changes in 2015 compared with the previous year:

1. Current ratio: In 2015 Current ratio decreased due to short loan increased.
2. Quick ratio: In 2015 Quick ratio decreased due to short loan increased.
3. Cash flow ratio: In 2015 Cash flow ratio decreased due to due to short loan increased.
4. Cash reinvestment ratio: In 2015 Cash reinvestment ratio decreased due to in 2015 operating cash flow inflow decreased.

Note 5: Formula: refer to page 109-110.

Item	Period(note 1)	Recent Year Financial Information	
		2011	2012

Note 1: The 2011-2012 financial data have been duly audited by independent auditors.

Note 2: Operating revenues include Investment revenues and Service revenue.

Note 3: Weighted average number of ordinary shares outstanding

Note 3: Formula: refer to page 109-110.

6.2.4 Stand-alone Financial Analysis- ROC GAAP

Item	Period(note 1)	Recent Year Financial Information	
		2011	2012

Financial Ratio (%)	Total liabilities to total assets	6.56	7.60
	Long-term capital to PP&E	4,837.65	81,283.38
Ability to payoff debt	Current ratio (%)	12.16	7.90
	Quick ratio (%)	11.67	7.61
	Interest protection	309.93	149.10
Ability to operate	A/R turnover (times) (note 2)	8.25	10.91
	A/R turnover days	44	33
	Inventory turnover (times)	--	--
	Account payable turnover (times)	--	--
	Days sales outstanding	--	--
	Fixed assets turnover (times) (note 2)	13.22	12.43
	Total assets turnover (times) (note 2)	0.14	0.13
Earning ability	Return on assets (%)	13.50	11.09
	Return on equity (%)	14.32	11.87
	% of paid-in capital	31.53	28.05
	Operating income	31.53	28.05
	Pre-tax income	31.85	27.88
	Net income ratio (%) (note 2)	93.56	88.17
	Basic EPS(NTD) (note 3)	3.21	2.72
	Diluted EPS(NTD) (note 3)	3.20	2.71

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6.3 Supervisors' or audit committee's report for the most recent year's financial statement

AUDIT COMMITTEE'S REVIEW REPORT

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements, and proposal for allocation of profits. The aforementioned 2015 Business Report, Financial Statements, and proposal for allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee members of WPG HOLDINGS LIMITED. According to Article 14-4, 14-5 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

WPG HOLDINGS LIMITED AUDIT COMMITTEE

Independent Director DUH, RONG-RUEY

Independent Director HUANG, JIH-TSAN

Independent Director YU, YUNG HONG

6.4 Financial statement for the most recent fiscal year augmented with auditor's report prepared by a CPA: Page 129-243.

6.5 A parent company only financial statement for the most recent fiscal year certified by CPA: Page 244-329.

6.6 If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.

APRIL 26, 2016

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2015 AND 2014

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have audited the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WPG Holdings Limited and subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

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.

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015, DECEMBER 31, 2014, AND JANUARY 1, 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	Notes	December 31, 2015		(Adjusted) December 31, 2014		(Adjusted) January 1, 2014	
		Amount	%	Amount	%	Amount	%
Current Assets							
Cash and cash equivalents	6(1)	\$ 9,446,642	5	\$ 11,184,859	7	\$ 9,458,603	7
Financial assets at fair value through profit or loss - current	6(2)	-	-	-	-	30,818	-
Available-for-sale financial assets - current	6(3)	62,266	-	15,713	-	94,158	-
Financial assets carried at cost - current		35,786	-	45,157	-	6,897	-
Notes receivable, net	6(4)	-	-	3,497	-	-	-
Accounts receivable, net	6(5) and 8	6,511,976	4	3,228,163	2	2,894,722	2
Accounts receivable - related parties, net	7	85,440,493	48	78,752,090	49	68,544,814	51
Other receivables	7	319,058	-	269,541	-	265,060	-
Other receivables - related parties	7	9,178,333	5	2,378,924	2	1,743,264	1
Current income tax assets		95,876	-	169,419	-	399,546	-
Inventories, net	6(7)	1,033	-	2,760	-	10,497	-
Prepayments		50,295,037	28	47,373,506	30	35,056,488	26
Other current assets	8	2,801,241	1	2,149,739	1	1,744,650	1
		<u>1,289,721</u>	<u>1</u>	<u>672,316</u>	<u>1</u>	<u>527,461</u>	<u>1</u>
		<u>165,487,412</u>	<u>92</u>	<u>149,245,684</u>	<u>91</u>	<u>120,776,978</u>	<u>89</u>
Non-current Assets							
Available-for-sale financial assets - non-current	6(9) and 8	335,296	-	417,396	-	186,547	-
Financial assets carried at cost - non-current	6(9)	468,031	-	395,496	-	467,581	1
Investments in bonds without active market - non-current		5,000	-	5,000	-	5,000	-
Investments accounted for under the equity method	6(10)	-	-	-	-	-	-
Property, plant and equipment	6(11) and 8	555,054	1	816,213	1	1,039,601	1
Investment property, net	6(12)	4,656,320	3	4,671,850	3	5,855,011	4
Intangible assets	6(13)	1,141,609	1	1,148,625	1	1,018,200	1
Deferred income tax assets		5,671,154	3	5,756,557	4	5,842,680	4
Other non-current assets	6(15) and 8	335,020	-	496,135	-	313,650	-
		<u>396,269</u>	<u>1</u>	<u>594,240</u>	<u>1</u>	<u>400,976</u>	<u>1</u>
		<u>13,564,451</u>	<u>8</u>	<u>14,101,532</u>	<u>9</u>	<u>14,339,446</u>	<u>11</u>
Total assets		<u>\$179,051,865</u>	<u>100</u>	<u>\$160,347,216</u>	<u>100</u>	<u>\$135,106,424</u>	<u>100</u>

(Continued)

We have also audited the parent company only financial statements of WPG Holdings Limited as of and for the years ended December 31, 2015 and 2014, and have expressed an unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 29, 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 audit 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 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.

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015, DECEMBER 31, 2014, AND JANUARY 1, 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	Notes	December 31, 2015		(Adjusted) December 31, 2014		(Adjusted) January 1, 2014	
		Amount	%	Amount	%	Amount	%
Current Liabilities							
Short-term borrowings	6(16)	\$ 54,575,352	30	\$ 45,193,990	28	\$ 38,865,842	29
Commercial papers payable	6(17)	3,708,197	2	4,087,766	3	4,879,919	4
Financial liabilities at fair value through profit or loss - current	6(2)	26,719	-	10,176	-	5,885	-
Notes payable		727,694	-	438,529	-	456,174	-
Accounts payable		44,513,040	25	40,710,731	25	37,855,857	28
Accounts payable - related parties	7	2,121	-	2,058	-	11,252	-
Other payables		5,055,168	3	4,927,500	3	3,908,939	3
Current income tax liabilities		889,808	1	874,507	1	511,258	-
Other current liabilities	6(19)	2,087,756	1	3,891,208	3	4,645,833	3
		<u>111,585,855</u>	<u>62</u>	<u>109,236,465</u>	<u>63</u>	<u>91,141,952</u>	<u>67</u>
Non-current Liabilities							
Bonds payable	6(18)	5,875,383	3	5,796,140	4	-	-
Long-term borrowings	6(19)	12,126,659	7	8,305,618	5	3,224,738	3
Deferred income tax liabilities	6(31)	442,058	-	433,431	-	356,865	-
Other non-current liabilities		704,152	1	457,880	-	450,275	-
		<u>19,148,252</u>	<u>11</u>	<u>14,992,069</u>	<u>9</u>	<u>4,031,878</u>	<u>3</u>
Total Liabilities		<u>130,734,107</u>	<u>73</u>	<u>124,228,534</u>	<u>72</u>	<u>95,173,830</u>	<u>70</u>
Equity Attributable to Owners of Parent							
Capital							
Common stock	1 and 6(21)	16,557,092	9	16,557,092	10	16,557,092	12
Capital reserve	6(22)	15,187,178	8	15,185,802	9	14,951,793	11
Retained earnings	6(23)	3,470,739	2	2,890,021	2	2,414,390	2
Legal reserve		-	-	1,937,752	1	2,943,094	2
Special reserve		-	-	7,501,303	5	4,946,348	4
Undistributed earnings	6(31)	10,002,877	6	-	-	-	-
Other equity interest		2,553,776	2	983,761	1	(1,937,752)	(1)
Treasury share		-	-	-	-	-	-
Treasury share	6(21)	(1,242)	-	-	-	-	-
Total equity attributable to owners of parent		<u>47,770,420</u>	<u>27</u>	<u>45,055,731</u>	<u>28</u>	<u>39,874,875</u>	<u>30</u>
Non-controlling interests		<u>547,338</u>	<u>-</u>	<u>61,951</u>	<u>-</u>	<u>52,212</u>	<u>-</u>
Total equity		<u>48,317,758</u>	<u>27</u>	<u>45,117,682</u>	<u>28</u>	<u>39,927,087</u>	<u>30</u>
Significant contingent liabilities and unexpired contract commitments	9	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		<u>\$179,051,865</u>	<u>100</u>	<u>\$169,347,216</u>	<u>100</u>	<u>\$135,106,474</u>	<u>100</u>

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

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2015		(Adjusted) 2014	
		Amount	%	Amount	%
Operating revenues	6(25) and 7	\$ 515,556,489	100	\$ 452,471,998	100
Operating costs	6(7) and 7	(494,086,240)	(95)	(431,988,193)	(95)
Gross profit		<u>21,470,249</u>	<u>4</u>	<u>20,483,805</u>	<u>5</u>
Operating expenses	6(29)(30)	(8,110,873)	(2)	(8,539,817)	(2)
Selling and marketing		(4,865,261)	(1)	(4,002,249)	(1)
General and administrative		(3,245,612)	(1)	(4,537,568)	(1)
Total operating expenses		<u>(8,110,873)</u>	<u>(2)</u>	<u>(8,539,817)</u>	<u>(2)</u>
Operating income		<u>13,359,376</u>	<u>3</u>	<u>11,943,988</u>	<u>3</u>
Non-operating income and expenses					
Other income	6(26)	274,780	-	220,250	-
Other gains or losses	6(27)	(152,836)	-	128,476	-
Financial costs	6(28)	(1,467,904)	-	(1,214,231)	-
Share of profit of associates and joint ventures accounted for under equity method		25,288	-	30,401	-
Total non-operating income and expenses		<u>(1,320,672)</u>	<u>-</u>	<u>(935,104)</u>	<u>-</u>
Income before income tax		<u>12,038,704</u>	<u>2</u>	<u>11,008,884</u>	<u>2</u>
Income tax expense	6(31)	(1,717,511)	-	(1,892,452)	(1)
Consolidated net income		<u>\$ 10,321,193</u>	<u>2</u>	<u>\$ 9,116,432</u>	<u>2</u>
Other comprehensive income (loss)					
Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans	6(20)	(\$ 166,704)	-	\$ 29,054	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	28,340	-	(4,428)	-
Components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>(138,364)</u>	<u>-</u>	<u>(25,374)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		1,720,216	-	2,964,449	1
Unrealized loss on available-for-sale financial assets		(95,986)	-	(14,365)	-
Share of other comprehensive (loss) income of associates and joint venture accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(911)	-	2,618	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)	(12,285)	-	(29,714)	-
Components of other comprehensive income that will be reclassified to profit or loss		<u>1,611,034</u>	<u>-</u>	<u>2,922,988</u>	<u>1</u>
Total other comprehensive income, net		<u>\$ 1,472,649</u>	<u>-</u>	<u>\$ 2,897,614</u>	<u>1</u>
Total comprehensive income, net		<u>\$ 11,793,842</u>	<u>2</u>	<u>\$ 12,014,046</u>	<u>2</u>

(Continued)

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2015		(Adjusted) 2014	
		Amount	%	Amount	%
Consolidated net income attributable to:					
Owners of parent		\$ 5,420,469	1	\$ 5,808,839	1
Non-controlling interests		<u>15,463</u>	<u>-</u>	<u>5,337</u>	<u>-</u>
Comprehensive income attributable to:					
Owners of parent		\$ 5,435,932	1	\$ 5,814,176	1
Non-controlling interests		<u>54,733</u>	<u>-</u>	<u>6,812</u>	<u>-</u>
Earnings per share (In dollars)					
Basic earnings per share	6(32)	<u>\$ 3.22</u>		<u>\$ 3.51</u>	
Diluted earnings per share	6(32)	<u>\$ 3.04</u>		<u>\$ 3.39</u>	

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

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Line	Contract or Order No.	Contract or Order Description	Contract or Order Amount		Contract or Order Date		Contract or Order Status		Contract or Order Location		Contract or Order Type		Contract or Order Sub-Type		Contract or Order Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Type		Contract or Order Sub-Sub	
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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2015	(Adjusted) 2014
Cash flows from operating activities			
Income before income tax		\$ 7,153,443	\$ 7,106,635
Adjustments to reconcile consolidated net income to net cash used in operating activities:			
Income and expenses			
Depreciation	6(29)	238,957	239,793
Amortisation	6(29)	95,734	141,605
Bad debt expense		684,795	114,623
Interest expense	6(28)	1,203,659	1,044,921
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(27)	(5,763)	61,506
Interest income	6(26)	(34,576)	(26,515)
Dividend income	6(26)	(48,036)	(18,315)
Share of profit of associates and joint ventures accounted for under equity method		(25,288)	(30,401)
Gain on disposal of property, plant and equipment and investment property	6(27)	(13,413)	(106,962)
Gain on disposal of investments	6(27)	(60,764)	(52,023)
Impairment loss	6(27)	51,995	41,911
Amortisation of bond discount	6(18)	79,243	34,203
Changes in assets/liabilities relating to operating activities			
Financial assets at fair value through profit or loss - current		11,725	(43,110)
Notes receivable, net		(3,283,813)	(333,441)
Accounts receivable, net		(6,474,518)	(10,308,825)
Accounts receivable - related parties, net		(49,517)	(4,481)
Other receivables		(6,734,994)	(672,952)
Other receivables - related parties		73,543	230,127
Inventories		(2,116,463)	(12,317,018)
Prepayments		(613,527)	(405,089)
Other current assets		35,279	(67,029)
Changes in liabilities relating to operating activities			
Notes payable		288,782	(17,645)
Accounts payable		2,933,016	2,854,874
Accounts payable - related parties		63	(9,194)
Other payables		32,042	997,361
Other current liabilities		114,720	68,128
Cash used in operations		(6,463,676)	(11,477,313)
Interest paid		(1,242,268)	(1,034,613)
Income tax paid		(1,689,704)	(1,044,284)
Interest received		68,496	63,807
Dividends received		54,063	68,208
Net cash used in operating activities		(9,273,089)	(13,424,195)

(Continued)

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2015	(Adjusted) 2014
Cash flows from investing activities			
Acquisition of financial assets carried at cost - non-current		(\$ 138,364)	(\$ 59,953)
Acquisition of available-for-sale financial assets - non-current		(33,762)	(24,071)
Proceeds from disposal of available-for-sale financial assets - current		59,248	114,119
Proceeds from disposal of available-for-sale financial assets - non-current		28,970	60,503
Return of capital received from financial assets carried at cost - non-current		29,201	-
Proceeds from disposal of financial assets carried at cost - non-current		21,813	37,726
Increase in other financial assets		(667,542)	(77,826)
Acquisition of investments accounted for under equity method		(3,000)	-
Proceeds from disposal of investments accounted for under equity method		51,610	-
Proceeds from disposal of property, plant and equipment		31,343	310,450
Acquisition of property, plant and equipment and intangible assets	6(34)	(180,196)	(103,446)
Disposal of subsidiaries	6(34)	(1,553)	-
Decrease (increase) in refundable deposits		26,001	(55,899)
Increase in prepayments for investment		-	(3,000)
Acquisition of subsidiaries	6(33)	(51,289)	-
Decrease in other non-current assets		36,199	64,244
Net cash (used in) provided by investing activities		(791,331)	(262,847)
Cash flows from financing activities			
Increase in short-term borrowings		863,208,233	1,533,596,388
Decrease in short-term borrowings		(853,826,871)	(1,527,268,240)
Increase in long-term borrowings (including current portion of long-term liabilities)		25,902,997	15,759,591
Decrease in long-term borrowings (including current portion of long-term liabilities)		(24,135,401)	(11,401,464)
Increase (decrease) in non-controlling interests		8,418	(2,573)
Increase in commercial papers payable		27,927,443	32,850,123
Decrease in commercial papers payable		(28,307,012)	(33,542,276)
Issuance of bonds payable		-	6,000,000
Cost of bond issuance		-	(3,262)
(Decrease) increase in other non-current liabilities		(11,601)	65,360
Cash dividends distributed to shareholders	6(23)	(4,139,274)	(3,808,131)
Net cash provided by financing activities		6,626,932	12,143,516
Effect of exchange rate changes on cash and cash equivalents		1,699,271	2,744,088
Net (decrease) increase in cash and cash equivalents		(1,738,217)	1,726,256
Cash and cash equivalents at beginning of year		11,184,859	9,458,603
Cash and cash equivalents at end of year		\$ 9,446,642	\$ 11,184,859

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

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

- 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 Pemas 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., Pemas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pemas 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 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.
- 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). The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group". As of December 31, 2015, the Company had issued capital of \$16,557,092 with a par value of \$10 (in dollars) per share.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 29, 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")

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, "Financial Instruments") as endorsed by the FSC and Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as "the 2013 version of IFRS") in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 19 (revised), "Employee benefits"

The revised standard makes amendments that act interest amount, calculated by applying the discount rate to the net defined benefit asset or liability, replaces the finance charge and expected return on plan assets. Past service cost will be recognised immediately in the period incurred and will no longer be amortised using straight-line basis over the average period until the benefits become vested. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs, rather than when the entity is demonstrably committed to a termination. Additional disclosures are required for defined benefit plans.

The Group recognised previously unrecognised past service cost by increasing accrued pension liabilities and deferred income tax assets by \$4,634 and \$583, respectively, and decreasing retained earnings by \$4,051 at January 1, 2014; increasing accrued pension liabilities and deferred income tax assets by \$2,754 and \$366, respectively, and decreasing retained earnings by \$2,388 at December 31, 2014; and decreasing operating expenses by \$1,880 and increasing income tax assets by \$217 for the year ended December 31, 2014.

B. IAS 1, "Presentation of financial statements"

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants' perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

D. Disclosures - Transfers of financial assets (amendment to IFRS 7)

The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in transferred assets, existing at the reporting date. The Group includes qualitative and quantitative disclosures for all transferred financial assets.

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

(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 2013 version of IFRSs as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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
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
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016

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Effective Date by International Accounting Standards Board

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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, 'Leases'	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

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact will be disclosed when the assessment is complete.

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 Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

- Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- Available-for-sale financial assets measured at fair value.
- 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 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

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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:

- 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.
- 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.
- 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.
- 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.
- 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.

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B. Subsidiaries included in the consolidated financial statements:

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	
WPG Holdings Limited	WPG Core Investment Co., Ltd.	"	100.00	100.00	
WPG Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	44.21	-	Note 2
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	"	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	100.00	100.00	
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Sales of computer and its peripherals	16.29	-	Note 2

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Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	
Prime Future Technology Limited	World Peace International Pte. Ltd.	"	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	
World Peace International Pte. Ltd.	WPG Americas Inc.	"	4.31	5.10	Note 4
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	"	100.00	100.00	
World Peace International Pte. Ltd.	WPG SCM Limited	"	-	100.00	Note 7
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	Note 5

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Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
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	
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	"	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	WPG Gain Tune Ltd.	"	-	99.90	Note 3
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	Agent and sales of electronic / electrical components	-	100.00	Note 15
WPI Investment Holding (BVI) Company Ltd.	VITEC WPG Limited	"	50.00	50.00	Note 13
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00	
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	100.00	
WPI International (Hong Kong) Limited	WPG C&C Limited	"	100.00	100.00	
WPI International (Hong Kong) Limited	AJO Components Company Limited	Agent and sales of electronic / electrical components	100.00	100.00	
AJO Components Company Limited	AJO (Shanghai) Components Company Limited	"	100.00	100.00	
WPG C&C Limited	Genuine Trading (Hong Kong) Company Limited	"	24.71	-	Note 9
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	
Longview Technology Inc.	Long-Think International Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	100.00	

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Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	Agent and sales of electronic / electrical components	100.00	100.00	
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	
Silicon Application Corporation	Win-Win Electronic Corp.	"	100.00	100.00	
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
Pernas Electronics Co., Ltd.	Everwin Enterprise Co., Ltd.	"	100.00	100.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investment	100.00	100.00	
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	100.00	
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	
Silicon Application Company Limited	Dstar Electronic Company Limited	"	100.00	100.00	
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	94.90	Note 4

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Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	60.00	-	Note 3
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	Agent for selling electronic / electrical components	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic / electrical products	-	100.00	Note 10
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	"	100.00	100.00	Note 8
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	"	99.99	99.99	Note 12
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	Note 6
WPG South Asia Pte. Ltd.	WPG SCM Limited	"	100.00	-	Note 7
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	0.01	Note 12
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	
Asian Information Technology Inc.	Frontek Technology Corporation	"	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Investment company Co., Ltd.	"	100.00	100.00	

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Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
Frontek Technology Corporation	Frontek International Limited	Investment company	100.00	100.00	
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	
Frontek International Limited	AITG Electronic Limited	Sales of electronic / electrical components	100.00	100.00	
Yosun Industrial Corp.	Serrek Incorporated	"	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	"	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	100.00	
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	100.00	
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	"	100.00	100.00	
Serrek Incorporated	Serrek Limited	"	100.00	100.00	
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	"	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	
Serrek Limited	Serrek (Shanghai) Limited	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Gintek Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	

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Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			December 31, 2015	December 31, 2014	
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) SDN. BHD.	Sales of electronic / electrical products	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	"	100.00	100.00	
WPG Investment Co., Ltd.	Taibao Creation Co., Ltd.	Retail of groceries	25.00	-	Note 11
Genuine C&C, Inc.	Hat-Trick Co., Ltd.	General investment and retail of groceries	100.00	-	
Genuine C&C, Inc.	Taibao Creation Co., Ltd.	Retail of groceries	50.00	-	Note 11
Genuine C&C, Inc.	Genuine C&C Holding Inc. (Seychelles)	Holding company	100.00	-	Note 2
Genuine C&C Holding Inc. (Seychelles)	Genuine Trading (Hong Kong) Company Limited	"	75.29	-	Notes 2 and 9
Genuine C&C Holding Inc. (Seychelles)	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic / electrical products	55.00	-	Notes 2 and 14
Genuine Trading (Hong Kong) Company Limited	Hubei Xinsheng Technology Investment Management Co., Ltd.	Sales of electronic products and peripherals	83.33	-	Note 2

Note 1: The combined ownership percentage of common shares held by the Company and its subsidiaries is more than 50% or has control power.

Note 2: The Company acquired ordinary shares of Genuine C&C, Inc. on April 15, 2015 and holds 44.21% of shares. The Company originally held 16.29% of shares of Genuine C&C, Inc. through the Company's wholly-owned subsidiary, World Peace Industrial Co., Ltd. Thus, the Company holds 60.50% of shares in total after the acquisition and Genuine C&C Inc. group became the Company's consolidated entity starting from April 15, 2015.

Note 3: The subsidiary increased its capital in March 2015. WPI Investment Holding (BVI) Company Ltd. did not participate in the capital increase proportionately, thus, the shareholding ratio decreased from 99.90% to 60.00%. Furthermore, due to restructuring, the subsidiary was sold to WPG International (CI) Limited by WPI Investment Holding (BVI) Company Ltd. in July 2015.

Note 4: WPG International (CI) Limited increased capital of WPG Americas Inc. by cash in April 2015. However, World Peace Industrial Co., Ltd. did not participate in the capital increase based on its shareholding ratio. World Peace Industrial Co.,

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Ltd. totally held 4.31% and 5.1% of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited as of December 31, 2015 and 2014, 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: Due to restructuring, the subsidiary was sold to WPG South Asia Pte. Ltd. by World Peace International (South Asia) Pte Ltd. in January, 2015.
- Note 8: 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 9: 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 that increased from 60.08% after capital increase held by Genuine C&C Holding Inc., the Group holds 100% of shares of Genuine Trading (Hong Kong) Company Limited in total.
- Note 10: It was liquidated in May 2015.
- Note 11: Genuine C&C, Inc. holds 50% of Taibao Creation Co., Ltd. Along with 25% of shares held by WPG Investment Co., Ltd., the Group holds 75% of shares of Taibao Creation Co., Ltd. in total.
- Note 12: 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 13: It was formerly known as TEKSEL WPG Limited and was renamed in November 2015.
- Note 14: 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 15: It has completed cancellation of registration in September 2015.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.

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- F. Subsidiaries that have non-controlling interests that are material to the Group: As of December 31, 2015, the non-controlling interest amounted to \$547,338. The information on non-controlling interest and respective subsidiaries is as follows:

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

Summarised financial information of the subsidiaries:

(a) Balance sheets

Genuine C&C, Inc. and its subsidiaries	
December 31, 2015	
Current assets	\$ 2,667,863
Non-current assets	136,738
Current liabilities	(1,633,525)
Non-current liabilities	(51,115)
Total net assets	1,119,961
Less: non-controlling interest	(72,059)
Equity attributable to owners of the parent company	\$ 1,047,902

(b) Statements of comprehensive income

Genuine C&C, Inc. and its subsidiaries	
Year ended December 31, 2015	
Revenue	\$ 12,111,128
Profit before tax	28,932
Income tax expense	(11,603)
Profit for the year	17,329
Other comprehensive income, net of tax	4,776
Total comprehensive income	\$ 12,553
Total comprehensive loss attributable to non-controlling interest	(11,224)
Dividends paid to non-controlling interests	\$ 12,572

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(c) Statements of cash flows

Genuine C&C, Inc. and its subsidiaries	
Years ended December 31, 2015	
Net cash used in operating activities	(\$ 1,063)
Net cash used in investing activities	(9,674)
Net cash provided by financing activities	126,565
Effect of exchange rates on cash and cash equivalents	(1,322)
Increase in cash and cash equivalents	114,496
Cash and cash equivalents, beginning of year	306,575
Cash and cash equivalents, end of year	\$ 421,071

(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

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

B. Translation of foreign operations

- The operating results and financial position of all the group entities that have a

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functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - All resulting exchange differences are recognised in other comprehensive income.
- 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.
 - 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.
 - 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:

- Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- Assets held mainly for trading purposes;
- Assets that are expected to be realised within twelve months from the balance sheet date;
- 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:

- Liabilities that are expected to be paid off within the normal operating cycle;
- Liabilities arising mainly from trading activities;
- Liabilities that are to be paid off within twelve months from the balance sheet date;

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- 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

- 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.
- 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.
- 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

- Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
- On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
- 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

- 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 without bearing interest are

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subsequently measured at initial invoice amount as the effect of discounting is immaterial.

B. Investment in debt instruments without active market

- Investment 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:
 - Not designated on initial recognition as at fair value through profit or loss;
 - Not designated on initial recognition as available-for-sale;
 - Not for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.
- On a regular way purchase or sale basis, bond investments without active market are recognised and derecognised using trade date accounting.
- Investment 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

- 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.
- The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
 - Significant financial difficulty of the issuer or debtor;
 - 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;
 - It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
 - The disappearance of an active market for that financial asset because of financial difficulties;
 - 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;

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- 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.

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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.

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(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; however, 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 costs 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

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

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

(15) Leases

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

(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

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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 'financial assets or financial liabilities at fair value through profit or loss' and '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 high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurement 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.

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.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved 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 acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(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 \$860,087 in its financial statements for the year ended December 31, 2015, 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:

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

(2) **Critical accounting estimates and assumptions**

Impairment assessment of goodwill

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

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6. **DETAILS OF SIGNIFICANT ACCOUNTS**

(1) **Cash and cash equivalents**

	December 31, 2015	December 31, 2014
Cash on hand and petty cash	\$ 4,270	\$ 2,921
Checking accounts	2,591,021	2,351,452
Demand deposits	6,377,180	7,654,267
Time deposits	474,171	1,176,219
	<u>\$ 9,446,642</u>	<u>\$ 11,184,859</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The bank deposits and time deposits pledged as collateral and non-pledged time deposits that are not considered as cash equivalents have been transferred to 'other current assets' by the Group. Details are provided in Note 8.

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

Items	December 31, 2015	December 31, 2014
Current items:		
Financial assets held for trading		
Listed stocks	\$ 11,938	\$ 12,993
Derivatives	29,709	1,919
Domestic open-end fund	20,266	-
	<u>61,913</u>	<u>14,912</u>
Valuation adjustment of financial assets held for trading	<u>353</u>	<u>801</u>
	<u>\$ 62,266</u>	<u>\$ 15,713</u>

Current items:

Financial liabilities held for trading		
Derivatives	\$ 26,719	\$ 10,176

A. The Group recognised net gain (loss) of \$46,150 and (\$61,506) on financial assets and liabilities held for trading for the years ended December 31, 2015 and 2014, 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	December 31, 2015			December 31, 2014		
	Contract amount (notional principal)	Contract period		Contract amount (notional principal)	Contract period	
Forward foreign exchange contracts						
- Sell	USD 14,000	2015.11.26~2016.02.05		USD 3,300	2014.12.01~2015.01.28	
	EUR 600	2015.12.04~2016.02.16		-	-	
- Sell-SWAP	USD 15,340	2015.04.24~2016.06.21		USD 16,000	2014.11.04~2015.01.30	
- Buy	USD 17,820	2015.11.20~2016.02.26		USD 13,354	2014.08.22~2015.03.24	
- Buy	EUR 1,100	2015.12.17~2016.01.14		EUR 500	2014.12.04~2015.01.14	

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	December 31, 2015	December 31, 2014
Listed stocks	\$ 36,952	\$ 18,282
Adjustment of available-for-sale financial assets	<u>(1,166)</u>	<u>26,875</u>
	<u>\$ 35,786</u>	<u>\$ 45,157</u>

A. The Group recognised (\$40,465) and \$64,944 in other comprehensive income (loss) for fair value change of current and non-current available-for-sale financial assets and reclassified \$55,521 and \$79,309 from equity to profit or loss for the years ended December 31, 2015 and 2014, 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 expected the counterparties would not default on the contract.

(4) **Notes receivable**

	December 31, 2015	December 31, 2014
Notes receivable	<u>\$ 6,511,976</u>	<u>\$ 3,228,163</u>

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

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(5) Accounts receivable

	December 31, 2015	December 31, 2014
Accounts receivable	\$ 86,259,250	\$ 79,307,057
Less: Allowance for doubtful accounts	(818,817)	(554,967)
	<u>\$ 85,440,433</u>	<u>\$ 78,752,090</u>

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

	December 31, 2015	December 31, 2014
Group 1	\$ 30,958,362	\$ 37,121,508
Group 2	<u>49,343,178</u>	<u>35,775,902</u>
	<u>\$ 80,301,540</u>	<u>\$ 73,897,410</u>

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

Group 2: Customers not belonging to Group 1.

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

	December 31, 2015	December 31, 2014
0 to 30 days	\$ 2,991,898	\$ 2,721,699
31 to 60 days	2,119,226	1,679,885
61 to 90 days	317,224	393,939
91 to 120 days	141,769	169,054
121 to 150 days	102,371	134,473
151 to 180 days	6,014	22,661
Over 181 days	<u>279,208</u>	<u>287,936</u>
	<u>\$ 5,957,710</u>	<u>\$ 5,409,647</u>

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

	2015
At January 1	\$ 554,967
Provision for impairment	678,057
Write-offs during the year	(64,464)
Effects of foreign exchange	33,906
Others (Note)	(383,649)
At December 31	<u>\$ 818,817</u>

Note: Others include effect of consolidated entities and reclassification to overdue receivables that amounted to \$20,830 and (\$404,479), respectively.

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	2014
Group provision	\$ 572,834
At January 1	101,549
Provision for impairment	(30,891)
Write-offs during the period	(16,097)
Effects of foreign exchange	(72,428)
Others (Note)	<u>\$ 554,967</u>

Note: Others include reclassification to other receivables and to overdue receivables that amounted to (\$8,691) and (\$63,737), 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 December 31, 2015 and 2014, outstanding accounts receivable were as follows:

	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	3,855,236	1.09%-1.77%	Note 2
			\$ 650,000			
ANZ Bank	2,103,462	2,103,462	USD 160,000	2,103,462	1.33%-1.86%	None
CTBC Bank	2,696,735	2,696,735	USD 28,000	2,416,745	1.03%-1.74%	Note 3
			\$ 3,386,000			
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	91,377	91,377	\$ 244,432	69,613	1.20%	Note 6
Yuanta Commercial Bank	1,025,276	1,025,276	USD 25,000	966,315	1.15%-1.35%	Note 7
			\$ 2,342,000			

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	December 31, 2015					
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 Bank	\$ 2,611,079	\$ 2,611,079	USD 168,800	\$ 2,395,747	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
Taiwan International Bank	6,019,879	6,019,879	\$ 8,500,000	2,006,826	1.35%-1.79%	Note 10
Bank SinoPac	259,361	259,361	USD 17,500	110,579	1.05%-1.46	Note 11
			\$ 950,000			
Far Eastern International Bank	192,864	192,864	USD 22,000	115,972	1.25%-1.56%	Note 12
			\$ 400,000			
Chang Hwa Bank	500,103	500,103	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

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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.

	December 31, 2014					
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 798,330	\$ 798,330	USD 35,600	\$ 798,330	1.6%-2.48%	Note 1
Mega International Commercial Bank	3,717,187	3,717,187	USD 163,000	3,695,046	1.09%-2.01%	Note 2
			\$ 620,000			
CTBC Bank	1,642,507	1,642,507	\$ 2,477,000	1,501,471	1.13%-1.96%	Note 3
E. SUN Commercial Bank	1,910,735	1,910,735	USD 141,500	1,825,640	1.15%-1.45%	Note 4
			\$ 617,175			
Taipei Fubon Commercial Bank	2,106,180	2,106,180	USD 4,680	2,018,554	1.04%-1.75%	Note 5
			\$ 3,109,300			
Industrial Bank of Taiwan	51,491	51,491	\$ 201,938	46,542	1.16%	Note 6
Yuanta Commercial Bank	1,026,635	1,026,635	USD 25,000	1,012,236	1.15%-1.55%	Note 7
			\$ 2,502,000			
The Hong Kong and Shanghai Banking Bank	2,844,881	2,844,881	USD 133,600	2,681,681	0.96%	Note 8
Ta Chong Bank	306,571	306,571	USD 5,400	274,619	1.57%-2.00%	Note 9
			\$ 1,700,000			

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December 31, 2014						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (in thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Standard Chartered Bank	\$ 1,571,719	\$ 1,571,719	USD 6,350	\$ 1,421,237	1.209%-1.322%	None
			\$ 2,180,527			
Tristate International Bank	3,715,808	3,715,808	\$ 7,500,000	3,525,913	1.60%-2.50%	Note 10
Bank SinoPac Far Eastern International Bank	16,791	16,791	\$ 950,000	14,687	1.26%-1.64%	Note 11
	91,587	91,587	USD 22,000	82,428	1.33%-1.63%	Note 12
			\$ 600,000			
Chang Hwa Bank	342,193	342,193	USD 19,000	333,630	1.22%-1.50%	Note 13
			\$ 287,355			
DBS Bank	332,835	332,835	USD 13,000	332,835	1.15%-1.23%	Note 14
			\$ 1,234,350			
Shin Kong Bank	12,514	12,514	USD 9,200	11,263	1.14%	Note 15
Taiwan Cooperative Bank	58,090	58,090	USD 6,700	52,281	0.79%-0.83%	Note 16
En Tle Bank	15,079	15,079	USD 2,600	13,546	1.51%-1.67%	Note 17
			\$ 20,000			
Hong Seng Bank	372,895	372,895	USD 28,000	326,370	1.16%-1.26%	Note 18

- Note 1: The Group has signed commercial papers amounting to USD 34 million that were pledged to others as collateral.
- Note 2: The Group has signed commercial papers amounting to USD 162 million and \$555,000 that were pledged to others as collateral.
- Note 3: The Group has signed commercial papers amounting to \$213,600 that were pledged to others as collateral.
- Note 4: The Group has signed commercial papers amounting to USD 161 million that were pledged to others as collateral.
- Note 5: The Group has signed commercial papers amounting to USD 528 thousand and \$203,500 that were pledged to others as collateral.
- Note 6: The Group has signed commercial papers amounting to \$135,852 that were pledged to others as collateral.
- Note 7: The Group has signed commercial papers amounting to USD 25 million and \$1,912,000 that were pledged to others as collateral.
- Note 8: The Group has signed commercial papers amounting to USD 76,530 thousand that were pledged to others as collateral.
- Note 9: The Group has signed commercial papers amounting to USD 2,400 thousand and \$2,190,000 that were pledged to others as collateral.
- Note 10: The Group has signed commercial papers amounting to \$7,500,000 that were pledged to others as collateral.

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- Note 11: The Group has signed commercial papers amounting to \$600,000 that were pledged to others as collateral.
- Note 12: The Group has signed commercial papers amounting to USD 22 million and \$600,000 that were pledged to others as collateral.
- Note 13: The Group has signed commercial papers amounting to USD 36,100 thousand and \$12,000 that were pledged to others as collateral.
- Note 14: The Group has signed commercial papers amounting to USD 35 million that were pledged to others as collateral.
- Note 15: The Group has signed commercial papers amounting to USD 9,200 thousand 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 \$325,269 and \$236,748 when transferring the derecognised accounts receivable for the years ended December 31, 2015 and 2014, respectively.

(7) Inventories

December 31, 2015			
	Cost	Allowance for valuation	Book value
Inventories	\$ 48,262,790	(\$ 818,525)	\$ 47,444,265
Inventories in transit	2,850,722	-	2,850,722
	<u>\$ 51,113,512</u>	<u>(\$ 818,525)</u>	<u>\$ 50,295,037</u>

December 31, 2014			
	Cost	Allowance for valuation	Book value
Inventories	\$ 46,582,934	(\$ 661,957)	\$ 45,920,977
Inventories in transit	1,452,529	-	1,452,529
	<u>\$ 48,035,463</u>	<u>(\$ 661,957)</u>	<u>\$ 47,373,506</u>

The cost of inventories recognised as expense for the year:

Years ended December 31,		
	2015	2014
Cost of goods sold	\$ 493,892,332	\$ 432,175,856
Loss on (gain from recovery of) price decline in inventory	191,367	(190,673)
Loss on physical inventory	2,541	3,010
Cost of goods sold	<u>\$ 494,086,240</u>	<u>\$ 431,988,193</u>

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Gain arose from price recovery of inventories and sales of obsolete and slow-moving inventories during the years ended December 31, 2014.

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

Investee company	December 31, 2015	December 31, 2014
Nichidenbo Corporation	\$ 231,990	\$ 231,990
Promaster Technology Corp.	49,605	49,605
Apollo Electronics Group Ltd.	47,414	45,717
Murad Chia Jui Biotechnology Co., Ltd.	19,107	19,107
Hua-Jie (Taiwan) Corp.	10,500	10,500
Kingmax Technology Inc.	9,504	9,504
Kingpak Technology Inc.	-	7,559
Others	<u>9,587</u>	<u>12,880</u>
	377,707	391,862
Add: valuation adjustment	(34,610)	33,335
Less: accumulated impairment	<u>(7,801)</u>	<u>(7,801)</u>
	<u>\$ 335,296</u>	<u>\$ 417,396</u>

- A. There is no investment in available-for-sale financial asset attributed to debt instruments.
- B. As of December 31, 2015 and 2014, 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 years ended December 31, 2015 and 2014 are described in Note 6(3).

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

Investee company	December 31, 2015	December 31, 2014
Ability 1 Venture Capital Corporation	\$ 100,000	\$ 100,000
CDIB CME Fund Ltd.	100,000	50,000
Tyche Partners, L.P.	63,364	-
Silicon Line GmbH	40,851	40,851
M Cube Inc.	30,365	30,365
Ability Asia Capital Corporation	25,000	-
Chien Hwa Coating Technology Inc.	20,000	20,000
GEC Technology Hong Kong Company Limited	19,994	19,994
Better Energy Technology Inc.	18,000	18,000
Fantasy Story Inc.	15,047	15,047
Liefco Optical Inc.	15,000	15,000
Remotek Corporation	13,520	13,520
TekCare Corporation	12,600	-
FineMat Applied Materials Co., Ltd.	11,941	11,941
Centillion III Venture Capital Corp.	10,500	35,000
SmartDisplay Technology Co., Ltd.	10,000	10,000
PT-TECH Technology Co., Ltd.	10,000	10,000
Phostek Inc.	5,743	5,743
H2UTECH Corp.	-	16,500
Others	<u>56,647</u>	<u>42,081</u>
	578,572	454,042
Less: Accumulated impairment	<u>(110,541)</u>	<u>(58,545)</u>
	<u>\$ 468,031</u>	<u>\$ 395,496</u>

- A. As of December 31, 2015 and 2014, 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. For details of impairment of financial assets measured at cost, please refer to Note 6(14).

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(10) Investments accounted for under the equity method

A. Details of investments:

Investee company	December 31, 2015	December 31, 2014
ChainPower Technology Corp.	\$ 201,873	\$ 217,369
Sunrise Technology Co., Ltd.	79,911	56,000
Esource Corp.	73,387	63,870
Suzhou Xinning Bonded Warehouse Co., Ltd.	55,123	46,629
Yosun Japan Corp.	40,257	44,785
Suzhou Xinning Logistics Co., Ltd.	37,604	39,249
Gain Tune Logistics (Shanghai) Co., Ltd.	35,199	32,445
Adivic Technology Co., Ltd.	31,230	30,683
Shenzhen HQPG Electronic Information Co., Ltd.	-	55,630
Yosun Green Technology Corp.	-	17,451
Genuine C&C, Inc.	-	173,341
Genuine Trading (Hong Kong) Company Limited	-	26,211
Others	470	12,550
	<u>\$ 555,054</u>	<u>\$ 816,213</u>

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

As of December 31, 2015 and 2014, the carrying amount of the Group's individually immaterial associates amounted to \$550,054 and \$816,213, respectively.

	Years ended December 31	
	2015	2014
Profit or loss for the year from continuing operations	\$ 123,855	\$ 160,408
Other comprehensive income - net of tax	13,605	20,262
Total comprehensive income	<u>\$ 137,460</u>	<u>\$ 180,670</u>

C. The Company's investment in Genuine C&C Inc. has quoted market price. The fair value of Genuine C&C Inc. as at December 31, 2014 was \$144,450.

D. The Group originally accounted Genuine C&C, Inc. and Genuine Trading (Hong Kong) Company Limited using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 15, 2015, thus Genuine C&C, Inc. became the Group's consolidated entity after the Company acquired Genuine C&C Inc. Details are provided in Notes 4(3)B and 9.

E. For the information on impairment loss on investment accounted for using equity method, please refer to Note 6(14).

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(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, 2015	\$2,291,223	\$2,337,038	\$ 15,076	\$ 449,008	\$ 469,588	\$ 169,399	\$ 4,727	\$5,736,059
Cost	-	-	10,712	309,523	221,112	114,620	-	(1,051,863)
Accumulated depreciation	(1,582)	(10,764)	-	-	-	-	-	(12,346)
Accumulated impairment	(2,289,641)	(1,930,378)	(4,364)	(139,485)	(248,476)	(54,772)	(4,727)	\$4,671,850
Year ended December 31, 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	-	50,127	3,357	53,259	22,998	23,938	461	154,140
Disposals	(991)	(1,272)	(151)	(3,202)	(350)	(423)	-	(6,369)
Transfer	-	(148)	-	5,523	4,742	-	(4,742)	5,175
Acquired from business combination	-	-	1,274	12,940	6,387	319	-	20,920
Decrease in consolidated entities	-	-	-	(27)	-	-	-	(27)
Depreciation charge	-	(66,132)	(2,288)	(67,146)	(54,324)	(27,264)	-	(217,154)
Effect due to changes in exchange rates	-	-	-	-	-	-	-	-
Closing net book amount	\$2,291,275	\$2,365,315	\$ 20,894	\$ 535,144	\$ 528,154	\$ 199,322	\$ 458	\$5,940,562
Cost	-	(414,810)	14,282	(393,552)	(301,006)	(146,246)	-	(1,271,896)
Accumulated depreciation	(1,582)	(10,764)	-	-	-	-	-	(12,346)
Accumulated impairment	(2,289,693)	(1,939,741)	(6,612)	(141,592)	(227,148)	(51,076)	(458)	\$4,656,320
At December 31, 2015								
Opening net book amount	\$2,291,275	\$2,365,315	\$ 20,894	\$ 535,144	\$ 528,154	\$ 199,322	\$ 458	\$5,940,562
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-
Acquired from business combination	-	-	-	-	-	-	-	-
Decrease in consolidated entities	-	-	-	-	-	-	-	-
Depreciation charge	-	-	-	-	-	-	-	-
Effect due to changes in exchange rates	-	-	-	-	-	-	-	-
Closing net book amount	\$2,291,275	\$2,365,315	\$ 20,894	\$ 535,144	\$ 528,154	\$ 199,322	\$ 458	\$5,940,562
Cost	-	(414,810)	14,282	(393,552)	(301,006)	(146,246)	-	(1,271,896)
Accumulated depreciation	(1,582)	(10,764)	-	-	-	-	-	(12,346)
Accumulated impairment	(2,289,693)	(1,939,741)	(6,612)	(141,592)	(227,148)	(51,076)	(458)	\$4,656,320

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	Land	Buildings	Transportation equipment	Furniture and fixtures	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2014	\$2,539,520	\$2,393,148	\$ 12,707	\$ 444,461	\$ 452,865	\$ 202,640	\$ -	\$6,045,341
Cost	-	(384,551)	(10,217)	(257,251)	(190,103)	(124,363)	-	(966,585)
Accumulated depreciation	(1,582)	(10,764)	-	(2,232)	(2,050)	(7,112)	-	(23,745)
Accumulated impairment	(2,537,938)	(1,997,833)	(3,490)	(184,878)	(260,712)	(71,160)	-	\$5,055,011
Year ended December 31, 2014								
Opening net book amount	\$2,537,938	\$1,997,833	\$ 2,490	\$ 184,878	\$ 260,712	\$ 71,160	\$ -	\$5,055,011
Additions	-	5,669	3,726	30,588	27,610	20,977	4,601	92,771
Disposals	(110,130)	(27,509)	-	(4,253)	-	(7,888)	-	(149,853)
Transfer	(134,358)	(19,410)	-	11	-	11	-	(153,768)
Depreciation charge	-	(61,545)	(1,575)	(75,578)	(49,356)	(27,776)	-	(216,310)
Effect due to changes in exchange rates	(3,809)	35,340	123	(3,832)	9,990	(1,683)	199	(43,992)
Closing net book amount	\$2,289,641	\$1,930,378	\$ 4,364	\$ 139,485	\$ 248,476	\$ 54,779	\$ 4,727	\$4,671,850
At December 31, 2014								
Opening net book amount	\$2,291,223	\$2,337,038	\$ 15,076	\$ 449,008	\$ 469,588	\$ 169,399	\$ 4,727	\$5,736,059
Additions	-	(305,896)	(10,712)	(309,523)	(221,112)	(114,620)	-	(1,051,863)
Disposals	(1,582)	(10,764)	-	-	-	-	-	(12,346)
Accumulated impairment	(2,289,641)	(1,930,378)	(4,364)	(139,485)	(248,476)	(54,772)	(4,727)	\$4,671,850

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

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(12) Investment property

	Land	Buildings	Total
At January 1, 2015			
Cost	\$ 349,968	\$ 898,656	\$ 1,248,624
Accumulated depreciation	-	(99,992)	(99,992)
	<u>\$ 349,968</u>	<u>\$ 798,657</u>	<u>\$ 1,148,625</u>
Year ended December 31, 2015			
Opening net book amount	\$ 349,968	\$ 798,657	\$ 1,148,625
Disposals	(5,135)	(5,364)	(10,499)
Depreciation charge	-	(21,803)	(21,803)
Transfer (Note 1)	-	408	408
Effect due to changes in exchange rates	-	24,878	24,878
Closing net book amount	\$ 344,833	\$ 796,776	\$ 1,141,609
At December 31, 2015			
Cost	\$ 344,833	\$ 919,470	\$ 1,264,303
Accumulated depreciation	-	(122,624)	(122,624)
	<u>\$ 344,833</u>	<u>\$ 796,776</u>	<u>\$ 1,141,609</u>
Note 1: Property, plant and equipment amounting to \$408 for the year ended December 31, 2015 was transferred to investment property. Please refer to Note 6(11).			
At January 1, 2014			
Cost	\$ 215,610	\$ 880,677	\$ 1,096,287
Accumulated depreciation	-	(78,087)	(78,087)
	<u>\$ 215,610</u>	<u>\$ 802,590</u>	<u>\$ 1,018,200</u>
Year ended December 31, 2014			
Opening net book amount	\$ 215,610	\$ 802,590	\$ 1,018,200
Disposals	-	(23,483)	(23,483)
Depreciation charge	-	(41,760)	(41,760)
Transfer (Note 2)	134,358	19,410	153,768
Effect due to changes in exchange rates	-	41,900	41,900
Closing net book amount	\$ 349,968	\$ 798,657	\$ 1,148,625
At December 31, 2014			
Cost	\$ 349,968	\$ 898,656	\$ 1,248,624
Accumulated depreciation	-	(99,992)	(99,992)
	<u>\$ 349,968</u>	<u>\$ 798,657</u>	<u>\$ 1,148,625</u>
Note 2: Property, plant and equipment amounting to \$153,768 for the year ended December 31, 2014 were transferred to investment property. Please refer to Note 6(11).			

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

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	Years ended December 31,	
	2015	2014
Rental revenue from the lease of the investment property	\$ 31,473	\$ 26,422
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 13,066	\$ 11,166
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ 9,426	\$ 14,941
B. The fair value of the investment property held by the Group as at December 31, 2015 and 2014 was \$1,647,280 and \$1,694,104, respectively. The fair value as of December 31, 2015 and 2014 was based on independent appraisers' valuation, which is made using comparative method and income approach. Comparison method is to compare the valuation target with similar property which is traded around the valuation period. Valuations were made using the income approach with key assumptions as follows:		
	December 31, 2015	December 31, 2014
Discount rate	2%~2.5%	2%~2.5%
Growth rate	1%	1%
Gross margin	2.7%	2.7%
C. There is no impairment loss on investment property.		
D. None of the investment property is pledged for guarantee.		

(13) Intangible assets

	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
Year ended December 31, 2015					
Opening net book amount	\$ 127,035	\$ 54,638	\$ 5,553,792	\$ 21,092	\$ 5,756,557
Additions-acquired separately	-	18,183	-	-	18,183
Additions-acquired from business combinations	-	3,171	53,657	-	56,828
Reclassification	-	289	-	-	289
Amortisation charge	(40,668)	(42,377)	-	(11,244)	(94,289)
Others	(80,567)	-	-	-	(80,567)
Effect due to changes in exchange rates	1,425	802	10,069	1,857	14,153
Closing net book amount	\$ 7,225	\$ 34,706	\$ 5,617,518	\$ 11,705	\$ 5,671,154
At December 31, 2014					
Cost	\$ 356,692	\$ 197,776	\$ 5,691,164	\$ 70,730	\$ 6,316,362
Accumulated amortisation and impairment	(249,467)	(163,070)	(73,646)	(59,025)	(645,208)
	\$ 107,225	\$ 34,706	\$ 5,617,518	\$ 11,705	\$ 5,671,154

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 December 31, 2015 and 2014, the key valuations used for pre-tax discount rate were 5.05% and 5.56%, respectively.

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

The Group recognised impairment loss amounting to \$51,995 and \$41,911 for the years ended December 31, 2015 and 2014, respectively. Details of such loss are as follows:

	Years ended December 31,	
	2015	2014
	Recognised in other comprehensive income	Recognised in other comprehensive income
Impairment loss - investment accounted for using equity method	\$ -	\$ 2,068
Impairment loss-financial assets carried at cost-current	-	3,400
Impairment loss-financial assets carried at cost-non-current	51,995	36,443
	\$ 51,995	\$ 41,911

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

	December 31, 2015	December 31, 2014
Overdue receivables	\$ 648,790	\$ 253,250
Less: Allowance for doubtful accounts	(648,790)	(253,250)
	\$ -	\$ -

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

	Years ended December 31,	
	2015	2014
At January 1	\$ 253,250	\$ 214,984
Effect of consolidated entities	10,060	-
Provision for impairment	6,738	13,074
Write off	(33,623)	(26,696)
Transferred from accounts receivable	404,479	63,737
Reclassified as other income	35	-
Effect due to changes in exchange rates	7,851	(11,849)
At December 31	\$ 648,790	\$ 253,250

	Operating right	Software	Goodwill	Others	Total
At January 1, 2014					
Cost	\$ 399,383	\$ 199,071	\$ 5,607,154	\$ 65,245	\$ 6,270,853
Accumulated amortisation and impairment	(184,502)	(141,205)	(66,462)	(35,804)	(427,973)
	\$ 214,881	\$ 57,866	\$ 5,540,692	\$ 29,441	\$ 5,842,880
Year ended December 31, 2014					
Opening net book amount	\$ 214,881	\$ 57,866	\$ 5,540,692	\$ 29,441	\$ 5,842,880
Additions-acquired separately	-	21,567	-	-	21,567
Disposals	(3,448)	(3,448)	-	-	(6,896)
Amortisation charge	(97,014)	(22,728)	-	(19,568)	(139,310)
Effect due to changes in exchange rates	9,168	1,381	13,100	11,219	34,868
Closing net book amount	\$ 127,035	\$ 54,638	\$ 5,553,792	\$ 21,092	\$ 5,756,557
At December 31, 2014					
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

The details of amortisation charge are as follows:

	Years ended December 31,	
	2015	2014
Selling and marketing expenses	\$ 56,422	\$ 89,130
General and administrative expenses	39,312	52,475
	\$ 95,734	\$ 141,605

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:

	December 31, 2015	December 31, 2014
Yosun subgroup	\$ 4,714,529	\$ 4,708,092
Acco subgroup	472,290	472,290
Others	430,699	373,410
	\$ 5,617,518	\$ 5,553,792

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.

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

(16) Short-term borrowings

Type of borrowings	December 31, 2015	December 31, 2014
Loans for overseas purchases	\$ 30,297,718	\$ 26,912,864
Short-term loans	24,277,634	18,281,126
	\$ 54,575,352	\$ 45,193,990
Annual interest rates	0.88%-4.85%	0.75%-3.22%

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

(17) Short-term commercial papers payable

	December 31, 2015	December 31, 2014
Commercial papers payable	\$ 3,710,000	\$ 4,090,000
Less: Unamortised discount	(1,803)	(2,234)
	\$ 3,708,197	\$ 4,087,766
Annual interest rates	0.63%-1.33%	0.70%-1.40%

The commercial papers payable are guaranteed by financial institutions.

(18) Bonds payable

	December 31, 2015	December 31, 2014
Bonds payable	\$ 6,000,000	\$ 6,000,000
Less: discount on bonds payable	(124,617)	(203,860)
	\$ 5,875,383	\$ 5,796,140

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 December 31, 2015, the conversion price was \$37.7.

(d) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from

the Taiwan Over-The-Counter Securities Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$232,800 were separated from the liability component and were recognised in 'capital surplus-stock warrants' in accordance with IAS 32.
- C. As of December 31, 2015, none of the bondholders has requested for conversion to ordinary shares.
- D. The amortisation of discount on bonds payable was \$79,243 and \$34,203 for the years ended December 31, 2015 and 2014, respectively.

(19) Long-term borrowings

Type of borrowings	Borrowing period / repayment term	December 31, 2015	December 31, 2014
Secured bank borrowings (Note 1 and Note 2)	2012.01.02- 2027.01.02	\$ 589,852	\$ 595,483
Unsecured bank borrowings (Note 3- Note 8)	2014.01.10- 2018.11.09	<u>12,858,075</u>	<u>11,084,848</u>
		13,447,927	11,680,331
Less: current portion of long-term borrowings (shown as other current liabilities)		(1,321,268)	(3,374,713)
		<u>\$ 12,126,659</u>	<u>\$ 8,305,618</u>
Interest rate range		<u>1.22%-1.79%</u>	<u>1.20%-1.79%</u>

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

- Note 1: (a) The Company had entered into a long-term agreement for fifteen years with a financial institution. The pledged assets are the land and building of Linkou warehouse. The principal should be repaid in equal monthly installments starting 2015.
- (b) In November 2014, the lending financial institution agreed to grant a grace period of one year, therefore the start of the repayment of the principal has been moved to January 2016, which will be in equal monthly installments.
- (c) The interest rate is the index interest rate plus 0.21% from the borrowing day to January 2, 2013, plus 0.25% from January 2, 2013, plus 0.25% from January 2, 2014, plus 0.35% from January 2, 2015, and plus 1.5% from January 2, 2016.
- 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 \$69,116 and \$76,454 thousand, respectively. The principal should be repaid in equal monthly installments (totaling 114 months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY

2,191,000.

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

- (a) Contract term: Within three years from the first drawdown (January 10, 2014)
- (b) Facility and drawdown: The facility is \$1,800,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than \$30,000 or USD1 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

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

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

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

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

decide to take the following actions:

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

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

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

- (a) Contract term: Within three years from the first drawdown
- (b) Facility and drawdown: The facility is \$1,200,000 and the first drawdown of the loan must be within three months from the contract signing date (AIT, Frontek and Apache's first drawdown dates were April 3, 2013, April 12, 2013 and May 17, 2013, respectively), and the amount of drawdown must be no less than \$25,000 or USD1 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

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and the companies have repaid the loan, and uses the loan contract as proof of receipt.

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

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

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

(20) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension

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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) The amounts recognised in the balance sheet are as follows:

	December 31, 2015	December 31, 2014	January 1, 2014
Present value of defined benefit obligations	\$ 931,090	\$ 691,834	\$ 743,008
Fair value of plan assets	(353,315)	(324,396)	(317,815)
Net defined benefit liability	\$ 577,775	\$ 367,438	\$ 425,193

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- (c) Movements in net defined benefit liabilities are as follows:

Year ended	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
December 31, 2015			
Balance at January 1	\$ 691,834	(\$ 324,396)	\$ 367,438
Current service cost	9,228	-	9,228
Interest expense (income)	15,452	(7,230)	8,222
	716,515	(331,626)	384,889
Remeasurements:			
Return on plan assets	-	(2,572)	(2,572)
Change in financial assumptions	29,001	-	29,001
Experience adjustments	140,275	-	140,275
	169,276	(2,572)	166,704
Paid pension	(36,059)	36,059	-
Pension fund contribution	-	(18,084)	(18,084)
Effect of business combination	81,358	(37,092)	44,266
	45,292	(19,117)	26,182
Balance at December 31	\$ 931,090	(\$ 353,315)	\$ 577,775

Year ended	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
December 31, 2014			
Balance at January 1	\$ 743,008	(\$ 317,815)	\$ 425,193
Current service cost	11,215	-	11,215
Interest expense (income)	14,725	(6,359)	8,366
Profit (loss) arising from curtailment or settlement	(4,654)	-	(4,654)
	764,294	(324,174)	440,120
Remeasurements:			
Return on plan assets	-	(1,403)	(1,403)
Experience adjustments	(27,651)	-	(27,651)
	(27,651)	(1,403)	(29,054)
Paid pension	(19,012)	19,012	-
Direct payments charged to company's account	(25,797)	-	(25,797)
Pension fund contribution	-	(17,831)	(17,831)
	(44,809)	1,181	(43,628)
Balance at December 31	\$ 691,834	(\$ 324,396)	\$ 367,438

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- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	2015	2014
Discount rate	1.70%	2.00%
Future salary increases	2.00%-4.00%	0.00%-4.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2015				
Effect on present value of defined benefit obligation	(\$ 91,793)	\$ 107,633	\$ 94,010	(\$ 82,286)
December 31, 2014				
Effect on present value of defined benefit obligation	(\$ 71,393)	\$ 83,885	\$ 72,288	(\$ 63,022)

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The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis during 2015 and during 2014 are the same.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2016 are \$16,358.
- (g) As of December 31, 2015, the weighted average duration of that retirement plan is 12-18 years.

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 years ended December 31, 2015 and 2014 were \$351,662 and \$354,816, respectively.

(21) Share capital

- A. As of December 31, 2015, the Company's authorized capital was \$20,000,000 (including \$500,000 for stock options, convertible preferred stock and convertible bonds), and the paid-in capital was \$16,557,092 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousands of shares) are as follows:

	2015	2014
At January 1	1,655,709	1,655,709
Treasury stocks received from acquisition of subsidiary	(39)	-
At December 31	1,655,670	1,655,709

B. Treasury stock

- (a) Reasons for share reacquisition and movements in the number of the Company's

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treasury shares are as follows:

December 31, 2015

Name of company	holding the shares	Reasons for reacquisition	Number of shares	Carrying amount
Indirect subsidiary -	Note		39,481	\$ 1,242
Hat-Trick Co., Ltd.				

Note: Hat-Trick Co., Ltd., which is the subsidiary of the acquirer, 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).

(23) Retained earnings

- A. Under the Company's original 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 and resolved by the shareholders in the following order:
- Directors' and supervisors' remuneration: up to 3% of the earnings;
 - 0.01%~5% of the earnings is appropriated as employees' bonuses; and
 - The remaining earnings may be declared as dividends. At least 20% of the total dividends shall be in the form of cash dividends.
- 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.

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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 2014 and 2013 had been resolved at the stockholders' meeting on June 24, 2015 and June 18, 2014, respectively. Details are summarized below:

	2014	2013
	Amount	Amount
Legal reserve	\$ 580,718	\$ 475,631
Special reserve	(1,937,752)	(1,005,252)
Cash dividends	4,139,274	3,808,131
	\$ 2,782,240	\$ 3,278,510

The above appropriations of earnings for 2014 and 2013 as resolved by the shareholders are the same as resolved by the Board of Directors.

- E. As of March 29, 2016, the appropriation of earnings for the year ended December 31, 2015 has not yet been proposed by the Board of Directors and resolved by the shareholders.

- F. For the information relating to employees' bonuses (compensation) and directors' and supervisors' remuneration, please refer to Note 6(30).

(24) Other equity items

	2015	2014
	Available-for-sale investment	Cumulative translation differences
At January 1	\$ 75,012	\$ 908,749
Revaluation - gross	(40,465)	-
Revaluation transfer - gross	(55,521)	-
Cumulative translation differences:		
- Group	-	1,680,906
- Group's tax	-	(12,285)
- Associates	-	(2,620)
At December 31	(\$ 20,974)	\$ 2,574,750

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	2014	2013
	Available-for-sale investment	Cumulative translation differences
At January 1	\$ 89,377	(\$ 2,027,129)
Revaluation - gross	64,944	-
Revaluation transfer - gross	(79,309)	-
Cumulative translation differences:		
- Group	-	2,962,974
- Group's tax	-	(29,203)
- Associates	-	2,107
At December 31	\$ 75,012	\$ 908,749

(25) Operating revenue

	2015	2014
Sales revenue	\$ 515,445,140	\$ 452,414,664
Service revenue	91,349	57,334
	\$ 515,536,489	\$ 452,471,998

(26) Other income

	2015	2014
Rental revenue	\$ 50,351	\$ 44,331
Dividend income	48,036	18,315
Interest income	34,576	26,515
Other income	141,817	131,089
	\$ 274,780	\$ 220,250

(27) Other gains and losses

	2015	2014
Gain on disposal of investments	\$ 60,764	\$ 52,023
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	5,763	(61,506)
Gain on disposal of property, plant and equipment and investment property	13,413	106,962
Currency exchange gain	26,504	124,221
Impairment loss	(51,995)	(41,911)
Other losses	(207,285)	(51,313)
	(\$ 152,836)	\$ 128,476

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(28) Finance costs

	Years ended December 31,	
	2015	2014
Interest expense:		
Bank borrowings	\$ 1,203,659	\$ 1,044,921
Convertible bonds	79,243	34,203
Others	185,002	135,107
	<u>\$ 1,467,904</u>	<u>\$ 1,214,231</u>

(29) Additional information of expenses by nature

	Years ended December 31,	
	2015	2014
Employee benefit expense	<u>\$ 7,117,835</u>	<u>\$ 7,714,574</u>
Depreciation charges on property and equipment (including investment property)	<u>\$ 238,957</u>	<u>\$ 239,793</u>
Amortisation charges on intangible assets and other non-current assets	<u>\$ 95,734</u>	<u>\$ 141,605</u>

(30) Employee benefit expense

	Years ended December 31,	
	2015	2014
Wages and salaries	\$ 6,073,240	\$ 6,764,633
Labor and health insurance fees	362,280	338,446
Pension costs	369,113	369,743
Other personnel expenses	<u>313,202</u>	<u>241,752</u>
	<u>\$ 7,117,835</u>	<u>\$ 7,714,574</u>

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

- No more than 3% as remuneration to directors and supervisors.
- 0.01%-5% as employees' bonus.
- 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.

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive

support from half of participating members. The resolution should be reported to the shareholders' meeting. 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. Under the Company's amended Articles of Incorporation that have been approved by the Board of Directors on December 29, 2015, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. According to Note 6(15) C, the remainder, if any, shall be distributed as employees' bonus that account for 0.01%-5%, supervisors' and directors' remuneration that account for no higher than 3%, and shareholders' bonus in proportion to shareholding ratio. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed. The remainder to be appropriated shall be proposed by the Board of Directors and reported to the shareholders for a resolution.

B. For the years ended December 31, 2015 and 2014, employees' compensation (bonus) was accrued at \$20,892 and \$20,892, respectively; while directors' and supervisors' remuneration was accrued at \$30,000 and \$33,323, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were accrued based on the profit of current year distributable for the year ended December 31, 2015 and the percentage as prescribed by the Company's amended Articles of Incorporation that have been approved by the Board of Directors on December 29, 2015. As of March 29, 2016, the amount has not been resolved by the Board of Directors. Aforementioned employees' compensation will be distributed in the form of cash.

The expenses recognised for 2014 were accrued based on the net income for 2014 and the percentage as prescribed by the Company's Articles of Incorporation for employees and directors/supervisors, taking into account other factors such as legal reserve and special reserve. Where the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences are accounted for as changes in estimates. Employees' bonus and directors' and supervisors' remuneration for 2014 as resolved by the shareholders during their meeting were in agreement with those amounts recognised in the profit or loss for 2014.

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

(31) Income tax

A. Income tax expense

a) Components of income tax expense:

	Years ended December 31,	
	2015	2014
Current tax		
Current tax on profits for the year	\$ 1,254,716	\$ 1,322,333
Tax on undistributed surplus earnings	305,101	152,059
Adjustments in respect of prior years' income tax	(49,715)	(41,835)
Total current tax	<u>1,510,102</u>	<u>1,432,557</u>
Deferred tax		
Origination and reversal of temporary differences	207,409	(140,081)
Impact of change in tax rate	-	(17)
Total deferred tax	<u>207,409</u>	<u>(140,098)</u>
Income tax expense	<u>\$ 1,717,511</u>	<u>\$ 1,292,459</u>

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

	Years ended December 31,	
	2015	2014
Currency translation differences	\$ 12,285	\$ 29,203
Remeasurement of defined benefit obligations	(28,340)	4,939
	<u>\$ (16,055)</u>	<u>\$ 34,142</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2015	2014
Tax calculated based on profit before tax and statutory tax rate	\$ 3,007,437	\$ 2,911,623
Effects from items disallowed by tax regulation	(1,576,138)	(1,730,837)
Adjustments in respect of prior years' income tax	(49,715)	(41,835)
Additional 10% tax on undistributed earnings	305,101	152,059
Impact of change in the tax rate on temporary differences between current year and the year realized	25,038	1,361
Effect from changes in tax regulation	-	(17)
Effect of different tax rates in countries in which the group operates	4,258	105
Others	<u>1,530</u>	<u>-</u>
Tax expenses	<u>\$ 1,717,511</u>	<u>\$ 1,292,459</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary difference and loss carryforward are as follows:

	Year ended December 31, 2015				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effect from adjustments in entities	December 31
- Deferred tax assets:					
Temporary differences					
Unrealised allowance for inventory obsolescence	\$ 23,131	\$ 2,783	\$ -	\$ -	\$ 25,914
Unrealised sales discount	91,337	(26,393)	-	-	64,944
Bad debts expense	33,783	(4,829)	-	1,966	30,920
Unrealised expense	65,013	(41,959)	-	-	23,054
Investment loss	82,582	(80,297)	-	7,642	9,927
Pensions	47,156	10,071	28,235	7,146	92,608
Others	32,363	39,818	-	1,941	74,122
Loss carryforward	<u>120,790</u>	<u>(112,244)</u>	-	<u>4,982</u>	<u>13,528</u>
	<u>496,155</u>	<u>(213,050)</u>	<u>28,235</u>	<u>23,680</u>	<u>335,020</u>
- Deferred tax liabilities:					
Temporary differences					
Investment income	(301,921)	(21,220)	-	-	(323,141)
Reserve for building increment	(23,905)	-	-	-	(23,905)
Land revaluation increment tax	(30,156)	-	-	-	(30,156)
Pensions	(21,181)	9,452	105	-	(11,624)
Cumulative translation adjustments	(21,019)	(202)	(12,285)	(1,265)	(34,771)
Others	(35,249)	17,611	-	(823)	(18,461)
	<u>(433,431)</u>	<u>5,641</u>	<u>(12,180)</u>	<u>(2,088)</u>	<u>(442,058)</u>
	<u>\$ 62,724</u>	<u>\$ (207,409)</u>	<u>\$ 16,055</u>	<u>\$ 21,592</u>	<u>\$ (107,038)</u>

	Year ended December 31, 2014				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effect from adjustments in entities	December 31
- Deferred tax assets:					
Temporary differences					
Unrealised allowance for inventory obsolescence	\$ 40,614	(\$ 17,483)	\$ -	\$ -	\$ 23,131
Unrealised sales discount	32,737	58,600	-	-	91,337
Bad debts expense	33,480	303	-	-	33,783
Unrealised expense	55,580	8,433	-	-	65,013
Investment loss	64,040	18,542	-	-	82,582
Pensions	47,663	31	(538)	-	47,156
Cumulative translation adjustments	11,877	(3,184)	(8,693)	-	-
Others	14,824	17,539	-	-	32,363
Loss carryforward	<u>11,835</u>	<u>108,955</u>	-	-	<u>120,790</u>
	<u>313,650</u>	<u>191,736</u>	<u>(9,231)</u>	-	<u>496,155</u>

Year ended December 31, 2014				
January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effect from adjustments in entities	December 31
- Deferred tax liabilities:				
Temporary differences				
Investment income	(273,295)	(28,625)	-	(301,921)
Reserve for building increment	(23,999)	94	-	(23,905)
Land revaluation increment tax	(32,491)	2,335	-	(30,156)
Pensions	(15,677)	(1,103)	(4,401)	(21,181)
Cumulative translation adjustments	-	(509)	(20,510)	(21,019)
Others	(11,402)	(23,847)	-	(35,249)
	(356,865)	(51,655)	(24,911)	(433,431)
	(\$ 42,215)	(\$ 140,081)	(\$ 34,142)	(\$ 62,724)

D. The amounts of deductible temporary differences and loss carryforward that are not recognised as deferred tax assets are as follows:

	December 31, 2015	December 31, 2014
Deductible temporary differences	\$ 82,819	\$ 637,576
Loss carryforward	\$ 2,164,761	\$ 1,288,345

The deductible temporary differences belong to overseas subsidiaries that cannot be realised as deferred tax assets in the near future.

E. The Company's income tax returns through 2010 have been assessed and approved by the Tax Authority.

F. Unappropriated retained earnings:

	December 31, 2015	December 31, 2014	January 1, 2014
Earnings generated after 1998	\$ 10,002,877	\$ 7,501,303	\$ 4,946,348

G. As of December 31, 2015 and 2014, the balance of the imputation tax credit account was \$579,824 and \$153,491, respectively.

H. Creditable ratio of appropriated retained earnings:

	2015 (Estimated)	2014 (Actual)
Creditable ratio	11.29%	12.32%

(32) Earnings per share

Year ended December 31, 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	\$ 5,420,469	1,655,681	\$ 3.27
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 5,420,469	1,655,681	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	78,944	152,624	
Employees' compensation	-	1,003	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,499,413	1,809,308	\$ 3.04

Year ended December 31, 2014			
	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	\$ 5,808,839	1,655,709	\$ 3.51
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 5,808,839	1,655,709	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	34,073	65,102	
Employees' bonus	-	1,266	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 5,842,912	1,722,077	\$ 3.39

(33) 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 computer 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

	July 20, 2015
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. The operating revenue 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) was \$8,764,446. Genuine C&C and Peng Yu also contributed profit before income tax of \$30,289 over the same period. Had Genuine C&C and Peng Yu been consolidated from January 1, 2014, the consolidated statement of comprehensive income and profit before income tax would be as follows:

	Years ended December 31,	
	2015	2014
Operating revenue	\$ 518,883,171	\$ 463,217,488
Profit before tax	7,152,086	7,115,333

(34) Supplemental cash flow information

A. Partial payment of cash from investing activities

	Years ended December 31,	
	2015	2014
Acquisition of property, plant and equipment and intangible assets	\$ 172,323	\$ 114,338
Add: accounts payable at the beginning of year	10,892	-
Less: accounts payable at the end of year	(3,019)	(10,892)
Cash paid during the year for property, plant and equipment	\$ 180,196	\$ 103,446

B. Fair value information relating to acquisition of subsidiary:

	December 31, 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	(1,285,283)
Other non-current liabilities	(47,536)
	\$ 1,208,518

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

	December 31, 2015
Consideration received	
Other receivables	\$ 10,696
Carrying amount of the assets and liabilities of the subsidiary	
Cash	\$ 1,553
Other receivables	26,822
Prepayments	353
Inventories	2
Fixed assets	157
Other receivables	(74)
Non-controlling interests	(14,752)
Total net assets	\$ 14,061

Note: As the Company sold all the shares in Dalian Kaiyuan Innovations Digital Co., Ltd., the Company lost control over Dalian Kaiyuan Innovations Digital Co., Ltd.

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

	Years ended December 31,	
	2015	2014
Sales of goods		
Others	\$ 1,033,662	\$ 923,672
Associates	80,589	183,301
	<u>\$ 1,114,251</u>	<u>\$ 1,106,973</u>

The terms and sales prices with its 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. Furthermore, as the associate, Genuine C&C Inc., became a consolidated entity of the Group starting from April 15, 2015, sales to Genuine C&C Inc. are disclosed until that date.

B. Purchases of goods

	Years ended December 31,	
	2015	2014
Purchases of goods		
Associates	\$ 12,989	\$ 35,415
Others	-	1,069
	<u>\$ 12,989</u>	<u>\$ 36,484</u>

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The purchase prices for certain associates were negotiated in consideration of different factors including products, market, competition and other conditions, and the products were delivered within 14 days after receipt of prepayments for those products. The purchase prices and terms of payment for other associates and related parties are the same as those for general suppliers.

C. Receivables from related parties

	December 31, 2015	December 31, 2014
Accounts receivable		
Others	\$ 297,338	\$ 247,708
Associates	21,720	21,833
	<u>\$ 319,058</u>	<u>\$ 269,541</u>

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

D. Other receivables

	December 31, 2015	December 31, 2014
Other receivables:		
Associates	\$ 95,876	\$ 169,419

The above pertain mainly to advance payments.

E. Payables to related parties

	December 31, 2015	December 31, 2014
Accounts payable		
Associates	\$ 2,121	\$ 1,913
Others	-	145
	<u>\$ 2,121</u>	<u>\$ 2,058</u>

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

F. Others

The Group's donations to other related parties were \$5,700 and \$4,350 for the years ended December 31, 2015 and 2014, respectively.

(3) Key management compensation

	Years ended December 31,	
	2015	2014
Salaries and other short-term employee benefits	\$ 176,389	\$ 183,245
Post-employment benefits	3,123	4,583
	<u>\$ 179,512</u>	<u>\$ 187,828</u>

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8. PLEDGED ASSETS

Pledged assets (Note 1)	December 31, 2015	December 31, 2014	Purpose of Collateral
Other current assets			
-Bank deposits	\$ 853,494	\$ 494,273	Short-term loans, deposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	258,808	85,388	Short-term loans, security for purchases and limited impounded account for disposal of accounts receivable and non-pledged time deposits that are not considered as cash equivalents
Available-for-sale financial assets-non-current (Note 2)	9,013	20,356	Security for purchases
Property, plant and equipment			
-Land	1,316,215	1,198,057	Long-term and short-term loans, import loans and security for purchases
-Buildings	639,221	654,317	
Other non-current assets			
-Deposit-out	21	3,062	Tariff security deposit
	<u>\$ 3,076,772</u>	<u>\$ 2,455,453</u>	

Note 1: The Company held 100% of shares of WPG Investment Co., Ltd., in which 8,999 thousand shares have been pledged for purchases as of December 31, 2015 and 2014.

Note 2: As of December 31, 2015 and 2014, the owned subsidiary - Silicon Application Corporation held 1,133 thousand and 1,133 thousand shares of Kingmax Technology Inc., and 0 and 732 thousand shares of Kingspak Technology Inc., respectively, 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:

	December 31, 2015
Property, plant and equipment and intangible assets	\$ 18,891

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:

	December 31, 2015
Not later than one year	\$ 475,455
Later than one year but not later than five years	1,075,573
Later than five years	136,197
	<u>\$ 1,687,225</u>

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

	December 31, 2015
	\$ 852,378
	USD 51,477,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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),

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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).

	December 31, 2015			
	Book value	Fair 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
	<u>\$ 473,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>

	December 31, 2014	
	Book value	Fair value
Financial assets:		
Equity and investments in bonds without active markets:		
Financial assets measured at cost-current	\$ 3,497	\$ -
Financial assets measured at cost - non-current	395,496	-
Investments in bonds without active markets-non-current	5,000	5,000
	<u>\$ 403,993</u>	<u>\$ 5,000</u>

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

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

B. Financial risk management policies

- a) The Group's activities expose it to a variety of financial risks: market risk (including

foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Note 6(2)).

- b) Risk management is carried out by each central treasury department (Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

- 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.
- 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.
- 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.
- 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:

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

	December 31, 2014		
	Foreign Currency Amount	Exchange rate	Book Value
	(In Thousands)		(NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD : TWD	\$ 915,675	31.65	\$ 28,981,127
USD : HKD	35,646	7.76	1,128,206
USD : KRW	15,020	1,082.98	475,389
USD : JPY	29,540	119.61	934,931
USD : MYR	6,220	3.50	196,858
RMB : USD	398,566	0.16	2,029,497
HKD : USD	39,132	0.13	159,659
Non-monetary items			
USD : TWD	309,463	31.65	9,794,490
RMB : USD	275,979	0.16	1,405,283
JPY : USD	563,329	0.01	149,057
INR : USD	639,296	0.02	320,433
KRW : TWD	10,522,645	0.03	307,524
HKD : USD	282,179	0.13	1,151,292
Financial liabilities			
Monetary items			
USD : TWD	861,293	31.65	27,259,915
USD : RMB	59,230	6.22	1,874,633
USD : KRW	16,306	1,082.98	516,097
USD : JPY	30,504	119.61	965,441
USD : INR	6,694	63.15	211,881
USD : MYR	5,379	3.50	170,234
RMB : USD	110,565	0.16	562,996
SGD : USD	6,100	0.76	146,030

- 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 years ended December 31, 2015 and 2014 amounted \$26,504 and \$124,221, respectively.

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

	Year ended December 31, 2015		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	1%	\$ 262,953	\$ -
USD : RMB	1%	5,445	-
USD : HKD	1%	11,862	-
USD : KRW	1%	3,982	-
USD : JPY	1%	7,005	-
USD : MYR	1%	2,716	-
RMB : USD	1%	27,930	-
HKD : USD	1%	6,205	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	1%	256,225	-
USD : RMB	1%	28,356	-
USD : KRW	1%	7,609	-
USD : JPY	1%	6,851	-
USD : MYR	1%	2,593	-
USD : INR	1%	2,913	-
HKD : USD	1%	2,915	-
RMB : USD	1%	4,521	-
SGD : USD	1%	1,511	-

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	Year ended December 31, 2014		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	1%	\$ 289,811	\$ -
USD : HKD	1%	10,810	-
USD : KRW	1%	4,719	-
USD : JPY	1%	10,125	-
USD : MYR	1%	2,025	-
RMB : USD	1%	19,441	-
HKD : USD	1%	1,529	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	1%	272,599	-
USD : RMB	1%	18,114	-
USD : KRW	1%	5,124	-
USD : JPY	1%	10,456	-
USD : INR	1%	2,111	-
USD : MYR	1%	1,751	-
RMB : USD	1%	5,393	-
SGD : USD	1%	1,399	-

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 years ended December 31, 2015 and 2014 would have increased/decreased by \$326 and \$138, 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 \$3,711 and \$4,626 as a result of gains/losses on equity securities classified as available-for-sale, respectively.

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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 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 years ended December 31, 2015 and 2014, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At December 31, 2015 and 2014, if interest rates on borrowings had been 1% higher / lower with all other variables held constant, post-tax profit for the years ended December 31, 2015 and 2014 would have been \$115,607 and \$88,280 lower/higher, respectively, mainly as a result of higher / lower interest expense on floating rate borrowings.

b) Credit risk

- 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.
- No credit limits were exceeded during the years ended December 31, 2015 and 2014, and management does not expect any significant losses from non-performance by these counterparties.
- The credit quality information of financial assets that are neither past due nor impaired is provided in Note 6(5)A. and Note 7(2)C.
- The ageing analysis of financial assets that were past due is provided in Note 6(5)B.
- The individual analysis of financial assets that had been impaired is provided in Note 6(5)C. and Note 6(15).

c) Liquidity risk

- Cash flow forecasting is performed in the operating entities of the Group. Each

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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.

- 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:

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 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

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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

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

- Basic information: Please refer to table 9.
- 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 year ended December 31, 2015 is provided in Note(1).

Year ended December 31, 2014:		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	Others	Eliminations	Total
Revenue from external customers		\$ 190,274,604	\$ 64,751,843	\$ 64,111,671	\$ 112,207,322	\$ 21,126,338	\$ -	\$ 452,471,998
Revenue from internal customers		\$ 3,266,017	\$ 3,046,638	\$ 1,209,285	\$ 5,349,127	\$ 5,116,692	\$ -	\$ -
Total revenue		\$ 193,540,621	\$ 67,798,481	\$ 65,321,656	\$ 117,556,449	\$ 26,243,030	\$ -	\$ 452,471,998
Segment profit (loss)		\$ 4,341,337	\$ 1,371,648	\$ 1,805,956	\$ 3,055,179	\$ 890,880	\$ -	\$ 11,465,000
Net income		\$ 2,818,261	\$ 845,374	\$ 922,873	\$ 1,414,061	\$ 125,242	\$ -	\$ 5,814,176

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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 years ended December 31, 2015 and 2014 is as follows:

Year ended December 31, 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 (China)	Others	Eliminations	Total
Revenue from external customers	\$ 223,222,853	\$ 61,897,657	\$ 88,081,066	\$ 123,820,384	\$ 8,762,136	\$ 37,752,393	\$ -	\$ 515,536,489
Revenue from internal customers	\$ 10,321,828	\$ 3,557,359	\$ 1,609,336	\$ 10,414,526	\$ 2,310	\$ 3,160,650	\$ -	\$ 29,276,009
Total revenue	\$ 233,544,681	\$ 65,455,016	\$ 89,690,402	\$ 134,234,910	\$ 8,764,446	\$ 40,913,043	\$ -	\$ 515,536,489
Segment profit (loss)	\$ 5,164,550	\$ 1,650,258	\$ 2,292,765	\$ 1,856,742	\$ 135,374	\$ 637,820	\$ -	\$ 13,338,316
Net income	\$ 3,440,713	\$ 846,147	\$ 1,107,293	\$ 850,066	\$ 11,807	\$ 120,438	\$ -	\$ 5,435,655

Note: As the Company acquired Genuine C&C Inc. on April 15, 2015, the period of disclosure is from April 16 to December 31, 2015.

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4) Information on product and service

The Group is mainly engaged in the import and export of electronic components. Revenues consist as follows:

	Years ended December 31,	
	2015	2014
Core components	\$ 155,862,880	\$ 151,168,015
Analog IC and mixed signal component	85,756,502	78,357,353
Discrete, logic IC	57,295,589	51,726,076
Memory	83,146,404	73,989,956
Optical components	43,004,869	38,659,253
Passive component, connector and magnetic component	31,971,119	12,627,063
Others	58,499,126	45,944,282
	\$ 515,536,489	\$ 452,471,998

5) Geographical information

Information about geographic areas for the years ended December 31, 2015 and 2014 were as follows:

	Years ended December 31,	
	2015	2014
	Revenue	Non-current assets
Taiwan	\$ 93,605,707	\$ 9,161,921
Mainland China	357,464,248	2,023,604
Others	64,466,534	641,782
	\$ 515,536,489	\$ 11,827,307
	Revenue	Non-current assets
Taiwan	\$ 82,840,942	\$ 8,735,178
Mainland China	317,032,196	2,160,041
Others	52,598,860	701,168
	\$ 452,471,998	\$ 11,596,387

6) Major customer information

No single customer contributes more than 10% of the Group's total consolidated operating revenues for the years ended December 31, 2015 and 2014.

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Table 1

No.	Customer	Supplier	Related party	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017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Table 1, Page 3

Table 1, Page 1

No.	Company	Business	General ledger account	Is it the year ended related party?	Maximum outstanding balance at December 31, 2015	Actual amount due at December 31, 2015	Interest rate	Amount of transactions with the borrower	Reason for the transaction	Advance for doubtful accounts	Collateral	Limit on loan granted to a related party	Citing on total loan granted	Interest rate	Term	Status of loan
16	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	33,320	33,320	-	-	-	-	-	2,418,512	4,871,845	Note 6	-	-
17	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	1,142,871	1,142,871	1.20	Short-term financing	-	-	-	1,111,566	1,111,566	Note 4	-	-
18	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	187,310	187,310	2.25	Short-term financing	-	-	-	218,741	218,741	Note 7	-	-
19	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	331,096	331,096	1.20	Short-term financing	-	-	-	415,325	415,325	Note 7	-	-
20	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	492,275	492,275	2.20	Short-term financing	-	-	-	316,113	316,113	Note 2	-	-
21	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	61,680	-	-	Short-term financing	-	-	-	41,801	41,801	Note 5	-	-
22	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	85,425	-	-	Short-term financing	-	-	-	41,801	41,801	Note 5	-	-
23	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	262,600	262,600	1.30	Short-term financing	-	-	-	1,316,889	2,417,022	Note 5	-	-
24	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	500,200	-	-	Short-term financing	-	-	-	444,776	444,776	Note 2	-	-
25	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	186,000	186,000	1.37	Short-term financing	-	-	-	231,187	231,187	Note 2	-	-
26	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	302,250	-	-	Short-term financing	-	-	-	643,244	1,601,216	Note 7	-	-
27	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	184,125	184,125	-	Short-term financing	-	-	-	1,601,216	1,601,216	Note 7	-	-
28	Yong Shuang Corp.	Yong Shuang Corp. Ltd.	Other receivables - related parties	Y	229,271	229,271	1.85	Short-term financing	-	-	-	444,224	444,224	Note 9	-	-

Table 1, Page 4

Table 1, Page 2

WFO Holdings Limited and Subsidiaries

Receivables from related parties reaching 100 million or 20% of paid-in capital or more
Year ended December 31, 2015

Table 6	Overdue receivables		Year ended December 31, 2015	Balance as at December 31, 2015 (Note 3)	Turnover rate (Note 3)	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
	Creditor	Relationship with the counterparty Same parent company					
	Silicon Application Corp.	Counterparty WFO Electronics (HK) Limited		\$ 634,171	3.12	\$ -	\$ -
							\$ 326,286
	World Peace Industrial Co., Ltd.	Counterparty WFO China (SZ) Inc.		\$ 24,233	2.53	\$ -	\$ 166,297
	STUDION APPLICATION (B.V.) CORP.	Counterparty Silicon Application Corp.		\$ 1,284,896	0.00	\$ -	\$ -
	Silicon Application Company Limited	Counterparty WFO China Inc.		\$ 294,315	0.00	\$ -	\$ 248,316
				\$ 773,311	0.00	\$ -	\$ -
	World Peace Industrial Co., Ltd.	Counterparty WFO China (SZ) Inc.		\$ 529,265	0.00	\$ -	\$ 529,265
	World Peace Industrial Co., Ltd.	Counterparty WFO International (Hong Kong) Limited		\$ 3,627,965	6.24	\$ -	\$ 3,627,965
	Longpin Technology Inc.	Counterparty WFO Electronics (HK) Limited		\$ 343,236	2.30	\$ -	\$ 234,234
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 161,295	6.35	\$ -	\$ 161,295
	World Peace Industrial Co., Ltd.	Counterparty World Peace Industrial Co., Ltd.		\$ 461,511	10.63	\$ -	\$ 461,511
	World Peace Industrial Co., Ltd.	Counterparty WFO China (SZ) Inc.		\$ 371,218	5.36	\$ -	\$ 371,218
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 1,696,235	1.79	\$ -	\$ 425,699
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 852,657	3.02	\$ -	\$ 397,441
	WFO SCH Limited	Counterparty WFO SCH Limited		\$ 158,341	5.81	\$ -	\$ 158,341
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 143,021	13.01	\$ -	\$ 141,811
	WFO International Trading (Shanghai) Ltd.	Counterparty WFO International Trading (Shanghai) Ltd.		\$ 221,944	5.79	\$ -	\$ 231,594
	Genuine C&C (Indochina) Pte Ltd.	Counterparty P.T. WFO Electronics Jaya		\$ 297,238	3.85	\$ -	\$ 43,269
	World Peace Industrial Co., Ltd.	Counterparty Genuine C&C (Indochina) Pte Ltd.		\$ 265,090	6.01	\$ -	\$ 170,163
	Pho Ltd.	Counterparty WFO China (SZ) Inc.		\$ 243,572	7.66	\$ -	\$ 243,572
	WFO C&C Components And Peripheral (India) Pte. Ltd.	Counterparty WFO C&C Components And Peripheral (India) Pte. Ltd.		\$ 308,569	3.88	\$ -	\$ 42,570

Table 6. Page 1

WFO Holdings Limited and Subsidiaries

Significant inter-company transactions during the reporting periods
Year ended December 31, 2011

Table 7	Overdue receivables		Year ended December 31, 2011	Balance as at December 31, 2011 (Note 3)	Turnover rate (Note 3)	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
	Creditor	Relationship with the counterparty Same parent company					
	World Peace Industrial Co., Ltd.	Counterparty WFO China (SZ) Inc.		\$ 1,632,423	3.10	\$ -	\$ 1,632,423
	World Peace Industrial Co., Ltd.	Counterparty World Peace Industrial Co., Ltd.		\$ 148,049	4.09	\$ -	\$ 122,185
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 131,819	0.00	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 643,777	0.00	\$ -	\$ 7
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 421,277	0.00	\$ -	\$ 391,461
	Long-Think International (Hong Kong) Limited	Counterparty Long-Think International (Hong Kong) Limited		\$ 210,273	0.00	\$ -	\$ 42,118
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 266,829	0.00	\$ -	\$ 266,829
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 665,937	6.00	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 532,397	0.00	\$ -	\$ -
	WFO America Inc.	Counterparty WFO America Inc.		\$ 496,669	0.00	\$ -	\$ 218,697
	Yousi Hong Kong Corp. Ltd.	Counterparty Yousi Hong Kong Corp. Ltd.		\$ 146,370	4.6	\$ -	\$ 146,370
	WFO China Inc.	Counterparty WFO China Inc.		\$ 199,983	0.00	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 743,710	3.00	\$ -	\$ 271,548
	WFO China Inc.	Counterparty WFO China Inc.		\$ 2,082,376	3.26	\$ -	\$ 1,087,344
	WFO International Corp.	Counterparty WFO International Corp.		\$ 298,814	0.00	\$ -	\$ 298,814
	Yousi Hong Kong Corp. Ltd.	Counterparty Yousi Hong Kong Corp. Ltd.		\$ 1,183,337	0.00	\$ -	\$ 829,346
	Yousi Hong Kong Corp. Ltd.	Counterparty Yousi Hong Kong Corp. Ltd.		\$ 170,644	0.00	\$ -	\$ 48
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 333,344	0.00	\$ -	\$ 1,361
	Yousi Hong Kong Corp. Ltd.	Counterparty Yousi Hong Kong Corp. Ltd.		\$ 346,335	0.00	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 477,441	0.00	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 564,379	8.26	\$ -	\$ 564,379
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 143,991	2.25	\$ -	\$ 141,227
	WFO International Trading (Shanghai) Ltd.	Counterparty WFO International Trading (Shanghai) Ltd.		\$ 151,321	13.97	\$ -	\$ 79,235
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 128,967	2.31	\$ -	\$ 56,390
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 272,104	0.00	\$ -	\$ 272,104
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 478,145	3.14	\$ -	\$ 462,246

Table 7. Page 2

Overdue receivables

Table 6	Overdue receivables		Year ended December 31, 2015	Balance as at December 31, 2015 (Note 3)	Turnover rate (Note 3)	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
	Creditor	Relationship with the counterparty Same parent company					
	Evergreen Enterprise Co., Ltd.	Counterparty Pecos Electronics Co., Ltd.		\$ 151,382	0.00	\$ -	\$ -
	Pecos Electronics Co., Ltd.	Counterparty Evergreen Enterprise Co., Ltd.		\$ 162,190	3.25	\$ -	\$ 161,211
	Reliance Electronics Device Co., Ltd.	Counterparty WFO Electronics (HK) Limited		\$ 415,003	2.34	\$ -	\$ 339,215
	Yousi Hong Kong Corp. Ltd.	Counterparty Yousi Hong Kong Corp. Ltd.		\$ 711,290	7.69	\$ -	\$ 711,290
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 321,017	2.37	\$ -	\$ 141,494
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 147,172	3.08	\$ -	\$ 102,172
	WFO China Inc.	Counterparty WFO China Inc.		\$ 164,125	0.00	\$ -	\$ -
	WFO Korea Co., Ltd.	Counterparty WFO Korea Co., Ltd.		\$ 230,233	0.00	\$ -	\$ -
	World Peace Industrial Co., Ltd.	Counterparty World Peace Industrial Co., Ltd.		\$ 360,670	0.00	\$ -	\$ 100,649

Note 1: Balance as at December 31, 2015 includes other receivables that exceed \$100,000.

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

Note 3: The subsequent collections are amounts collected in or before 2016.

Table 6. Page 2

WFO Holdings Limited and Subsidiaries

Significant inter-company transactions during the reporting periods
Year ended December 31, 2011

Table 7	Overdue receivables		Year ended December 31, 2011	Balance as at December 31, 2011 (Note 3)	Turnover rate (Note 3)	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
	Creditor	Relationship with the counterparty Same parent company					
	World Peace Industrial Co., Ltd.	Counterparty WFO International (Hong Kong) Limited		\$ 15,461,822	3.00	\$ -	\$ -
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 416,293	0.12	\$ -	\$ -
	WFO America Inc.	Counterparty WFO America Inc.		\$ 596,578	0.10	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 146,458	0.03	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 116,606	0.02	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 275,972	0.11	\$ -	\$ -
	Long-Think International (Hong Kong) Limited	Counterparty Long-Think International (Hong Kong) Limited		\$ 111,415	0.02	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 294,073	0.04	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 291,492	0.06	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 4,454,066	0.05	\$ -	\$ -
	WFO International Corp.	Counterparty WFO International Corp.		\$ 1,479,264	0.26	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 1,653,399	0.22	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 1,272,161	0.24	\$ -	\$ -
	WFO SCH Limited	Counterparty WFO SCH Limited		\$ 811,977	0.16	\$ -	\$ -
	WFO International Trading (Shanghai) Ltd.	Counterparty WFO International Trading (Shanghai) Ltd.		\$ 440,578	0.12	\$ -	\$ -
	WFO China Inc.	Counterparty WFO China Inc.		\$ 193,991	0.06	\$ -	\$ -
	WFO Korea Co., Ltd.	Counterparty WFO Korea Co., Ltd.		\$ 276,106	0.05	\$ -	\$ -
	WFO Electronics (HK) Limited	Counterparty WFO Electronics (HK) Limited		\$ 360,690	0.04	\$ -	\$ -
	WFO International (Hong Kong) Limited	Counterparty WFO International (Hong Kong) Limited		\$ 158,933	0.01	\$ -	\$ -
	WFO International Trading (Shanghai) Ltd.	Counterparty WFO International Trading (Shanghai) Ltd.		\$ 1,977,665	0.28	\$ -	\$ -
	WFO China (SZ) Inc.	Counterparty WFO China (SZ) Inc.		\$ 418,015	0.17	\$ -	\$ -
	WFO Korea Co., Ltd.	Counterparty WFO Korea Co., Ltd.		\$ 206,151	0.04	\$ -	\$ -

Table 7. Page 1

Number (Note 1)	Company name	Relationship (Note 2)	Transaction		Percentage of consolidated total operating revenue from revenue (Note 3)
			Amount	Transaction terms	
1	Silicon Application Corp.	WPG China (SZ) Inc.	\$ 334,235	Note 8	0.19
2	World Power International Co., Ltd.	WPG Electronics (HK) Limited	-	Note 5	2.0
3	World Power International Co., Ltd.	WPG Electronics (HK) Limited	3,027,065	Note 5	0.17
4	World Power International Co., Ltd.	WPG Electronics (HK) Limited	302,266	Note 5	0.09
5	World Power International Co., Ltd.	WPG Electronics (HK) Limited	181,782	Note 5	0.09
6	World Power International Co., Ltd.	WPG Electronics (HK) Limited	401,511	Note 5	0.22
7	World Power International Co., Ltd.	WPG Electronics (HK) Limited	331,217	Note 5	0.18
8	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,946,233	Note 5	0.39
9	World Power International Co., Ltd.	WPG Electronics (HK) Limited	922,817	Note 5	0.48
10	World Power International Co., Ltd.	WPG Electronics (HK) Limited	158,281	Note 5	0.09
11	World Power International Co., Ltd.	WPG Electronics (HK) Limited	141,811	Note 5	0.08
12	World Power International Co., Ltd.	WPG Electronics (HK) Limited	281,844	Note 5	0.16
13	World Power International Co., Ltd.	WPG Electronics (HK) Limited	297,238	Note 5	0.17
14	World Power International Co., Ltd.	WPG Electronics (HK) Limited	208,699	Note 5	0.11
15	World Power International Co., Ltd.	WPG Electronics (HK) Limited	243,832	Note 5	0.14
16	World Power International Co., Ltd.	WPG Electronics (HK) Limited	260,249	Note 5	0.15
17	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,652,423	Note 5	0.92
18	World Power International Co., Ltd.	WPG Electronics (HK) Limited	148,649	Note 5	0.08
19	World Power International Co., Ltd.	WPG Electronics (HK) Limited	146,318	Note 5	0.08
20	World Power International Co., Ltd.	WPG Electronics (HK) Limited	745,218	Note 5	0.42
21	World Power International Co., Ltd.	WPG Electronics (HK) Limited	2,882,170	Note 5	1.15
22	World Power International Co., Ltd.	WPG Electronics (HK) Limited	564,279	Note 5	0.28
23	World Power International Co., Ltd.	WPG Electronics (HK) Limited	132,294	Note 5	0.10
24	World Power International Co., Ltd.	WPG Electronics (HK) Limited	151,821	Note 5	0.08
25	World Power International Co., Ltd.	WPG Electronics (HK) Limited	112,887	Note 5	0.06
26	World Power International Co., Ltd.	WPG Electronics (HK) Limited	470,115	Note 5	0.26
27	World Power International Co., Ltd.	WPG Electronics (HK) Limited	382,196	Note 5	0.19
28	World Power International Co., Ltd.	WPG Electronics (HK) Limited	411,360	Note 5	0.23

Table 7, Page 4

Number (Note 1)	Company name	Relationship (Note 2)	Transaction		Percentage of consolidated total operating revenue from revenue (Note 3)
			Amount	Transaction terms	
1	World Power International Co., Ltd.	WPG Electronics (HK) Limited	\$ 2,553,385	Note 7 and 16	4.50
2	World Power International Co., Ltd.	WPG Electronics (HK) Limited	826,807	Note 7 and 16	0.36
3	World Power International Co., Ltd.	WPG Electronics (HK) Limited	132,128	Note 7 and 16	0.09
4	World Power International Co., Ltd.	WPG Electronics (HK) Limited	5,554,298	Note 7 and 16	1.52
5	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,825,873	Note 7 and 16	0.35
6	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,643,382	Note 7 and 16	0.32
7	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,056,291	Note 7 and 16	0.25
8	World Power International Co., Ltd.	WPG Electronics (HK) Limited	342,668	Note 7 and 16	0.07
9	World Power International Co., Ltd.	WPG Electronics (HK) Limited	314,638	Note 7 and 16	0.06
10	World Power International Co., Ltd.	WPG Electronics (HK) Limited	124,486	Note 7 and 16	0.02
11	World Power International Co., Ltd.	WPG Electronics (HK) Limited	516,007	Note 7 and 16	0.10
12	World Power International Co., Ltd.	WPG Electronics (HK) Limited	240,193	Note 7 and 16	0.05
13	World Power International Co., Ltd.	WPG Electronics (HK) Limited	603,630	Note 7 and 16	0.12
14	World Power International Co., Ltd.	WPG Electronics (HK) Limited	216,281	Note 7 and 16	0.04
15	World Power International Co., Ltd.	WPG Electronics (HK) Limited	5,855,448	Note 7 and 16	1.09
16	World Power International Co., Ltd.	WPG Electronics (HK) Limited	149,658	Note 7 and 16	0.03
17	World Power International Co., Ltd.	WPG Electronics (HK) Limited	179,888	Note 7 and 16	0.03
18	World Power International Co., Ltd.	WPG Electronics (HK) Limited	201,833	Note 7 and 16	0.02
19	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,897,810	Note 7 and 16	0.37
20	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,129,898	Note 7 and 16	0.22
21	World Power International Co., Ltd.	WPG Electronics (HK) Limited	496,189	Note 7 and 16	0.10
22	World Power International Co., Ltd.	WPG Electronics (HK) Limited	172,655	Note 7 and 16	0.03
23	World Power International Co., Ltd.	WPG Electronics (HK) Limited	260,344	Note 7 and 16	0.05
24	World Power International Co., Ltd.	WPG Electronics (HK) Limited	222,194	Note 7 and 16	0.04
25	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,782,445	Note 7 and 16	0.35
26	World Power International Co., Ltd.	WPG Electronics (HK) Limited	136,981	Note 7 and 16	0.03
27	World Power International Co., Ltd.	WPG Electronics (HK) Limited	449,502	Note 7 and 16	0.09
28	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,699,259	Note 7 and 16	0.31

Table 7, Page 2

Number (Note 1)	Company name	Relationship (Note 2)	Transaction		Percentage of consolidated total operating revenue from revenue (Note 3)
			Amount	Transaction terms	
1	World Power International Co., Ltd.	WPG Electronics (HK) Limited	\$ 751,290	Note 8	0.43
2	World Power International Co., Ltd.	WPG Electronics (HK) Limited	182,132	Note 8	0.09
3	World Power International Co., Ltd.	WPG Electronics (HK) Limited	221,617	Note 8	0.12
4	World Power International Co., Ltd.	WPG Electronics (HK) Limited	248,336	Note 8	0.15
5	World Power International Co., Ltd.	WPG Electronics (HK) Limited	223,511	Note 8	0.10
6	World Power International Co., Ltd.	WPG Electronics (HK) Limited	559,285	Note 8	0.30
7	World Power International Co., Ltd.	WPG Electronics (HK) Limited	131,819	Note 8	0.07
8	World Power International Co., Ltd.	WPG Electronics (HK) Limited	481,777	Note 8	0.26
9	World Power International Co., Ltd.	WPG Electronics (HK) Limited	631,077	Note 8	0.35
10	World Power International Co., Ltd.	WPG Electronics (HK) Limited	218,275	Note 8	0.12
11	World Power International Co., Ltd.	WPG Electronics (HK) Limited	266,839	Note 8	0.15
12	World Power International Co., Ltd.	WPG Electronics (HK) Limited	665,537	Note 8	0.37
13	World Power International Co., Ltd.	WPG Electronics (HK) Limited	372,397	Note 8	0.19
14	World Power International Co., Ltd.	WPG Electronics (HK) Limited	696,659	Note 8	0.39
15	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,158,187	Note 8	0.65
16	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,902,668	Note 8	1.11
17	World Power International Co., Ltd.	WPG Electronics (HK) Limited	333,584	Note 8	0.19
18	World Power International Co., Ltd.	WPG Electronics (HK) Limited	340,735	Note 8	0.19
19	World Power International Co., Ltd.	WPG Electronics (HK) Limited	497,441	Note 8	0.28
20	World Power International Co., Ltd.	WPG Electronics (HK) Limited	272,104	Note 8	0.15
21	World Power International Co., Ltd.	WPG Electronics (HK) Limited	151,382	Note 8	0.08
22	World Power International Co., Ltd.	WPG Electronics (HK) Limited	212,540	Note 8	0.12
23	World Power International Co., Ltd.	WPG Electronics (HK) Limited	164,125	Note 8	0.09
24	World Power International Co., Ltd.	WPG Electronics (HK) Limited	292,223	Note 8	0.13
25	World Power International Co., Ltd.	WPG Electronics (HK) Limited	366,639	Note 8	0.20
26	World Power International Co., Ltd.	WPG Electronics (HK) Limited	228,014	Note 8	0.13

Table 7, Page 5

Number (Note 1)	Company name	Relationship (Note 2)	Transaction		Percentage of consolidated total operating revenue from revenue (Note 3)
			Amount	Transaction terms	
1	World Power International Co., Ltd.	WPG Electronics (HK) Limited	\$ 428,933	Note 8	0.13
2	World Power International Co., Ltd.	WPG Electronics (HK) Limited	476,117	Note 8	0.09
3	World Power International Co., Ltd.	WPG Electronics (HK) Limited	248,276	Note 8	0.05
4	World Power International Co., Ltd.	WPG Electronics (HK) Limited	2,068,842	Note 8	0.56
5	World Power International Co., Ltd.	WPG Electronics (HK) Limited	262,378	Note 8	0.05
6	World Power International Co., Ltd.	WPG Electronics (HK) Limited	262,146	Note 8	0.04
7	World Power International Co., Ltd.	WPG Electronics (HK) Limited	127,659	Note 8	0.02
8	World Power International Co., Ltd.	WPG Electronics (HK) Limited	230,676	Note 8	0.04
9	World Power International Co., Ltd.	WPG Electronics (HK) Limited	160,277	Note 8	0.03
10	World Power International Co., Ltd.	WPG Electronics (HK) Limited	291,702	Note 8	0.06
11	World Power International Co., Ltd.	WPG Electronics (HK) Limited	513,215	Note 8	0.15
12	World Power International Co., Ltd.	WPG Electronics (HK) Limited	184,971	Note 8	0.04
13	World Power International Co., Ltd.	WPG Electronics (HK) Limited	103,656	Note 8	0.02
14	World Power International Co., Ltd.	WPG Electronics (HK) Limited	220,743	Note 8	0.04
15	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,514,691	Note 8	0.50
16	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,717,256	Note 8	0.37
17	World Power International Co., Ltd.	WPG Electronics (HK) Limited	227,298	Note 8	0.05
18	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,833,484	Note 8	0.50
19	World Power International Co., Ltd.	WPG Electronics (HK) Limited	4,379,936	Note 8	0.89
20	World Power International Co., Ltd.	WPG Electronics (HK) Limited	1,307,051	Note 8	0.27
21	World Power International Co., Ltd.	WPG Electronics (HK) Limited	975,584	Note 8	0.18
22	World Power International Co., Ltd.	WPG Electronics (HK) Limited	705,665	Note 8	0.19
23	World Power International Co., Ltd.	WPG Electronics (HK) Limited	370,790	Note 8	0.05
24	World Power International Co., Ltd.	WPG Electronics (HK) Limited	212,313	Note 8	0.04
25	World Power International Co., Ltd.	WPG Electronics (HK) Limited	177,609	Note 8	0.02
26	World Power International Co., Ltd.	WPG Electronics (HK) Limited	684,171	Note 8	0.35

Table 7, Page 3

Investor	Investee	Location	Main business activities	Balance as at December 31, 2015		Ownership (%)	Book value		Investment income (net) recognized by the investor for the year ended December 31, 2015	Percentage of consolidated net operating assets owned by the investor
				2015	2014		2015	2014		
Silicon Application Corp.	Form Electronics Co., Ltd.	Taiwan	Sales of computer electronic components	\$ 939,304	\$ 959,504	100.00	\$ 1,123,253	\$ 227,015	Notes 2 and 5	8.11
World Power Industrial Co., Ltd.	World Power International (BVI) Ltd.	British Virgin Islands	Holding company	1,132,182	1,372,162	100.00	3,093,311	190,891	Notes 2 and 5	
World Power Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,794,146	2,794,146	100.00	13,341,196	1,241,227	Notes 2 and 5	
World Power Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic components	344,290	344,290	100.00	621,813	94,720	Notes 2 and 5	
World Power Industrial Co., Ltd.	Chunfeng Technology Corp.	Taiwan	Sales of electronic components	116,659	116,659	39.00	201,837	34,442	Notes 2 and 5	
World Power Industrial Co., Ltd.	ASEC Technology Co., Ltd.	Taiwan	Sales of electronic components	1,481,335	2,243,555	100.00	1,731,131	43,794	Notes 2 and 5	
World Power Industrial Co., Ltd.	OmniStar CMC Inc.	Taiwan	Sales of electronic components	149,130	149,130	16.29	179,373	28,142	Notes 2 and 5	
Longview Technology Inc.	Longview Technology EC Limited	British Virgin Islands	Holding company	333,238	333,238	100.00	397,164	16,920	Notes 2 and 5	
Longview Technology Inc.	Longview Technology Co., Ltd.	Taiwan	Sales of electronic components	37,302	37,302	100.00	60,328	21,149	Notes 2 and 5	
ASEC Technology Co., Ltd.	ASEC Technology Holding (BVI) Co., Ltd.	British Virgin Islands	Investment company	454,290	454,210	100.00	801,707	15,394	Notes 2 and 5	
Yama Industrial Corp.	Sungip Investments Ltd.	Cayman Islands	Investment company	1,812,181	1,812,118	50.00	4,093,379	37,940	Notes 2 and 5	
Yama Industrial Corp.	Strick Incorporated Inc.	Taiwan	Sales of office electronic components	1,616,722	1,616,722	100.00	1,766,706	216,980	Notes 2 and 5	
Yama Industrial Corp.	Yama Hsien Technology Corp.	Taiwan	Sales of electronic components	-	26,100	-	-	579	Notes 2 and 5	
Yama Industrial Corp.	Pan World Control Technology, Inc.	Taiwan	Wholesale of machinery	19,320	19,320	24.24	205	4,170	Notes 2 and 5	
Yama Industrial Corp.	Element Corp.	Taiwan	Sales of electronic components	11,270	11,210	26.00	36,753	21,910	Notes 2 and 5	
Yama Industrial Corp.	Yama Japan Corp.	Japan	Sales of electronic components	44,172	44,172	50.00	40,257	2,219	Notes 2 and 5	
Yama Industrial Corp.	Richpoint Electronic Devices Co., Ltd.	Taiwan	Sales of electronic components	2,092,611	2,092,611	100.00	2,362,019	461,324	Notes 2 and 5	

Table 6, Page 2

Table 7, Page 6

Initial investment amount										Share held as at December 31, 2015									
Investor	Investee	Location	Main business activities	Balance as at December 31, 2015		Ownership (%)	Book value		Investment income (net) recognized by the investor for the year ended December 31, 2015	Percentage of consolidated net operating assets owned by the investor	Balance as at December 31, 2015		Ownership (%)	Book value		Investment income (net) recognized by the investor for the year ended December 31, 2015	Percentage of consolidated net operating assets owned by the investor	Balance as at December 31, 2015	
				2015	2014		2015	2014			2015	2014		2015	2014			2015	2014
Senlec Incorporated Inc.	Senlec Limited	Hong Kong	Import and export business for electronic components	\$ 81,691	\$ 81,691	100.00	\$ 433,212	\$ 9,796	Notes 2 and 5										
OmniStar CMC Inc.	Star-Tech Co., Ltd.	Taiwan	Investment and retail business of electronic components	79,399	79,399	8.00	108,000	18,724	Notes 2 and 5										
OmniStar CMC Inc.	OSI/STAR CMC (HOLDING) PRC (Singapore)	Singapore	Holding company	163,490	132,149	5.50	100.00	110,077	Notes 2 and 5										
OmniStar CMC Inc.	Yakoo Creative Co., Ltd.	Taiwan	Retail business of electronic components	20,000	20,000	30.00	7,610	3,914	Notes 2 and 5										
OmniStar CMC Inc.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of peripheral equipment	12,636	12,636	5.47	12,636	51,700	Notes 2 and 5										
Asia Information Technology Inc.	Frank Technology Corporation	Taiwan	Import and export business for electronic components	1,513,236	1,515,216	100.00	2,866,556	408,016	Notes 2 and 5										
Asia Information Technology Inc.	Apex Communications Inc.	Taiwan	Import and export business for electronic components	580,313	642,313	134.64	1,842,204	229,028	Notes 2 and 5										
Asia Information Technology Inc.	Hezhou Electric Trading Co., Ltd.	Taiwan	Import and export business for electronic components	324,521	324,521	100.00	321,934	14,217	Notes 2 and 5										
Asia Information Technology Inc.	Adwin Technology Co., Ltd.	Taiwan	Import and export business for electronic components	172,480	91,406	10.00	31,230	60,360	Notes 2 and 5										
Asia Information Technology Inc.	Form Hall International Co., Ltd.	British Virgin Islands	International investment	113,558	155,518	4.20	276,935	83,333	Notes 2 and 5										
Frank Technology Corporation	Frank International Limited	British Virgin Islands	International investment	181,362	101,862	2.90	176,357	3,617	Notes 2 and 5										
Frank Technology Corporation	Form Electronics Co., Ltd.	Taiwan	Import and export business for electronic components	343,939	343,939	100.00	770,231	142,995	Notes 2 and 5										
Form Electronics Co., Ltd.	Form Electronics (Guangxi) Limited	Guangxi	International investment	312,227	33,237	1.00	4,109	54	Notes 2 and 5										
Richpoint Electronic Devices Co., Ltd.	Richpoint Electronic Devices Co., Ltd.	Hong Kong	Sales of electronic components	284,498	284,498	100.00	1,421,336	202,806	Notes 2 and 5										
Richpoint Electronic Devices Co., Ltd.	Richpoint Electronic Devices Co., Ltd.	Taiwan	Sales of electronic components	491,347	491,347	100.00	445,276	68,494	Notes 2 and 5										

Table 8, Page 3

Table 9, Page 1

WPI Holdings Limited and Subsidiaries

Information on investments										Share held as at December 31, 2015									
Investor	Investee	Location	Main business activities	Balance as at December 31, 2015		Ownership (%)	Book value		Investment income (net) recognized by the investor for the year ended December 31, 2015	Percentage of consolidated net operating assets owned by the investor	Balance as at December 31, 2015		Ownership (%)	Book value		Investment income (net) recognized by the investor for the year ended December 31, 2015	Percentage of consolidated net operating assets owned by the investor	Balance as at December 31, 2015	
				2015	2014		2015	2014			2015	2014		2015	2014			2015	2014
WPI Holdings Limited	World Power Industrial Co., Ltd.	Taiwan	Sales of electronic components	\$ 1,644,354	\$ 1,544,354	100.00	\$ 21,694,702	\$ 3,033,262	Notes 4										
WPI Holdings Limited	Asia Information Technology Inc.	Taiwan	Sales of electronic components	4,083,464	4,083,464	100.00	6,043,353	1,192,253	Notes 4										
WPI Holdings Limited	Silicon Applications Corp.	Taiwan	Sales of electronic components	4,717,962	4,717,962	100.00	6,640,016	876,147	Notes 4										
WPI Holdings Limited	WPI Electronics Limited	Taiwan	Sales of electronic components	14,735	14,735	3.50	11,821	2,537	Notes 4										
WPI Holdings Limited	WPI Electronics Co., Ltd.	South Korea	Sales of electronic components	169,071	169,071	100.00	332,331	40,441	Notes 4										
WPI Holdings Limited	WPI International (C) Limited	Cayman Islands	Holding company	3,782,589	3,782,589	100.00	3,554,355	184,577	Notes 4										
WPI Holdings Limited	Yama Industrial Co., Ltd.	Taiwan	Sales of electronic components	16,131,691	16,131,691	100.00	16,520,576	320,466	Notes 4										
WPI Holdings Limited	WPI Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	100.00	404,207	14,695	Notes 4										
WPI Holdings Limited	WPI Creative Investment Co., Ltd.	Taiwan	Investment company	43,000	43,000	100.00	9,719	17,827	Notes 4										
WPI Holdings Limited	Gemstar CMC Inc.	Taiwan	Sales of electronic components	310,041	-	44.21	502,347	12,514	Notes 2 and 5										
WPI Holdings Limited	SEIKON APPLICATION (B.V.) CONF.	British Virgin Islands	International investment	706,402	706,402	100.00	3,271,449	37,900	Notes 2 and 5										
WPI Holdings Limited	WPI Systems Ltd.	British Virgin Islands	International investment	2,915	2,915	100.00	26,663	99	Notes 2 and 5										
WPI Holdings Limited	SAC Components (South Asia) Pte. Ltd.	Singapore	Sales of electronic components	104,570	104,570	100.00	116,234	5,370	Notes 2 and 5										
WPI Holdings Limited	WPI Wira Electronic Corp.	Taiwan	Sales of electronic components	10,000	10,000	100.00	9,410	370	Notes 2 and 5										

Table 9, Page 1

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (USD\$ '000,000)	Citing as investments in Mainland China reported by the Investment Commission of MOEA
WPG Holdings Limited	\$ 2,173,377	\$ 2,260,809	\$ 23,996,655
World Peace Industrial Co., Ltd.	269,866	634,757	13,035,691
Redpower Electronic Device Co., Ltd.	22,419	16,415	1,472,211
Silicon Application Corp.	14,175	20,612	4,084,350
Formal Electronics Co., Ltd.	3,820	22,829	867,184
Yosun Industrial Corp.	251,295	416,632	7,286,367
Serice Incorporation Inc.	-	82,063	879,133
APCO Technology Co., Ltd.	128,674	128,674	689,096
WFO Investment Co., Ltd.	2,360	16,602	794,934
Genuine OBC Inc.	146,623	146,870	671,977

(1) Bookkeeping as of December 31, 2015: USD 1,147,013,321 (USD 1.147 billion) and RMB 1,147,013,321 (RMB 1.147 billion).

(2) The calling of investment amount of the company is calculated based on the investment and assets.

(3) Redpower Electronic Device Co., Ltd. had cancelled USD 145 thousand of the investment amount from Investment Commission. Since the investment had liquidated but the investment was not treated back, the investment amount was included in the accumulated amount reported on at Taiwan to Mainland China.

Table 3: Page 4

WPG HOLDINGS LIMITED
NON-CONSOLIDATED FINANCIAL STATEMENTS AND
AUDIT REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2015 AND 2014

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have audited the accompanying non-consolidated balance sheets of WPG Holdings Limited as of December 31, 2015 and 2014, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WPG Holdings Limited as of December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

PricewaterhouseCoopers, Taiwan
March 29, 2016

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.

The accompanying non-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 audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and 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 financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan 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.

WFG HOLDINGS LIMITED
NON-CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015, DECEMBER 31, 2014 AND JANUARY 1, 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	Notes	December 31, 2015		(Adjusted) December 31, 2014		(Adjusted) January 1, 2014	
		Amount	%	Amount	%	Amount	%
Current Assets							
Cash and cash equivalents	6(1)	\$ 28,481	-	\$ 33,180	-	\$ 52,071	-
Accounts receivable - related parties, net	7	66,760	-	56,015	-	56,019	-
Other receivables		814	-	55	-	60	-
Other receivables - related parties	7	327,771	1	320,456	1	168,242	1
Prepayments		14,695	-	10,356	-	11,222	-
Other current assets		4,022	-	4,079	-	1,040	-
Total Current Assets		442,543	1	624,141	1	288,654	1
Non-current Assets							
Financial assets carried at cost -							
non-current		243,164	-	120,000	-	120,000	-
Investments accounted for under 6(3) and 8							
the equity method		56,377,857	98	51,133,455	97	42,723,287	97
Property, plant and equipment	6(4)	27,233	-	41,497	-	67,258	-
Investment property, net	6(5) and 8	731,429	1	736,026	2	741,469	2
Intangible assets	6(6)	11,858	-	16,741	-	24,612	-
Deferred income tax assets	6(12)	4,226	-	85,567	-	75,800	-
Other non-current assets		10,615	-	3,624	-	33,617	-
Total Non-current Assets		57,406,282	99	53,136,910	99	44,786,043	99
Total Assets		\$ 57,848,925	100	\$ 53,561,051	100	\$ 44,074,697	100

(Continued)

LIABILITIES AND EQUITY	Notes	December 31, 2015		(Adjusted) December 31, 2014		(Adjusted) January 1, 2014	
		Amount	%	Amount	%	Amount	%
Current Liabilities							
2100 Short-term borrowings	6(5)	\$ 1,866,000	3	\$ 659,000	1	\$ 2,240,000	5
2110 Commercial papers payable	6(9)	899,665	2	749,829	2	899,542	2
2150 Notes payable		-	-	-	-	619	-
2200 Other payables		218,501	-	192,145	-	206,461	1
2220 Other payables - related parties	7	12,652	-	5,260	-	125,456	-
2230 Current income tax liabilities		556,672	1	480,950	1	149,360	-
2300 Other current liabilities	6(11)	50,023	-	4,331	-	5,976	-
21XX Total Current Liabilities		3,603,513	6	2,091,415	4	3,627,414	8
Non-current Liabilities							
2330 Bonds payable	6(10)	5,875,383	10	5,756,140	11	-	-
2340 Long-term borrowings	6(11) and 8	499,583	1	545,000	1	545,000	2
2370 Deferred income tax liabilities	6(22)	67,257	-	47,116	-	-	-
2400 Other non-current liabilities	6(12)	32,769	-	25,649	-	27,408	-
23XX Total Non-current Liabilities		6,474,992	11	6,413,905	12	572,408	2
22XX Total Liabilities		10,078,505	17	8,505,320	16	4,199,822	10
Equity							
Capital							
3110 Common stock	6(13)	16,557,092	29	16,557,092	31	16,557,092	38
3140 Capital reserve	6(14)	-	-	-	-	-	-
3200 Capital reserve		15,187,178	26	15,185,802	28	14,951,793	34
3240 Retained earnings	6(15)	-	-	-	-	-	-
3310 Legal reserve		3,470,739	6	2,890,021	5	2,414,390	5
3320 Special reserve		-	-	1,937,752	4	2,943,004	7
3350 Undistributed earnings		10,002,877	17	7,501,303	14	4,946,348	11
Other equity interest							
3400 Other equity interest		2,553,776	5	983,761	2	1,937,752	5
3500 Treasury share	6(13)	(1,242)	-	-	-	-	-
30XX Total Equity		47,770,420	83	45,055,731	84	39,874,874	90
Significant contingent liabilities and unrecognized contract commitments	9						
Total Liabilities and Equity		\$ 7,848,925	100	\$ 5,561,051	100	\$ 44,074,697	100

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

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WPG HOLDINGS LIMITED
NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

4000	Items	Notes	2015		(Adjusted) 2014	
			Amount	%	Amount	%
4000	Operating revenues	6(16) and 7	\$ 6,383,519	100	\$ 6,490,174	100
5000	Operating costs	6(6)(20)(21) and 7	(557,452)	(9)	(484,869)	(7)
5900	Gross profit		<u>\$ 5,826,067</u>	<u>91</u>	<u>\$ 6,005,325</u>	<u>93</u>
	Non-operating income and expenses					
7010	Other income	6(5)(17)	21,213	1	27,076	
7020	Other gains or losses	6(18)	869	-	(8,186)	-
7050	Financial costs	6(19)	(115,899)	(2)	(75,152)	(1)
7000	Total non-operating income and expenses		<u>(93,817)</u>	<u>(1)</u>	<u>(56,262)</u>	<u>(1)</u>
7900	Income before income tax		5,732,250	90	5,949,063	92
7950	Income tax expense	6(22)	(311,781)	(5)	(140,224)	(2)
8200	Profit for the year		<u>\$ 5,420,469</u>	<u>85</u>	<u>\$ 5,808,839</u>	<u>90</u>
	Other comprehensive income / (loss), net					
	Components of other comprehensive income that will not be reclassified to profit or loss (Loss) gain on remeasurement of defined benefit plan	6(12)	(\$ 5,722)	-	\$ 2,296	-
8330	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(131,906)	(2)	22,720	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		<u>973</u>	-	(390)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(22)	(136,655)	(2)	24,626	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		78,033	1	174,776	3
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		1,505,248	23	2,776,449	43
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	(13,266)	-	(29,712)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>1,570,015</u>	<u>24</u>	<u>2,821,513</u>	<u>45</u>
8300	Other comprehensive income, net		<u>\$ 1,433,360</u>	<u>22</u>	<u>\$ 2,946,135</u>	<u>45</u>
8500	Total comprehensive income		<u>\$ 6,853,829</u>	<u>107</u>	<u>\$ 8,754,978</u>	<u>135</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(23)	\$	3.27	\$	3.51
9850	Diluted earnings per share	6(23)	\$	3.04	\$	3.39

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

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[illegible]

are depicted in the income statement for 2011.

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WPG HOLDINGS LIMITED
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

WPG HOLDINGS LIMITED
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN
DOLLARS, EXCEPT AS OTHERWISE INDICATED)

	Notes	2015	2014
Cash flows from operating activities			
Income before income tax		\$ 5,732,250	\$ 5,949,063
Adjustments to reconcile net income to net cash provided by operating activities:			
Income and expenses			
Depreciation	6(20)	24,028	33,565
Amortization	6(20)	10,976	13,905
Gain on disposal of investments	6(18)	(14,483)	-
Impairment loss	6(18)	5,200	-
Interest expense	6(19)	33,438	38,377
Interest income	6(17)	377	865
Dividend income	6(17)	-	5,600
Share of profit of associates and joint ventures accounted for under the equity method		(5,815,228)	(5,977,925)
Amortisation of bond discount	6(19)	79,243	34,203
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable - related parties, net		(10,745)	4
Other receivables		(470,369)	(1,471)
Other receivables - related parties		(4,339)	866
Prepayments		1,815	(523)
Other current assets		-	(619)
Notes payable		29,709	(19,334)
Other payables		7,392	276,993
Other payables - related parties		45,792	(1,745)
Other current liabilities		1,328	577
Other non-current liabilities		-	-
Cash generated from operations		395,679	338,837
Interest received		377	865
Dividends received		4,157,693	4,378,512
Interest paid		(32,970)	(38,924)
Income tax paid		(626,311)	(251,832)
Net cash provided by operating activities		4,094,468	4,427,453
Cash flows from investing activities			
Acquisition of financial assets carried at cost		(128,364)	-
Acquisition of investments accounted for under the equity method		(1,120,876)	(4,800,000)
Acquisition of property, plant and equipment	6(24)	(4,895)	(2,180)
Acquisition of intangible assets	6(24)	(10,186)	(5)
Decrease (increase) in refundable deposits		509	(7)
Increase in prepayments for investment		(2,500)	-
Net cash used in investing activities		(1,271,312)	(4,802,238)
Cash flows from financing activities			
Increase in short-term borrowings		13,226,000	12,603,000
Decrease in short-term borrowings		(12,019,000)	(14,184,000)
Increase (decrease) in commercial papers payable		149,836	(149,713)
Decrease in other payables - related parties	7(3)	-	(100,000)
Decrease in long-term borrowings		(45,417)	(3,808,131)
Distribution of cash dividends	6(15)	(4,139,274)	(6,800,000)
Issuance of corporate bonds payable	6(10)	-	(5,262)
Cost of bond issuance		-	-
Net cash (used in) provided by financing activities		(2,827,855)	355,894
Net decrease in cash and cash equivalents		(4,699)	(18,891)
Cash and cash equivalents at beginning of year		33,180	52,071
Cash and cash equivalents at end of year		\$ 28,481	\$ 33,180

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

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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 Pemas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Inc. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Group'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., Pemas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pemas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries. The Company originally evaluated Genuine C&C, Inc. using equity method through its subsidiary, World Peace Industrial Co., Ltd. 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 and World Peace Industrial Co., Ltd. collectively held 60.5% shares of Genuine C&C, Inc. which became the Company's directly owned subsidiary.

(2) The Company's main business is to establish the group's management mechanism and supervise subsidiaries' operations, and enhance the group's overall effectiveness through integration and sharing of the resource platform. In accordance with the Company's Articles of Incorporation, the total shares of authorized common stock is 2 billion shares (including 50 million shares of warrant, warrant preferred stock and warrant bond conversion). As of December 31, 2015, the Company had issued capital of \$16,557,092 with a par value of \$10 (in dollars) per share.

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

These non-consolidated financial statements were authorised for issuance by the Board of Directors on March 29, 2016.

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3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, "Financial Instruments") as endorsed by the FSC and the Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as "the 2013 version of IFRSs") in preparing the non-consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 19 (revised), 'Employee benefits'

The revised standard makes amendments that net interest amount, calculated by applying the discount rate to the net defined benefit asset or liability, replaces the finance charge and expected return on plan assets. Past service cost will be recognised immediately in the period incurred and will no longer be amortised using straight-line basis over the average period until the benefits become vested. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs, rather than when the entity is demonstrably committed to a termination. Additional disclosures are required for defined benefit plans.

The Company expected to recognise previously unrecognised past service cost by increasing accrued pension liabilities by \$340 and deferred tax assets by \$58 and decreasing investment accounted for using equity method by \$3,769 and retained earnings by \$4,051 at January 1, 2014; increasing accrued pension liabilities by \$170 and deferred income tax assets by \$29 and decreasing investments accounted for using equity method by \$2,247 and retained earnings by \$2,388 at December 31, 2014; and decreasing operating costs by \$170, and increasing operations revenue - investment by \$1,522 and income tax expense by \$29 for the year ended December 31, 2014.

B. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Company will adjust its presentation of the statement of comprehensive income.

C. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to

transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants' perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Company's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Company will disclose additional information about fair value measurements accordingly.

D. Disclosures - Transfers of financial assets (amendment to IFRS 7)

The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in transferred assets, existing at the reporting date.

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

None.

(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 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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
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
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealized losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (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

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New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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, 'Leases'	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

The Company is assessing the potential impact of the new standards, interpretations and amendments above. The impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

These non-consolidated financial statements are prepared by the Company in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

(2) Basis of preparation

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

Defined benefit liabilities is 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 Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

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A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - All resulting exchange differences are recognised in other comprehensive income.
- 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 Company 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.
- When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are

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proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Company 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.

- 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.

(4) 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:

- Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- Assets held mainly for trading purposes;
- Assets that are expected to be realised within twelve months from the balance sheet date;
- 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:

- Liabilities that are expected to be paid off within the normal operating cycle;
- Liabilities arising mainly from trading activities;
- Liabilities that are to be paid off within twelve months from the balance sheet date;
- Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(5) 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.

(6) Loans and receivables

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 without bearing interest are subsequently measured at initial

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invoice amount as the effect of discounting is immaterial.

(7) Impairment of financial assets

A. The Company 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 Company uses to determine whether there is objective evidence of an impairment loss is as follows:

- Significant financial difficulty of the issuer or debtor;
- The Company, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties;
- 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;
- 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
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Company 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:

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.

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Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(8) Derecognition of financial assets

The Company 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 Company 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; however, the Company has not retained control of the financial asset.

(9) Investments accounted for under the equity method / subsidiaries

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealised profit (loss) arising from the transactions between the Company and subsidiaries have been offset.
- C. The Company'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 Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Pursuant to the "Rules Governing the Preparation of Financial Statements by Securities Issuers," profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the non-consolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(10) 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 Company 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

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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 financial year-end. 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:

Office equipment	3 ~ 6 years
Leasehold improvements	2 ~ 5 years

(11) Leases

If substantially all the significant risks and rewards of rental object remain to lessor, the Company 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.

(12) 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 37~40 years.

(13) Intangible assets

Intangible assets are software which are amortised on a straight-line basis over the estimated useful life of 3 years.

(14) Impairment of non-financial assets

The Company 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.

(15) 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

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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 draw-down 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.

(16) 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.

(17) 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.

(18) 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, a financial liability or an equity instrument ('capital surplus - stock warrants') in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. 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 amount 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

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(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.

(19) 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 plan

For defined contribution plan, 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 plan

- 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 Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit 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 currency and term of the employment benefit obligation.
- ii. Remeasurement arising on defined benefit plan is recognised in other comprehensive income in the period in which they arise and is recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

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(20) 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 operates and generates 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 income 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 income 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 income 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 Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income 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 income 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.

(21) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved 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.

(22) Revenue recognition

- A. The Company's main business is to manage investees. When transactions of services rendered can be reasonably estimated, revenue should be recognised by reference to the stage of completion at the balance sheet date.
- B. When transactions of services rendered cannot be reasonably estimated, possibility of cost recovery should be considered when recognising revenue. If it is possible to recover the cost incurred, the Company shall recognise revenue within the estimated recoverable cost that has been incurred; if it is possible that the cost incurred cannot be recovered, the Company should not recognise revenue and should recognise cost incurred as expenses during the period.

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

The preparation of these non-consolidated financial statements requires management to make critical judgements in applying the Company'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. The above information is addressed below:

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

Financial assets-impairment of equity investments

The Company 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 Company 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 Company would suffer an additional loss of \$243,164 in its 2015 financial statements, 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.

(2) Critical accounting estimates and assumptions

Impairment assessment of investments accounted for under the equity method

The Company assesses the impairment of an investment accounted for under the equity method

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as soon as there is any indication that it might have been impaired and its carrying amount cannot be recoverable. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of expected cash dividends receivable from the investee and expected future cash flows from the disposal of the investee, and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2015	December 31, 2014
Checking accounts	\$ 15	\$ 52
Demand deposits	27,599	32,751
Foreign currency deposits	867	377
	<u>\$ 28,481</u>	<u>\$ 33,180</u>

- A. The Company 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. No cash and cash equivalents were pledged to others.

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

Investee company	December 31, 2015	December 31, 2014
Ability Venture Capital Corporation	\$ 80,000	\$ 80,000
CDIB CMB Fund Ltd.	80,000	40,000
Ability Asia Capital Corporation	25,000	-
Tyche Partners, L.P.	63,364	-
	<u>248,364</u>	<u>120,000</u>
Less: accumulated impairment	(5,200)	-
	<u>\$ 243,164</u>	<u>\$ 120,000</u>

- A. As of December 31, 2015 and 2014, no financial assets measured at cost held by the Company were pledged to others.
- B. Based on the Company'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 Company classified those stocks as 'financial assets measured at cost'.
- C. For details of impairment of financial assets measured as cost, please refer to Note 6(7).

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(3) Investments accounted for under the equity method

	December 31, 2015	December 31, 2014	January 1, 2014
World Peace Industrial Co., Ltd.	\$ 21,696,782	\$ 19,649,371	\$ 15,204,163
Yosun Industrial Corp.	16,920,576	17,163,385	15,226,676
Silicon Application Corp.	6,668,916	6,186,777	4,694,050
Asian Information Technology Inc.	6,043,555	5,096,091	3,919,510
WPG International (CI) Limited	3,658,553	3,173,003	2,923,382
WPG Investment Co., Ltd.	498,207	505,155	471,845
Genuine C&C Inc. (Note)	502,347	-	-
WPG Korea Co., Ltd.	338,381	307,524	251,959
WPG Electronics Ltd.	41,821	40,603	31,702
WPG Core Investment Co., Ltd.	8,719	11,546	-
	<u>\$ 56,377,857</u>	<u>\$ 52,133,455</u>	<u>\$ 42,723,287</u>

Note: The Company acquired ordinary shares of Genuine C&C, Inc. on April 15, 2015 and holds 44.21% of shares.

Details of the Company's subsidiaries are provided in Note 4(3) in the Company's 2015 consolidated financial statements.

(4) Property, plant and equipment

	Furniture and fixtures	Leasehold improvements	Total
At January 1, 2015			
Cost	\$ 135,937	\$ 30,133	\$ 166,070
Accumulated depreciation	(95,453)	(29,120)	(124,573)
	<u>\$ 40,484</u>	<u>\$ 1,013</u>	<u>\$ 41,497</u>
2015			
Opening net book amount	\$ 40,484	\$ 1,013	\$ 41,497
Additions	4,317	-	4,317
Depreciation charge	(18,110)	(471)	(18,581)
Closing net book amount	<u>\$ 26,691</u>	<u>\$ 542</u>	<u>\$ 27,233</u>
At December 31, 2015			
Cost	\$ 140,254	\$ 30,133	\$ 170,387
Accumulated depreciation	(113,563)	(29,521)	(143,154)
	<u>\$ 26,691</u>	<u>\$ 542</u>	<u>\$ 27,233</u>

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	Furniture and fixtures	Leasehold improvements	Total
At January 1, 2014			
Cost	\$ 143,080	\$ 29,988	\$ 173,068
Accumulated depreciation	(76,933)	(28,877)	(105,810)
	\$ 66,147	\$ 1,111	\$ 67,258
2014			
Opening net book amount	\$ 66,147	\$ 1,111	\$ 67,258
Additions	1,843	518	2,361
Depreciation charge	(27,506)	(616)	(28,122)
Closing net book amount	\$ 40,484	\$ 1,013	\$ 41,497
At December 31, 2014			
Cost	\$ 135,937	\$ 30,133	\$ 166,070
Accumulated depreciation	(95,453)	(29,120)	(124,573)
	\$ 40,484	\$ 1,013	\$ 41,497

(5) **Investment property**

	Land	Buildings	Total
At January 1, 2015			
Cost	\$ 541,428	\$ 212,407	\$ 753,835
Accumulated depreciation	(17,809)	(17,809)	(35,618)
	\$ 541,428	\$ 194,598	\$ 736,026
2015			
Opening net book amount	\$ 541,428	\$ 194,598	\$ 736,026
Additions	-	850	850
Depreciation charge	-	(5,447)	(5,447)
Closing net book amount	\$ 541,428	\$ 190,001	\$ 731,429
At December 31, 2015			
Cost	\$ 541,428	\$ 213,257	\$ 754,685
Accumulated depreciation	(17,809)	(23,256)	(41,065)
	\$ 541,428	\$ 190,001	\$ 731,429

	Land	Buildings	Total
At January 1, 2014			
Cost	\$ 541,428	\$ 212,407	\$ 753,835
Accumulated depreciation	(12,366)	(12,366)	(24,732)
	\$ 541,428	\$ 200,041	\$ 741,469
2014			
Opening net book amount	\$ 541,428	\$ 200,041	\$ 741,469
Depreciation charge	-	(5,443)	(5,443)
Closing net book amount	\$ 541,428	\$ 194,598	\$ 736,026
At December 31, 2014			
Cost	\$ 541,428	\$ 212,407	\$ 753,835
Accumulated depreciation	(17,809)	(17,809)	(35,618)
	\$ 541,428	\$ 194,598	\$ 736,026

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

	For the years ended December 31,	
	2015	2014
Rental income from the lease of the investment property (shown as "Other income")	\$ 19,135	\$ 19,135
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 8,032	\$ 8,028

B. The fair value of the investment property held by the Company as at December 31, 2015 and 2014 was \$753,500 and \$753,500, respectively. The fair value as of December 31, 2015 and 2014 was based on independent appraisers' valuation. Valuations were made using the income approach with key assumptions as follows:

	December 31, 2015	December 31, 2014
Discount rate	2.3%	2.3%
Growth rate	-	-

C. Information about the investment property that was pledged to others as collateral is provided in Note 8.

D. All of the Company's investment property is leased to subsidiaries. The leasing period is from March 2012 to March 2022. Except for the aforementioned leasing transactions, there was no similar transactions to compare with. The prices and terms are determined in accordance with mutual agreement. Rent is collected monthly.

(6) **Intangible assets**

	Software	
	For the years ended December 31,	
	2015	2014
At January 1		
Cost	\$ 96,977	\$ 91,006
Accumulated amortisation	(80,236)	(66,394)
	\$ 16,741	\$ 24,612
For the year ended December 31		
Opening net book amount	\$ 16,741	\$ 24,612
Additions	6,093	6,035
Amortisation charge	(10,976)	(13,986)
Closing net book amount	\$ 11,858	\$ 16,741
At December 31		
Cost	\$ 103,070	\$ 96,977
Accumulated amortisation	(91,212)	(80,236)
	\$ 11,858	\$ 16,741

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The details of amortization charge are as follows:

	For the years ended December 31,	
	2015	2014
Operating costs	\$ 10,976	\$ 13,986

(7) **Impairment of financial assets and non-financial assets**

The Company recognised impairment loss for the years ended December 31, 2015 and 2014 of \$5,200 and \$0, respectively. Details of such loss are as follows:

	For the years ended December 31,			
	2015		2014	
	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	\$ 5,200	-	-	-

(8) **Short-term borrowings**

Type of borrowings	December 31, 2015	December 31, 2014
Unsecured borrowings	\$ 1,866,000	\$ 659,000
Interest rate range	1.05%-1.22%	1.05%-1.20%

There was no collateral pledged for all types of short-term borrowings for all periods.

(9) **Short-term commercial papers payable**

	December 31, 2015	December 31, 2014
Commercial papers payable	\$ 900,000	\$ 750,000
Less: Unamortized discount	(335)	(171)
	\$ 899,665	\$ 749,829
Annual interest rates	0.63%-0.90%	0.72%-0.90%

The commercial papers payable are guaranteed by financial institutions.

(10) **Bonds payable**

	December 31, 2015	December 31, 2014
Bonds payable	\$ 6,000,000	\$ 6,000,000
Less: Discount on bonds payable	(124,617)	(203,860)
	\$ 5,875,383	\$ 5,796,140

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

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(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 December 31, 2015, the conversion price was \$37.7.

(d) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taiwan Over-The-Counter Securities Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$232,800 were separated from the liability component and were recognised in 'capital surplus-stock warrants' in accordance with IAS 32.

C. As of December 31, 2015, none of the bondholders has requested for conversion to ordinary shares.

D. The amortisation of discount on bonds payable was \$79,243 and \$34,203 for the years ended December 31, 2015 and 2014, respectively.

(11) **Long-term borrowings**

Type	Facility	December 31, 2015	Period	Annual interest rate
Medium to long-term loan (Chang Hwa Bank) (Note 1)	\$ 576,000	\$ 545,000	2012/01/02~2027/01/02	Note 2
Less: Current portion of long-term loan (Shown as other current liabilities)		(45,417)		
		\$ 499,583		

Type	Facility	December 31, 2014	Period	Annual interest rate
Medium to long-term loan (Chang Hwa Bank) (Note 1)	\$ 576,000	\$ 545,000	2012/01/02~2027/01/02	Note 2
Less: Current portion of long-term loan		-		
		\$ 545,000		

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Note 1: 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. Details of collateral for the long-term borrowings are provided in Note 8. Furthermore, in November 2014, the borrowing bank has agreed to extend the grace period for another year. Consequently, the principal will be paid monthly starting from January 2016.

Note 2: 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 and plus 1.5% from January 2, 2016.

(12) Pensions

A. Defined benefit plan

(a) The Company has 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 contributes 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 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 will make contribution for the deficit by next March. Effective January 1, 2010, the Company has funded defined benefit pension plan 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.

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(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2015	December 31, 2014	January 1, 2014
Present value of defined benefit obligations	\$ 34,613	\$ 27,389	\$ 28,196
Fair value of plan assets	(1,844)	(1,740)	(1,645)
Net defined benefit liability	\$ 32,769	\$ 25,649	\$ 26,551

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2015			
Balance at January 1	\$ 27,389	(\$ 1,740)	\$ 25,649
Current service cost	943	-	943
Interest (expense) income	548	(35)	513
	28,880	(1,775)	27,105
Remeasurements:			
Return on plan assets	-	(11)	(11)
Change in financial assumptions	2,015	-	2,015
Experience adjustments	3,718	-	3,718
	5,733	(11)	5,722
Pension fund contribution	-	(58)	(58)
Balance at December 31	\$ 34,613	(\$ 1,844)	\$ 32,769

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2014			
Balance at January 1	\$ 28,196	(\$ 1,645)	\$ 26,551
Current service cost	920	-	920
Interest (expense) income	564	(33)	531
	29,680	(1,678)	28,002
Remeasurements:			
Return on plan assets	-	(5)	(5)
Experience adjustments	(2,291)	-	(2,291)
	(2,291)	(5)	(2,296)
Pension fund contribution	-	(57)	(57)
Balance at December 31	\$ 27,389	(\$ 1,740)	\$ 25,649

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(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations on Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund, hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2015	2014
Discount rate	1.70%	2.00%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2015				
Effect on present value of defined benefit obligation	(\$ 6,370)	\$ 7,434	\$ 6,270	(\$ 5,499)

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2014				
Effect on present value of defined benefit obligation	(\$ 4,767)	\$ 5,587	\$ 4,733	(\$ 4,125)

The sensitivity analysis above was arrived at based on one assumption which changed

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while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2016 are \$58.

(g) As of December 31, 2015, the weighted average duration of that retirement plan is 13 years.

B. Defined contribution plan

(a) Effective July 1, 2005, the Company has 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 contributes 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) The pension costs of the Company under the defined contribution pension plan for the years ended December 31, 2015 and 2014 were \$5,624 and \$5,182, respectively.

(13) Share capital

A. As of December 31, 2015, the Company's authorized capital was \$20,000,000 (including \$500,000 for stock options, convertible preferred stock and convertible bonds), and the paid-in capital was \$16,557,092, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousands of shares) are as follows:

	2015	2014
At January 1	1,655,709	1,655,709
Treasury stocks received from acquisition of subsidiary	(39)	-
At December 31	1,655,670	1,655,709

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	Reasons for reacquisition	Number of shares	Carrying amount
Indirect subsidiary – Hat-Trick Co., Ltd.	Note	39,481	\$ 1,242

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Note: Hat-Trick Co., Ltd., which is the subsidiary of the acquirer, 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.

(14) 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 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 (10).

(15) Retained earnings

A. Under the Company's original 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 and resolved by the shareholders in the following order:

- Directors' and supervisors' remuneration: up to 3% of the earnings;
- 0.01%~5% of the earnings is appropriated as employees' bonuses; and
- The remaining earnings may be declared as dividends. At least 20% of the total dividends shall be in the form of cash dividends.

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 2014 and 2013 had been resolved at the stockholders' meeting on June 24, 2015 and June 18, 2014, respectively. Details are summarized below:

	Year ended December 31, 2014		Year ended December 31, 2013	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 580,718	\$ -	\$ 475,631	\$ -
Special reserve	(1,937,752)	-	(1,005,252)	-
Cash dividend	4,139,274	2.5	3,808,131	2.30
	<u>\$ 2,782,240</u>	<u>\$ 2.5</u>	<u>\$ 3,278,510</u>	<u>\$ 2.30</u>

The above appropriations of earnings for 2014 and 2013 as resolved by the shareholders are the same as resolved by the Board of Directors.

E. As of March 29, 2016, the appropriation of earnings for the year ended December 31, 2015 has not yet been proposed by the Board of Directors and resolved by the shareholders.

F. For the information relating to employees' bonuses and directors' and supervisors' remuneration, please refer to Note 6(21).

(16) Operating revenue

	For the years ended December 31,	
	2015	2014
Investment revenues	\$ 5,815,228	\$ 5,977,925
Service revenue	568,221	512,249
	<u>\$ 6,383,519</u>	<u>\$ 6,490,174</u>

(17) Other income

	For the years ended December 31,	
	2015	2014
Rental revenue	\$ 19,135	\$ 19,135
Dividend income	-	5,600
Interest income from bank deposits	377	865
Other income	1,701	1,476
	<u>\$ 21,213</u>	<u>\$ 27,076</u>

(18) Other gains and losses

	For the years ended December 31,	
	2015	2014
Loss on disposal of property, plant and equipment	\$ 14,483	\$ -
Currency exchange loss	(382)	(158)
Impairment loss	(5,200)	-
Direct operating expenses arising from the investment property	(8,032)	(8,028)
	<u>\$ 862</u>	<u>\$ 8,186</u>

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(19) Finance costs

	For the years ended December 31,	
	2015	2014
Interest expense:		
Bank borrowings	\$ 33,438	\$ 38,377
Convertible bonds	79,243	34,203
Others	3,218	2,572
	<u>\$ 115,899</u>	<u>\$ 75,152</u>

(20) Additional information on expenses by nature

	For the years ended December 31,	
	2015	2014
Employee benefit expense	\$ 335,839	\$ 288,874
Depreciation charges on property and equipment (including investment property)	24,028	33,565
Amortisation charges on intangible assets	10,976	13,906

(21) Employee benefit expense

	For the years ended December 31,	
	2015	2014
Wages and salaries	\$ 275,819	\$ 259,827
Labor and health insurance fees	12,495	11,665
Pension costs	7,080	6,633
Other personnel expenses	31,845	10,749
	<u>\$ 327,239</u>	<u>\$ 288,874</u>

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

- No more than 3% as remuneration to directors and supervisors.
- 0.01%~5% as employees' bonus.
- 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.

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee compensation, based on the profit of the current year distributable, in a fixed amount or a ratio of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form

of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. 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. Under the Company's amended Articles of Incorporation that have been approved by the Board of Directors on December 29, 2015, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. According to Note 6(15) C, the remainder, if any, shall be distributed as employees' bonus that account for 0.01%~5%, supervisors' and directors' remuneration that account for no higher than 3%, and shareholders' bonus proportionately to shareholding ratio. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed. The remainder to be appropriated shall be proposed by the Board of Directors and reported to the shareholders for a resolution.

B. For the years ended December 31, 2015 and 2014, employees' compensation (bonus) was accrued at \$20,892 and \$20,892, respectively; while directors' and supervisors' remuneration was accrued at \$30,000 and \$33,323, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were accrued based on the profit of current year distributable for the year ended December 31, 2015 and the percentage as prescribed by the Company's amended Articles of Incorporation that have been approved by the Board of Directors on December 29, 2015. As of March 29, 2016, the amount has not been resolved by the Board of Directors. Above-mentioned employees' compensation will be distributed in the form of cash.

The expenses recognised for 2014 were accrued based on the net income for 2014 and the percentage as prescribed by the Company's Articles of Incorporation for employees and directors/supervisors, taking into account other factors such as legal reserve and special reserve. Where the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences are accounted for as changes in estimates. Employees' bonus and directors' and supervisors' remuneration for 2014 as resolved by the shareholders during their meeting were in agreement with those amounts recognised in 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.

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(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2015	2014
Current tax:		
Current tax on profits for the year	(\$ 80,876)	\$ 3,420
Additional 10% tax on undistributed earnings	304,956	152,059
Adjustments in respect of prior year's income tax	(1,488)	(22,502)
Total current tax	222,592	132,977
Deferred tax		
Origination and reversal of temporary differences	89,189	7,247
Income tax expense	\$ 311,781	\$ 140,224

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

	For the years ended December 31,	
	2015	2014
Currency translation differences	\$ 13,266	\$ 29,712
Remeasurement of defined benefit obligation	(973)	390
	\$ 12,293	\$ 30,102

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2015	2014
Tax calculated based on profit before tax and statutory tax rate	\$ 974,482	\$ 1,011,082
Effects from items disallowed by tax regulation	(966,169)	(1,000,415)
Adjustments in respect of prior year's income tax	(1,488)	(22,502)
Additional 10% tax on undistributed earnings	304,956	152,059
Tax expense	\$ 311,781	\$ 140,224

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	For the year ended December 31, 2015				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Temporary differences:					
-Deferred tax assets:					
Unused compensated absences	\$ 527	\$ 30	\$ -	\$ -	\$ 557
Pension payable	2,459	237	973	-	3,669
Investment loss	82,581	(82,581)	-	-	-
	85,567	(82,314)	973	-	4,226
-Deferred tax liabilities:					
Investment gain	(26,097)	(6,875)	-	-	(32,972)
Currency translation differences	(21,019)	-	(13,266)	-	(34,285)
	(47,116)	(6,875)	(13,266)	-	(67,257)
	\$ 38,451	(\$ 89,189)	(\$ 12,293)	\$ -	\$ 63,031

	For the year ended December 31, 2014				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Temporary differences:					
-Deferred tax assets:					
Unused compensated absences	\$ 455	\$ 72	\$ -	\$ -	\$ 527
Pension payable	2,612	237	(390)	-	2,459
Investment loss	64,040	18,541	-	-	82,581
Currency translation differences	8,692	-	(8,692)	-	-
	75,800	18,850	(9,082)	-	85,567
-Deferred tax liabilities:					
Investment gain	-	(26,097)	-	-	(26,097)
Currency translation differences	-	-	(21,019)	-	(21,019)
	-	(26,097)	(21,019)	-	(47,116)
	\$ 75,800	(\$ 7,247)	(\$ 30,102)	\$ -	\$ 38,451

D. The Company's income tax returns through 2010 have been assessed and approved by the Tax Authority.

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E. Unappropriated retained earnings:

	December 31, 2015	December 31, 2014	January 1, 2014
Earnings generated after 1998	\$ 10,002,877	\$ 7,501,303	\$ 4,946,348

F. As of December 31, 2015 and 2014, the balance of the imputation tax credit account was \$579,824 and \$153,491, respectively.

G. Creditable ratio of appropriated retained earnings:

	2015 (Estimated)	2014 (Actual)
Creditable ratio	11.29%	12.32%

(23) Earnings per share

	For the year ended December 31, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 5,420,469	1,655,681	\$ 3.27
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 5,420,469	1,655,681	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	78,944	152,624	
Employees' bonus	-	1,003	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	\$ 5,499,413	1,809,308	\$ 3.04

	For the year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	\$ 5,808,839	1,655,709	\$ 3.51
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the Company	5,808,839	1,655,709	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	34,073	65,102	
Employees' bonus	-	1,265	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	\$ 5,842,912	1,722,077	\$ 3.39

(24) Supplemental cash flow information

	For the years ended December 31,	
	2015	2014
Partial payment of cash from investing activities:		
Acquisition of property, plant and equipment, investment property, and intangible assets	\$ 11,260	\$ 8,396
Less: accounts payable at the end of year	(2,344)	(6,165)
Add: accounts payable at the beginning of year	6,165	-
Cash paid during the year for property, plant and equipment, intangible assets and other non-current assets	\$ 15,081	\$ 2,231

7. RELATED PARTY TRANSACTIONS(1) Parent and ultimate controlling party

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

(2) Names and relationship of related parties

Names of related parties	Relationship with the Company
WPG Americas Inc.	Indirectly-owned subsidiary (Note 1)
Apache Communication Inc. (B.V.I.)	"
Apache Korea Corp.	"
WPG South Asia Pte. Ltd.	"
Dynamic Image Technologies, LLC (Note 2)	"
WPG Malaysia Sdn. Bhd.	"

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Names of related parties	Relationship with the Company
WPG (Thailand) Co., Ltd.	Indirectly-owned subsidiary (Note 1)
WPG India Electronics Pvt Ltd.	"
WPG Electronics (Philippines) Inc.	"
WPG SCM Limited	"
WPG International (Hong Kong) Limited	"
WPG Cloud Service Limited	"
WPG-Gain Tune Ltd.	"
WPG Electronics (HK) Limited	"
WPG China Inc.	"
WPG China (SZ) Inc.	"
World Peace International (BVI) Ltd.	"
WPI Investment Holding (BVI) Company Ltd.	"
Longview Technology Inc.	"
AECO Technology Co. Ltd.	"
Teco Enterprise Holding (BVI) Co., Ltd.	"
AECO Electronic Co., Ltd.	"
AECO Electronic (Ningbo) Co., Ltd.	"
Prime Future Technology Limited	"
World Peace International Pte Ltd.	"
Genuine C&C (IndoChina) Pte Ltd.	"
World Peace International (South Asia) Pte Ltd.	"
Genuine C&C (South Asia) Pte Ltd.	"
World Peace International (India) Pvt., Ltd.	"
WPG C&C (Malaysia) Sdn Bhd	"
WPG C&C (Thailand) Co., Ltd.	"
WPG C&C Computers And Peripheral (India) Private Limited	"
WPI International (Hong Kong) Limited	"
WPI International Trading (Shenzhen) Ltd. (Note 4)	"
VITEC WPG Limited (Note 5)	"
World Peace International (Asia) Limited	"
WPI International Trading (Shanghai) Ltd.	"
WPG C&C Limited	"
AJO Components Company Limited	"
AJO (Shanghai) Components Company Limited	"
Longview Technology GC Limited	"
Long-Think International Co., Ltd.	"
Long-Think International (Hong Kong) Limited	"
Long-Think International (Shanghai) Limited	"
Silicon Application (BVI) Corp.	"
Win-Win Systems Ltd.	"

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Names of related parties	Relationship with the Company
SAC Components (South Asia) Pte. Ltd.	Indirectly-owned subsidiary (Note 1)
Win-Win Electronic Corp.	"
Silicon Application Company Limited	"
Dstar Electronic Company Limited	"
Pernas Electronics Co., Ltd.	"
Everwinner Enterprise Co., Ltd.	"
Pernas Enterprise (Samoa) Limited	"
World Components Agent (Shanghai) Inc.	"
Apache Communication Inc.	"
Henshen Electric Trading Co., Ltd.	"
Frontek Technology Corporation	"
Fame Hall International Co., Ltd.	"
Frontek International Limited	"
AIT Japan Inc.	"
AITG Electronic Limited	"
Sertek Incorporated	"
Suntop Investments Limited	"
Richpower Electronic Devices Co., Ltd. (Note 2)	"
MEC Technology Co., Ltd.	"
RichPower Electronic Devices Co., Limited	"
Meo Technology Co., Limited	"
Richpower Electronic Devices Pte., Ltd.	"
Sertek Limited	"
Yosun Hong Kong Corp. Ltd.	"
Yosun Singapore Pte Ltd.	"
Sertek (Shanghai) Limited	"
Gistek Corp. Ltd.	"
Yosun South China Corp. Ltd.	"
Yosun Shanghai Corp. Ltd.	"
Yosun Industrial (Malaysia) Sdn. Bhd.	"
Yosun India Private Ltd.	"
Hat-Trick Co., Ltd. (Note 3)	"
Taibao Creation Co., Ltd. (Note 3)	"
Genuine C&C Holding Inc. (Seychelles) (Note 3)	"
Genuine Trading (Hong Kong) Company Limited (Note 3)	"
Peng Yu (Shanghai) Digital Technology Co., Ltd. (Note 3)	"
Hubei Xinheng Technology Investment Management Co., Ltd. (Note 3)	"
WPG Holdings Education Foundation	Other related parties

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Note 1: Shown as 'subsidiary' in Note 7(3).

Note 2: It was liquidated in May 2015.

Note 3: 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. After the acquisition, the Company holds 60.50% of shares in total in Genuine C&C Inc.

Note 4: It was liquidated in September, 2015.

Note 5: It was formerly known as TEKSEL WPG Limited and was renamed in November 2015.

(3) Significant transactions and balances with related parties

A. Service revenue

	For the years ended December 31,	
	2015	2014
Subsidiaries	\$ 568,291	\$ 512,249

Service revenue arose from providing administrative resources and managing services to subsidiaries. Prices and terms are determined in accordance with mutual agreement.

B. Service cost

	For the years ended December 31,	
	2015	2014
Subsidiaries	\$ 68,669	\$ 22,054

Service cost is cost paid to subsidiaries for administrative resources and management services for engine room use. Prices and terms are determined in accordance with mutual agreement, and cost is paid at the end of the following month.

C. Accounts receivable

	December 31, 2015	December 31, 2014
Subsidiaries	\$ 66,760	\$ 56,015

D. Other receivables

	December 31, 2015	December 31, 2014
Subsidiaries	\$ 327,771	\$ 320,456

Other receivables are receipts under custody, payment on behalf of others and collections from subsidiaries for filing consolidated tax returns.

E. Other payables

(a) Financing:

	For the year ended December 31, 2015				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest payable
Subsidiaries	\$ -	\$ -	-	\$ -	\$ -

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	For the year ended December 31, 2014				
	Maximum balance	Ending balance	Interest rate	Amount of interest	Ending balance of interest payable
Subsidiaries	\$ 1,100,000	\$ -	1.95%	\$ 6,575	\$ -

(b) Other payables:

	December 31, 2015	December 31, 2014
Subsidiaries	\$ 12,652	\$ 5,260

Payables are mainly collections from subsidiaries for filing consolidated tax returns.

F. Lease transactions

Please refer to Note 6(5) for details.

G. Endorsements and guarantees provided to related parties

	December 31, 2015	December 31, 2014
Subsidiaries	\$ 89,667	\$ 504,251

H. Others

For the years ended December 31, 2015 and 2014, the amount of the Company's donations to other related parties was \$5,700 and \$4,350, respectively.

I. The Company has increased its investments in subsidiaries - World Peace Industrial Co., Ltd., Yosun Industrial Corp., Silicon Application Corporation and Asian Information Technology Inc. by \$2,200,000, \$1,100,000, \$1,000,000 and \$500,000, respectively, which were recorded as investments accounted for using equity method. All investments had been paid.

J. In February and April 2015, the Company increased its investment in WPG International (CI) Limited by \$595,835. The additional investment was recognized as investments accounted for under the equity method and has been fully paid. In September 2015, the Company increased its investment in WPG Core Investment Co., Ltd. by \$15,000. The investment was recognized as investments accounted for under the equity method and has been fully paid.

(4) Key management compensation

	For the years ended December 31,	
	2015	2014
Salaries and other short-term employee benefits	\$ 133,051	\$ 122,223
Post-employment benefits	1,036	1,145
	\$ 134,087	\$ 123,368

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8. PLEDGED ASSETS

Pledged asset	December 31, 2015	December 31, 2014	Purpose
Investments accounted for under the equity method	\$ 89,667	\$ 90,951	Subsidiary's guarantee for payment on purchases
Investment property			
—Land	533,666	533,666	Collateral for long-term borrowings
—Buildings	171,747	175,831	
	\$ 795,080	\$ 800,448	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Operating lease agreements

The future aggregate minimum lease payments under operating leases are as follows:

	December 31, 2015
Not later than one year	\$ 5,557
Later than one year but not later than five years	3,412
	\$ 8,969

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 listed in the table below, the carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, accounts receivable-related parties, other receivables (including related parties), refundable

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deposits, short-term borrowings, short-term commercial papers payable, notes payable, and other payables (including related parties), long-term loans-current portion, bonds payable and long-term loans are approximate to their fair values.

	December 31, 2015			
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial assets:				
Investments in bonds without active markets				
Financial assets measured at cost - non-current	\$ 243,164	\$ -	\$ -	\$ -

	December 31, 2014	
	Book value	Fair value
Financial assets:		
Investments in equities without active markets:		
Financial assets measured at cost - non-current	\$ 120,000	\$ -

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

Convertible debentures payable: Regarding the convertible bonds issued by the Company, the coupon rate approximates the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and approximates the book value.

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by the central treasury department (Company treasury) under policies approved by the board of directors. The Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and KRW. Foreign exchange risk arises from future commercial transactions, recognised

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assets and liabilities and net investments in foreign operations.

ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2015			
	Foreign Currency Amount		Book Value	
	(In thousands)	Exchange rate	(NTD)	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Non-monetary items</u>				
USD: NTD	\$ 111,477	32.825	\$ 3,658,553	
KRW: NTD	12,039,892	0.0281	338,381	

	December 31, 2014			
	Foreign Currency Amount		Book Value	
	(In thousands)	Exchange rate	(NTD)	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Non-monetary items</u>				
USD: NTD	\$ 100,253	31.650	\$ 3,173,003	
KRW: NTD	10,522,645	0.0292	307,524	

As of December 31, 2015 and 2014, there was no significant monetary financial assets and liabilities.

There was no foreign currency market risk arising from significant foreign exchange variation.

Interest rate risk

The Company's interest rate risk arises from short-term and long-term borrowings (including long-term liabilities due within a year), commercial papers payable and bonds payable. Borrowings and short-term notes payable issued at fixed rates expose the Company to fair value interest rate risk. The Company's borrowings were mainly in fixed rate. During the years ended December 31, 2015 and 2014, the Company's borrowings, commercial papers payable and bonds payable were mainly denominated in the NTD.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by

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the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Company 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 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. For the years December 31, 2015 and 2014, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company. Company 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 Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans and covenant compliance.

ii. The table below analyses the Company's non-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. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2015	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 1,868,893	\$ -	\$ -
Commercial papers payable	900,000	-	-
Other payables	218,501	-	-
Other payables - related parties	12,652	-	-
Bonds payable	-	6,000,000	-
Long-term borrowings	53,537	56,876	166,034
			315,438

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December 31, 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 659,685	\$ -	\$ -	\$ -
Commercial papers payable	750,000	-	-	-
Other payables	192,145	-	-	-
Other payables – related parties	5,260	-	-	-
Bonds payable	-	-	6,000,000	-
Long-term borrowings	8,666	53,747	168,831	370,517

investee company in Mainland China as of and for the year ended December 31, 2015 is provided in Note (1) J.

14. OPERATING SEGMENT INFORMATION

In accordance with IFRS 8, operating segment information is disclosed in the consolidated financial statements.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: Please refer to table 2.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- 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.
- Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- Trading in derivative instruments undertaken during the reporting periods: Please see Notes 6 and 12(3).
- Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Disclosure information of investee companies

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 10.

(3) Information on investments in Mainland China

- Basic information: Please refer to table 9.
- 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

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WPG HOLDINGS LIMITED SUPPLEMENTARY SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD FOR THE YEAR ENDED DECEMBER 31, 2015 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Investor	Type of investment	As of January 1, 2015		Additions (Note 2)		Dispositions (Note 4)		As of December 31, 2015		Overseas (%)	Market value at year-end		Pledged as collateral
		No. of shares (Note 1)	Amount	No. of shares (Note 1)	Amount	No. of shares (Note 1)	Amount	No. of shares (Note 1)	Amount		at 12/31/2015	at 12/31/2015	
World Peace Industrial Co., Ltd.	Common stock	93,554	\$ 9,649,371	47,546	\$ 4,111,936	-	\$ -	94,108	\$ 21,496,782	100%	\$ 21.11	\$ 21,494,718	No
Silicon Application Corp.	Common stock	390,309	6,166,777	16,063	1,066,877	-	-	406,370	6,668,916	100%	16.40	6,668,916	No
Gensite C&C Inc.	Common stock	-	-	35,175	579,935	-	-	35,175	503,347	44.21%	12.30	479,690	No
WPG Electronic Ltd.	Common stock	3,970	40,603	-	1,218	-	-	3,970	41,821	100%	10.67	41,821	No
WPG Kinet Co., Ltd.	Common stock	1,086	207,324	-	30,837	-	-	1,088	338,381	100%	311.01	333,381	No
WPG International (CI) Limited	Common stock	123,101	3,173,003	19,000	485,550	(17,658)	-	124,443	3,658,553	100%	29.40	3,658,553	No
Asian Information Technology Inc.	Common stock	303,872	5,096,091	42,990	1,347,464	-	(400,000)	346,812	6,041,555	100%	17.43	6,041,555	No
WPG Investment Co., Ltd.	Common stock	50,000	505,155	-	(6,943)	-	-	50,000	498,207	100%	9.98	498,207	Refer to Note 8
Yuan Industrial Corp.	Common stock	631,209	17,163,385	10,361	850,033	-	(1,092,843)	649,720	16,920,576	100%	18.62	12,094,612	No
WPG Core Investment Co., Ltd.	Common stock	3,000	11,546	1,300	(2,823)	-	-	4,300	8,719	100%	1.04	8,719	No
			\$ 33,133,455		\$ 8,607,075		\$ (4,157,693)		\$ 37,582,837				

Note 1: In thousands of shares

Note 2: The increase for the period for the investment in WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet 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Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd., WPG Investment Co., Ltd., WPG Electronic Ltd., WPG International (CI) Limited, WPG Kinet Co., Ltd

Note 1: In thousands of shares.
Note 2: The share-based payments are recognized investment interest (gross) accounted under equity method, cumulative translation adjustments, new investment and changes in the equity accounts of subsidiaries.
Note 3: Currency: NTD.
Note 4: The reduction is caused by WPG International (CI) Limited's reduction of capital in effort to raise funds. Other debentures are each dividend paid by subsidiaries.

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WPG HOLDINGS LIMITED SUMMARY OF SHORT-TERM LOANS DECEMBER 31, 2015 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Type of loans	Ending balance	Loan period	Interest rate range	Pledge/collateral	Remark
Short-term unsecured loans	\$ 1,866,000	Nov. 30, 2015~ Mar. 1, 2016	1.05%~1.22%	None	

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WPG HOLDINGS LIMITED
SUMMARY OF BONDS PAYABLE
DECEMBER 31, 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Name of bond First domestic unsecured convertible bonds	Trustee CTBC Bank Co., Ltd.	Issuing date 2014.7.25	Interest rate 0%	Amount of		Unamortized discount	Book value	Redemption plan Refer to Note 6(10)	Collateral None	Remark
				Issuance	Retired amount	Ending balance				
				\$ 6,000,000	\$ -	\$ 6,000,000	\$ 124,517	\$ 5,875,383		

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WPG HOLDINGS LIMITED
SUMMARY OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Please refer to Note 6(16) for related information.

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WPG HOLDINGS LIMITED
SUMMARY OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Amount	Remark
Salaries expense	\$ 245,819	
Management service fee	68,669	
Directors' and supervisors' remuneration	30,000	
Advertising expenses	24,240	
Other expenses	188,724	Balance of individual accounts is under 5% of this account's balance.
	<u>\$ 557,452</u>	

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WPG HOLDINGS LIMITED
SUMMARY OF EMPLOYEE BENEFIT EXPENSE
DEPRECIATION AND AMORTIZATION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Operating cost	
	For the years ended December 31,	
	2015	2014
Employee benefit expense		
Wages and salaries	\$ 275,819	\$ 259,827
Labor and health insurance fees	12,495	11,665
Pension costs	7,080	6,633
Other personnel expenses	31,845	10,749
	<u>\$ 327,239</u>	<u>\$ 288,874</u>
Depreciation (including investment property)	\$ 24,028	\$ 33,565
Amortization	\$ 10,976	\$ 13,906
Number of employees (including directors and independent directors)	<u>124</u>	<u>121</u>

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WPGI Holdings Limited
For the year ended December 31, 2015

Expressed in thousands of USD
(Change in thousands indicated)

Table 3	Purchaser/offer	Counterparty	Relationship with the counterparty	Transaction				Difference in transaction items compared to third party transactions				Non-recourse receivable (payable)			
				Purchase price (\$)	Amount (\$)	Percentage of total purchase price (%)	Percentage of total purchase price (%)	Unit price (\$)	Unit price (\$)	Unit price (\$)	Unit price (\$)	Balance	Percentage of total non-recourse receivable (payable) (%)	Balance	Percentage of total non-recourse receivable (payable) (%)
WPGI Holdings Limited	WPGI Holdings Limited	World Prime Industrial Co., Ltd.	Subsidiary	-	249,683	(41.99)	(41.99)	None 7	None 7	None 7	None 7	31,683	9.71	31,683	9.71
		World Prime Industrial Co., Ltd.	Subsidiary	-	(109,883)	18.79	18.79	-	-	-	-	14,371	21.23	14,371	21.23
		World Prime Industrial Co., Ltd.	Subsidiary	-	(12,131)	19.70	19.70	-	-	-	-	6,024	9.68	6,024	9.68
		World Prime Industrial Co., Ltd.	Subsidiary	-	(15,461)	25.81	25.81	None 3	None 3	None 3	None 3	3,672,665	16.36	3,672,665	16.36
		World Prime Industrial Co., Ltd.	Subsidiary	-	(81,233)	0.63	0.63	-	-	-	-	303,326	1.29	303,326	1.29
		World Prime Industrial Co., Ltd.	Subsidiary	-	(96,393)	0.50	0.50	-	-	-	-	24,640	0.16	24,640	0.16
		World Prime Industrial Co., Ltd.	Subsidiary	-	(161,651)	0.10	0.10	-	-	-	-	10,157	0.08	10,157	0.08
		World Prime Industrial Co., Ltd.	Subsidiary	-	(161,651)	(14.96)	(14.96)	-	-	-	-	4,396	3.41	4,396	3.41
		World Prime Industrial Co., Ltd.	Subsidiary	-	(33,921)	(28.87)	(28.87)	-	-	-	-	163,205	21.54	163,205	21.54
		World Prime Industrial Co., Ltd.	Subsidiary	-	(31,413)	5.50	5.50	-	-	-	-	76,371	14.87	76,371	14.87
WPGI Holdings Limited	WPGI Holdings Limited	World Prime Industrial Co., Ltd.	Subsidiary	-	(294,571)	19.32	19.32	-	-	-	-	40,389	12.04	40,389	12.04
		World Prime Industrial Co., Ltd.	Subsidiary	-	(294,491)	19.13	19.13	-	-	-	-	55,660	16.51	55,660	16.51
		World Prime Industrial Co., Ltd.	Subsidiary	-	(4,444,866)	3.80	3.80	-	-	-	-	423,111	1.36	423,111	1.36
		World Prime Industrial Co., Ltd.	Subsidiary	-	(1,492,843)	1.25	1.25	-	-	-	-	873,217	3.74	873,217	3.74
		World Prime Industrial Co., Ltd.	Subsidiary	-	(1,353,399)	1.41	1.41	-	-	-	-	203,212	3.45	203,212	3.45
		World Prime Industrial Co., Ltd.	Subsidiary	-	(1,222,143)	1.84	1.84	-	-	-	-	1,046,233	4.43	1,046,233	4.43
		World Prime Industrial Co., Ltd.	Subsidiary	-	(811,471)	0.49	0.49	-	-	-	-	193,241	0.69	193,241	0.69
		World Prime Industrial Co., Ltd.	Subsidiary	-	(448,335)	0.21	0.21	-	-	-	-	47,664	0.31	47,664	0.31
		World Prime Industrial Co., Ltd.	Subsidiary	-	(31,413)	5.50	5.50	-	-	-	-	76,371	14.87	76,371	14.87
		World Prime Industrial Co., Ltd.	Subsidiary	-	(294,491)	19.13	19.13	-	-	-	-	55,660	16.51	55,660	16.51

Table 5 Page 11

WPGI Holdings Limited
For the year ended December 31, 2015

Expressed in thousands of USD
(Except as otherwise indicated)

Table 3	Purchaser/offer	Counterparty	Relationship with the counterparty	Transaction				Difference in transaction items compared to third party transactions				Non-recourse receivable (payable)			
				Purchase price (\$)	Amount (\$)	Percentage of total purchase price (%)	Percentage of total purchase price (%)	Unit price (\$)	Unit price (\$)	Unit price (\$)	Unit price (\$)	Balance	Percentage of total non-recourse receivable (payable) (%)	Balance	Percentage of total non-recourse receivable (payable) (%)
WPGI Holdings Limited	WPGI Holdings Limited	World Prime Industrial Co., Ltd.	Subsidiary	-	249,683	(41.99)	(41.99)	None 7	None 7	None 7	None 7	31,683	9.71	31,683	9.71
		World Prime Industrial Co., Ltd.	Subsidiary	-	(109,883)	18.79	18.79	-	-	-	-	14,371	21.23	14,371	21.23
		World Prime Industrial Co., Ltd.	Subsidiary	-	(12,131)	19.70	19.70	-	-	-	-	6,024	9.68	6,024	9.68
		World Prime Industrial Co., Ltd.	Subsidiary	-	(15,461)	25.81	25.81	None 3	None 3	None 3	None 3	3,672,665	16.36	3,672,665	16.36
		World Prime Industrial Co., Ltd.	Subsidiary	-	(81,233)	0.63	0.63	-	-	-	-	303,326	1.29	303,326	1.29
		World Prime Industrial Co., Ltd.	Subsidiary	-	(96,393)	0.50	0.50	-	-	-	-	24,640	0.16	24,640	0.16
		World Prime Industrial Co., Ltd.	Subsidiary	-	(161,651)	0.10	0.10	-	-	-	-	10,157	0.08	10,157	0.08
		World Prime Industrial Co., Ltd.	Subsidiary	-	(161,651)	(14.96)	(14.96)	-	-	-	-	4,396	3.41	4,396	3.41
		World Prime Industrial Co., Ltd.	Subsidiary	-	(33,921)	(28.87)	(28.87)	-	-	-	-	163,205	21.54	163,205	21.54
		World Prime Industrial Co., Ltd.	Subsidiary	-	(31,413)	5.50	5.50	-	-	-	-	76,371	14.87	76,371	14.87

Note 1: Fill in the amount after adjusted in fair value and deducted by accumulated impairment for the marketable securities measured at fair value (B) in the acquisition cost or unrecruited cost deducted by accumulated impairment for the market securities and measured at fair value.

Note 2: There are 1,131 thousand shares of WPGI Technology Inc. which have been pledged for purchase as of December 31, 2015.

Table 3 Page 9

WPGI Holdings Limited
For the year ended December 31, 2015

Expressed in thousands of USD
(Except as otherwise indicated)

Table 4	Purchaser/offer	Counterparty	Relationship with the counterparty	Transaction				Difference in transaction items compared to third party transactions				Non-recourse receivable (payable)			
				Purchase price (\$)	Amount (\$)	Percentage of total purchase price (%)	Percentage of total purchase price (%)	Unit price (\$)	Unit price (\$)	Unit price (\$)	Unit price (\$)	Balance	Percentage of total non-recourse receivable (payable) (%)	Balance	Percentage of total non-recourse receivable (payable) (%)
WPGI Holdings Limited	WPGI Holdings Limited	World Prime Industrial Co., Ltd.	Subsidiary	-	249,683	(41.99)	(41.99)	None 7	None 7	None 7	None 7	31,683	9.71	31,683	9.71
		World Prime Industrial Co., Ltd.	Subsidiary	-	(109,883)	18.79	18.79	-	-	-	-	14,371	21.23	14,371	21.23
		World Prime Industrial Co., Ltd.	Subsidiary	-	(12,131)	19.70	19.70	-	-	-	-	6,024	9.68	6,024	9.68
		World Prime Industrial Co., Ltd.	Subsidiary	-	(15,461)	25.81	25.81	None 3	None 3	None 3	None 3	3,672,665	16.36	3,672,665	16.36
		World Prime Industrial Co., Ltd.	Subsidiary	-	(81,233)	0.63	0.63	-	-	-	-	303,326	1.29	303,326	1.29
		World Prime Industrial Co., Ltd.	Subsidiary	-	(96,393)	0.50	0.50	-	-	-	-	24,640	0.16	24,640	0.16
		World Prime Industrial Co., Ltd.	Subsidiary	-	(161,651)	0.10	0.10	-	-	-	-	10,157	0.08	10,157	0.08
		World Prime Industrial Co., Ltd.	Subsidiary	-	(161,651)	(14.96)	(14.96)	-	-	-	-	4,396	3.41	4,396	3.41
		World Prime Industrial Co., Ltd.	Subsidiary	-	(33,921)	(28.87)	(28.87)	-	-	-	-	163,205	21.54	163,205	21.54
		World Prime Industrial Co., Ltd.	Subsidiary	-	(31,413)	5.50	5.50	-	-	-	-	76,371	14.87	76,371	14.87

Note 1: Investment under equity method.

Note 2: The company was under a 30% ownership stake in WPGI Technology Inc. (WPGI Tech) and accumulated impairment adjustment totaling \$27,551.

Note 3: The company was under a 30% ownership stake in WPGI Tech and accumulated impairment adjustment totaling \$27,551.

Note 4: The acquisition cost of \$10,044 is calculated as 214.2 per share, which includes incremental gain (loss), cumulative goodwill and adjustment for deferred intangible asset to \$2,594.

Table 4 Page 14

None 5: Similar to third parties.

Figure 5: Similar to main panel.

Table 3: The income rose from

Table 5 Page 15

Date	WPG Holdings Limited										Expressed in thousands of MYD (Except as noted in narrative information)
	Receivables from related parties (ending 31st of month or 30th of quarter as applicable)										
	For the year ended December 31, 2015										
	Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2014 (Note 1)	Transferred (Note 2)	Amount	Amount receivable	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts		
				\$	\$	\$	\$	\$	(Note 3)	\$	
	Silicon Application Corp.	WPG Electronics (HK) Limited		634,919	3.17	-	-	525,846	-		
	-	WPG China (SZ) Inc.		734,320	2.53	-	-	166,797	-		
	WILSON APPLICATIONS (EN) CORP.	Silicon Application Corp.		1,296,879	0.00	-	-	-	-		
	Silicon Application Company Limited	WPG China Inc.		368,316	0.00	-	-	-	-		
	-	WPG China Tech Ltd.		722,311	0.00	-	-	-	-		
	WPG Electronics (HK) Limited	WPG Electronics (HK) Limited		279,205	0.00	-	-	539,305	-		
	World Power Industrial Co., Ltd.	WPG International (Hong Kong) Limited		3,087,863	6.34	-	-	3,037,065	-		
	World Power Industrial Co., Ltd.	WPG International (Hong Kong) Limited		387,216	2.30	-	-	29,624	-		
	Empire Technology Inc.	WPG International (Hong Kong) Limited		14,7265	6.25	-	-	16,1705	-		
	World Power Industrial Co., Ltd.	World Power Industrial Co., Ltd.		401,351	18.63	-	-	401,351	-		
	WPG International (Hong Kong) Limited	WPG International (Hong Kong) Limited		311,218	5.76	-	-	301,218	-		
	WPG Electronics (HK) Limited	WPG Electronics (HK) Limited		1,064,233	1.79	-	-	625,090	-		
	WPG China (SZ) Inc.	WPG China (SZ) Inc.		852,417	2.03	-	-	379,691	-		
	WPG China Limited	WPG China Limited		143,341	5.81	-	-	153,381	-		
	WPG International (Hong Kong) Limited	WPG International (Hong Kong) Limited		191,331	13.01	-	-	181,841	-		
	WPG CACI Limited	WPG International Trading Company Ltd.		261,054	5.79	-	-	231,084	-		
	WPG CACI Limited	P.T. WPG Elektronik Prys	Amount under dispute under contract with counterparty	297,258	3.65	-	-	62,769	-		
	WPG Electronics (HK) Limited	WPG Electronics (HK) Limited		200,098	6.91	-	-	178,783	-		
	WPG International (Hong Kong) Limited	WPG International (Hong Kong) Limited		242,352	7.68	-	-	243,557	-		
	WPG International (Hong Kong) Limited	WPG CACI Computer And Peripherals (India) Pte. Ltd.		346,599	3.00	-	-	43,373	-		
	World Power Industrial Co., Ltd.	World Power Industrial Co., Ltd.		1,657,433	3.60	-	-	1,652,423	-		
	World Power Industrial Co., Ltd.	WPG SCSA Limited		148,649	4.89	-	-	128,155	-		
	World Power Industrial Co., Ltd.	World Power Industrial Co., Ltd.		-	-	-	-	-	-		

Table 6 Page 16

Table 5 Page 19

Participating Party	Company	Relationship with the counterparty (if any)	Provision Date	Amount	Percentage of total amount		Net amounts receivable (payable)		
					30 days after monthly billings	60 days after monthly billings	Net 4	Net 4	Percent of total receivable (payable)
Everest Electronic Co., Ltd.	WPG China (SZ) Inc.	-	-	136,941 (	3.09%	-	Net 4	\$	36,610
Everest Electronic Co., Ltd.	Everest Electronic Co., Ltd.	-	-	447,808 (	12.35%	-	-	-	142,195
Everest Electronic Co., Ltd.	WPG Electronics (HK) Limited	-	-	1,995,597 (	14.97%	Net 6	Net 6	-	418,605
Everest Electronic Co., Ltd.	RedPower Electronic Devices Co., Limited	-	-	63,599 (	8.53%	-	-	-	1,04
Everest Electronic Co., Ltd.	WPG Electronics (HK) Limited	-	-	418,171 (	17.99%	-	-	-	221,617
Everest Electronic Co., Ltd.	RedPower Electronic Devices Co., Limited	-	-	246,296 (	9.33%	-	-	-	-
Everest Electronic Co., Ltd.	Yuan Hong Hong Corp. Ltd.	-	-	2,005,439 (	28.86%	-	-	-	751,290
Everest Electronic Co., Ltd.	WPG Electronics (HK) Limited	-	-	262,339 (	1.81%	-	-	-	1,27
Everest Electronic Co., Ltd.	RedPower Electronic Devices Co., Limited	-	-	262,148 (	8.45%	-	-	-	6,51
Everest Electronic Co., Ltd.	WPG China (SZ) Inc.	-	-	127,095 (	99.57%	60 days after monthly billings	Net 4	-	46,664
WPG America Inc.	World Power Industrial Co., Ltd.	-	-	259,931 (	7.42%	30 days after monthly billings	-	-	3,315
WPG America Inc.	WPG International (Hong Kong) Limited	-	-	164,373 (	5.14%	-	-	-	4,232
WPG America Inc.	World Power Industrial (Guang Asia) Pte Ltd.	-	-	291,382 (	47.77%	60 days after monthly billings	-	-	0.80
WPG America Inc.	WPG China Inc.	-	-	228,241 (	6.27%	-	Net 5	-	48,312
WPG America Inc.	WPG China (SZ) Inc.	-	-	513,231 (	6.47%	-	-	-	16,172
WPG America Inc.	WPG International (Hong Kong) Limited	-	-	164,813 (	3.23%	30 days after monthly billings	-	-	-
WPG America Inc.	Long-Tech International (Shanghai) Limited	-	-	351,669 (	1.73%	60 days after monthly billings	-	-	39,655

Note 1: All the related party transactions of consolidated subsidiaries involving WPG China are subsidiaries (the related information disclosed here is from the same report).

Note 2: The related party transactions of consolidated subsidiaries involving WPG America are subsidiaries (the related information disclosed here is from the same report).

Note 3: The terms and sales prices were negotiated in mutual interests of all relevant parties including product, cost, market and competition. The collection period is 30-120 days from the end of the month of sales.

Note 4: The terms and sales prices were negotiated in mutual interests of all relevant parties including product, cost, market and competition. The collection period is 30-120 days from the end of the month of sales.

Table 5 Page 10

Table 7
Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Company	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	\$	15,481,082	Note 3	3.00
1	"	WPG Electronics (HK) Limited	3	"	616,293	"	0.12
1	"	AIICO Technology Co., Ltd.	3	"	590,978	"	0.10
1	"	Gemini CAC Inc.	3	"	140,458	"	0.03
2	AIICO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	3	"	116,006	"	0.02
3	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	573,972	"	0.11
3	"	AIO Components Company Limited	3	"	111,415	"	0.02
4	Longview Technology Inc.	Longview Technology Inc.	3	"	294,075	"	0.06
4	"	WPI International (Hong Kong) Limited	3	"	291,491	"	0.06
5	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	4,454,066	"	0.86
5	"	WPG China (SZ) Inc.	3	"	1,849,848	"	0.36
5	"	World Peace International (South Asia) Pte Ltd	3	"	1,655,399	"	0.32
5	"	WPG Electronics (HK) Limited	3	"	1,222,161	"	0.24
5	"	WPG SCM Limited	3	"	811,657	"	0.16
5	"	WPI International Trading (Shanghai) Ltd.	3	"	640,238	"	0.12
5	"	WPG China Inc.	3	"	302,991	"	0.06
5	"	WPG Korea Co., Ltd.	3	"	276,106	"	0.05
5	"	VFSEC WPI Limited	3	"	206,090	"	0.04
5	"	Apogee Communications Inc.	3	"	158,033	"	0.03
6	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	1,977,465	Notes 9 and 13	0.38
6	"	WPG China (SZ) Inc.	3	"	858,085	Notes 9 and 9	0.17

Table 7 Page 19

Number (Note 1)	Company name	Company	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
6	Silicon Application Corp.	WPG SCM Limited	3	\$	205,161	Notes 9 and 11	0.04
7	Yuan Hong Kong Corp. Ltd	Yuan Hong Kong Corp. Ltd	3	"	2,553,335	Notes 7 and 16	0.50
7	"	Senkai Incorporation Inc.	3	"	830,857	"	0.16
7	"	WPG China (SZ) Inc.	3	"	132,218	Notes 7 and 19	0.03
7	"	WPG China Inc.	3	"	5,246,798	Notes 7 and 16	1.02
8	Yuan Hong Kong Corp. Ltd.	WPG China Inc.	3	"	1,825,273	"	0.35
8	"	RealPower Electronic Devices Co., Limited	3	"	1,643,382	"	0.32
8	"	Yuan Industrial Corp.	3	"	1,065,791	"	0.20
8	"	Asian Information Technology Inc.	3	"	342,668	"	0.07
8	"	WPG SCM Limited	3	"	314,038	"	0.06
8	"	Yuan Singapore Pte Ltd.	3	"	324,436	"	0.02
9	Yuan Singapore Pte Ltd	Yuan Hong Kong Corp. Ltd.	3	"	516,907	"	0.10
9	"	WPG SCM Limited	3	"	240,193	"	0.05
10	Senkai Incorporation Inc.	Yuan Hong Kong Corp. Ltd.	3	"	603,830	"	0.12
10	"	Yuan Industrial Corp.	3	"	216,241	"	0.04
11	Asian Information Technology Inc.	ATF Japan Inc.	3	"	5,615,448	Note 4	1.09
11	"	WPG China (SZ) Inc.	3	"	147,458	"	0.03
11	"	Silicon Application Corp.	3	"	179,238	"	0.03
11	"	WPG Electronics (HK) Limited	3	"	101,833	"	0.02
12	ATF Japan Inc.	Asian Information Technology Inc.	3	"	1,897,010	"	0.37
13	ATIT Electronic Limited	Frank Technology Corporation	3	"	1,129,896	"	0.22
14	Frank Technology Corporation	WPG Electronics (HK) Limited	3	"	496,190	"	0.10
14	"	Asian Information Technology Inc.	3	"	172,655	"	0.03
15	Apogee Communications Inc.	WPG China (SZ) Inc.	3	"	290,584	"	0.05
15	"	Frank Technology Corporation	3	"	222,194	"	0.04
16	Evermore Electronics Co., Ltd.	Evermore Electronics Co., Ltd.	3	"	1,782,415	Notes 9 and 15	0.33

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Table 8
Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Company	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	\$	15,481,082	Note 3	3.00
1	"	WPG Electronics (HK) Limited	3	"	616,293	"	0.12
1	"	AIICO Technology Co., Ltd.	3	"	590,978	"	0.10
1	"	Gemini CAC Inc.	3	"	140,458	"	0.03
2	AIICO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	3	"	116,006	"	0.02
3	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	573,972	"	0.11
3	"	AIO Components Company Limited	3	"	111,415	"	0.02
4	Longview Technology Inc.	Longview Technology Inc.	3	"	294,075	"	0.06
4	"	WPI International (Hong Kong) Limited	3	"	291,491	"	0.06
5	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	4,454,066	"	0.86
5	"	WPG China (SZ) Inc.	3	"	1,849,848	"	0.36
5	"	World Peace International (South Asia) Pte Ltd	3	"	1,655,399	"	0.32
5	"	WPG Electronics (HK) Limited	3	"	1,222,161	"	0.24
5	"	WPG SCM Limited	3	"	811,657	"	0.16
5	"	WPI International Trading (Shanghai) Ltd.	3	"	640,238	"	0.12
5	"	WPG China Inc.	3	"	302,991	"	0.06
5	"	WPG Korea Co., Ltd.	3	"	276,106	"	0.05
5	"	VFSEC WPI Limited	3	"	206,090	"	0.04
5	"	Apogee Communications Inc.	3	"	158,033	"	0.03
6	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	1,977,465	Notes 9 and 13	0.38
6	"	WPG China (SZ) Inc.	3	"	858,085	Notes 9 and 9	0.17

Table 8 Page 17

Number (Note 1)	Company name	Company	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
6	Silicon Application Corp.	WPG SCM Limited	3	\$	205,161	Notes 9 and 11	0.04
7	Yuan Hong Kong Corp. Ltd	Yuan Hong Kong Corp. Ltd	3	"	2,553,335	Notes 7 and 16	0.50
7	"	Senkai Incorporation Inc.	3	"	830,857	"	0.16
7	"	WPG China (SZ) Inc.	3	"	132,218	Notes 7 and 19	0.03
7	"	WPG China Inc.	3	"	5,246,798	Notes 7 and 16	1.02
8	Yuan Hong Kong Corp. Ltd.	WPG China Inc.	3	"	1,825,273	"	0.35
8	"	RealPower Electronic Devices Co., Limited	3	"	1,643,382	"	0.32
8	"	Yuan Industrial Corp.	3	"	1,065,791	"	0.20
8	"	Asian Information Technology Inc.	3	"	342,668	"	0.07
8	"	WPG SCM Limited	3	"	314,038	"	0.06
8	"	Yuan Singapore Pte Ltd.	3	"	324,436	"	0.02
9	Yuan Singapore Pte Ltd	Yuan Hong Kong Corp. Ltd.	3	"	516,907	"	0.10
9	"	WPG SCM Limited	3	"	240,193	"	0.05
10	Senkai Incorporation Inc.	Yuan Hong Kong Corp. Ltd.	3	"	603,830	"	0.12
10	"	Yuan Industrial Corp.	3	"	216,241	"	0.04
11	Asian Information Technology Inc.	ATF Japan Inc.	3	"	5,615,448	Note 4	1.09
11	"	WPG China (SZ) Inc.	3	"	147,458	"	0.03
11	"	Silicon Application Corp.	3	"	179,238	"	0.03
11	"	WPG Electronics (HK) Limited	3	"	101,833	"	0.02
12	ATF Japan Inc.	Asian Information Technology Inc.	3	"	1,897,010	"	0.37
13	ATIT Electronic Limited	Frank Technology Corporation	3	"	1,129,896	"	0.22
14	Frank Technology Corporation	WPG Electronics (HK) Limited	3	"	496,190	"	0.10
14	"	Asian Information Technology Inc.	3	"	172,655	"	0.03
15	Apogee Communications Inc.	WPG China (SZ) Inc.	3	"	290,584	"	0.05
15	"	Frank Technology Corporation	3	"	222,194	"	0.04
16	Evermore Electronics Co., Ltd.	Evermore Electronics Co., Ltd.	3	"	1,782,415	Notes 9 and 15	0.33

Table 8 Page 18

Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note 3)
9	Yuan Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	Accounts receivable	\$ 2,021,170	-	1.16
10	Asian Information Technology Inc.	ATI Japan Inc.	3	-	593,179	Note 4	0.28
11	Transit Technology Corporation	WPG Electronics (HK) Limited	3	-	183,798	-	0.10
12	ATI Japan Inc.	Asian Information Technology Inc.	3	-	151,821	-	0.08
13	Apache Communication Inc.	WPG China (SZ) Inc.	3	-	112,867	-	0.06
14	Everwin Enterprise Co., Ltd.	Perma Electronics Co., Ltd.	3	-	470,145	Notes 9 and 15	0.26
15	Perma Electronics Co., Ltd.	Everwin Enterprise Co., Ltd.	3	-	162,190	Notes 9 and 19	0.09
16	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	-	415,083	Note 8	0.23
17	Richpower Electronic Devices Co., Limited	Yuan Hong Kong Corp. Ltd.	3	-	751,290	-	0.42
18	WPG China Inc.	WPG China (SZ) Inc.	3	-	167,172	Notes 9 and 10	0.09
19	Met Technology Co., Limited	WPG Electronics (HK) Limited	3	-	221,017	Note 8	0.12
20	Silicon Application Corp.	WPG China Inc.	3	Other receivables	264,216	Note 17	0.15
21	-	Silicon Application Corp.	3	-	722,311	-	0.40
22	WPG China Inc.	WPG China (SZ) Inc.	3	-	529,105	-	0.30
23	WPG China Inc.	World Peace Industrial Co., Ltd.	3	-	131,819	-	0.07
24	WPG China Inc.	WPG International (Hong Kong) Limited	3	-	683,777	-	0.38
25	WPG China Inc.	WPG International (Hong Kong) Limited	3	-	621,877	-	0.35
26	WPG China Inc.	WPG China (SZ) Inc.	3	-	210,270	-	0.12
27	WPG China Inc.	WPG China (SZ) Inc.	3	-	366,839	-	0.20
28	WPG China Inc.	WPG China (SZ) Inc.	3	-	465,337	-	0.27
29	WPG China Inc.	WPG China (SZ) Inc.	3	-	332,397	-	0.19
30	WPG China Inc.	WPG China (SZ) Inc.	3	-	696,659	-	0.39
31	WPG China Inc.	WPG China (SZ) Inc.	3	-	199,983	-	0.11
32	WPG China Inc.	WPG China (SZ) Inc.	3	-	1,151,187	Notes 17 and 18	0.65
33	WPG China Inc.	WPG China (SZ) Inc.	3	-	190,268	Note 17	0.11

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Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note 3)
9	Yuan Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	Other receivables	\$ 335,354	-	0.19
10	Sonic Limited	Yuan Hong Kong Corp. Ltd.	3	-	340,731	-	0.19
11	Sonic Limited	Yuan Hong Kong Corp. Ltd.	3	-	497,641	-	0.28
12	Apache Communication Inc.	Apache Communication Inc.	3	-	272,104	-	0.15
13	Everwin Enterprise Co., Ltd.	Perma Electronics Co., Ltd.	3	-	151,362	-	0.08
14	Richpower Electronic Devices Co., Ltd.	Yuan Hong Kong Corp. Ltd.	3	-	313,549	-	0.17
15	WPG China Inc.	WPG China (SZ) Inc.	3	-	164,125	-	0.09
16	WPG China Inc.	WPG China (SZ) Inc.	3	-	210,233	-	0.13
17	Yuan Hong Kong Corp. Ltd.	Yuan Hong Kong Corp. Ltd.	3	-	360,670	-	0.20
18	Yuan Hong Kong Corp. Ltd.	Yuan Hong Kong Corp. Ltd.	3	-	295,914	Note 18	0.17
19	Yuan Hong Kong Corp. Ltd.	Yuan Hong Kong Corp. Ltd.	3	-	1,288,846	Note 17	0.71

Note 1: The members listed in the transaction company in respect of inter-company transactions are as follows:

Note 2: The subsidiaries of the transaction company are as follows:

Note 3: The subsidiaries of the transaction company are as follows:

Note 4: The subsidiaries of the transaction company are as follows:

Note 5: The subsidiaries of the transaction company are as follows:

Note 6: The subsidiaries of the transaction company are as follows:

Note 7: The subsidiaries of the transaction company are as follows:

Note 8: The subsidiaries of the transaction company are as follows:

Note 9: The subsidiaries of the transaction company are as follows:

Note 10: The subsidiaries of the transaction company are as follows:

Note 11: The subsidiaries of the transaction company are as follows:

Note 12: The subsidiaries of the transaction company are as follows:

Note 13: The subsidiaries of the transaction company are as follows:

Note 14: The subsidiaries of the transaction company are as follows:

Note 15: The subsidiaries of the transaction company are as follows:

Note 16: The subsidiaries of the transaction company are as follows:

Note 17: The subsidiaries of the transaction company are as follows:

Note 18: The subsidiaries of the transaction company are as follows:

Note 19: The subsidiaries of the transaction company are as follows:

Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note 3)
16	Everwin Enterprise Co., Ltd.	WPG China (SZ) Inc.	3	Sales	\$ 115,941	Notes 9 and 19	0.03
17	Perma Electronics Co., Ltd.	Everwin Enterprise Co., Ltd.	3	-	446,805	-	0.09
18	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	-	1,099,509	Note 8	0.21
19	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Limited	3	-	625,918	-	0.12
20	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Limited	3	-	478,117	-	0.09
21	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Limited	3	-	246,276	-	0.03
22	Richpower Electronic Devices Co., Limited	Yuan Hong Kong Corp. Ltd.	3	-	2,968,842	-	0.16
23	Richpower Electronic Devices Co., Limited	WPG Electronics (HK) Limited	3	-	262,358	-	0.05
24	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Ltd.	3	-	202,146	-	0.04
25	Richpower Electronic Devices Co., Limited	WPG China (SZ) Inc.	3	-	127,659	Notes 9 and 19	0.02
26	Richpower Electronic Devices Co., Limited	World Peace Industrial Co., Ltd.	3	-	239,676	Note 20	0.04
27	Richpower Electronic Devices Co., Limited	WPG International (Hong Kong) Limited	3	-	168,277	-	0.03
28	Richpower Electronic Devices Co., Limited	World Peace Industrial (South Asia) Pte Ltd.	3	-	293,702	Notes 9 and 10	0.06
29	Richpower Electronic Devices Co., Limited	WPG China (SZ) Inc.	3	-	511,215	-	0.10
30	Richpower Electronic Devices Co., Limited	WPG International (Hong Kong) Limited	3	-	184,073	-	0.04
31	Richpower Electronic Devices Co., Limited	Long Think International (Shanghai) Limited	3	-	105,656	-	0.02
32	Richpower Electronic Devices Co., Limited	WPG China Inc.	3	-	220,743	-	0.04
33	Richpower Electronic Devices Co., Limited	WPG International Trading (Shanghai) Ltd.	3	-	1,534,091	Note 5	0.20
34	Richpower Electronic Devices Co., Limited	WPG International (Hong Kong) Limited	3	-	1,374,736	-	0.27
35	Richpower Electronic Devices Co., Limited	WPG International (Hong Kong) Limited	3	-	272,298	-	0.05
36	Richpower Electronic Devices Co., Limited	P.T. WPG Electronics Jaya	3	-	1,034,464	-	0.20
37	Richpower Electronic Devices Co., Limited	WPG SCM Limited	3	-	4,579,896	-	0.29
38	Richpower Electronic Devices Co., Limited	WPG SCM Limited	3	-	1,167,581	-	0.27
39	Richpower Electronic Devices Co., Limited	WPG SCM Limited	3	-	924,584	-	0.18

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Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenue or total assets (Note 3)
25	World Peace Industrial Co., Ltd.	WPG CAC (Malaysia) Sdn Bhd	3	Sales	\$ 718,465	-	0.15
26	World Peace Industrial Co., Ltd.	World Peace Industrial Co., Ltd.	3	-	329,370	-	0.06
27	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	212,315	-	0.04
28	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	127,259	Notes 9 and 19	0.02
29	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	614,171	Notes 9 and 13	0.35
30	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	334,270	Notes 6 and 9	0.19
31	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	7,627,665	Note 5	2.03
32	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	703,236	-	0.17
33	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	161,705	-	0.09
34	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	401,511	-	0.22
35	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	318,217	-	0.18
36	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	1,896,235	-	0.39
37	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	82,617	-	0.04
38	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	158,381	-	0.09
39	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	141,811	-	0.08
40	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	281,984	-	0.16
41	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	297,318	-	0.17
42	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	206,990	-	0.11
43	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	241,552	-	0.14
44	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	265,549	-	0.15
45	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	1,655,225	-	0.92
46	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	148,059	-	0.08
47	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	146,330	Notes 7 and 16	0.08
48	World Peace Industrial Co., Ltd.	WPG CAC (Thailand) Co., Ltd.	3	-	745,710	-	0.42

Table 7 Page 22

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7 Financial Status, Operating Results and Risk Management

7.1 Financial status

7.1.1 Consolidated

Unit: NT\$ thousands

Item	Year	2015	2014	Difference	
				Amount	%
Current assets		165,487,412	146,245,684	19,241,728	13.16
Notes and accounts receivable, net		92,271,467	82,249,794	10,021,673	12.18
Inventories, net		50,295,037	47,373,506	2,921,531	6.17
Non-current Assets		13,564,453	14,101,532	(537,079)	(3.81)
Financial assets - non-current and Investments in bonds		808,327	817,892	(9,565)	(1.17)
Investments accounted for under the equity method		555,054	816,213	(261,159)	(32.00)
Total assets		179,051,865	160,347,216	18,704,649	11.67
Short-term and Long-term borrowings (include current portion of long-term borrowings)		77,806,859	65,758,227	10,848,632	16.23
Notes and accounts payable		45,242,855	41,151,318	4,091,537	9.94
Total liabilities		130,734,107	115,229,534	15,504,573	13.46
Capital		16,557,092	16,557,092	-	-
Total equity		48,317,758	45,117,682	3,200,076	7.09

7.2.2 Main causes of significant changes in the assets, liabilities and equities of the 2015 and 2014 Consolidated financial statements and the response plan

- Current assets: The current assets in 2015 have increased compared with those in 2014 mainly due to the increase of notes and accounts receivable in 2015.
- Notes and accounts receivable: The notes and accounts receivable in 2015 has increased because the total sales amount grew up by 13.94% year-on-year, leading to the increase of notes and accounts receivable.
- Investments accounted for under the equity method: Investments accounted for under the equity method in 2015 has decreased because the entity of Genuine C&C Inc. became consolidated and added shareholdings after tender offer.
- Total assets: Total assets has increased in 2015 due to the increase of notes and accounts receivable in 2015 compared with those in 2014.
- Short-term and Long-term borrowings (include current portion of long-term borrowings): The amount of loans from banks has increased in 2015 compared with those in 2014 because revenues grew so needed borrowing more money from banks in order to maintain fluent operation.
- Total liabilities: Total liabilities has increased in 2015 compared with those in 2014 because revenues grew so needed borrowing more money from banks in order to maintain fluent operation.

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7.2.3 Non-Consolidated

Unit: NT\$ thousands

Item	Year	2015	2014	Difference	
				Amount	%
Current assets		442,543	424,141	18,402	4.34
Investments accounted for under the equity method		56,377,857	52,133,455	4,244,402	8.14
Total assets		57,846,925	53,561,051	4,285,874	8.01
Total liabilities		10,078,505	8,505,320	1,573,185	18.50
Capital		16,557,092	16,557,092	-	0.00
Total equities		47,770,420	45,055,731	2,714,689	6.03

7.2.4 Main causes of significant changes in the assets, liabilities and equities of the 2015 and 2014 Non-Consolidated financial statements and the response plan

- Investments accounted for under the equity method: The investments accounted for under the equity method has increased in 2015 compared with those in 2014 because investments in subsidiaries and cumulative translation adjustments as well as invest income increased after deducted subsidiary dividend and balance got increased.
- Total assets: The total assets in 2015 has increased because the investment accounted for under the equity method increased.
- Total liabilities: The total liabilities in 2015 grew compared with those in 2014 because of long-term investments in subsidiaries and the increasing accumulated retained earnings tax result in capital requirements and loans added.

7.2 Financial performance

7.2.1 Consolidated

Unit: NT\$ thousands

Item	Year	2015	2014	Difference	
				Amount	%
Operating revenues		515,536,489	452,471,998	63,064,491	13.94
Operating costs		(494,086,240)	(431,988,193)	(62,098,047)	14.37
Gross profit		21,450,249	20,483,805	966,444	4.72
Operating expenses		(12,976,134)	(12,542,066)	(434,068)	3.46
Operating Income		8,474,115	7,941,739	532,376	6.70
Non-operating income and expenses		(1,320,672)	(835,104)	(485,568)	(58.14)
Profit before tax		7,153,443	7,106,635	46,808	0.66
Income tax expense		(1,717,511)	(1,292,459)	(425,052)	32.89
Consolidated net income		5,435,932	5,814,176	(378,244)	(6.51)

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7.2.2 Main causes of significant changes in the operating revenue, operating income and income before tax of the 2015 and 2014 Consolidated financial statements and the response plan

- Operating revenues: The operating revenues in 2015 has increased compared with 2014 because of the correct layout product and increased employee productivity.
- Operating Income: The operating income in 2015 has increased because of the growth of revenues in 2015 and well control of expenses.
- Non-operating income and expenses: The Non-operating income and expenses in 2015 grew because of the increase in the loans from banks and financial costs in 2015.
- Income tax expense: The income tax expense has increased in 2015 compared with 2014 because of additional tax on undistributed earnings increased.
- Consolidated net income: Consolidated net income has decreased in 2015 compared with 2014 because of the increase of income tax expense in 2014.

7.2.3 Non-Consolidated

Unit: NT\$ thousands

Item	Year	2015	2014	Difference	
				Amount	%
Operating revenues		5,383,519	6,490,174	(1,106,655)	(1.64)
Operating costs and expenses		(557,452)	(484,849)	(72,603)	14.97
Gross profit		5,826,067	6,005,325	(179,258)	(2.98)
Non-operating income and expenses		(93,817)	(56,262)	(37,555)	(66.75)
Profit before tax		5,732,250	5,949,063	(216,813)	(3.64)
Income tax expense		(311,781)	(140,224)	(171,557)	122.34
Net income		5,420,469	5,808,839	(388,370)	(6.69)

7.2.4 Main causes of significant changes in the operating revenue, operating income and income before tax of the 2015 and 2014 Non-Consolidated financial statements and the response plan

- Operating costs and expenses: The growth of operating costs and expenses in 2015 results from the increase of operating expenses on adding Corporate Credit & Risk Management Service Unit in 2015.
- Non-operating income and expenses: Non-operating income and expenses has increased in 2015 compared with 2014 as a result of the increase interest expenses in issued convertible bonds and raised financial cost in 2015.
- Income tax expense: The income tax expense has increased in 2015 compared with 2014 because additional tax on undistributed earnings increased.
- Net income: The net income decreased in 2015 compared with 2014 due to decrease of the investment revenues results, in the growth of operating expense, expenditure as well as tax expense in 2015.

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7.2.5 Projection of the sales in the next year and the basis, possible effects on our future financial business and response plan

WPG Group has a variety of production lines and these products are calculated in different units so that there is no statistics in the same unit. In response to the continuously increasing demands for semiconductor parts of communication and consumer electronics, automotive electronics and green energy in China, the Group will continue to develop the Asia-Pacific markets and believes that the growing demands will facilitate the growth of WPG Group revenues and profits. The Company will continue to improve the earning quality and asset use efficiency financially to keep up with the expansion of the business scale. In terms of business, we will provide higher valued-added service, win more OEM agreements, improve the sales and penetration in China and use our advantages such as information technology to increase our market share and optimize the interests for the Company and shareholders.

7.3 Cash flow

7.3.1 Consolidated

Unit: NT\$ thousands

Cash Balance 12/31/2014	Net Cash Provided by Operating Activities in 2015	Net Increase (decrease) in Cash in 2015	Cash Balance 12/31/2015	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
11,184,859	(9,273,089)	(1,738,217)	9,446,642	0	0

The increase of revenues results in higher requirements of operating capitals to support operating activities, thus leading to the net cash outflow in the 2015 consolidated financial statement. The net cash inflow of investment is generated from the proceeds of the sale of investment properties. The net cash inflow of financing activities in 2015 is the result of the increase of loans. The net cash outflow of 2015 results in higher closing cash balance over the opening cash balance.

7.3.2 Non-Consolidated

Unit: NT\$ thousands

Cash Balance 12/31/2014	Net Cash Provided by Operating Activities in 2015	Net Increase (decrease) in Cash in 2015	Cash Balance 12/31/2015	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
33,180	4,094,468	(4,699)	28,481	0	0

Our cash flow is composed of the capitals for daily operation, cash dividends and dividend payout of subsidiaries, organization framework adjustment and payment of investment in the subsidiaries.

7.3.3 Low Liquidity Improvement plan: WPG Group do not have the problem of low liquidity.

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7.3.4 Consolidated cash liquidity analysis for the next year

Cash Balance 12/31/2015	Net Cash Provided by Operating Activities in 2016	Net Increase (decrease) in Cash in 2016	Cash Balance 12/31/2016	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
9,446,642	6,732,000	495,000	9,941,642	0	0

It is expected that the net cash inflow from operating activities will increase in the 2016 consolidated statement because of the key objectives resulted from operating cost controlled and net income increased. Cash dividends will therefore be paid and loans borrowed from banks will be reimbursed.

7.3.5 Non-Consolidated cash liquidity analysis for the next year

Cash Balance 12/31/2015	Net Cash Provided by Operating Activities in 2016	Net Increase (decrease) in Cash in 2016	Cash Balance 12/31/2016	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
28,481	3,927,000	11,519	40,000	0	0

The cash flow is composed of the capitals for daily operation, cash dividends and dividend payout of the subsidiaries, organization framework adjustment and payment of investment in subsidiaries.

7.4 The Influence of major capital expenditure on financial business in recent years

WPG Holdings has not made major capital expenditures in recent years. Refer to P.93 of Financial statement for the most recent fiscal year augmented with auditor's report prepared by a CPA for the information about major capital expenditure of WPG Group. (5. WPG Holdings spent NT\$300 million dollars or 20% above of paid-in capital in real estate.)

7.5 Reinvestment policy and main cause of profits or loss in recent years, Improvement plan and investment planning for the next year

7.5.1 Reinvestment analysis

Description Company	Long-term Investment	Policy	December 31, 2015/ Unit: NT\$thousands			
			2015 profits (loss)	Main cause of profits or loss	Improve ment plan	Future investm ent plannin g
World Peace Industrial Co., Ltd.	21,696,762	Sales of electronic / electrical components	3,032,362	Profits from the invested company, leading to gain on investment	--	--
Silicon Application Corporation	6,668,916	Sales of computer software and electronic products	876,147	"	--	--
Asian Information Technology Inc.	6,043,555	Sales of electronic / electrical	1,192,293	"	--	--

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Company	Long-term Investment	Policy	2015 profits (loss)	Main cause of profits or loss	Improve ment plan	Future investm ent plannin g
Yosun Industrial Corp.	16,920,576	Sales of electronic / electrical components	850,066	"	--	--
WPG Electronic Ltd.	41,821	Sales of electronic / electrical components	2,639	"	--	--
WPG Korea Co., Ltd.	338,381	Sales of electronic / electrical components	40,441	"	--	--
WPG Investment Co., Ltd.	498,207	Investment company	14,695	Investment	--	--
WPG Int'l (CI) Limited	3,658,553	Subsidiary of the Holdings	(184,587)	Profits from the reinvested company	--	--
WPG Core Investment Co., Ltd.	8,719	Investment company	(17,827)	Start-up stage	--	--
Genuine C&C Inc.	502,347	Sales of electronic / electrical components	28,142	Profits from the invested company, leading to gain on investment	--	--

7.5.2 Reinvestment policy of recent years

We reinvest in the professional distributors of electronic parts considering the integration of markets and the completeness of OEM production lines. We also continue to improve our position of the high value-added service and e-commerce distributor to achieve the economics of scale, and maintain and continue to increase the market share and profits.

7.5.3 Investment plan for the next year

WPGH has no significant investment plan from the beginning to the annual report published date in 2015, but the Company will keep setting the acquisition platform of the holding structure and focusing on investment target at home and abroad.

7.6 Risk assessment of the following items in the recent year and as of the publication date of the annual report:

Integrated risk management is the goal of WPG Holdings. The risk units at each level include risk management in the operation processes through systematic risk identification, risk assessment, risk handling and monitoring considering the enterprise holistically in order to reach the goal of the Organization. We will progressively conduct business at acceptable risk

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level, improve the quality and quantity of incomes, optimize resource distribution and ensure that the appropriate risk culture will be established and maintained in the organization

7.6.1 Risk management organization framework

Our risk management organization is described as below:

- The Board has established "Risk Management Policy and Guidelines" as the basis for the implementation of risk management in the Company and Subsidiaries.
- Audit Committee is responsible for monitoring the formulation and execution of the risk management policy in accordance with the "Audit Committee Charter" approved by the Board and establishes the monitoring indicators of risk management with the authorization of the Board.
- The CEO of the Holdings assigns a person who is responsible for risk management in order to effectively plan, monitor and implement the risk management system in the Company and Subsidiaries.
- The Board of each Subsidiary shall establish risk management procedures or management measures based on the risk management policy and guidelines as well as the characteristics of the industry.
- The responsibility of risk management does not solely lie on the risk management unit or the assigned person. Instead, all functions/departments/units/business has the corresponding responsibility and need to cooperate in order to practically carry out risk management.

Related supervisory mechanisms are described as below:

- High-level management meeting:
The meeting is held every month; the CEO of the Holdings and each group, the chief marketing officer(CMO) of business and product units and directors of departments of the Holdings will attend the meeting. The Subsidiary will report the monthly business performance, financial status and key performance indicators in the meeting while the Holdings will communicate, discuss and promote cross-group and cross-region policies and projects.
The Holdings and Subsidiaries propose the annual plan for the second half of every year based on the operation direction and budget, regularly track the progress and dynamically inspect possible risks and adjustment measures.
- Departments of the Holdings: The policy has been established for the financial, HR, legal, information and logistics departments to integrate the key strategies. The cross-department and cross-subsidiary as well as cross-area meetings are held regularly to establish the excellent two-way and horizontal communication mechanism, adjust the operation direction and respond to possible risks.
- Internal audit unit of the Holdings: The unit regularly audits the appropriateness of the design and implementation of the internal control system in the financial and sale departments and report to Audit Committee and Board.

7.6.2 Risk management responsibility

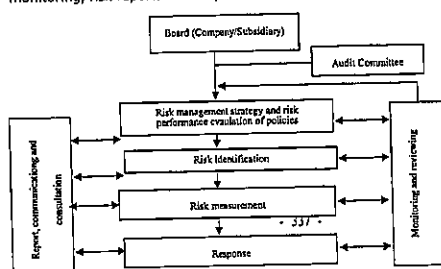
- Board
The Board shall be aware of the operation risks that the Company encounters ensure the effectiveness of risk management and take the ultimate responsibility of risk management.
- Audit Committee

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- Regularly debrief the risk management units of the Holdings and supervise the implementation of risk management in the Company and Subsidiaries.
 - Provide recommendation to the risk management policy and system, process and supervision indices.
 - Discuss the cases reported to the Board by the risk management unit (responsible person) of the Holdings.
3. Risk management unit (responsible person)
The risk management unit of the Holdings is responsible for monitoring, measuring and evaluating of daily risks. The unit shall be independent from other business unit and operating activities in order to exercise the power. The unit directly reports to the CEO of the Holdings and Audit Committee. The main responsibilities are described as below:
- Help with the formulation of the risk management policy.
 - Ensure the implementation of the risk management policy which has been approved by the Board.
 - Render the risk management report at appropriate time.
 - Evaluate the degree of risk exposure and risk concentration.
 - Deal with the unit which fails to obey risk limits with authorized power.
 - Track early warnings, violation of limits and exceptional management affairs.
 - Other risk management affairs.
4. The Board of the Subsidiaries
(1) The Board of the Subsidiaries shall supervise each function to actually establish risk management procedures or processes in accordance with the policy of the Holdings and practically manage risks in order to implement the risk management policy of the Holdings.
(2) The Board shall supervise whether the Subsidiary violates the limits and propose improvement and prevention strategies.
5. Every related unit (every function/department of the Company or Subsidiaries)
The directors of every unit are the first line risk controllers with the following responsibilities:
- Ensure the communication of risk information in the timely and correct manner
 - Assure the effective implementation of the risk limit regulations in the unit.
 - Ensure that related units measure risks, use models and establish hypotheses on the same basis.

7.6.3 Risk management process

The risk management process includes: risk identification, risk measurement, risk monitoring, risk reports and response measures as described in the figure below.



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7.6.4 Risk Identification and response

Our risk management unit divides the possible risks into 5 categories: hazardous risk, operating risk, financial risk, strategic risk and compliance/contract risk.

1. Hazardous risk

Business continuity caused by great disasters and calamities is the biggest risk that the Company may encounter and the destruction of the data center and main storehouse is the most significant of all. Moreover, the global or regional financial crisis may also hazariously affect our business.

- Risk of business discontinuity as the result of the destruction of the data center

The backup data center has been built off-site; the data in the information system has been backed up every day and stored off-site. Furthermore, the multi-circuit network redundancy has been established and there are multiple network connections in the main sites with the data center to prevent business discontinuity caused by disconnection of single network. The information department has set up the regular back-up plan, conducts on-site practice and continues to improve and perfect the plan.

- Risk of great financial loss or business discontinuity as the result of the destruction of the major storehouses

The disaster response plan has been formulated for the major storehouses and on-site practice has been carried out regularly. We insure the stocks in the storehouse and regularly review and adjust the premiums and coverage accordingly to protect our important assets.

- Risk of business discontinuity as the result of blockage of major offices

In 2015, the disaster recovery plan of key offices in China has been completed and practice has been conducted. We formulate the plan in response to the blocked office and damaged data center and complete practice. Regular practice will be held and modification will be made according to the result and actual status to maintain the effectiveness.

- Risk of capital circulation and operating profits as the result of financial crisis

In addition to establish preventive measures, such as increasing the sensitivity to market trends, building a appropriate preventive mechanism for the use, allocation and distribution of capitals and strengthening credit control, we also organize the response procedures based on the experience in dealing with financial crisis, such as forming a project team as well as establishing a quick information collection system and phased credit principle as the reference for similar risks.

2. Operating risk

- Industrial risk

Influence of important national policy and legal changes on the financial business and responsive measures: In response to the amendment of policies related to corporate governance and Company Act of the competent authorities, the Company will continue to notice on the change of related regulations and make changes accordingly.

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Influence of technical and industrial changes on our financial business and responsive measures: The Company in the midstream supply chain of semiconductor parts will expand the production lines and customer coverage to meet the demands of semiconductor parts, brought by changing technology. Due to the intense competition in the industry, merger and acquisition is common among domestic and foreign electronic companies to ensure the competitiveness in the market. The Company will continue to seek partners for strategic alliance, expand production lines and customer coverage, and maintain and expand market share through the Investment Holdings in order to maintain our leading position of parts distributors in the Asia-Pacific market.

- Risk of corruption or intrusion of the data center

The measures in response to the corrupted system are described above. The Company also builds a system to detect the intrusion and regularly check the effectiveness.

- Risk of the storehouses and logistics

The measures in response to the corrupted storehouse are described above. In addition, more storehouses have been built near the major storehouses or operation sites to disperse inventory in order to prevent the risk of over-concentration.

- Expected benefits, possible risk and responsive measures of plant expansion:

Not applicable. Both the Company and Subsidiaries are not manufacturing industries.

- Future R&D plan and budget

There are FAEs in the Subsidiaries to help clients with testing and design and they will irregularly provide or update the best solutions based on the application categories of the products to help clients reduce manufacturing costs and improve product efficiency. A total of 8,224,000 dollars has been invested in R&D as of the 1st quarter of the year.

- Influence of the corporate image change on the corporate risk management and responsive measures:

The Company upholds the sustainable management principle of professionalism and integrity and highly values our corporate image and risk control. There is no foreseeable risk currently.

- Influence, risk and responsive measures of management right change on the Company:

Not applicable.

3. Financial crisis

- Influence of interest rate, currency and inflation on our revenues and responsive measures

■ Interest rate

The financial cost of 2015 was 1,467,904,000 dollars, an increase of 253,673,000 dollars from 2014. 79,243,000 dollars of them was generated due to the interest of convertible bonds. We borrowed money from banks to meet the capital requirements of operation. Moreover, the interest rate on borrowings of the money market rose so that the growth rate of interests reached 21%, higher than 13.94% of the revenue growth rate. The percentage of interest expenses in revenues grew up from 0.27% to 0.28% but still in the

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reasonable range. The rising of interest rate will positively affect our revenues, and we will evaluate the currency trends at all time, use the long-term and short-term financing tools and manage the operating capitals to reduce the effect of interest on the Company.

■ Currency

WPG is a multi-national company and may face the threat from currency risk of US dollars and RMB. Currency risk arises in business transactions, recognized assets and liabilities and net investment in overseas operation institutions. The Management of the Group has established the policy, requiring every company of the Group to manage currency risk of corresponding functional currency. The financial department of each company shall help hedge currency considering the overall currency risk. The financial department of each Company also manages the currency risk of future transactions and recognized assets and liabilities through forward exchange agreements to reduce the influence of interest rate on our revenues. The foreign exchange gains in 2015 was 26,504,000 dollars or 0.005% in the total revenues; therefore, it did not impose significant influence in 2015.

■ Inflation

Semiconductor components are our main products and Asia-Pacific is the major market. The characteristics and price of the products mostly reflect the supply and demands of the market, technical progress and fast innovation. Inflation or deflation of the Asia-Pacific countries did not significantly affect our operation in 2015.

- The policy of the transactions, involving high risk, high leveraged investment, lending of capitals, endorsement and derivatives, main causes of profits or loss and responsive measures:

The Company did not engage in high risk and high leveraged investment and lent capitals, endorsed for other and conducted derivative transactions in accordance with the policy and responsive measures in "Procedure for the Acquisition and Disposal of Assets", "Procedures for Lending of Company Funds" and "Procedures for Endorsements and Guarantees".

- Credit risk: Risk of low capital turnover caused by default of big clients.

The credit management business between the Company and its subsidiaries have been fully integrated so far. To strengthen the performance of credit risk control, we will continue to optimize the system flow, combine professional with the system for further objective of reducing the risk of security claims.

The main character of credit management divides into four parts: customer management, credit management, accounts receivable management and risk management. Except for customer management of warning key management, we are promoting the reconciliation of accounts receivable along with cash requirement and offset. Then we integrate them into management in credit management unit and the start function of internal auditing and controlling to achieve the effect of anti-wrongdoing.

- Risk of the quality of financial statements

We build a mechanism to analyze and check financial figures, offer regular training to improve the accountants' legal and taxation knowledge and regularly inspect the internal control system and operation processes.

- Risk of the capital structure and difficulty of acquiring capitals:

We set a goal of the expense use ratio and strengthen operating capital management.

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4. Strategic risk

The strategic risk that the Company may face is over-concentration.

Risk of procurement and sales concentration and responsive measures: Our clients spread across Asia-Pacific broadly and the products include computer peripheral, communication, consumer electronics and automotive electronics. The sales amount of single clients has not gone over 10% of the consolidated revenues in recent years and the 1st quarter of 2016, and therefore there is no problem of sales concentration. In addition, we have maintained great relationship with suppliers in the long term so we have stable supply source.

Risk of industry concentration: Electronic parts and components are our major business currently and the computer system occupies a low percentage of total business. New Business Strategy Committee under the Board has been established to evaluate and plan the development of new business.

Expected benefits, possible risk and responsive measures of M&A: No M&A has been conducted in recent years and the last quarter.

5. Compliance/contract risk

It is the basic requirement for the Company that all operation processes are in compliance with the local regulations. The responsible units regularly inspect whether the operation meets with the local regulations. The responsible units regularly inspect and make appropriate adjustment. The legal department is responsible for reviewing all agreements. Besides that, since 2015 all certified legal staffs have been fully centralized and unified the management system to improve the effectiveness on human resources of legal staffs as well as service efficiency. Therefore, it can meet all management requirements of WPG Holdings and its affiliation to review contract, deal with dispute in law and comply with various regulations. Meanwhile, we optimize the process and integrate contact person with a view to achieve the best balance between the risk and management of enterprise agreement and the efficiency of legal services.

In addition to contract risk resulted from the legal risk in daily operation, it may also act inadvertently or take risks due to various outside business activities. Therefore, we will continue to strengthen staff's awareness of risk through educational training program and raise internal mechanisms of self-protection by the integrated and optimum internal control process.

To reduce the risk of trade compliance and strengthen operational management between the Company and its subsidiaries, WPG Holdings has established Trade Compliance Service Unit in March in 2015 to ensure that all the transactions, customers, and products are well managed in accordance to the global and local trade compliance regulations. The Year 2015 is the construction phase of organization and base system. We will begin with systematic training and education program for propelling the fundamental management mechanisms in 2016.

6. Other risks

Influence, risk and responsive measures of transferring huge amount of equities by the Board directors, supervisors or the major shareholder with the holding ratio over 10% on the Company: none

A list shall be made for the lawsuits, non-contentious events or administrative

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Our vision is expanded along with the business scale. The risk management unit shall review the risk management policy and implementation at a regular basis, and pay attention to the development of International and domestic risk management systems at any time in order to make improvement based on it. We will continue to promote the spirit of risk management at all levels of the organization to increase the efficiency of risk management.

Reference and foundation of evaluation for the appropriation of assets and liabilities

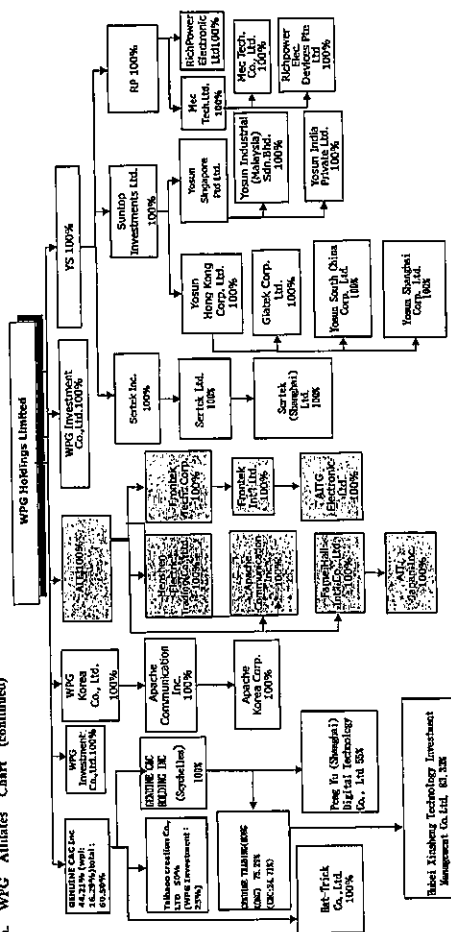
- (1) The customer has serious financial problems.
- (2) The customer does not pay upon expiry.
- (3) It is highly possible that the customer will declare bankruptcy or financial restructuring.

7.7.2 Allowance for Inventory decline in market value policy : It is measured based on the cost and net realizable value to determine which is lower. The cost and net realizable value are compared item by item.



Dec., 31, 2015

a. WPG Affiliates Chart (continued)



8 - Special Notes
8.1.2 Affiliates

Unit: NT\$ thousands, unless otherwise specified As of December 31st, 2015

Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
World Peace Industrial Co., Ltd.	1981/6/3	8F, No.74, No.76, Sec. 1, Chenggong Rd., Nangang Dist., Taipei City	9,811,000	Sales of electronic/electrical components
Silicon Application Corporation	1987/1/21	18F, No.2, Jian 8th Rd., Zhonghe Dist., New Taipei City	4,065,700	Sales of computer software and electronic product
Redpower Electronic Devices Co., Ltd.	2005/1/13	4F, No.489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City	850,000	Sales of electronic/electrical components
Pecore Electronics Co., Ltd.	1984/2/14	11F, No.258, Lancheng Rd., Zhonghe Dist., New Taipei City	735,000	Sales of electronic/electrical components
Asian Information Technology Inc.	1993/7/29	7F, No.439, Ruiguang Rd., Neihu Dist., Taipei City	3,468,124	Sales of electronic/electrical components
Tsuan Industrial Corp.	1980/5/30	9F, No.489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City	6,496,300	Sales of electronic/electrical components
WPG Electronic Ltd.	2002/4/22	4F, No.70, Sec. 1, Chenggong Rd., Nangang Dist., Taipei City	39,000	Sales of electronic/electrical components
WPG Korea Co., Ltd.	2005/1/18	(Pyeong) Innovalley B-301, 253, Pinyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 463-400, Korea	KRW 5,438,970 thousand dollars	Sales of electronic/electrical components
WPG International (CI) Limited	2007/7/1	4th Floor, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands	USD 124,443 thousand dollars	Holding company
WPG Investment Co., Ltd.	1998/7/9	10F, No.37, Sec. 2, Dunhua S. Rd., Daan Dist., Taipei City	500,000	Investment company
GENUINE CMC INC.	1988/11/20 (R.O.C.)	No.36, Un. 65, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan	795,095	Computers and computer equipments company

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
AECO Technology Co., Ltd.	1975/6/8	6F, No.74, Sec. 1, Chenggong Rd., Nangang Dist., Taipei City	946,000	Sales of electronic/electrical components
WPI Investment Holding (BVI) Company Ltd.	1996/3/15	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 83,179 thousand dollars	Holding company
World Peace International (BVI) Ltd.	1995/5/4	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 34,196 thousand dollars	Holding company
Longview Technology Inc.	1992/1/24	3F, No.70, Sec. 1, Chenggong Rd., Nangang Dist., Taipei City	330,000	Sales of electronic/electrical components
WPG Gain Time Ltd.	1986/2/18	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 1,000 thousand dollars	Sales of electronic/electrical components
World Peace International (Asia) Limited	2011/6/5	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	HKD 10 thousand dollars	Sales of electronic/electrical components
WPI International (Hong Kong) Limited	1996/4/16	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 85,515 thousand dollars	Sales of electronic/electrical components
WYTEC WPG LIMITED	2004/7/19	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 600 thousand dollars	Sales of electronic/electrical components
Prime Future Technology Limited	2000/9/15	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 36,448 thousand dollars	Holding company
World Peace International Pte Ltd	2000/6/29	No. 10 Upper Aljunied Link #06-07, Singapore 367994	USD 30,390 thousand dollars	Holding company
WPG SICH Limited	2001/12/12	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 1,641 thousand dollars	Sales of electronic/electrical components
Genulue CMC (South Asia) Pte. Ltd.	2001/1/15	No. 10 Upper Aljunied Link #06-07, Singapore 367994	USD 5,914 thousand dollars	Sales of electronic/electrical components
Genulue CMC (IndoChina) Pte. Ltd.	2002/5/23	No. 10 Upper Aljunied Link #06-07, Singapore 367994	USD 5,000 thousand dollars	Sales of electronic/electrical components

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
World Peace International (South Asia) Pte Ltd	1995/5/17	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 21,774 thousand dollars	Sales of electronic/electrical components
World Peace International (India) Pvt. Ltd.	1997/10/3	Unit No. 2144, 2nd Floor, Oberoi Garden Estate Off, Sakinaka Road, Chandivali Mumbai, Maharashtra India - 400072	INR 3,375 thousand dollars	Sales of electronic/electrical components
WPG CMC Computers and Peripherals (India) Private Limited	2008/6/4	No. 26, 2nd Floor, Disha Industrial Estate, Phase-III, New Delhi-110020, India	INR 484,200 thousand dollars	Sales of electronic/electrical components
WPG CMC (Malaysia) Sdn Bhd	2001/1/26	25-A & 27-A (Ground Floor) Block D1, Dataran Prima, Jalan PJU 1/4, 47301 P1, Selangor	MYR 11,250 thousand dollars	Sales of electronic/electrical components
WPG CSC (Thailand) Co., Ltd.	2006/2/23	No. 9/302-4 UH Tower, 30th Floor, Ramkhamhaeng Road, Suwanlum Sub-district, Suwanlum District, Bangkok, Thailand	BAHT 25,750 thousand dollars	Agent and sales of information products
WPG CMC Limited	2002/7/19	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 6,500 thousand dollars	Agent and sales of information products
WPI International Trading (Shanghai) Ltd.	2005/1/13	No.3488, Jinde Road, Xinzhuang Industrial Zone, Shanghai	USD 6,650 thousand dollars	Agent and sales of information products
AID Components Company Limited	1992/10/15	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	HKD 1,362 thousand dollars	Sales of electronic/electrical components
AID (Shanghai) Components Company Limited	2002/10/21	Unit 1135, 11F, Kohling Building, No.35, Nijing Road, Waigaoqiao Free Trade Zone, Shanghai	USD 200 thousand dollars	Sales of electronic/electrical components
Long-Think International Co., Ltd	2010/2/19	5F, No.76, Sec. 1, Chenggong Rd., Nangang Dist., Taipei City	40,000	Sales of electronic/electrical components
Longview Technology CC Limited	2012/5/10	Commerce Chambers, P.O. Box 2208, Road Town, Tortola, British Virgin Islands	USD 11,300 thousand dollars	Holding company
Long-Think International (Hong Kong) Limited	1991/5/14	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 10,000 thousand dollars	Sales of electronic/electrical components
Long-Think International (Shanghai) Limited	2002/10/21	H2, F5, Building 2, 115 First Floor Road, Free Trade Test Area Shanghai, Shanghai, 200131, China	USD 400 thousand dollars	Sales of electronic/electrical components

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
Win-Win Electronic Corp.	2004/7/13	18F, No.2, Jian 8th Rd., Zhonghe Dist., New Taipei City	10,000	Sales of computer software and electronic product
Silicon Application (BVI) Corp.	1997/6/17	Clco Building,P.O. Box 662, Road Town,Tortola, British Virgin Islands	USD 22,000 thousand dollars	Holding company
Silicon Application Company Limited	2000/2/14	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	HKD 100,000 thousand dollars	Sales of computer software and electronic product
Oscar Electronic Company Limited	2000/9/4	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	HKD 6,000 thousand dollars	Sales of computer software and electronic product
Win-Win Systems Ltd.	2000/5/20	The premises of Commonwealth trust Limited,Sealight House, Tortola, British Virgin Islands	USD 755 thousand dollars	Holding company
SAC Components (South Asia) Pte. Ltd.	2012/1/25	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 3,500 thousand dollars	Sales of computer software and electronic product
Mec Technology Co., Ltd.	1999/4/19	5F, No.489, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City	243,000	Sales of electronic/electrical products
Richpower Electronic Devices Co., Limited	1998/2/27	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 8,125 thousand dollars	Sales of electronic/electrical products
Mec Technology Co., Limited	2004/7/13	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tsuen Wan, N.T., Hong Kong	USD 32 thousand dollars	Sales of electronic/electrical products
Richpower Electronic Devices Pte., Ltd.	2004/8/6	16 To Seng Street # 05-00, Singapore 534138	USD 61 thousand dollars	Sales of electronic/electrical products
Superwin Enterprise Co., Ltd.	1998/2/31	11F, No.268, Lancheng Rd., Zhonghe Dist., New Taipei City	280,000	Sales of electronic/electrical components
Pemas Enterprise (Sarnoa) Limited	2005/9/26	Offshore Chambers, P.O. BOX 217, Apia, Samoa	USD 1,000 thousand dollars	Holding company
World Components Agent (Shanghai) Inc.	2006/2/5	Room #1 and C3, 4F, No.258, Fute North Road, Waigaoqiao Free Trade Zone, Shanghai	USD 200 thousand dollars	Sales of electronic/electrical products
Apache Communication Inc.	1998/2/9	7F, No.431, Ruiguang Rd., Neihu Dist., Taipei City	1,364,454	Sales of electronic/electrical components

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
WPG South Asia Pte. Ltd.	2006/9/20	No. 10 Upper Aljunied Link #06-07, Singapore 367904	USD 15,650 thousand dollars	Sales of electronic / electrical components
WPG Malaysia Sdn Bhd	1995/10/18	25-4 & 27-4, Block D1, Dataran Prima, Jalan PU 1/41, 47301 Petaling Jaya, Selangor, Malaysia	MYR 1,011 thousand dollars	Sales of electronic / electrical components
WPG (Thailand) Co., Ltd.	1995/1/28	No. 9/302-4 UM Tower, 39 th Floor, Rungtarnsri Road, Samsong Sub-district, Samsong District, Bangkok, Thailand	BAHT 10,372 thousand dollars	Sales of electronic / electrical components
WPG India Electronics Pvt. Ltd	2011/3/4	No.26, 2 nd Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020, India.	INR 159,100 thousand dollars	Sales of electronic / electrical components
WPG Electronics (Philippines) Inc.	1999/9/2	Unit 501, Richville Corporate Centre, #1314 Commerce Ave. Ext., Haringai Business Park, Ayala Alabang, Muntinlupa, 1780 Philippines	PHP 1,000 thousand dollars	Sales of electronic / electrical components
Teco Enterprise Holding (BVI) Co., Ltd.	2002/4/19	Commerce Chambers P.O.Box 2208 Road	USD 12,610 thousand dollars	Investment company
AECO Electronic Co., Ltd.	2002/5/2	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tuen Wan, N.T., Hong Kong	USD 12,600 thousand dollars	Distribution of semiconductor products
AECO Electronic (Nippon) Co., Ltd.	2003/1/13	403-11 Hongshai Commercial Building, Ningbo Free Trade Zone, Ningbo Municipality, Zhejiang Province	USD 3,920 thousand dollars	Trading of electronic / electrical products
WPG Core Investment Co., Ltd.	2014/1/2	105, No.97, Sec. 2, Dunhua S. Rd., Da' n. Rd., Da' n. 2, D	45,000	Investment company
GENUINE Commercial Net Co., Ltd	1999/4/10	3F, No.35, Ln. 66, Meihu Dist., Taipei City 114, Taiwan (R.O.C.)	80,000	Investment and food goods selling
GENUINE OAC HOLDING INC (Seychelles)	2011/6/22	No.24, Jasperance, Providence Industrial Estate, MAHE Seychelles	USD 5,500 thousand dollars	Holding company
Taiwanet Co., Ltd	2013/7/22	4F, No.35, Ln. 66, Meihu Dist., Taipei City 114, Taiwan (R.O.C.)	40,000	Food goods selling
GENUINE TRADING (HONG KONG) COMPANY LIMITED	2012/8/1	127 Jin Sheng Building, No.255-257 Des Voeux Road Central, Hong Kong	HKD 51,704 thousand dollars	Holding company

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
Hubei Xisun Technology Investment Co., Ltd	2010/6/29	No.101/102, Computer World, Block B, Donghu Garden, Gangqiao Road, Hongshan District, Wuhan	RMB 30,000 thousand dollars	Computer and computer equipment selling
Peng Yu (Shanghai) Digital Technology Co., Ltd.	2014/5/30	Room A53, Floor 3, No.473, Fute West 1st Road, Free Trade Testing Zone(Shanghai), China	RMB 15,500 thousand dollars	Electronic product selling

8.1.3 Shareholders in Common of WPG Holdings Limited and Its Subsidiaries with Deemed Control and Subordination: None.

8.1.4 Business Scope of WPG Holdings Limited and Its Subsidiaries

The Company and its subsidiaries are mainly engaged in the sales of electronic / electrical components, holding company, investment and software design services.

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
Henshen Electric Trading Co., Ltd.	1978/7/7	2F, No.441, Ruiquang Rd., Nanhui Dist., Taipei City	100,000	Sales of electronic / electrical components
Frontek Technology Corporation	1985/12/10	7F, No.435, Rubeuang Rd., Nanhui Dist., Taipei City	2,145,634	Sales of electronic / electrical components
Faine Hall International Co., Ltd.	1988/1/17	Pain Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 4,703 thousand dollars	Investment company
Frontek International Limited	2002/6/4	3740 Building, 3rd Floor, 142 Main Street, Road Town, Tortola, British Virgin Islands	USD 2,970 thousand dollars	Investment company
ATG Electronic Limited	2002/8/9	Unit 1501-3, Far East Consortium Building, No.121, Des Voeux Road Center, Central District, Hong Kong	HKD 22,800 thousand dollars	Sales of electronic / electrical components
AIT Japan Inc.	2005/3/7	7F, Shinagawa-Gokumano Bldg 3-6-6, Kita Shinagawa, Shinagawa-ku, Tokyo 140-0001, Japan	JPY 300,050 thousand dollars	Sales of electronic / electrical products
Sertek Incorporated	1983/9/23	2F, No.489, Sec. 2, Tiding Blvd., Nanhui Dist., Taipei City	940,281	Sales of electronic / electrical components
Sertek Limited	1988/1/12	Room 901 Yip Fung Building, 2-12 Yagular Street, Central, Hong Kong	HKD 19,500 thousand dollars	Sales of electronic / electrical components
Suntek Investments Limited	1997/7/18	3rd Floor, Harbour Centre, P.O. Box 613, George Town, Grand Cayman, Cayman Islands, British West Indies	USD 50,700 thousand dollars	Investment company
Yosun Hong Kong Corp., Ltd.	1995/4/13	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tuen Wan, N.T., Hong Kong	HKD 295,270 thousand dollars	Sales of electronic / electrical components
Yosun Singapore Pte Ltd.	1991/2/14	16 Tai Seng Street, #05-00 Singapore 534138	USD 12,475 thousand dollars	Sales of electronic / electrical components
Yosun Industrial (Malaysia) Sdn. Bhd.	1991/12/3	Suite 5-21-H, 21st Floor, Menara Northam, 55 Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia	MYR 400 thousand dollars	Sales of electronic / electrical components
Yosun India Private Ltd.	2008/12/19	No.26, 2 nd Floor, Okhla Industrial Estate, Phase-III, NEW Delhi-110020, India.	INR 2,244 thousand dollars	Sales of electronic / electrical components

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Company	Date of Incorporation	Address	Paid-in Capital	Main Business Activities
Glaxo Corp. Ltd.	2004/1/05	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tuen Wan, N.T., Hong Kong	HKD 39,000 thousand dollars	Sales of electronic / electrical components
Yosun Shanghai Corp. Ltd.	2002/4/24	Unit 626, 6F, Hengshen International Commercial Building, No.38, Yingjun Road, Waigaoqiao Free Trade Zone, Shanghai	USD 7,700 thousand dollars	Warehouse business and sales of electronic components
Yosun South China Corp. Ltd.	1999/10/12	Unit 903 and 904, 9F, Block 2, Kai Da Er Building, No.168 Tongsha Road, Xili Town, Nantun, Shenzhen	USD 4,300 thousand dollars	Sales of electronic / electrical components
Sertek (Shanghai) Limited	2002/5/28	Unit 602, No.38, Yingjun Road, Waigaoqiao Free Trade Zone, Shanghai	USD 2,500 thousand dollars	Sales of electronic / electrical components
Apache Communication Inc.	2000/1/4	2nd Floor, Albert Building, Road Town, Tortola, British Virgin Islands	USD 2,795 thousand dollars	Investment company
Apache Korea Corp.	2003/8/8	(Pyeongri Innovation) 301-253, Pinyong-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 463-400, Korea (462-400)	KRW 1,054,910 thousand dollars	Sales of electronic / electrical components
WPG International (Hong Kong) Limited	2007/6/5	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tuen Wan, N.T., Hong Kong	USD 66,333 thousand dollars	Holding company
WPG Americas Inc.	2006/5/16	5285 Hellyer Ave Suite 150, San Jose, CA 95138	USD 66,100 thousand dollars	Sales of electronic / electrical components
WPG Cloud Service Limited	2012/9/4	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tuen Wan, N.T., Hong Kong	USD 2,157 thousand dollars	General trading
WPG Electronics (Hong Kong) Limited	1997/6/6	Units C & G, 15th Floor, CDW Building, 388 Castle Peak Road, Tuen Wan, N.T., Hong Kong	USD31,640 thousand dollars	Sales of electronic / electrical components
WPG China Inc.	1995/2/16	Part B, 6F, Jialid Building, No.191, Sijing Road, Waigaoqiao Free Trade Zone, Shanghai	USD58,260 thousand dollars	Sales of electronic / electrical components
WPG China (SZ) Inc.	2009/7/7	1-6, 12-14F, Block 2, Kai Da Er Building, No.168 Tongsha Road, Xili Town, Nantun, Shenzhen	HKD 37,000 thousand dollars	Sales of computer software and electronic product

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
WPG Korea Co., Ltd.	Representative Director Director Supervisor	Awak, Chong-Pyo Huang Wei-Hsing Chai Kim Yin Yuan Hsing-Wen	WPG Holdings Limited holds 1,087,794 shares	100.00%	
WPG International (CI) United	Director	Yuan Hsing-Wen	WPG Holdings Limited holds 50,000,000 shares	100.00%	
WPG Investment Co., Ltd.	Chairman Director Director Supervisor	Lin Tsay-Lin (Representative of WPG Holdings Limited) Huang Wei-Hsing (Representative of WPG Holdings Limited) Shaw Shung-Ho (Representative of WPG Holdings Limited) Yuan Hsing-Wen (Representative of WPG Holdings Limited)	WPG Holdings Limited holds 124,442,727 shares	100.00%	
GENUINE C&C INC.	Chairman	Huangwei Xiang (Representative of World Peace Industrial Co., Ltd.)	12,864,098 shares	16.29%	
	Director	Zhang Bang Gang (Representative of World Peace Industrial Co., Ltd.)	35,175,221 shares	44.21%	
	Director	Lin Tsai Lin (Representative of WPG Holding Co., Ltd.)	2,749,039 shares	3.45%	
	Director	Yuan Hsing-Wen	200,800 shares	0.25%	
	Director	Ye Qidong	900 shares	1.39%	
	Director	Xiao Chong Ho	1,107,000 shares	0.11%	
	Supervisor	Xuning Ren	90,500 shares	0.07%	
	Supervisor	Wang Pengcheng (Representative of Xu Wei Investment Co., Ltd.)	57,814 shares		
	Supervisor	Chung Fei-Yuan			
	Supervisor	Hong Yue Qing			

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
AECO Technology Co., Ltd.	Chairman Director Director Supervisor	Hsu Chi-Hung (Representative of World Peace Industrial Co., Ltd.) Chang Jung-Kang (Representative of World Peace Industrial Co., Ltd.) Hsu Ying-Chieh (Representative of World Peace Industrial Co., Ltd.) Wang Peng-Cheng (Representative of World Peace Industrial Co., Ltd.)	World Peace Industrial Co., Ltd. holds 94,600,000 shares	100.00%	
WPT Investment Holding (BVI) Company Ltd.	Director Director	World Peace Industrial Co., Ltd. Chang Jung-Kang	World Peace Industrial Co., Ltd. holds 83,179,435 shares	100.00%	
World Peace International (BVI) Ltd.	Director	Chang Jung-Kang	World Peace Industrial Co., Ltd. holds 34,196,393 shares	100.00%	
Longview Technology Inc.	Chairman and President Director Director Supervisor	Hsu Chi-Hung (Representative of World Peace Industrial Co., Ltd.) Yeh Ying-Chieh (Representative of World Peace Industrial Co., Ltd.) Chang Jung-Kang (Representative of World Peace Industrial Co., Ltd.) Wang Peng-Cheng (Representative of World Peace Industrial Co., Ltd.)	World Peace Industrial Co., Ltd. holds 33,900,000 shares	100.00%	
	Director Director Director	Chang Jung-Kang Ye Fu-Hai Yuan Xinyan	WPG International (CI) Ltd holds 46,500,000 shares	60.00%	
	Director	Ho Wei-Ping	CT TECH GROUP LIMITED holds 31,000,000 shares	40.00%	
	Director	Han Yang-Guang			

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8.1.5 Rosters of Directors, Supervisors, and Presidents of Affiliates

Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
World Peace Industrial Co., Ltd.	Chairman	Chang Jung-Kang (Representative of WPG Holdings Limited)	WPG Holdings Limited holds 981,100,000 shares	100.00%	
	Director	Hsu Chi-Hung (Representative of WPG Holdings Limited)			
	Director	Huang Wei-Hsing (Representative of WPG Holdings Limited)			
	Director	Hsu Ying-Chieh (Representative of WPG Holdings Limited)			
	Supervisor	Yeh Fu-Hai (Representative of WPG Holdings Limited)			
Silicon Application Corporation	Chairman	Yuan Hsing-Wen (Representative of WPG Holdings Limited)	WPG Holdings Limited holds 406,570,000 shares	100.00%	
	Director	Chen Kuo-Yuan (Representative of WPG Holdings Limited)			
	Director and Chief	Huang Wei-Hsing (Representative of WPG Holdings Limited)			
	Director	Chen Ming-Chia (Representative of WPG Holdings Limited)			
	Executive Officer	Yeh Fu-Hai (Representative of WPG Holdings Limited)			
	Supervisor	Wang Ying-Zi (Representative of WPG Holdings Limited)			
Richpower Electronic Devices Co., Ltd.	Chairman and President	Tsang Kuo-Tung (Representative of Yosun Industrial Corp.)	Yosun Industrial Corp. holds 85,000,000 shares	100.00%	
	Director	Jack Tseng (Representative of Yosun Industrial Corp.)			
	Director	Huang Chiao-Kou (Representative of Yosun Industrial Corp.)			
	Director	Liu Hung-An (Representative of Yosun Industrial Corp.)			
	Supervisor				

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
Pemas Electronics Co., Ltd.	Chairman	Chen Kuo-Yuan (Representative of Silicon Application Corp.)	Silicon Application Corp. holds 73,500,000 shares	100.00%	
	Director	Chen Ming-Chia (Representative of Silicon Application Corp.)			
	Director	Wang Yung-I (Representative of Silicon Application Corp.)			
	Supervisor	Tsang, Tzu-Hsin (Representative of Silicon Application Corp.)			
	General manager	Wu Yong-Cheng			
Asian Information Technology Inc.	Chairman	Hsu Ming-Jen (Representative of WPG Holdings Limited)	WPG Holdings Limited holds 346,812,367 shares	100%	
	Director and President	Yeh Fu-Hai (Representative of WPG Holdings Limited)			
	Director	Hsu Chang-Ching (Representative of WPG Holdings Limited)			
	Director	Huang Wei-Hsing (Representative of WPG Holdings Limited)			
	Supervisor	Yuan Hsing-Wen (Representative of WPG Holdings Limited)			
Yosun Industrial Corp.	Chairman	Tsang Kuo-Tung (Representative of WPG Holdings Limited)	WPG Holdings Limited holds 649,650,000 shares	100.00%	
	Director	Huang Wei-Hsing (Representative of WPG Holdings Limited)			
	Director and President	Huang Chiao-Kou (Representative of WPG Holdings Limited)			
	Director	Lin Da-San (Representative of WPG Holdings Limited)			
	Supervisor	Yeh Fu-Hai (Representative of WPG Holdings Limited)			
WPG Electronic Ltd.	Chairman	Yuan Hsing-Wen (Representative of WPG Holdings Limited)	WPG Holdings Limited holds 3,920,000 shares	100.00%	
	Director	Huang Wei-Hsing (Representative of WPG Holdings Limited)			
	Director	Hsieh Chia-Chuan (Representative of WPG Holdings Limited)			
	Director	Yeh Fu-Hai (Representative of WPG Holdings Limited)			
	Supervisor	Yuan Hsing-Wen (Representative of WPG Holdings Limited)			

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
WPI International Trading (Shanghai) Ltd.	Director and authorized Representative	Ito, Hisao-Oeru Shen, Wei-Chung Chen, Ting-Tsung Yang, Hung-Yeh	-(Note 1)	WPI International (Hong Kong) Limited holds 100.00%	100.00%
AIO Components Company Limited	Director	Wang Peng-Cheng Hsu Chu Hung Yu Cheng Chang	WPI International (Hong Kong) Limited holds 1,351,688 shares	100.00%	100.00%
AIO (Shanghai) Components Company Limited	Director and authorized Representative	Shen, Wei-Chung	-(Note 1)	AIO Components Company Limited holds 100.00%	100.00%
Long-Think International Co., Ltd	Chairman Director	Hsu Chu Hung Yu Cheng Chang Hsu Ying Che Wang Peng Cheng (Representative of Longview Technology Inc.)	Longview Technology Inc. holds 4,000,000 shares	100.00%	100.00%
Longview Technology GC Limited	Director	Hsu Chu Hung	Longview Technology Inc. holds 11,300,000 shares	100.00%	100.00%
Long-Think International (Hong Kong) Limited	Director	Hsu Chu Hung Yu Cheng Chang	Longview Technology GC holds 780,000,000 shares	100.00%	100.00%
Long-Think International (Shanghai) Limited	Director and authorized Representative	Shen, Wei-Chung Tsun Zhen Chang Chen Chun Hong	-(Note 1)	Long-Think International (Hong Kong) Limited holds 100.00%	100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
Win-Win Electronic Corp.	Director Supervisor	Chung Pei-Yuan		100.00%	100.00%
Silicon Application (BVI) Corp.	Liquidator General manager Supervisor	Chen Kuo Yuan (Representative of Silicon Application Corp.) Chen Kung Chih (Representative of Silicon Application Corp.) Su Tien Yeh (Representative of Silicon Application Corp.)			
SAC Components (South Asia) Pte. Ltd.	Chairman Director Director Director	Chen Kuo Yuan Wang Yung-I Kim Lai Ka Chai Kim Yin	Silicon Application Corp. holds 22,000,000 shares Silicon Application Corp. holds 3,500,000 shares	100.00%	100.00%
Silicon Application Company Limited	Director	Chen Kuo Yuan	Silicon Application (BVI) Corp. holds 100,000,000 shares	100.00%	100.00%
Order Electronic Company Limited	Director	Su Tien Yeh	Silicon Application Company Limited holds 6,000,000 shares	100.00%	100.00%
Win-Win Systems Ltd.	Director	Wang Yung-I	Silicon Application Corp. holds 765,000 shares	100.00%	100.00%
Mec Technology Co., Ltd.	Chairman Director Director	Chen Kuo Yuan Wu Chang-Ching (Representative of Richpower Electronic Devices Co., Ltd.) Liu Hung-An (Representative of Richpower Electronic Devices Co., Ltd.) Chen Wei-Kuang (Representative of Richpower Electronic Devices Co., Ltd.)	Richpower Electronic Devices Co., Ltd. holds 24,300,000 shares	100.00%	100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
World Peace International (Asia) Limited	Director	Chang Jung Kong Hsu Chu Hung Hsu Ying Che	WPI Investment holds 100,000 shares	100.00%	100.00%
WPI International (Hong Kong) Limited	Director	Chang Jung Kong Hsu Chu Hung Hsu Ying Che	WPI Investment holds 4,087,084,000 shares	100.00%	100.00%
WITES WPIG Limited	Director	Osamu KIMAKI Kazuhide NAWA Hsu Chu Hung Hsu Ying Che	WPI Investment holds 100,001 shares	50.00%	50.00%
Prime Future Technology Limited	Director	Chang Jung Kong	World Peace Int'l (BVI) holds 36,448,696 shares	100.00%	100.00%
World Peace International Pte Ltd	Director	Chai Kim Yin Chang Jung Kong	Prime Future Tech. holds 248,632,599 shares	100.00%	100.00%
WPS SCN Limited	Director	Chai Kim Yin Chang Jung Kong	World Peace Int'l holds 12,800,000 shares	100.00%	100.00%
Genuine CMC (South Asia) Pte. Ltd.	Director	Chai Kim Yin Tan Sze Chuan Tan Yew Teck	World Peace Int'l holds 9,054,600 shares	100.00%	100.00%
Genuine CMC (Indochina) Pte. Ltd.	Director	Chai Kim Yin Tan Yew Teck Tan Sze Chuan Chai Kim Yin	World Peace Int'l holds 5,353,370 shares	80.00%	80.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares	Investment Holding%	
World Peace International (South Asia) Pte Ltd	Director	Tan Yew Teck Chai Kim Yin Chang Jung Kong	World Peace Int'l holds 34,314,692 shares	100.00%	100.00%
World Peace International (India) Pte. Ltd.	Director	Chai Kim Yin Rick Tan Jason Saw Kashinath Karkar	World Peace Int'l (SA) holds 3,575,693 shares	100.00%	100.00%
WPS CMC Computers and Peripherals (India) Private Limited	Director	Tan Sze Chuan Rajeev Bajpai Chai Kim Yin	World Peace Int'l SA holds 48,415,000 shares	99%	99%
WPS CMC (Malaysia) Sdn Bhd	Director	Tan Sze Chuan Wendy Teng Siew Ung Hui Iain Ching	World Peace Int'l holds 5,000 shares	1%	1%
WPS CMC (Thailand) Co., Ltd.	Director	Chai Kim Yin Tan Sze Chuan Sopannant Sinsanvorn	World Peace Int'l SA holds 11,250,000 shares	100.00%	100.00%
WPS CMC Limited	Director	Chang Jung Kong Hsu Chu Hung Hsu Ying Che	1,000 shares 1,000 shares 340,000 shares World Peace Int'l SA holds 488,000 shares	0.10% 0.10% 36.00% 48.80%	0.10% 0.10% 36.00% 48.80%
	Director	WPI International (Hong Kong) Limited	WPI International (Hong Kong) Limited holds 6,500,000 shares	100.00%	100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
ATG Electronic Limited	Director Director Director	Yeh Fu-Hai Hsu Ming-Jen Wu Chang-Ching	1 share Fronttek International holds 22,790,999 shares		100.00%
AIT Japan Inc.	Chairman Chairman Director Director Supervisor	Huang Guo Chen Masafumi Nakano Yeh Fu-Hai Hsu Ming-Jen Huang Shu-Hing	Fame Hall International holds 6,001 shares		100.00%
Sertek Incorporated	Chairman Director Director and President	Tsung Kuo Tung (Representative of Yosun Industrial Corp.) Jiang Junhui (Representative of Yosun Industrial Corp.) Huang Chiao Kou (Representative of Yosun Industrial Corp.)	Yosun Industrial Corp. holds 94,838,100 shares		100.00%
Sertek Limited	Director Director Director	Liu Hung-An (Representative of Yosun Industrial Corp.) Tsung Kuo Tung Huang Chiao Kou	Sertek Incorporated holds 15,900,000 shares		100.00%
Suntop Investments Limited	Director	Tsung Kuo Tung (Representative of Yosun Industrial Corp.)	Yosun Industrial Corp. holds 50,700,000 shares		100.00%
Yosun Hong Kong Corp. Ltd.	Director	Tsung Kuo Tung	Suntop Investments holds 295,270,000 shares		100.00%
Yosun Singapore Pte Ltd.	Director	Tsung Kuo Tung Huang Chiao Kou	Suntop Investments holds 30,600,000 shares		100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
Yosun Industrial (Malaysia) Sdn. Bhd.	Director Director Director President Director	Chai Kim Yin Ang Eng Meng Tah Yen Teck Tan Yen Teck Chai Kim Yin Wong Boon Hec	Yosun Singapore holds 400,000 shares		100.00%
WPG Core Investment Co., Ltd.	Chairman Director Director Supervisor General manager	Tsung Kuo Tung (Representative of WPG Holdings Limited) Huang Wei-Hsiang (Representative of WPG Holdings Limited) Lin Tasy-Un (Representative of WPG Holdings Limited) Chen Kuo-Yuan (Representative of WPG Holdings Limited) Yu Fu-Ying	WPG Holdings Limited holds 1,500,000 shares		100.00%
Yosun India Private Ltd.	Director and President Director Director	Saiteja Ratra Chai Kim Yin Ang Eng Meng	Yosun Singapore holds 224,812 shares Yosun Industrial (Malaysia) holds 1 shares		100%
Glaxco Corp. Ltd.	Director Director	Tsung Kuo Tung Liu Ying Wang	Yosun HK holds 39,000,000 shares		100.00%
Yosun Shanghai Corp. Ltd.	Chairman and authorized Representative Director Director	Chong Kun-Hao Peng Yun-Chang Chen Hsing-Chi	— (Note 1)		Yosun HK holds 100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
Richpower Electronic Devices Co., Ltd.	Supervisor Director Director	Cheng Cheng-Chuan (Representative of Richpower Electronic Devices Co., Ltd.) Huang Jiao Gou Ho Peng-Hsiung	Richpower Electronic Devices Co., Ltd. holds 63,000,000 shares		100.00%
Mec Technology Co., Limited	Director Director	Huang Jiao Gou Ho Peng-Hsiung	Mec Technology Co., Ltd. holds 25,000 shares		100.00%
Richpower Electronic Devices Pte., Ltd.	Director Director Chairman Director Director	Huang Jiao Gou Ho Peng-Hsiung Chai Kim Yin Chen Kuo-Yuan (Representative of Pemas Electronics Co., Ltd.) Chen Ning-Chi (Representative of Pemas Electronics Co., Ltd.)	Mec Technology Co., Ltd. holds 10,000 shares		100.00%
Everwin Enterprise Co., Ltd.	Supervisor General manager	Wang Yung-Ting (Representative of Pemas Electronics Co., Ltd.) Ting, Tzu Hsin (Representative of Pemas Electronics Co., Ltd.) Wu Yong Chang	Pemas Electronics Co., Ltd. holds 28,000,000 shares		100.00%
Pemas Enterprise (Samoa) Limited	Director	Chen Kai-Lun	Pemas Electronics Co., Ltd. holds 1,000,000 shares		100.00%
World Components Agent (Shanghai) Inc.	Executive Director	Lee, Ching Shon	— (Note 1)		Pemas Enterprise (Samoa) Limited holds 100.00%
Apache Communication Inc.	Chairman Director Director Supervisor	Yeh Fu-Hai (Representative of Asian Information Technology Inc.) Hsu Ming-Jen (Representative of Asian Information Technology Inc.) Wu Chang-Ching (Representative of Asian Information Technology Inc.)	Asian Information Technology Inc. holds 135,445,400 shares		100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
Horshen Electric Trading Co., Ltd.	President Director Director Supervisor	technology Inc.) Huang Shu-Hing (Representative of Asian Information Technology Inc.) Chang Wen-Chung Yeh Fu-Hai (Representative of Asian Information Technology Inc.) Hsu Ming-Jen (Representative of Asian Information Technology Inc.) Wu Chang-Ching (Representative of Asian Information Technology Inc.) Huang Shu-Hing (Representative of Asian Information Technology Inc.)	Asian Information Technology Inc. holds 10,000,000 shares		100.00%
Frontek Technology Corporation	Chairman Director Director Supervisor	Wu Chang-Ching (Representative of Asian Information Technology Inc.) Yeh Fu-Hai (Representative of Asian Information Technology Inc.) Hsu Ming-Jen (Representative of Asian Information Technology Inc.) Huang Shu-Hing (Representative of Asian Information Technology Inc.)	Asian Information Technology Inc. holds 214,563,352 shares		100.00%
Fame Hall International Co., Ltd	Director Director	Yeh Fu-Hai Huang Shu-Hing	Asian Information Technology Inc. holds 4,703,107 shares		100.00%
Frontek International Limited	Director Director	Yeh Fu-Hai Huang Shu-Hing	Frontek Technology Corporation holds 2,970,000 shares		100.00%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
WPG (Thailand) Co., Ltd.	Director	Hla Sun Ching			
	Director	Tan Say Chong			
	Director	Wong Boon Hor			
	Director	Chai Kim Yin	WPG South Asia holds 40,451 shares		39.00%
WPG India Electronics Pvt Ltd	Director	Sopanam Singh			
	Director	Chai Kim Yin	WPG South Asia holds 15,909,990 shares		99.99%
	Director	Tan Say Chong	WPG Malaysia Sdn. Bhd. holds 10 shares		0.01%
	Director	Kanakar Keselath Arind			
WPG Electronics (Philippines) Inc.	Director	Tan Say Chong	100 shares		1.00%
	Director	Nelissa Sorido	2,000 shares		20.00%
	Director	Eulbio R. Villanueva	2,000 shares		20.00%
	Director	Aquino, Eduardo Jr.	2,000 shares		20.00%
	Director	Chai Kim Yin	100 shares		1.00%
	Director	Hou Chu Hung	WPG South Asia holds 3,800 shares		38.00%
Teo Enterprise Holding (BVI) Co., Ltd.	Director		AECO Technology Co., Ltd. holds 12,610,000 shares		100.00%
AECO Electronic Co., Ltd.	Director	Hou Chu Hung	Teo Enterprise Holding(BVI) holds 95,279,959 shares		100.00%
	Director and authorized Representative	Chung Wei-Tain	-(Note 1)		
AECO Electronic (Ningbo) Co., Ltd.	Director	Tea Hung Chieh			AECO Electronic Co., Ltd. holds 100.00%
Genuine Commercial Net Co., Ltd.	Director	Luo Fu-Chiao			
	Director	Jau You-Chuan			
	Director	Ye Qi Dong (Representative of GENUINE CAC INC.)	8,000,000		100%

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
GENUINE CAC HOLDING INC (Seydella)	Director	Goshi Iizumi (Representative of GENUINE CAC INC.)			
	Director	Xiao Ming Shan (Representative of GENUINE CAC INC.)			
	Supervisor	Wang Hui Min			
	Director	Huang Wei Xiang (Representative of GENUINE CAC INC.)	5,500,000		100%
TalluNet Co., Ltd	Director	Ye Qi Dong (Representative of GENUINE CAC INC.)	2,000,000		50%
	Director	Wu Zi Qiang (Representative of GENUINE CAC INC.)	1,000,000		25%
	Director	Wu Jun Kuan			
	Supervisor	Gao Shi Huan			
GENUINE TRADING (HONG KONG) COMPANY LIMITED	Director	Ye Qi Dong (Representative of GENUINE CAC INC.)	38,930,033		75.29%
	Director	Wu Zi Qiang (Representative of GENUINE CAC INC.)	12,774,400		24.71%
	Director	Wang Peng Chong (Representative of WPG CAC Limited.)	25,000,000		83.33%
	Director	Wu Zi Qiang (Representative of GENUINE TRADING (HONG KONG) COMPANY LIMITED)			
Hubel Xinsun Technology Investment Co., Ltd (Note# 2)	Director	Ho Yung Zhou (Representative of GENUINE TRADING (HONG KONG) COMPANY LIMITED)			
	Director	Chen Jian Li			
	Director	Zhang Ying			
	Supervisor	Fan Zhe Jun	5,000,000		16.67%
	Director	Yang Hong Ye (Representative of GENUINE TRADING (HONG KONG) COMPANY)			

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
Yosun South China Corp. Ltd.	Chairman and authorized Representative Director	Ou Dong Guan	-(Note 1)		Yosun HK holds 100.00%
	Director	Uang Kuo-Chen			
	Director	Lee Tso-Jui	-(Note 1)		Seibok Limited holds 100.00%
	Director	Lin Chia-Chang			
Senack (Shanghai) Limited	Representative Director	Yu Yao-Kuo			
	Director	Chiang Chun-Hui			
	Director	WPS Korea Co., Ltd.	WPS Korea holds 2,795,000 shares		100.00%
	Director	CP Kwak	Apache Communication Inc. holds 210,982 shares		100.00%
Apache Communication Inc.	Representative Director	Peter Chang			
	Director	James Park			
	Director	Olivia Ko			
	Supervisor				
WPG International (Hong Kong) Limited	Director	Huang Wei-Hsiang	WPG International (CI) holds 514,796,483 shares		100.00%
	Director	Yuan Hsiang-Wen			
	Director	Yao Su-Hsi	World Peace Int'l holds 6,100,000 shares		2.60%
	Director	Chang Jung-Kang	WPI International (Hong Kong) Limited holds 4,000,000 shares		1.70%
WPG Americas Inc.	Director	Huang Wei-Hsiang			
	Director	Yen Yip-Che	WPG International (CI) holds 225,000,000 shares		95.7%
	Director	Richard J. Davis			
	Director				

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Company	Title	Name or Representative	Shareholding		Investment Holding%
			Shares		
WPG Cloud Service Limited	Director	Huang Wei-Hsiang	WPG International (CI) holds 2,157,130 shares		100.00%
	Director	Chang Jung-Kang			
	Director	Yeh Fu-Hai			
	Director	Huang Wei-Hsiang	WPG International (HK) holds 31,640,000 shares		100.00%
WPG Electronics (Hong Kong) Limited	Director	Jaw Shih-Wei	-(Note 1)		WPG International (HK) holds 100%
	Director	Yeh Fu-Hai			
	Director and authorized Representative Director	Jaw Shih-Wei			
	Supervisor	Huang Wei-Hsiang			
WPG China Inc.	Director	Yeh Fu-Hai			
	Director	Miao Hsing-Wen			
	Director and authorized Representative Director	Jaw Shih-Wei	-(Note 1)		WPG International (HK) holds 100%
	Supervisor	Yeh Fu-Hai			
WPG China (SZ) Inc.	Director	Huang Wei-Hsiang			
	Director	Yeh Fu-Hai			
	Director	Yuan Hsiang-Wen			
	Supervisor				
WPG South Asia Pte. Ltd.	Director	Tan Say Chong	WPG International (CI) holds 7,633,000 shares		100.00%
	Director	Chai Kim Yin			
	Director	Huang Wei-Hsiang			
	Director				
WPG Malaysia Sdn Bhd	Director	Chai Kim Yin	WPG South Asia holds 1,010,800 shares		100.00%

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Company	Currency	Paid-in Capital	Assets	Liabilities	Net Assets	Revenue	Operating Income (Loss)	Profit After Tax (Loss)	Earnings (Loss) Per Share
WPG SCM Limited	NTD	53,863	2,998,624	2,010,744	388,928	6,231,217	54,027	45,735	3.57
Genuine CAC (South Asia) Pte. Ltd.	NTD	194,132	59,597	254	59,333	0	(483)	291	0.03
Genuine CAC (IndoChina) Pte. Ltd.	NTD	164,125	451,627	269,785	181,842	1,948,608	5,911	4,104	0.61
World Peace International (Asia) Limited	NTD	42	0	82	(82)	0	(9)	(9)	(0.09)
World Peace International (India) Pte. Ltd.	NTD	1,769	45,366	55,824	(10,458)	101,218	(16,474)	(10,774)	(1.01)
WPG CAC Computers and Peripherals (India) Private Limited	NTD	239,546	641,588	411,461	230,126	2,390,815	7,805	(10,100)	(0.21)
WPG CAC (Malaysia) Sdn Bhd	NTD	85,989	288,249	262,095	26,154	834,924	18,988	28,177	2.50
WPG CAC (Thailand) Co., Ltd.	NTD	23,429	55,606	45,000	10,606	237,842	10,056	12,237	12.24
WPG CAC Limited	NTD	213,363	1,186,261	994,101	192,158	8,859,890	(40,585)	(62,738)	(9.65)
WPI International Trading (Shanghai) Ltd.	NTD	231,853	1,570,176	1,231,549	338,627	7,025,572	48,224	26,036	0.00
AIO Components Company Limited	NTD	5,742	284,077	83,977	200,100	451,999	(1,598)	803	0.59
AIO (Shanghai) Components Company Limited	NTD	8,269	60,204	274	59,930	(239)	(249)	1,174	0.00
Long-Think International (Hong Kong) Limited	NTD	338,256	764,157	367,834	396,322	1,802,422	23,715	16,525	0.02
Longview Technology GC Limited	NTD	370,923	397,168	0	397,168	0	(105)	16,420	1.45
Long-Think International Co., Ltd	NTD	40,000	215,761	156,206	59,455	597,923	24,114	17,140	4.28
Long-Think International (Shanghai) Limited	NTD	16,539	154,163	49,093	105,070	314,406	(14,806)	213	0.00
Win-Min Electronic Corp.	NTD	10,000	9,450	0	9,450	0	(394)	(370)	(0.37)
Silicon Application (BVI) Corp.	NTD	722,150	3,273,449	0	3,273,449	0	0	22,000	1.04
Silicon Application Company Limited	NTD	370,441	1,900,741	71,375	1,829,366	185,943	(767)	23,106	0.23

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Company	Currency	Paid-in Capital	Assets	Liabilities	Net Assets	Revenue	Operating Income (Loss)	Profit After Tax (Loss)	Earnings (Loss) Per Share
Dstar Electronic Company Limited	NTD	25,348	68,919	26,477	42,442	127,484	8,225	7,278	1.21
Win-Min Systems Ltd.	NTD	25,111	26,663	0	26,663	0	0	99	0.13
SAC Components (South Asia) Pte. Ltd.	NTD	114,868	135,469	19,210	116,258	403,028	5,675	5,320	1.52
Relpower Electronic Devices Co., Ltd.	NTD	850,000	4,505,463	2,203,444	2,302,019	7,346,863	124,252	401,624	4.73
Nec Technology Co., Ltd.	NTD	243,000	1,173,699	775,754	397,945	2,646,283	76,047	68,404	2.81
Relpower Electronic Devices Co., Ltd.	NTD	266,702	3,822,240	2,220,904	1,601,336	13,981,776	258,990	202,806	3.22
Nec Technology Co., Limited	NTD	1,055	11,143	270	10,873	3,328	907	940	37.60
Relpower Electronic Devices Pte., Ltd.	NTD	2,009	224,246	1,134	223,112	194,480	8,931	10,046	1,004.65
Pennas Electronics Co., Ltd.	NTD	735,000	2,540,860	1,428,920	1,111,940	3,638,925	119,618	237,015	3.22
Greenwin Enterprise Co., Ltd.	NTD	280,000	1,858,617	1,260,649	577,968	4,435,347	155,378	143,295	5.12
Pennas Enterprise (Samsat) Limited	NTD	32,925	4,169	0	4,169	0	0	58	0.06
World Components Agent (Shanghai) Inc.	NTD	8,008	4,265	1,118	4,147	0	(62)	58	0.00
Aspecle Communication Inc.	NTD	1,364,454	6,411,833	4,564,628	1,847,204	27,671,401	308,136	229,026	1.68
Henshen Electric Trading Co., Ltd.	NTD	100,000	212,704	90,720	121,984	919,956	20,678	14,717	1.47
Frontek Technology Corporation	NTD	2,145,634	8,174,101	5,387,245	2,866,856	22,131,863	494,678	408,016	1.90
Frontek International Co., Ltd.	NTD	154,379	276,935	0	276,935	0	(54)	83,533	17.76
Frontek International Limited	NTD	97,490	126,757	0	126,757	0	(53)	3,657	1.23
ATIS Electronic Limited	NTD	95,959	113,113	(2,790)	115,903	1,729,896	3,617	3,710	0.16
AIT Japan Inc.	NTD	81,824	1,051,376	811,584	239,791	7,749,571	122,147	83,165	13,658.52
Seritek Incorporated	NTD	948,281	4,605,075	3,139,786	1,465,288	15,596,626	258,870	216,980	2.29

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Company	Title	Name or Representative	Shareholding Shares	Investment Holding%
		UNLIMITED		
	Chairman	WU ZI QING (Representative of GENUINE CAC HOLDING INC. (Syndicate))	8,525,000	55%
	Director	Huang Wei Xiang (Representative of GENUINE CAC HOLDING INC. (Syndicate))		
	Director	Cao Tai Sun	5,975,000	38.54%
	Supervisor	Chen Jian Li (Representative of GENUINE CAC HOLDING INC. (Syndicate))	8,525,000	55%

Note 1: Not applicable. Limited company do not issue shares

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8.1.6 Operational Highlights of Subsidiaries

Unit: NT\$ thousands										As of December 31st, 2014	
Company	Currency	Paid-in Capital	Assets	Liabilities	Net Assets	Revenue	Operating Income (Loss)	Profit After Tax (Loss)	Earnings (Loss) Per Share		
World Peace Industrial Co., Ltd.	NTD	9,811,008	54,779,894	33,084,377	21,694,718	97,765,686	1,858,953	3,032,362	3.09		
Silicon Application Corporation	NTD	4,065,700	24,404,498	17,735,582	6,668,916	59,546,561	766,216	876,147	2.15		
Asant Information Technology Inc.	NTD	3,468,124	13,602,862	7,559,307	6,043,555	31,250,708	476,431	1,192,293	3.44		
Yousun Industrial Corp.	NTD	6,496,500	22,783,543	10,688,931	12,094,612	39,179,396	233,477	850,666	1.31		
WPG Electronic Ltd.	NTD	39,200	105,696	63,875	41,821	0	(156,527)	2,839	0.67		
WPG Korea Co., Ltd	NTD	152,863	1,722,347	883,966	338,381	4,780,640	83,716	40,441	37.18		
WPG International (CD) Limited	NTD	3,799,609	3,699,225	40,673	3,658,552	0	(176)	(184,587)	(1.48)		
WPG Investment Co., Ltd.	NTD	500,000	502,579	4,322	498,257	0	(10,786)	11,688	0.26		
WPG Investment Co., Ltd.	NTD	45,000	13,090	4,371	8,719	0	(17,848)	(17,827)	(3.96)		
GENUINE CAC INC.	NTD	755,695	2,313,343	1,265,441	1,047,902	7,447,854	38,553	28,142	0.15		
WPI Investment Holding (BVI) Company Ltd.	NTD	2,730,365	13,381,158	386	13,380,778	0	(434)	1,334,727	16.05		
World Peace International (BVI) Ltd.	NTD	1,122,497	1,066,181	0	1,066,181	0	(114)	(113)	(0.00)		
Lanyview Technology Inc.	NTD	339,000	1,723,928	1,101,932	621,996	4,013,060	123,210	94,720	2.79		
WPG Gain Tune Ltd.	NTD	32,835	827,516	795,967	31,548	1,193,718	10,413	(1,295)	(0.00)		
World Peace International (South Asia) Pte Ltd	NTD	714,729	7,997,579	5,322,827	2,674,752	25,095,250	197,947	156,236	5.72		
WPI International (Hong Kong) Limited	NTD	2,808,036	36,754,004	23,421,586	13,332,408	129,601,481	1,825,345	1,332,026	0.33		
WTEC WPG Limited	NTD	19,693	275,256	210,456	64,800	951,179	18,441	15,233	25.39		
Prime Future Technology Limited	NTD	1,196,409	1,204,184	0	1,204,184	0	(94)	(565)	(0.03)		
World Peace International Pte Ltd	NTD	997,542	8,243,134	5,332,540	3,009,594	25,518,347	204,230	192,791	0.76		

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Company	Currency	Paid-in Capital	Assets	Liabilities	Net Assets	Revenue	Operating Income (Loss)	Profit After Tax (Loss)	Earnings (Loss) per Share
Sertek Limited	NTD	82,053	473,426	18,101	455,325	415	272	9,796	0.50
Suntop Investments Limited	NTD	1,664,228	4,670,579	0	4,670,579	0	(165)	37,860	0.75
Yousun Hong Kong Corp. Ltd.	NTD	1,276,052	11,904,211	7,486,238	4,417,973	42,143,385	270,218	91,748	0.31
Yousun Singapore Pte Ltd.	NTD	409,505	1,747,301	1,571,992	175,308	5,258,146	(40,343)	(63,165)	(3.07)
Yousun Industrial (Malaysia) Sdn. Bhd.	NTD	3,057	5,030	195	4,835	0	(214)	125	0.31
Yousun India Private Ltd.	NTD	1,112	5,386	58	5,328	0	(725)	(883)	(3.04)
Yousun Shanghai Corp. (Shanghai) Ltd.	NTD	313,765	388,970	(16,750)	385,720	56	1,540	9,476	0.68
Galeek Corp. Ltd.	NTD	185,185	3,181,670	108	1,181,561	0	752	21,840	0.30
Yousun South China Corp. Ltd.	NTD	160,183	217,591	1,251	216,740	0	(2,767)	3,811	0.00
Seritek (Shanghai) Limited	NTD	103,223	87,131	0	87,431	0	(6)	4,469	0.00
Apache Communication Inc.	NTD	91,746	88,238	0	88,238	0	(55)	1,121	0.40
Apache Korea Corp.	NTD	29,648	75,650	69	75,581	0	(302)	1,172	5.55
WPG International (Hong Kong) Limited	NTD	2,177,370	13,612,051	10,662,873	2,949,181	24,275,239	(2,530,299)	(17,922)	(0.00)
WPG Americas Inc.	NTD	2,169,723	1,518,054	1,521,500	(3,446)	3,107,759	(229,853)	(162,189)	(0.69)
WPG Cloud Service Limited	NTD	70,808	55,016	1,035	53,981	0	(10,968)	(16,279)	(3.73)
WPG Electronics (Hong Kong) Limited	NTD	133,173	3,380,348	3,275,729	104,619	7,474,719	(50,260)	(54,856)	(1.73)
WPG China Inc.	NTD	1,913,041	5,712,314	3,494,475	2,217,838	7,876,704	(1,118,448)	(19,823)	0.00
WPG China (SZ) Inc.	NTD	167,753	4,743,975	4,258,717	485,258	9,657,786	(1,443,783)	39,533	0.00
WPG South Asia Pte. Ltd.	NTD	513,719	3,339,070	2,870,662	668,407	8,821,715	57,401	110,588	15.67
WPG Electronics (Philippines) Inc.	NTD	698	2,609	956	1,613	0	(4,838)	12	1.19
WPG (Taiwan) Co., Ltd.	NTD	9,437	20,432	4,458	15,954	32,808	1,565	1,347	12.99

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Company	Currency	Paid-in Capital	Assets	Liabilities	Net Assets	Revenue	Operating Income (Loss)	Profit After Tax (Loss)	Earnings (Loss) per Share
WPG Malaysia Sdn Bhd	NTD	7,724	23,053	11,508	11,555	43,631	(4,081)	606	0.39
WPG India Electronics Pvt. Ltd	NTD	78,711	72,366	5,391	66,976	37,297	(433)	(178)	(0.12)
Teco Enterprises Holding (DVI) Co., Ltd.	NTD	412,923	801,392	0	801,392	0	0	10,594	0.84
AECO Technology Co., Ltd.	NTD	946,000	1,238,235	89,381	1,148,344	785,789	44,824	45,948	0.49
AECO Electronic Co., Ltd.	NTD	413,595	837,454	25,349	812,105	203,354	4,138	9,877	0.10
AECO Electronic (Ningbo) Co., Ltd.	NTD	150,375	60,837	(1,037)	61,874	0	(397)	617	0.00
GENUINE Commercial Net Co., Ltd.	NTD	80,000	43,281	4,555	38,726	27,970	(14,067)	(13,979)	(1.75)
GENUINE CNC HOLDING INC (Seydies)	NTD	132,549	110,916	0	110,926	0	(145,282)	(11,178)	0.00
Debauteur Co., Ltd.	NTD	40,000	15,254	22	15,232	692	(7,178)	(7,018)	(1.75)
GENUINE TRADING (HONG KONG) COMPANY LIMITED	NTD	130,559	67,651	1,992	65,659	1,595	(5,850)	(18,632)	0.00
Hubei Xinsun Technology Investment Co., Ltd.	NTD	140,830	294,340	230,298	64,042	4,320,814	(3,356)	(15,373)	0.00
Peng Yu (Shanghai) Digital Technology Co., Ltd.	NTD	77,423	349,501	266,533	83,428	314,741	11,204	6,010	0.00

Note 1: Not applicable. Limited company do not issue share

Note 2: Amounts are based on the latest audited or reviewed financial statements.

Note 3: Foreign exchange rates are as of Dec. 31st, 2015, for balance sheet amounts are as follows:
 Foreign exchange rates in 2015 for income statement amounts are as follows:

\$1 USD = \$32.825 NT, \$1 HKD = \$4.235 NT, \$1 KRW = \$0.028105 NT, \$1 USD = \$6.571372 RMB
 Foreign exchange rates in 2015 for income statement amounts are as follows:
 \$1 USD = \$31.755665 NT, \$1 HKD = \$4.09581 NT, \$1 KRW = \$0.028244234 NT, \$1 USD = \$6.309233 RMB

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8.1.7 Consolidated Financial Statements of Affiliates: please refer to page 115-243.

8.1.8 Affiliation Report: Not applicable. WPG Holdings Limited do not conforms to the definition of a subordinate company.

8.2 Private Placement Securities in 2014 and as of the Date of this Annual Report (shall report approval dates of shareholders' meeting or the board of directors, the quantity approved, the basis and reasonableness of the private placement price, the method for selecting the specific persons, the reasons for the necessity of conducting the private placement and the status of utilization of the funds and plan implementation progress): None.

8.3 The holding or the trading of the shares by the subsidiary company in 2015 and as of the Date of this Annual Report: No treasury shares were held after our subsidiary company, GENUINE Commercial Net Co., Ltd sold 39,481 shares of us on 14th April, 2016.

Dec. 31st 2015 Unit: thousand dollars									
Subsidiary company name	Paid-up capital	Our shareholding ratio	Holding date	Holding shares and price	Trading share price	Investment gains and losses	Holding share price until the Annual Report publication	Endorsement of price	Loan price
GENUINE Commercial Net Co., Ltd	\$0.00	60.5%	105.04.14	39,481 shares 1.342		1,015	0	N	N

8.3 Status of WPG Holdings Limited Common Shares Acquired, Disposed of, and Held by Subsidiaries: None.

8.4 Other Necessary Supplement: None.

8.5 Any Events in 2015 and as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Data or Security Prices as Stated in Item 2 Paragraph 3 of Article 36 of Securities and Exchange Law of Taiwan:

(-) Please refer to on page 60 of this Annual Report.

WPG Holdings Limited

Chairman : Huang Wei-Hsiang