

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**REVIEW REPORT OF INDEPENDENT ACCOUNTANTS**  
**SEPTEMBER 30, 2017 AND 2016**

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

## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of September 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2017 and 2016 as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

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

As explained in Notes 4(3)2 and 6(10), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets (including long-term equity investments accounted for under the equity method) of \$20,697,068 thousand and \$18,400,020 thousand, constituting 11% and 10% of the consolidated total assets, and total liabilities of \$6,348,691 thousand and \$5,353,456 thousand, constituting 5% and 4% of the consolidated total liabilities as of September 30, 2017 and 2016, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of \$218,668 thousand, \$138,014 thousand, \$492,535 thousand and \$321,468 thousand, constituting 13%, 1,118%, 30% and 18% of the consolidated total comprehensive income for the three months and nine months then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of and for the nine months ended September 30,

2017 and 2016.

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

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Chou Tseng, Hui-Chin

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Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

November 14, 2017

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

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

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2017, DECEMBER 31, 2016 AND SEPTEMBER 30, 2016**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2017 AND**  
**2016 ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)**

ASSETS	Notes	September 30, 2017		December 31, 2016		September 30, 2016	
		Amount	%	Amount	%	Amount	%
<u>Current assets</u>							
Cash and cash equivalents	6(1)	\$ 7,021,880	4	\$ 8,456,912	5	\$ 7,054,742	4
Financial assets at fair value through profit or loss - current	6(2)	16,919	-	38,458	-	22,838	-
Available-for-sale financial assets - current	6(3)	23,867	-	23,107	-	22,120	-
Notes receivable, net	6(4)	4,002,473	2	7,573,363	4	7,716,520	4
Accounts receivable, net	6(5)	91,111,416	48	84,973,871	47	86,124,675	49
Accounts receivable - related parties, net	7(3)	242,169	-	229,918	-	191,605	-
Other receivables	6(7)	9,471,450	5	11,199,852	6	7,663,032	4
Other receivables - related parties	7(3)	7,714	-	23,419	-	52,659	-
Current income tax assets		45,044	-	213,314	-	106,223	-
Inventories	6(8)	61,077,593	32	49,927,165	28	50,926,904	29
Prepayments		2,100,657	1	1,260,716	1	1,632,432	1
Other current assets	8	1,103,423	-	1,350,639	1	2,232,490	1
		176,224,605	92	165,270,734	92	163,746,240	92
<u>Non-current assets</u>							
Available-for-sale financial assets – non-current	6(3) and 8	469,128	-	331,974	-	332,242	-
Financial assets carried at cost – non-current	6(9)	528,342	-	508,479	-	441,527	-
Investments accounted for under equity method	6(10)	1,126,654	1	1,132,325	1	1,099,270	1
Property, plant and equipment	6(11) and 8	4,959,946	3	4,278,658	3	4,566,486	3
Investment property - net	6(12) and 8	1,188,090	1	1,217,131	1	1,028,131	1
Intangible assets	6(13)	5,570,346	3	5,599,944	3	5,581,535	3
Deferred income tax assets		315,329	-	347,333	-	317,320	-
Other non-current assets	6(15) and 8	370,314	-	328,368	-	385,252	-
		14,528,149	8	13,744,212	8	13,751,763	8
<u>TOTAL ASSETS</u>		\$ 190,752,754	100	\$ 179,014,946	100	\$ 177,498,003	100

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**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2017, DECEMBER 31, 2016 AND SEPTEMBER 30, 2016**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2017 AND**  
**2016 ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)**

LIABILITIES AND EQUITY	Notes	September 30, 2017		December 31, 2016		September 30, 2016	
		Amount	%	Amount	%	Amount	%
<u>Current Liabilities</u>							
Short-term borrowings	6(16)	\$ 56,962,083	30	\$ 52,854,073	29	\$ 47,486,763	27
Short-term notes and bills payable	6(17)	3,847,185	2	4,202,919	2	4,043,045	2
Financial liabilities at fair value through profit or loss - current	6(2)	1,155	-	5,686	-	19,124	-
Notes payable		645,038	-	415,080	-	925,392	1
Accounts payable		57,208,074	30	47,829,951	27	51,772,550	29
Accounts payable - related parties	7(3)	821	-	12,679	-	1,289	-
Other payables		5,557,240	3	4,542,499	3	5,748,331	3
Current income tax liabilities		555,268	-	670,663	-	781,934	-
Other current liabilities	6(18)(19)	1,158,194	1	11,753,868	7	11,699,452	7
		<u>125,935,058</u>	<u>66</u>	<u>122,287,418</u>	<u>68</u>	<u>122,477,880</u>	<u>69</u>
<u>Non-current Liabilities</u>							
Long-term borrowings	6(19)	12,319,389	7	5,196,441	3	6,523,968	4
Deferred income tax liabilities		419,693	-	432,481	-	396,777	-
Other non-current liabilities		727,069	-	781,157	1	682,552	-
		<u>13,466,151</u>	<u>7</u>	<u>6,410,079</u>	<u>4</u>	<u>7,603,297</u>	<u>4</u>
Total liabilities		<u>139,401,209</u>	<u>73</u>	<u>128,697,497</u>	<u>72</u>	<u>130,081,177</u>	<u>73</u>
<u>Equity Attributable to Owners of Parent</u>							
Capital	1 and 6(21)						
Common stock		18,250,618	10	17,238,954	10	16,927,825	10
Certificates of bond conversion		-	-	2,938	-	-	-
Capital reserve	6(22)						
Capital reserve		19,457,472	10	16,901,053	9	16,112,875	9
Retained earnings	6(23)						
Legal reserve		4,544,073	3	4,012,785	2	4,012,786	2
Unappropriated earnings	6(31)	11,687,621	6	10,734,088	6	10,462,460	6
Other equity interest							
Other equity interest	6(24)	( 3,130,386 )	( 2 )	908,063	1	( 599,125 )	-
Total equity attributable to owners of parent		50,809,398	27	49,797,881	28	46,916,821	27
Non-controlling interest		<u>542,147</u>	<u>-</u>	<u>519,568</u>	<u>-</u>	<u>500,005</u>	<u>-</u>
Total equity		<u>51,351,545</u>	<u>27</u>	<u>50,317,449</u>	<u>28</u>	<u>47,416,826</u>	<u>27</u>
Significant contingent liabilities and unrecognised contract commitments	9						
<u>TOTAL LIABILITIES AND EQUITY</u>		\$ 190,752,754	100	\$ 179,014,946	100	\$ 177,498,003	100

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,			
		2017		2016		2017		2016	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues	6(25) and 7(3)	\$ 146,667,491	100	\$ 142,258,767	100	\$ 394,049,453	100	\$ 397,550,835	100
Operating costs	6(8) and 7(3)	( 140,514,963)	( 96)	( 136,327,859)	( 96)	( 377,299,763)	( 96)	( 380,729,104)	( 96)
Gross profit		<u>6,152,528</u>	<u>4</u>	<u>5,930,908</u>	<u>4</u>	<u>16,749,690</u>	<u>4</u>	<u>16,821,731</u>	<u>4</u>
Operating expenses	6(29)(30) and 7(3)								
Selling and marketing		( 2,527,920)	( 2)	( 2,303,747)	( 2)	( 6,784,029)	( 2)	( 6,646,512)	( 2)
General and administrative		( 894,712)	-	( 1,072,062)	-	( 2,632,778)	-	( 3,126,545)	-
Total operating expenses		( 3,422,632)	( 2)	( 3,375,809)	( 2)	( 9,416,807)	( 2)	( 9,773,057)	( 2)
Operating income		<u>2,729,896</u>	<u>2</u>	<u>2,555,099</u>	<u>2</u>	<u>7,332,883</u>	<u>2</u>	<u>7,048,674</u>	<u>2</u>
Non-operating income and expenses									
Other income	6(26)	96,951	-	88,568	-	551,950	-	274,162	-
Other gains or losses	6(27)	76,643	-	( 1,036)	-	293,404	-	( 2,808)	-
Financial costs	6(28)	( 471,577)	-	( 379,870)	-	( 1,301,033)	-	( 1,138,119)	-
Share of profit of associates and joint ventures accounted for under equity method		<u>29,778</u>	<u>-</u>	<u>8,284</u>	<u>-</u>	<u>56,355</u>	<u>-</u>	<u>22,300</u>	<u>-</u>
Total non-operating income and expenses		( 268,205)	-	( 284,054)	-	( 399,324)	-	( 844,465)	-
Income before income tax		2,461,691	2	2,271,045	2	6,933,559	2	6,204,209	2
Income tax expense	6(31)	( 424,613)	( 1)	( 397,847)	( 1)	( 1,222,131)	( 1)	( 1,213,109)	( 1)
Consolidated net income		<u>\$ 2,037,078</u>	<u>1</u>	<u>\$ 1,873,198</u>	<u>1</u>	<u>\$ 5,711,428</u>	<u>1</u>	<u>\$ 4,991,100</u>	<u>1</u>

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**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30,				Nine months ended September 30,			
		2017		2016		2017		2016	
		Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income									
Components that will not be reclassified to profit or loss									
Share of other comprehensive income of associates and joint ventures accounted for using equity method		\$ -	-	(\$ 36)	-	\$ -	-	(\$ 36)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
Exchange differences on translation of foreign financial statements		( 351,074)	-	( 1,871,905)	( 1)	( 4,088,735)	( 1)	( 3,205,915)	( 1)
Unrealised gain (loss) on available-for-sale financial assets	6(24)	( 5,420)	-	( 1,041)	-	59,228	-	11,129	-
Share of other comprehensive profit (loss) of associates and joint ventures accounted for using equity method		5,341	-	( 6,628)	-	( 33,443)	-	( 4,814)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(31)	( 4,151)	-	18,754	-	( 1,216)	-	40,367	-
Total components of other comprehensive loss that will be reclassified to profit or loss		( 355,304)	-	( 1,860,820)	( 1)	( 4,064,166)	( 1)	( 3,159,233)	( 1)
Total other comprehensive loss		( \$ 355,304)	-	( \$ 1,860,856)	( 1)	( \$ 4,064,166)	( 1)	( \$ 3,159,269)	( 1)
Total comprehensive income		<u>\$ 1,681,774</u>	<u>1</u>	<u>\$ 12,342</u>	<u>-</u>	<u>\$ 1,647,262</u>	<u>-</u>	<u>\$ 1,831,831</u>	<u>-</u>
Consolidated net income attributable to:									
Owners of parent		\$ 2,025,996	1	\$ 1,867,350	1	\$ 5,663,132	1	\$ 4,975,368	1
Non-controlling interests		<u>11,082</u>	<u>-</u>	<u>5,848</u>	<u>-</u>	<u>48,296</u>	<u>-</u>	<u>15,732</u>	<u>-</u>
		<u>\$ 2,037,078</u>	<u>1</u>	<u>\$ 1,873,198</u>	<u>1</u>	<u>\$ 5,711,428</u>	<u>1</u>	<u>\$ 4,991,100</u>	<u>1</u>
Comprehensive income (loss) attributable to:									
Owners of parent		\$ 1,686,996	1	(\$ 6,153)	-	\$ 1,624,683	-	\$ 1,822,431	-
Non-controlling interests		( 5,222)	-	18,495	-	22,579	-	9,400	-
		<u>\$ 1,681,774</u>	<u>1</u>	<u>\$ 12,342</u>	<u>-</u>	<u>\$ 1,647,262</u>	<u>-</u>	<u>\$ 1,831,831</u>	<u>-</u>
Earnings per share (in dollars)	6(32)								
Basic earnings per share		<u>\$ 1.11</u>		<u>\$ 1.12</u>		<u>\$ 3.20</u>		<u>\$ 2.99</u>	
Diluted earnings per share		<u>\$ 1.11</u>		<u>\$ 1.03</u>		<u>\$ 3.11</u>		<u>\$ 2.76</u>	

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent											
		Capital		Retained Earnings			Other Equity Interest						
			Certificates of bond conversion	Capital reserve	Legal reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity	
	Notes	Common stock											
2016													
Balance at January 1, 2016		\$ 16,557,092	\$ -	\$ 15,187,178	\$ 3,470,739	\$ 10,002,877	\$ 2,574,750	(\$ 20,974 )	(\$ 1,242 )	\$ 47,770,420	\$ 547,338	\$ 48,317,758	
Distribution of retained earnings for 2015	6(23)												
Legal reserve appropriated		-	-	-	542,047	( 542,047 )	-	-	-	-	-	-	
Cash dividends distributed to shareholders		-	-	-	-	( 3,973,702 )	-	-	-	( 3,973,702 )	-	( 3,973,702 )	
Changes in capital reserve	6(22)	-	-	( 144 )	-	-	-	-	-	( 144 )	-	( 144 )	
Total consolidated profit		-	-	-	-	4,975,368	-	-	-	4,975,368	15,732	4,991,100	
Net other comprehensive income (loss)	6(24)	-	-	-	-	( 36 )	( 3,164,030 )	11,129	-	( 3,152,937 )	( 6,332 )	( 3,159,269 )	
Exercised convertible bonds	6(22)	370,733	-	925,392	-	-	-	-	-	1,296,125	-	1,296,125	
Disposal of company's share by subsidiaries recognized as treasury share transactions	6(22)	-	-	449	-	-	-	-	1,242	1,691	-	1,691	
Effect of changes in consolidated entities		-	-	-	-	-	-	-	-	-	( 37,521 )	( 37,521 )	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	( 19,212 )	( 19,212 )	
Balance at September 30, 2016		<u>\$ 16,927,825</u>	<u>\$ -</u>	<u>\$ 16,112,875</u>	<u>\$ 4,012,786</u>	<u>\$ 10,462,460</u>	<u>(\$ 589,280 )</u>	<u>(\$ 9,845 )</u>	<u>\$ -</u>	<u>\$ 46,916,821</u>	<u>\$ 500,005</u>	<u>\$ 47,416,826</u>	
2017													
Balance at January 1, 2017		\$ 17,238,954	\$ 2,938	\$ 16,901,053	\$ 4,012,785	\$ 10,734,088	\$ 918,151	(\$ 10,088 )	\$ -	\$ 49,797,881	\$ 519,568	\$ 50,317,449	
Distribution of retained earnings for 2016	6(23)												
Legal reserve appropriated		-	-	-	531,288	( 531,288 )	-	-	-	-	-	-	
Cash dividends distributed to shareholders		-	-	-	-	( 4,178,311 )	-	-	-	( 4,178,311 )	-	( 4,178,311 )	
Exercise of convertible bonds	6(22)	1,011,664	( 2,938 )	2,556,419	-	-	-	-	-	3,565,145	-	3,565,145	
Total consolidated profit		-	-	-	-	5,663,132	-	-	-	5,663,132	48,296	5,711,428	
Net other comprehensive income (loss)	6(24)	-	-	-	-	-	( 4,097,705 )	59,256	-	( 4,038,449 )	( 25,717 )	( 4,064,166 )	
Balance at September 30, 2017		<u>\$ 18,250,618</u>	<u>\$ -</u>	<u>\$ 19,457,472</u>	<u>\$ 4,544,073</u>	<u>\$ 11,687,621</u>	<u>(\$ 3,179,554 )</u>	<u>\$ 49,168</u>	<u>\$ -</u>	<u>\$ 50,809,398</u>	<u>\$ 542,147</u>	<u>\$ 51,351,545</u>	

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



**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(REVIEWED, NOT AUDITED)**

	Notes	2017	2016
<b>Cash flows from operating activities</b>			
Income before income tax		\$ 6,933,559	\$ 6,204,209
Adjustments			
Income and expenses			
Depreciation	6(29)	158,237	175,256
Amortisation	6(13)(29)	19,939	28,425
(Reversal of provision) provision for bad debts	6(26) (	351,718 )	52,852
Interest expense	6(28)	1,141,050	923,222
Net loss on financial assets or liabilities at fair value through profit or loss	6(27)	5,532	21,917
Interest income	6(26) (	22,535 ) (	27,088 )
Dividend income	6(26) (	30,462 ) (	40,952 )
Share of profit of associates and joint ventures accounted for under equity method	(	56,355 ) (	22,300 )
Loss on disposal of property, plant and equipment and investment property	6(27)	773	4,252
Gain on disposal of investments	6(27) (	17,969 ) (	976 )
Impairment loss	6(27)	9,111	62,103
Amortisation of bond discount	6(18)(28)	20,723	58,003
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		11,476	9,916
Notes receivable, net		3,570,890 (	1,204,544 )
Accounts receivable, net	(	5,785,827 ) (	941,477 )
Accounts receivable - related parties, net	(	12,251 )	127,453
Other receivables		1,726,806	1,409,607
Other receivables - related parties		15,705	43,217
Inventories	(	11,150,428 ) (	689,011 )
Prepayments	(	839,941 )	1,168,182
Other current assets	(	13,487 )	20,006
Changes in liabilities relating to operating activities			
Notes payable		229,958	197,698
Accounts payable		9,378,123	7,411,861
Accounts payable - related parties	(	11,858 ) (	832 )
Other payables		1,009,368	737,897
Other current liabilities	(	19,347 )	195,528
Other non-current liabilities	(	33,234 ) (	17,047 )
Cash inflow generated from operations		5,885,838	15,907,377
Interest paid	(	1,135,677 ) (	956,888 )
Income tax paid	(	1,043,373 ) (	1,141,360 )
Interest received		24,131	36,797
Dividends received		80,834	90,878
Net cash provided by operating activities		3,811,753	13,936,804

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**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(REVIEWED, NOT AUDITED)**

	Notes	2017	2016
<b>Cash flows from investing activities</b>			
Acquisition of financial assets carried at cost - non-current		( \$ 38,035 )	\$ -
Acquisition of available-for-sale financial assets - non-current		( 85,348 )	-
Proceeds from disposal of available-for-sale financial assets - current		-	14,780
Proceeds from capital reduction of available-for-sale financial assets		5,665	9,182
Proceeds from disposal of financial assets carried at cost - non-current		9,777	30,825
Proceeds from prepayments of investments in debt instruments without active market		-	5,000
Acquisition of investments accounted for under equity method		( 49,000 )	( 610,051 )
Acquisition of property, plant and equipment and intangible assets	6(34)	( 853,800 )	( 106,687 )
Proceeds from disposal of property, plant and equipment		3,007	7,572
Disposal of subsidiaries	6(34)	-	( 34,111 )
Increase in refundable deposits		( 16,001 )	( 10,706 )
Decrease in refundable deposits		13,770	63,050
Decrease (increase) in other financial assets - current		260,703	( 952,765 )
Increase in other financial assets - non-current		( 40,783 )	( 23,473 )
Decrease in other financial assets - non-current		31,577	-
Decrease in other non-current assets		13,492	19,159
Receivables from capital reduction		27,211	-
Increase in prepayments for investments		( 54,065 )	( 46,320 )
Net cash used in investing activities		( 771,830 )	( 1,634,545 )
<b>Cash flows from financing activities</b>			
Increase in short-term borrowings		519,370,999	447,626,177
Decrease in short-term borrowings		( 515,262,990 )	( 454,656,076 )
Increase in long-term borrowings (including current portion of long-term liabilities)		7,599,618	1,961,050
Decrease in long-term borrowings (including current portion of long-term liabilities)		( 7,503,673 )	( 2,777,032 )
Decrease in non-controlling interests		( 25,717 )	( 19,212 )
Increase in short-term notes and bills payable		29,460,386	18,769,734
Decrease in short-term notes and bills payable		( 29,816,120 )	( 18,434,886 )
Increase in guarantee deposit received		148,745	71
Decrease in guarantee deposit received		( 164,551 )	( 3,513 )
Shareholders' cash dividends paid	6(23)	( 4,178,311 )	( 3,973,702 )
Repayments of convertible bonds		( 4,900 )	-
Net cash used in financing activities		( 376,514 )	( 11,507,389 )
Effect of exchange rate changes on cash and cash equivalents		( 4,098,441 )	( 3,186,770 )
Net decrease in cash and cash equivalents		( 1,435,032 )	( 2,391,900 )
Cash and cash equivalents at beginning of period		8,456,912	9,446,642
Cash and cash equivalents at end of period		<u>\$ 7,021,880</u>	<u>\$ 7,054,742</u>

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)  
(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANIZATION

- (1) WPG Holdings Limited (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China, and as a holding company of World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock on November 9, 2005. The Company's shares were listed on the Taiwan Stock Exchange (TSE) and approved by the Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau on the same date. After restructuring, Richpower Electronic Devices Co., Ltd. became the Company's subsidiary on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Co., Ltd. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Company's organisation restructuring on January 1, 2014, World Peace Industrial Co., Ltd., Silicon Application Corp. and Yosun Industrial Corp. acquired 100% shares in AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries. The Company originally evaluated Genuine C&C, Inc. using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 8, 2015 and completed the purchase on April 15, 2015. After the purchase, the Company held 60.5% shares of Genuine C&C, Inc. which became the Company's directly owned subsidiary. The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group".
- (2) The Company was organised to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. The Company's subsidiaries are mainly engaged in the distribution and sales of electronic / electrical components, sales of computer software and electrical products and sales of electronic / electrical components.
- (3) In accordance with the Company's Articles of Incorporation, the total authorised common stock is 2 billion shares (including 50 million shares of warrant, warrant preferred stock and warrant bond conversion). As of September 30, 2017, the Company has issued capital of \$18,250,618 with a par value of \$10 (in dollars) per share.

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

These consolidated financial statements were reported to the Board of Directors on November 14, 2017.

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”)

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

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

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Classification and measurement of share-based payment transactions (amendment to IFRS 2)	January 1, 2018
Applying IFRS 9, 'Financial instruments' with IFRS 4, 'Insurance contracts' (amendments to IFRS 4)	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarifications to IFRS 15, 'Revenue from contracts with customers' (amendments to IFRS 15)	January 1, 2018
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Transfers of investment property (amendments to IAS 40)	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

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

A. IFRS 9, 'Financial instruments'

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

interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

**B. IFRS 15, 'Revenue from contracts with customers'**

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

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

Step 1: Identify contracts with customer

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

Step 3: Determine the transaction price

Step 4: Allocate the transaction price

Step 5: Recognise revenue when the performance obligation is satisfied

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

**C. Amendments to IFRS 15, 'Clarifications to IFRS 15, Revenue from Contracts with Customers'**

The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.

**D. Amendments to IAS 7, 'Disclosure initiative'**

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

**E. Amendments to IAS 40, 'Transfers of investment property'**

The amendments clarify that to transfer to, or from, investment properties there must be a

change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A change in management's intentions, in isolation, does not provide evidence of the change in use. In addition, the amendments added examples for the evidence of a change in use. The examples include assets under construction or development (not completed properties) transfer from investment property to owner-occupied property at commencement of development with a view to owner-occupation and transfer from inventories to investment property at inception of an operating lease to another party.

F. IFRIC 22, 'Foreign currency transactions and advance consideration'

The Interpretation states that the date of the transaction for a foreign currency-denominated contract should be the date of initial recognition of the non-monetary asset or non-monetary liability arising from the receipt or payment of the advance consideration.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Prepayment features with negative compensation (amendment to IFRS 9)	January 1, 2019
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
IFRS 16, 'Leases'	January 1, 2019
IFRS 17, 'Insurance contracts'	January 1, 2021
Long-term interests in associates and joint ventures (amendments to IAS 28)	January 1, 2021
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019

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

A. Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'

The amendments resolve a current inconsistency between IFRS 10 and IAS 28. The gain or loss resulting from a transaction that involves sales or contribution of assets between an investor and its associates or joint ventures is recognized either in full or partially depending on the nature of the assets sold or contributed:

- (a) If sales or contributions of assets constitute a 'business', the full gain or loss is recognized;

- (b) If sales or contributions of assets do not constitute a 'business', the partial gain or loss is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

B. IFRS 16, 'Leases'

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

C. Amendments to IAS 28, 'Long-term interests in associates and joint ventures'

The amendment clarifies that, for any long-term interest that, in substance, form part of the entity's net investment in an associate or joint venture, an entity should apply IFRS 9 to such interests before it applies IAS 28 to recognise losses

D. IFRIC 23, 'Uncertainty over income tax treatments'

This Interpretation clarifies when there is uncertainty over income tax treatments, an entity shall recognize and measure its current or deferred tax asset or liability applying the requirements in IAS 12, 'Income taxes' based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2016, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. 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 Accounting Standards 34, 'Interim financial reporting' as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
  - a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - b) Available-for-sale financial assets measured at fair value.



- c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.
- (3) Basis of consolidation

- A. The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2016.
- B. Subsidiaries included in the consolidated financial statements:

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
WPG Holdings Limited	WPG Electronic Ltd.	”	100.00	100.00	100.00	Notes 14 and 15
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	100.00	Notes 14 and 15
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	”	100.00	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 14 and 15
WPG Holdings Limited	WPG Core Investment Co., Ltd.	”	100.00	100.00	100.00	Notes 14 and 15
WPG Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	0.00	44.21	44.21	Notes 2 and 8

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
WPG Holdings Limited	Trigold Holdings Limited	Holding company	60.50	0.00	0.00	Note 8
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	100.00	Notes 14 and 15
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	"	100.00	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Sales of computer and its peripherals	0.00	16.29	16.29	Note 2
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 14 and 15
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	100.00	Notes 14 and 15
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	"	0.00	100.00	100.00	Notes 14 and 16
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	100.00	Notes 14 and 15
Prime Future Technology Limited	World Peace International Pte. Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	80.00	Notes 14 and 15
World Peace International Pte. Ltd.	WPG Americas Inc.	"	4.31	4.31	4.31	Note 3
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	"	0.00	100.00	100.00	Notes 13 and 14

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	"	100.00	100.00	100.00	Notes 14 and 15
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	100.00	Notes 4, 14 and 15
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	"	100.00	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00	100.00	Notes 14 and 15
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	100.00	100.00	Notes 14 and 15
WPI International (Hong Kong) Limited	WPG C&C Limited	"	100.00	100.00	100.00	
WPI International (Hong Kong) Limited	AIO Components Company Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	100.00	100.00	Notes 14 and 15
WPG C&C Limited	Genuine Trading (Hong Kong) Company Limited	"	0.00	0.00	24.71	Note 7
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	100.00	Notes 14 and 15
Longview Technology Inc.	Long-Think International Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	100.00	100.00	100.00	Notes 14 and 15
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	100.00	Notes 14 and 15
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 14 and 15
Silicon Application Corporation	Win-Win Electronic Corp.	"	0.00	0.00	100.00	Notes 12 and 14
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	100.00	100.00	100.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investment	0.00	100.00	100.00	Notes 11 and 14
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	0.00	100.00	100.00	Notes 14 and 17
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 14 and 15
Silicon Application Company Limited	Dstar Electronic Company Limited	"	100.00	100.00	100.00	Notes 14 and 15
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	100.00	Notes 14 and 15
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 14 and 15
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	100.00	Notes 14 and 15

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	95.69	95.69	Note 3
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 14 and 15
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	100.00	Notes 14 and 15
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	60.00	60.00	60.00	Notes 14 and 15
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	"	100.00	100.00	100.00	Notes 14 and 15
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	"	100.00	100.00	100.00	Notes 6, 14 and 15
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	"	99.99	99.99	99.99	Notes 9, 14 and 15
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 5, 14 and 15
WPG South Asia Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	100.00	
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	0.01	0.01	Notes 9, 14 and 15
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
Asian Information Technology Inc.	Frontek Technology Corporation	"	100.00	100.00	100.00	

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 14 and 15
Frontek Technology Corporation	Frontek International Limited	Investment company	100.00	100.00	100.00	Notes 14 and 15
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 14 and 15
Frontek International Limited	AITG Electronic Limited	Sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 14 and 15
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	100.00	100.00	
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	100.00	100.00	Notes 14 and 15
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
Sertek Incorporated	Sertek Limited	Sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
Sertek Limited	Sertek (Shanghai) Limited	"	0.00	0.00	0.00	Notes 14 and 19
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	100.00	Notes 14 and 15

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	100.00	Notes 14 and 15
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) Sdn. Bhd.	Sales of electronic / electrical components	100.00	100.00	100.00	Notes 14 and 15
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	"	100.00	100.00	100.00	Notes 14 and 15
Trigold Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	100.00	0.00	0.00	Note 8
Genuine C&C, Inc.	Hoban Inc.	General investment and retail of groceries	100.00	100.00	100.00	Notes 2, 14, 15 and 18
Genuine C&C, Inc.	Taibao Creation Co., Ltd.	Retail of groceries	100.00	100.00	100.00	Notes 2, 8, 14 and 15
Genuine C&C, Inc.	Genuine C&C Holding Inc. (Seychelles)	Holding company	100.00	100.00	100.00	Note 2
Genuine C&C Holding Inc. (Seychelles)	Genuine Trading (Hong Kong) Company Limited	"	100.00	100.00	75.29	Notes 2 and 7
Genuine C&C Holding Inc. (Seychelles)	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic /electrical products	55.00	55.00	55.00	Notes 2 and 14
Genuine Trading (Hong Kong) Company Limited	Hubei Xinsheng Technology Investment Management Co., Ltd.	Sales of electronic products and peripherals	0.00	0.00	0.00	Notes 2 and 10
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	Sales of electronic/electrical products	100.00	0.00	0.00	Notes 15 and 20

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

Note 2: The Company directly held 44.21% equity of Genuine C&C, Inc. plus the 16.29% equity of Genuine C&C, Inc. held by the wholly owned subsidiary, World Peace Industrial Co., Ltd., the total shareholding ratio was 60.50%. In July 2017, the Company's ownership of Genuine C&C, Inc. reached 60.50% after acquiring the 16.29% equity from World Peace Industrial Co., Ltd.

Note 3: World Peace Industrial Co., Ltd. totally held 4.31% of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited. Along with shares of WPG Americas Inc. held by WPG International (CI) Limited, the total shareholding ratio is 100%.

Note 4: 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 5: 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 6: 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 7: On March 31, 2016, WPG C&C Limited held 24.71% equity of Genuine Trading (Hong Kong) Company Limited plus 75.29% equity of the same company held by Genuine C&C Holding Inc. (Seychelles), the total shareholding ratio was 100%. In December 2016, WPG C&C Limited sold all the shares to Genuine C&C Holding Inc. (Seychelles), and the Group holds 100% of shares in total.
- Note 8: On the effective date of September 1, 2017, the stock swap between Trigold Holdings Limited and the shareholders who previously owned Genuine C&C, Inc. was conducted at a stock swap ratio of 1:1. On the same day, Trigold Holdings Limited was established and began OTC trading whereas Genuine C&C, Inc. was unlisted at OTC.
- Note 9: 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 10: Genuine Trading (Hong Kong) Company Limited has disposed all shares of the invested company on August 1, 2016.
- Note 11: It was liquidated in September 2017.
- Note 12: It was liquidated in December 2016.
- Note 13: It was liquidated in March 2017.
- Note 14: The financial statements as of September 30, 2016 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.
- Note 15: The financial statements as of September 30, 2017 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.
- Note 16: It was liquidated in June 2017.
- Note 17: It was liquidated in May 2017.
- Note 18: It was formerly known as Hat-Trick Co., Ltd. and was renamed in April 2017.
- Note 19: It was liquidated in August 2016.
- Note 20: The subsidiary was set up in July 2017.



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

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

E. Significant restrictions: None.

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

As of September 30, 2017, December 31, 2016 and September 30, 2016, the non-controlling interest amounted to \$542,147, \$519,568 and \$500,005, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		September 30, 2017		December 31, 2016		September 30, 2016	
		Amount	Ownership	Amount	Ownership	Amount	Ownership
Trigold Holdings Limited and its subsidiaries (Note)	Taiwan	\$ 433,962	39.5%	\$ 417,404	39.5%	\$ 407,692	39.5%

Note: The Company originally held 60.5% equity of Genuine C&C, Inc. On the effective date of September 1, 2017, the stock swap between Trigold Holdings Limited and the shareholders who previously owned Genuine C&C, Inc. was conducted at a stock swap ratio of 1:1. On the same day, Trigold Holdings Limited was established and began OTC trading whereas Genuine C&C, Inc. was unlisted at OTC.

Summarised financial information of the subsidiaries:

(a) Balance sheets

	Trigold Holdings Limited and its subsidiaries		
	September 30, 2017	December 31, 2016	September 30, 2016
Current assets	\$ 2,932,215	\$ 2,693,783	\$ 2,520,811
Non-current assets	109,927	113,039	114,012
Current liabilities	( 1,827,532)	( 1,641,941)	( 1,504,104)
Non-current liabilities	( 55,175)	( 56,032)	( 48,092)
Total net assets	1,159,435	1,108,849	1,082,627
Less: non-controlling interest	( 60,804)	( 52,135)	( 50,500)
Equity attributable to owners of the parent company	<u>\$ 1,098,631</u>	<u>\$ 1,056,714</u>	<u>\$ 1,032,127</u>

(b) Statements of comprehensive income

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 2,484,487	\$ 2,484,889
Profit before tax	34,752	12,141
Income tax benefit (expense)	( 9,755)	( 4,221)
Profit for the period	24,997	7,920
Other comprehensive loss, net of tax	( 18,153)	( 1,620)
Total comprehensive income	<u>\$ 6,844</u>	<u>\$ 6,300</u>
Total comprehensive loss attributable to non-controlling interest	( \$ 14,409)	( \$ 3,480)
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>\$ -</u>

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 7,286,460	\$ 7,995,706
Profit before tax	126,015	26,561
Income tax expense	( 23,956)	( 6,284)
Profit for the period	102,059	20,277
Other comprehensive loss, net of tax	( 22,959)	( 5,711)
Total comprehensive income	<u>\$ 79,100</u>	<u>\$ 14,566</u>
Total comprehensive loss attributable to non-controlling interest	( \$ 6,283)	( \$ 9,443)
Dividends paid to non-controlling interests	<u>\$ 18,229</u>	<u>\$ 15,715</u>

(c) Statements of cash flows

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Net cash provided by (used in) operating activities	\$ 50,357	( \$ 70,192)
Net cash provided by (used in) investing activities	244	( 4,379)
Net cash provided by (used in) financing activities	155,850	( 105,309)
Effect of exchange rates on cash and cash equivalents	( 3,815)	( 9,092)
Increase (decrease) in cash and cash equivalents	<u>202,636</u>	<u>( 188,972)</u>
Cash and cash equivalents, beginning of period	<u>188,421</u>	<u>421,071</u>
Cash and cash equivalents, end of period	<u>\$ 391,057</u>	<u>\$ 232,099</u>

(4) Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

(5) 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 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 the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

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

Employees' compensation and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares,

the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(6) Income tax

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

F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant change as of September 30, 2017. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2016.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Cash on hand and petty cash	\$ 3,726	\$ 2,945	\$ 2,983
Checking accounts deposits	1,860,244	1,786,628	1,548,202
Demand deposits	4,925,346	6,496,436	5,086,243
Time deposits	232,564	170,903	417,314
	<u>\$ 7,021,880</u>	<u>\$ 8,456,912</u>	<u>\$ 7,054,742</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. There were no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Current items:			
Financial assets held for trading			
Derivatives	\$ 6,523	\$ 17,721	\$ 2,115
Domestic open-end fund	10,132	20,266	20,266
	16,655	37,987	22,381
Valuation adjustment of financial assets held for trading	264	471	457
	<u>\$ 16,919</u>	<u>\$ 38,458</u>	<u>\$ 22,838</u>
Current items:			
Financial liabilities held for trading			
Derivatives	\$ 1,155	\$ 5,686	\$ 19,124

A. The Group recognised net gain (loss) of \$13,984, (\$30,302), (\$5,532) and (\$21,917) on financial assets and liabilities held for trading for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016, 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:

<u>Derivative instruments</u>	<u>September 30, 2017</u>			<u>December 31, 2016</u>		
	<u>Contract amount (notional principal) (Note)</u>		<u>Contract period</u>	<u>Contract amount (notional principal) (Note)</u>		<u>Contract period</u>
Forward foreign exchange contracts						
- Sell	USD	1,000	2017.09.12~ 2017.10.16	USD	1,500	2016.12.02~ 2017.01.16
	EUR	1,000	2017.05.17~ 2017.12.11	EUR	500	2016.11.02~ 2017.02.23
- Sell-SWAP	USD	10,900	2017.09.06~ 2017.10.31	USD	12,900	2016.12.12~ 2017.01.26
- Buy	USD	33,754	2017.01.19~ 2018.04.20	USD	27,506	2016.04.20~ 2017.06.21
	EUR	5,000	2017.09.14~ 2017.11.14	EUR	3,000	2016.12.09~ 2017.01.12
<u>Derivative instruments</u>	<u>September 30, 2016</u>					
	<u>Contract amount (notional principal) (Note)</u>		<u>Contract period</u>			
Forward foreign exchange contracts						
- Sell	USD	1,500	2016.09.05~ 2016.10.28			
	EUR	750	2016.08.01~ 2016.12.16			
- Sell-SWAP	USD	9,000	2016.09.14~ 2016.11.03			
- Buy	USD	28,960	2016.04.20~ 2017.06.21			
	EUR	2,100	2016.09.06~ 2016.10.13			

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

<u>Investee company</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Current items:			
Farglory FTZ Investment Holding Co., Ltd.	\$ 13,799	\$ 13,799	\$ 13,799
Dimerco Express Corporation	<u>8,748</u>	<u>8,748</u>	<u>8,748</u>
	22,547	22,547	22,547
Adjustment of available-for-sale financial assets	<u>1,320</u>	<u>560</u>	( <u>427</u> )
	<u>23,867</u>	<u>23,107</u>	<u>22,120</u>
Non-current items:			
Nichidenbo Corporation	231,990	231,990	231,990
Vitec Holdings Co., Ltd.	85,348	-	-
Promaster Technology Corp.	49,605	49,605	49,605
Apollo Electronics Group Ltd.	32,782	34,938	33,973
Murad Chia Jei Biotechnology Co., Ltd.	19,107	19,107	19,107
Hua-Jie (Taiwan) Corp.	10,500	10,500	10,500
Others	<u>14,339</u>	<u>19,091</u>	<u>19,091</u>
	443,671	365,231	364,266
Valuation adjustment	33,013	( 25,456)	( 24,223)
Accumulated impairment	( <u>7,556</u> )	( <u>7,801</u> )	( <u>7,801</u> )
	<u>469,128</u>	<u>331,974</u>	<u>332,242</u>
	<u>\$ 492,995</u>	<u>\$ 355,081</u>	<u>\$ 354,362</u>

- A. The Group recognised (\$5,420), (\$666), \$59,228 and \$11,504 in other comprehensive income (loss) for fair value change of current and non-current available-for-sale financial assets and reclassified \$0, \$375, \$0 and \$375 from equity to profit or loss for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016, respectively.
- B. The Group had no investment in debt instruments that was classified as available-for-sale financial assets.
- C. As of September 30, 2017, December 31, 2016 and September 30, 2016, the Group pledged available-for-sale financial assets as guarantees for purchases. Please refer to Note 8 for details.

(4) Notes receivable

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Notes receivable	<u>\$ 4,002,473</u>	<u>\$ 7,573,363</u>	<u>\$ 7,716,520</u>

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

(5) Accounts receivable

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Accounts receivable	\$ 91,831,016	\$ 88,220,742	\$ 86,793,848
Less: Allowance for doubtful accounts	( 719,600)	( 3,246,871)	( 669,173)
	<u>\$ 91,111,416</u>	<u>\$ 84,973,871</u>	<u>\$ 86,124,675</u>

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Group 1	\$ 38,425,531	\$ 45,903,680	\$ 48,332,010
Group 2	<u>47,683,690</u>	<u>35,084,851</u>	<u>32,627,860</u>
	<u>\$ 86,109,221</u>	<u>\$ 80,988,531</u>	<u>\$ 80,959,870</u>

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

Group 2: Customers not belonging to Group 1.

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
0 to 30 days	\$ 4,083,948	\$ 2,158,300	\$ 3,516,291
31 to 60 days	403,881	1,990,180	301,798
61 to 90 days	226,098	514,933	905,704
91 to 120 days	84,951	1,117,178	474,143
121 to 150 days	68,634	455,740	39,763
151 to 180 days	9,804	495,027	37,655
Over 181 days	<u>844,479</u>	<u>500,853</u>	<u>558,624</u>
	<u>\$ 5,721,795</u>	<u>\$ 7,232,211</u>	<u>\$ 5,833,978</u>

The above ageing analysis was based on past due date.

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

	<u>2017</u>		
	<u>Individual provision</u>	<u>Group provision</u>	<u>Total</u>
At January 1	\$ 2,920,322	\$ 326,549	\$ 3,246,871
Reversal for impairment	( 226,397)	( 93,671)	( 320,068)
Write-offs during the period	( 1,597,128)	( 30,589)	( 1,627,717)
Effects of foreign exchange	( 163,387)	( 5,844)	( 169,231)
Others (Note)	<u>( 395,543)</u>	<u>( 14,712)</u>	<u>( 410,255)</u>
At September 30	<u>\$ 537,867</u>	<u>\$ 181,733</u>	<u>\$ 719,600</u>

Note: Others included the amounts reclassified to overdue receivables and reversal and decrease of recovery of write-offs of provision for impairment of accounts receivable in prior year amounting to (\$412,891) and \$2,636, respectively.



	2016		
	<u>Individual provision</u>	<u>Group provision</u>	<u>Total</u>
At January 1	\$ 353,584	\$ 465,233	\$ 818,817
Provision for impairment	12,158	45,420	57,578
Write-offs during the period	( 1,806)	( 8,298)	( 10,104)
Effects of foreign exchange	( 15,834)	( 15,247)	( 31,081)
Others (Note)	<u>3,805</u>	<u>( 169,842)</u>	<u>( 166,037)</u>
At September 30	<u>\$ 351,907</u>	<u>\$ 317,266</u>	<u>\$ 669,173</u>

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

(6) Transfer of financial assets

Transferred financial assets that are derecognised in their entirety

The Group entered into factoring of accounts receivable with banks. In accordance with the contract requirements, the Group shall only be liable for the losses incurred on any commercial dispute and did not assume the risk of uncollectible accounts receivable. The Group does not have any continuing involvement in the transferred accounts receivable. The derecognised amounts had already deducted the estimated commercial disputes. The commercial papers and time deposits pledged to the banks are for losses incurred only on commercial disputes or for the banks' practice of accounts receivable factoring. The pledged commercial papers and time deposits do not cover losses other than those arising from commercial disputes. As of September 30, 2017, December 31, 2016 and September 30, 2016, outstanding accounts receivable were as follows:

September 30, 2017						
<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognised</u>	<u>Facilities (In thousands)</u>	<u>Amount advanced</u>	<u>Interest rate of amount advanced</u>	<u>Pledged assets</u>
Cathay United Bank	\$ 1,316,098	\$ 1,316,098	USD 47,500	\$ 1,316,098	2.00%~2.30%	Note 1
Mega International Commercial Bank	3,964,582	3,964,582	USD 166,900	3,491,343	1.53%~2.47%	Note 2
CTBC Bank	2,850,344	2,850,344	USD 50,000	2,097,113	1.69%~2.24%	Note 3
			\$ 2,970,000			
E. SUN Commercial Bank	3,600,543	3,600,543	USD 180,500	2,725,796	1.15%~2.38%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	688,623	688,623	\$ 3,009,300	322,686	1.10%~2.17%	Note 5
Yuanta Commercial Bank	350,508	350,508	USD 25,000	142,988	2.28%~2.39%	Note 6
			\$ 100,000			
The Hong Kong and Shanghai Banking Corporation Limited	2,120,994	2,120,994	USD 146,200	1,090,506	1.87%	Note 7

September 30, 2017

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Ta Chong Bank	\$ 280,688	\$ 280,688	USD 6,500 \$ 820,000	\$ 168,820	2.27%~2.65%	Note 8
Standard Chartered Bank	17,891	17,891	USD 4,520	-	-	None
Taishin International Bank	5,692,029	5,692,029	\$ 9,000,000	1,939,690	1.90%~2.30%	Note 9
Bank SinoPac	696,229	696,229	USD 46,900	609,702	1.64%~1.96%	Note 10
Far Eastern International Bank	234,840	234,840	USD 22,000 \$ 400,000	91,653	2.06%~2.35%	Note 11
Chang Hwa Bank	1,985,243	1,985,243	USD 144,600	1,545,188	1.85%~2.20%	Note 12
DBS Bank	1,450,171	1,450,171	USD 133,500	1,319,548	1.43%~2.24%	Note 13
Shin Kong Bank	-	-	USD 300	-	-	Note 14
Taiwan Cooperative Bank	47,216	47,216	USD 3,000	44,855	2.07%~2.12%	Note 15
Hang Seng Bank	1,070,766	1,070,766	USD 128,000	937,779	1.94%~2.24%	Note 16
KGI Bank	466,225	466,225	\$ 1,450,000	459,536	1.75%~2.10%	Note 17
ANZ Bank	646,059	646,059	USD 30,000	198,215	1.76%	None
Sumitomo Mitsui Banking Corporation	184,861	184,861	USD 15,000	184,861	1.82%	None

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

Note 2: The Group has signed commercial papers amounting to USD 166,900 thousand and \$510,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 50 million and \$297,600 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 183 million and \$20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to \$190,500 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to USD 25 million and \$1,280,000 that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 135,630 thousand that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 650 thousand and \$820,000 that were pledged to others as collateral.

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

Note 10: The Group has signed commercial papers amounting to USD 42,500 thousand and \$600,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to USD 22 million and \$400,000 that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 76,200 thousand that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 155,500 thousand that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 30 thousand that were pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to USD 3 million that were pledged to others as collateral.

Note 16: The Group has provided demand deposits amounting to USD 140 thousand that were pledged to others as collateral.

Note 17: The Group has signed commercial papers amounting to \$820,000 that were pledged to others as collateral.

December 31, 2016						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 1,383,750	\$ 1,383,750	USD 47,500	\$ 1,383,750	1.54%~2.50%	Note 1
Mega International Commercial Bank	4,395,529	4,395,529	USD 166,900	3,598,146	1.27%~2.46%	Note 2
ANZ Bank	-	-	USD 480,000	-	-	None
CTBC Bank	3,148,440	3,148,440	USD 15,000	1,688,956	1.37%~2.35%	Note 3
E. SUN Commercial Bank	3,095,093	3,095,093	USD 161,500	2,551,250	1.05%~2.15%	Note 4
Taipei Fubon Commercial Bank	1,815,351	1,815,351	\$ 3,099,300	876,207	1.12%~2.18%	Note 5
Industrial Bank of Taiwan	341,021	341,021	\$ 669,720	-	-	Note 6
Yuanta Commercial Bank	647,253	647,253	USD 25,000	401,120	1.60%~1.75%	Note 7
The Hong Kong and Shanghai Banking Corporation Limited	2,226,489	2,226,489	USD 146,700	2,214,364	1.42%	Note 8
Ta Chong Bank	487,640	487,640	USD 3,500	31,992	1.80%	Note 9
Standard Chartered Bank	22,732	22,732	USD 60,120	18,918	1.44%~2.03%	None
Taishin International Bank	5,917,168	5,917,168	\$ 9,000,000	972,534	1.17%~2.00%	Note 10
Bank SinoPac	459,475	459,475	USD 44,050	418,008	1.85%	Note 11
Far Eastern International Bank	150,502	150,502	USD 22,000	73,197	1.64%~2.38%	Note 12
Chang Hwa Bank	793,082	793,082	USD 50,300	525,449	1.40%~2.18%	Note 13

December 31, 2016

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
DBS Bank	\$ 958,014	\$ 958,014	USD 92,000	\$ 919,969	1.08%~2.05%	Note 14
Shin Kong Bank	5,297	5,297	USD 2,250	-	-	Note 15
			\$ 10,000			
Taiwan Cooperative Bank	67,739	67,739	USD 3,000	-	-	Note 16
Hang Seng Bank	2,142,961	2,142,961	USD 88,000	1,938,080	1.46%~1.81%	Note 17
KGI Bank	305,003	305,003	\$ 850,000	301,922	1.40%~1.60%	Note 18

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

Note 2: The Group has signed commercial papers amounting to USD 166,900 thousand and \$530,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 15 million and \$447,600 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 164 million 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 \$669,720 that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 25 million and \$1,400,000 that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 135,630 thousand that were pledged to others as collateral.

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

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

Note 11: The Group has signed commercial papers amounting to USD 41 million and \$600,000 that were pledged to others as collateral.

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

Note 13: The Group has signed commercial papers amounting to USD 50,300 thousand that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 114 million that were pledged to others as collateral.

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

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

Note 17: The Group has provided demand deposits amounting to USD 140 thousand that were pledged to others as collateral.

Note 18: The Group has signed commercial papers amounting to \$760,000 that were pledged to others as collateral.

September 30, 2016						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	\$ 1,416,527	\$ 1,416,527	USD 47,500	\$ 1,416,527	1.54%~1.83%	Note 1
Mega International Commercial Bank	2,970,695	2,970,695	USD 166,900	2,238,183	1.27%~2.03%	Note 2
ANZ Bank	-	-	\$ 480,000	-	-	None
CTBC Bank	2,274,968	2,274,968	USD 15,000	2,152,360	1.29%~1.57%	Note 3
E. SUN Commercial Bank	2,676,910	2,676,910	\$ 3,582,000	2,244,864	1.30%~2.15%	Note 4
Taipei Fubon Commercial Bank	1,562,116	1,562,116	USD 206,500	1,012,794	1.12%~1.48%	Note 5
Industrial Bank of Taiwan	367,209	367,209	\$ 20,000	367,209	1.22%~1.32%	Note 6
Yuanta Commercial Bank	399,674	399,674	USD 527,505	108,893	1.52%~1.75%	Note 7
The Hong Kong and Shanghai Banking Corporation Limited	1,860,471	1,860,471	\$ 1,400,000	1,842,466	1.11%~1.12%	Note 8
Ta Chong Bank	465,084	465,084	USD 146,700	25,524	1.85%	Note 9
Standard Chartered Bank	39,185	39,185	\$ 914,215	-	-	None
Taishin International Bank	4,788,259	4,788,259	USD 60,120	960,907	1.19%~1.65%	Note 10
Bank SinoPac	478,442	478,442	\$ 9,000,000	422,252	1.12%~1.98%	Note 11
Far Eastern International Bank	222,263	222,263	USD 23,500	123,513	1.54%~1.76%	Note 12
Chang Hwa Bank	480,643	480,643	\$ 400,000	294,190	1.40%~2.18%	Note 13
DBS Bank	1,091,366	1,091,366	USD 44,300	1,027,404	1.00%~2.05%	Note 14
Shin Kong Bank	10,686	10,686	USD 92,000	5,577	1.71%	Note 15
Taiwan Cooperative Bank	42,555	42,555	\$ 10,000	40,428	1.41%~1.64%	Note 16
Hang Seng Bank	1,292,042	1,292,042	USD 3,000	1,151,710	1.50%~1.81%	Note 17
KGI Bank	359,506	359,506	\$ 88,000	359,506	1.25%~1.55%	Note 18
			\$ 850,000			

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

- Note 2: The Group has signed commercial papers amounting to USD 166,900 thousand and \$530,000 that were pledged to others as collateral.
- Note 3: The Group has signed commercial papers amounting to USD 15 million and \$447,600 that were pledged to others as collateral.
- Note 4: The Group has signed commercial papers amounting to USD 196,500 thousand and \$20,000 that were pledged to others as collateral.
- Note 5: The Group has signed commercial papers amounting to \$203,500 that were pledged to others as collateral.
- Note 6: The Group has signed commercial papers amounting to \$527,505 that were pledged to others as collateral.
- Note 7: The Group has signed commercial papers amounting to USD 25 million and \$2,310,000 that were pledged to others as collateral.
- Note 8: The Group has signed commercial papers amounting to USD 135,630 thousand that were pledged to others as collateral.
- Note 9: The Group has signed commercial papers amounting to USD 7,700 thousand and \$1,500,000 that were pledged to others as collateral.
- Note 10: The Group has signed commercial papers amounting to \$9,000,000 that were pledged to others as collateral.
- Note 11: The Group has signed commercial papers amounting to USD 22 million and \$600,000 that were pledged to others as collateral.
- Note 12: The Group has signed commercial papers amounting to USD 22 million and \$400,000 that were pledged to others as collateral.
- Note 13: The Group has signed commercial papers amounting to USD 44,300 thousand that were pledged to others as collateral.
- Note 14: The Group has signed commercial papers amounting to USD 114 million that were pledged to others as collateral.
- Note 15: The Group has signed commercial papers amounting to USD 225 thousand and \$1,000 that were pledged to others as collateral.
- Note 16: The Group has signed commercial papers amounting to USD 3 million that were pledged to others as collateral.
- Note 17: The Group has provided demand deposits amounting to USD 140 thousand that were pledged to others as collateral.
- Note 18: The Group has signed commercial papers amounting to \$760,000 that were pledged to others as collateral.

(7) Other receivables

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Retention amount of factoring accounts receivable	\$ 8,977,534	\$ 10,448,677	\$ 7,027,330
VAT refund	355,000	348,744	372,224
Others	138,916	402,431	263,478
	<u>\$ 9,471,450</u>	<u>\$ 11,199,852</u>	<u>\$ 7,663,032</u>

(8) Inventories

	<u>September 30, 2017</u>		
	<u>Cost</u>	<u>Allowance for valuation</u>	<u>Book value</u>
Inventories	\$ 59,847,584	(\$ 1,008,690)	\$ 58,838,894
Inventories in transit	2,238,699	-	2,238,699
	<u>\$ 62,086,283</u>	<u>(\$ 1,008,690)</u>	<u>\$ 61,077,593</u>

	<u>December 31, 2016</u>		
	<u>Cost</u>	<u>Allowance for valuation</u>	<u>Book value</u>
Inventories	\$ 47,711,985	(\$ 1,061,430)	\$ 46,650,555
Inventories in transit	3,276,610	-	3,276,610
	<u>\$ 50,988,595</u>	<u>(\$ 1,061,430)</u>	<u>\$ 49,927,165</u>

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

The cost of inventories recognised as expense for the period:

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Cost of goods sold	\$ 140,369,779	\$ 136,164,456
Loss on price decline in inventory	145,263	161,308
(Gain) loss on physical inventory	(79)	2,095
Cost of goods sold	<u>\$ 140,514,963</u>	<u>\$ 136,327,859</u>

	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Cost of goods sold	\$ 377,034,518	\$ 380,228,528
Loss on price decline in inventory	262,989	496,812
Loss on physical inventory	2,256	3,764
Cost of goods sold	<u>\$ 377,299,763</u>	<u>\$ 380,729,104</u>

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

<u>Investee company</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Tyche Partners, LP.	\$ 138,217	\$ 138,217	\$ 63,364
Ability I Venture Capital Corporation	100,000	100,000	100,000
CDIB CME Fund Ltd.	100,000	100,000	100,000
Nanjing Sunlord Electronics Corporation Ltd.	44,918	45,570	-
Silicon Line GmbH	40,851	40,851	40,851
DIGITIMES Inc.	33,035	-	-
M Cube Inc.	30,365	30,365	30,365
Ability Asia Capital Corporation	25,000	25,000	25,000
Chlen Hwa Coating Technology Inc.	20,000	20,000	20,000
GEC Technology Hong Kong Company Limited	19,994	19,994	19,994
Battery Energy Technology Inc.	18,000	18,000	18,000
Fantasy Story Inc.	15,047	15,047	15,047
Liefco Optical Inc.	15,000	15,000	15,000
Systemweb Technologies Co., Ltd.	12,600	12,600	12,600
Centillion III Venture Capital Corp.	10,500	10,500	10,500
SmartDisplayer Technology Co., Ltd.	10,000	10,000	10,000
PTR-Tech Technology Co., Ltd.	10,000	10,000	10,000
FineMat Applied Materials Co., Ltd.	-	11,941	11,941
Others	<u>59,278</u>	<u>56,803</u>	<u>55,928</u>
	702,805	679,888	558,590
Less: Accumulated impairment	( <u>174,463</u> )	( <u>171,409</u> )	( <u>117,063</u> )
	<u>\$ 528,342</u>	<u>\$ 508,479</u>	<u>\$ 441,527</u>

- A. As of September 30, 2017, December 31, 2016 and September 30, 2016, no financial assets measured at cost held by the Group were pledged to others.
- B. Based on the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as these stocks are not traded in active market, and sufficient industry information of companies similar to the investee or the investee's financial information cannot be obtained, the fair value of the investment in stocks cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets measured at cost'.
- C. There was no impairment on financial assets measured as cost - non-current for the nine months ended September 30, 2017 and 2016. Details are provided in Note 6(14).



(10) Investments accounted for under the equity method

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

<u>Investee company</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
CECI Technology Co., Ltd.	\$ 605,221	\$ 583,371	\$ 573,070
ChainPower Technology Corp.	149,003	152,983	145,046
Sunrise Technology Co., Ltd.	68,704	80,331	79,259
Eesource Corp.	68,574	82,758	75,029
Suzhou Xinning Bonded Warehouse Co., Ltd.	59,665	54,439	50,763
Adivic Technology Co., Ltd.	59,715	32,446	38,126
Yosun Japan Corp.	9,242	37,828	34,032
Suzhou Xinning Logistics Co., Ltd.	31,292	33,633	32,947
Gain Tune Logistics (Shanghai) Co., Ltd.	31,671	34,400	33,833
VITEC WPG Limited	41,364	39,708	36,660
Others	2,203	428	505
	<u>\$ 1,126,654</u>	<u>\$ 1,132,325</u>	<u>\$ 1,099,270</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 September 30, 2017, December 31, 2016 and September 30, 2016, the carrying amount of the Group's individually immaterial associates amounted to \$1,126,654, \$1,132,325 and \$1,099,270, respectively.

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Profit for the period from continuing operations	\$ 29,778	\$ 8,284
Other comprehensive income (loss) - net of tax	5,341	(6,664)
Total comprehensive income	<u>\$ 35,119</u>	<u>\$ 1,620</u>
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Profit for the period from continuing operations	\$ 56,355	\$ 22,300
Other comprehensive loss - net of tax	(33,443)	(4,850)
Total comprehensive income	<u>\$ 22,912</u>	<u>\$ 17,450</u>

C. There was no impairment on investments accounted for using equity method for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016.

- D. The investment balance of the abovementioned investees accounted for using equity method as of and for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016 were assessed based on the investees' unreviewed financial statements of the same periods.

(11) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>At January 1, 2017</u>								
Cost	\$2,281,371	\$2,103,545	\$ 18,809	\$ 526,282	\$ 499,499	\$ 210,204	\$ 2,688	\$5,642,398
Accumulated depreciation	-	( 451,224)	( 11,322)	( 423,925)	( 300,335)	( 164,588)	-	( 1,351,394)
Accumulated impairment	( 1,582)	( 10,764)	-	-	-	-	-	( 12,346)
	<u>\$2,279,789</u>	<u>\$1,641,557</u>	<u>\$ 7,487</u>	<u>\$ 102,357</u>	<u>\$ 199,164</u>	<u>\$ 45,616</u>	<u>\$ 2,688</u>	<u>\$4,278,658</u>
<u>Nine months ended September 30, 2017</u>								
Opening net book amount	\$2,279,789	\$1,641,557	\$ 7,487	\$ 102,357	\$ 199,164	\$ 45,616	\$ 2,688	\$4,278,658
Additions	-	1,490	3,629	14,342	6,094	6,358	815,512	847,425
Disposals	-	-	( 1,687)	( 1,976)	( 92)	( 25)	-	( 3,780)
Transfer (Note)	-	352	-	1,424	( 1,369)	4,088	( 2,093)	2,402
Depreciation charge	-	( 50,892)	( 2,015)	( 33,488)	( 36,461)	( 17,699)	-	( 140,555)
Effect due to changes in exchange rates	( 2,208)	( 14,065)	( 272)	( 3,521)	( 2,702)	( 783)	( 653)	( 24,204)
Closing net book amount	<u>\$2,277,581</u>	<u>\$1,578,442</u>	<u>\$ 7,142</u>	<u>\$ 79,138</u>	<u>\$ 164,634</u>	<u>\$ 37,555</u>	<u>\$ 815,454</u>	<u>\$4,959,946</u>
<u>At September 30, 2017</u>								
Cost	\$2,279,163	\$2,089,321	\$ 19,595	\$ 459,381	\$ 471,836	\$ 215,401	\$ 815,454	\$6,350,151
Accumulated depreciation	-	( 500,114)	( 12,453)	( 380,243)	( 307,202)	( 177,846)	-	( 1,377,858)
Accumulated impairment	( 1,582)	( 10,765)	-	-	-	-	-	( 12,347)
	<u>\$2,277,581</u>	<u>\$1,578,442</u>	<u>\$ 7,142</u>	<u>\$ 79,138</u>	<u>\$ 164,634</u>	<u>\$ 37,555</u>	<u>\$ 815,454</u>	<u>\$4,959,946</u>

Note: Inventories and other non-current assets amounting to \$2,050 and \$352 were transferred to property, plant and equipment, respectively.

	Land	Buildings and structures	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
<u>At January 1, 2016</u>								
Cost	\$2,291,275	\$2,365,315	\$ 20,894	\$ 535,144	\$ 528,154	\$ 199,322	\$ 458	\$5,940,562
Accumulated depreciation	-	( 414,810)	( 14,282)	( 393,552)	( 301,006)	( 148,246)	-	( 1,271,896)
Accumulated impairment	( 1,582)	( 10,764)	-	-	-	-	-	( 12,346)
	<u>\$2,289,693</u>	<u>\$1,939,741</u>	<u>\$ 6,612</u>	<u>\$ 141,592</u>	<u>\$ 227,148</u>	<u>\$ 51,076</u>	<u>\$ 458</u>	<u>\$4,656,320</u>
<u>Nine months ended September 30, 2016</u>								
Opening net book amount	\$2,289,693	\$1,939,741	\$ 6,612	\$ 141,592	\$ 227,148	\$ 51,076	\$ 458	\$4,656,320
Additions	-	2,581	4,816	18,828	35,733	9,543	22,293	93,794
Disposals	-	( 48)	( 467)	( 3,377)	( 5,764)	( 207)	( 243)	( 10,106)
Transfer (Note)	23,082	24,533	( 484)	1,240	1,869	353	( 3,007)	47,586
Decrease in consolidated entities	-	-	-	( 2,093)	-	-	-	( 2,093)
Depreciation charge	-	( 50,862)	( 1,962)	( 44,918)	( 39,779)	( 21,990)	-	( 159,511)
Effect due to changes in exchange rates	9,409	( 60,319)	( 375)	( 4,094)	( 7,081)	3,592	( 636)	( 59,504)
Closing net book amount	<u>\$2,322,184</u>	<u>\$1,855,626</u>	<u>\$ 8,140</u>	<u>\$ 107,178</u>	<u>\$ 212,126</u>	<u>\$ 42,367</u>	<u>\$ 18,865</u>	<u>\$4,566,486</u>
<u>At September 30, 2016</u>								
Cost	\$2,323,766	\$2,330,714	\$ 19,501	\$ 518,958	\$ 512,928	\$ 199,734	\$ 18,865	\$5,924,466
Accumulated depreciation	-	( 464,324)	( 11,361)	( 411,780)	( 300,802)	( 157,367)	-	( 1,345,634)
Accumulated impairment	( 1,582)	( 10,764)	-	-	-	-	-	( 12,346)
	<u>\$2,322,184</u>	<u>\$1,855,626</u>	<u>\$ 8,140</u>	<u>\$ 107,178</u>	<u>\$ 212,126</u>	<u>\$ 42,367</u>	<u>\$ 18,865</u>	<u>\$4,566,486</u>

Note: Inventories and investment property amounting to \$81 and \$47,505 were transferred to property, plant and equipment, respectively.

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Amount capitalised	\$ 2,160	\$ -
Range of the interest rates for capitalisation	1.05%~1.06%	-

	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Amount capitalised	\$ 4,040	\$ -
Range of the interest rates for capitalisation	1.05%~1.09%	-

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

(12) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2017</u>			
Cost	\$ 354,128	\$ 1,023,373	\$ 1,377,501
Accumulated depreciation	-	(160,370)	(160,370)
	<u>\$ 354,128</u>	<u>\$ 863,003</u>	<u>\$ 1,217,131</u>
<u>Nine months ended September 30, 2017</u>			
Opening net book amount	\$ 354,128	\$ 863,003	\$ 1,217,131
Additions	-	190	190
Depreciation charge	-	(17,682)	(17,682)
Others	(94)	-	(94)
Effect due to changes in exchange rates	-	(11,455)	(11,455)
Closing net book amount	<u>\$ 354,034</u>	<u>\$ 834,056</u>	<u>\$ 1,188,090</u>
<u>At September 30, 2017</u>			
Cost	\$ 354,034	\$ 1,010,909	\$ 1,364,943
Accumulated depreciation	-	(176,853)	(176,853)
	<u>\$ 354,034</u>	<u>\$ 834,056</u>	<u>\$ 1,188,090</u>

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

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

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

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Rental revenue from investment property	<u>\$ 18,338</u>	<u>\$ 12,840</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 4,827</u>	<u>\$ 4,322</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 1,128</u>	<u>\$ 1,608</u>
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Rental revenue from investment property	<u>\$ 49,383</u>	<u>\$ 31,596</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 13,146</u>	<u>\$ 10,694</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 4,536</u>	<u>\$ 5,051</u>

- B. The fair value of the investment property held by the Group as of September 30, 2017, December 31, 2016 and September 30, 2016 was \$1,662,465, \$1,590,508 and \$1,536,660, respectively. The fair value as of September 30, 2017, December 31, 2016 and September 30, 2016 was based on independent appraisers' valuation, which was 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:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Discount rate	2%~2.75%	2%~2.75%	2%~2.5%
Growth rate	0%~1%	0%~1%	1%
Gross margin	1.87%~2.88%	1.87%~2.67%	2.7%

- C. There is no impairment loss on investment property.

- D. For investment property pledged for guarantee, please refer to Note 8.

(13) Intangible assets

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2017</u>					
Cost	\$ 308,230	\$ 228,230	\$ 5,683,269	\$ 69,970	\$6,289,699
Accumulated amortisation and impairment	( 306,659)	( 185,850)	( 131,609)	( 65,637)	( 689,755)
	<u>\$ 1,571</u>	<u>\$ 42,380</u>	<u>\$ 5,551,660</u>	<u>\$ 4,333</u>	<u>\$5,599,944</u>
<u>Nine months ended September 30, 2017</u>					
Opening net book amount	\$ 1,571	\$ 42,380	\$ 5,551,660	\$ 4,333	\$5,599,944
Additions-acquired separately	-	4,207	-	-	4,207
Amortisation charge	( 1,571)	( 14,706)	-	( 3,662)	( 19,939)
Effect due to changes in exchange rates	-	( 394)	( 13,260)	( 212)	( 13,866)
Closing net book amount	<u>\$ -</u>	<u>\$ 31,487</u>	<u>\$ 5,538,400</u>	<u>\$ 459</u>	<u>\$5,570,346</u>
<u>At September 30, 2017</u>					
Cost	\$ 290,085	\$ 221,840	\$ 5,661,889	\$ 63,077	\$6,236,891
Accumulated amortisation and impairment	( 290,085)	( 190,353)	( 123,489)	( 62,618)	( 666,545)
	<u>\$ -</u>	<u>\$ 31,487</u>	<u>\$ 5,538,400</u>	<u>\$ 459</u>	<u>\$5,570,346</u>

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2016</u>					
Cost	\$ 356,692	\$ 197,776	\$ 5,691,164	\$ 70,730	\$6,316,362
Accumulated amortisation and impairment	( 349,467)	( 163,070)	( 73,646)	( 59,025)	( 645,208)
	<u>\$ 7,225</u>	<u>\$ 34,706</u>	<u>\$ 5,617,518</u>	<u>\$ 11,705</u>	<u>\$5,671,154</u>
<u>Nine months ended September 30, 2016</u>					
Opening net book amount	\$ 7,225	\$ 34,706	\$ 5,617,518	\$ 11,705	\$5,671,154
Additions-acquired separately	-	11,663	-	-	11,663
Effect of consolidated entity's movement	-	-	( 1,718)	-	( 1,718)
Amortisation charge	( 6,149)	( 16,978)	-	( 5,010)	( 28,137)
Impairment loss	-	-	( 55,580)	-	( 55,580)
Effect due to changes in exchange rates	1,281	( 1,021)	( 14,490)	( 1,617)	( 15,847)
Closing net book amount	<u>\$ 2,357</u>	<u>\$ 28,370</u>	<u>\$ 5,545,730</u>	<u>\$ 5,078</u>	<u>\$5,581,535</u>
<u>At September 30, 2016</u>					
Cost	\$ 342,952	\$ 208,489	\$ 5,666,607	\$ 67,774	\$6,285,822
Accumulated amortisation and impairment	( 340,595)	( 180,119)	( 120,877)	( 62,696)	( 704,287)
	<u>\$ 2,357</u>	<u>\$ 28,370</u>	<u>\$ 5,545,730</u>	<u>\$ 5,078</u>	<u>\$5,581,535</u>

The details of amortisation charge are as follows:

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Selling and marketing expenses	\$ 2,108	\$ 4,036
General and administrative expenses	3,888	4,417
	<u>\$ 5,996</u>	<u>\$ 8,453</u>
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Selling and marketing expenses	\$ 8,101	\$ 13,057
General and administrative expenses	11,838	15,368
	<u>\$ 19,939</u>	<u>\$ 28,425</u>

The amortisation charge above includes amortisation of deferred expenses accounted as 'Other non-current asset' for the nine months ended September 30, 2016.

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Yosun subgroup	\$ 3,646,326	\$ 4,711,379	\$ 4,706,504
World Peace subgroup	1,647,792	595,998	594,943
Others	244,282	244,283	244,283
	<u>\$ 5,538,400</u>	<u>\$ 5,551,660</u>	<u>\$ 5,545,730</u>

B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been



determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

Except for goodwill arising from investing in World Peace Industrial Co., Ltd.'s indirect subsidiary - Long-Think International (Shanghai) Limited, and Genuine C&C (South Asia) Pte Ltd. which incurred impairment loss of \$55,580 as the estimated recoverable amount was lower than the carrying amount, in the second and third quarter of 2016, the remaining goodwill was not impaired as the recoverable amount calculated using the value-in-use exceeded the carrying amount. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

Management determined budgeted gross margin based on past performance and its expectations of market development. The assumptions used for weighted average growth rates are based on past historical experience and expectations of industry; the assumption used for discount rate is the weighted average capital cost of the Group. As of September 30, 2017, December 31, 2016 and September 30, 2016, the key valuations used for pre-tax discount rate were 5.91%, 5.55% and 5.55%, respectively.

C. Impairment information about the intangible assets is provided in Note 6(14).

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

The Group recognised impairment loss amounting to \$8,742, \$7,811, \$9,111 and \$62,103 for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016, respectively. Details of such loss are as follows:

	Three months ended September 30,			
	2017		2016	
	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	\$ 8,742	\$ -	\$ 5,249	\$ -
Impairment loss - goodwill	-	-	2,562	-
	<u>\$ 8,742</u>	<u>\$ -</u>	<u>\$ 7,811</u>	<u>\$ -</u>

	Nine months ended September 30,			
	2017		2016	
	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	\$ 9,111	\$ -	\$ 6,523	\$ -
Impairment loss - goodwill	-	-	55,580	-
	<u>\$ 9,111</u>	<u>\$ -</u>	<u>\$ 62,103</u>	<u>\$ -</u>

(15) Overdue receivables (shown as “other non-current assets”)

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Overdue receivables	\$ 1,041,395	\$ 718,231	\$ 737,304
Less: Allowance for doubtful accounts	( 1,041,395)	( 718,231)	( 737,304)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2017</u>	<u>2016</u>
	<u>Individual provision</u>	<u>Individual provision</u>
At January 1	\$ 718,231	\$ 648,790
Reversal of impairment	( 31,487)	4,726
Write-off of bad debts	( 17,748)	( 62,897)
Transferred from accounts receivable	412,891	171,475
Effect due to changes in exchange rates	( 40,492)	( 15,338)
At September 30	<u>\$ 1,041,395</u>	<u>\$ 737,304</u>

(16) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Loans for overseas purchases	\$ 34,594,965	\$ 26,322,079	\$ 25,440,832
Short-term loans	<u>22,367,118</u>	<u>26,531,994</u>	<u>22,045,931</u>
	<u>\$ 56,962,083</u>	<u>\$ 52,854,073</u>	<u>\$ 47,486,763</u>
Annual interest rates	<u>0.90%~4.57%</u>	<u>0.95%~5.00%</u>	<u>0.95%~5.00%</u>

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

(17) Short-term notes and bills payable

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Commercial papers payable	\$ 3,850,000	\$ 4,205,000	\$ 4,045,000
Less: Unamortised discount	( 2,815)	( 2,081)	( 1,955)
	<u>\$ 3,847,185</u>	<u>\$ 4,202,919</u>	<u>\$ 4,043,045</u>
Annual interest rates	<u>0.52%~1.16%</u>	<u>0.46%~1.41%</u>	<u>0.45%~1.43%</u>

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

(18) Bonds payable

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Bonds payable	\$ -	\$ 3,575,800	\$ 4,687,600
Less: Discount on bonds payable	-	( 26,476)	( 50,339)
	-	3,549,324	4,637,261
Less: Current portion of bonds payable (shown as "other current liabilities")	-	( 3,549,324)	( 4,637,261)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after one month of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price (\$42.8 (in dollars) per share) of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. Before maturity, the conversion price was \$35.4.

(d) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taiwan Over-The-Counter Securities Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$232,800 were separated from the liability component and were recognised in 'capital surplus-stock warrants' in accordance with IAS 32. As of the maturity date on July 25, 2017, the balance of capital surplus, share options was \$0 after the bondholder exercised conversion right.

C. As of the maturity date on July 25, 2017, convertible bonds with face value of \$5,995,100 had been converted to 169,353 thousand ordinary shares. As for the other unconverted

bonds totaling \$4,900 at face value, the Company redeemed the bonds in cash accordingly.

D. The amortisation of discount on bonds payable was \$163, \$17,976, \$20,723 and \$58,003 for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016, respectively.

(19) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period / repayment term</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Secured bank borrowings (Note 1 and Note 2)	2012.01.02~2027.01.02	\$ 500,013	\$ 541,079	\$ 559,544
Unsecured bank borrowings (Note 3~ Note 12)	2014.01.10~2020.09.14	12,205,920	12,052,500	12,072,400
		12,705,933	12,593,579	12,631,944
Less : Current portion of long-term borrowings (shown as other current liabilities)		( 386,544)	( 7,397,138)	( 6,107,976)
		<u>\$ 12,319,389</u>	<u>\$ 5,196,441</u>	<u>\$ 6,523,968</u>
Interest rate range		<u>1.20%~3.14%</u>	<u>1.20%~2.05%</u>	<u>1.25%~1.94%</u>

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

Note 1: (a) The Company had entered into a long-term agreement for fifteen years with a financial institution. The pledged assets are the land and building of Linkou warehouse. The principal should be repaid in equal monthly installments starting 2015.

(b) In November 2014, the lending financial institution agreed to grant a grace period of one year, therefore the start of the repayment of the principal has been moved to January 2016, which will be in equal monthly installments.

(c) The interest rate is the index interest rate plus 0.21% from the borrowing day to January 2, 2013, plus 0.25% from January 2, 2013, plus 0.25% from January 2, 2014, plus 0.35% from January 2, 2015, plus 0.42% from January 2, 2016 and plus 0.44% from January 2, 2017, plus 1.5% from January 2, 2018.

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 \$67,905 and \$69,126, 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 syndicated borrowing agreement with E. SUN Commercial Bank and other financial institutions on December 26, 2013. The terms and conditions of the contract were as

follows:

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

The contract was due on January 10, 2017, Richpower Electronic Devices Co., Ltd. and Richpower Electronic Devices Co., Limited did not violate the financial commitments in the contract period. Richpower Electronic Devices Co., Ltd. and its subsidiary, Silicon Application Corporation, met all the financial commitments stated in the contract.

Note 4: Silicon Application Corporation, the Company's subsidiary, had entered into a syndicated borrowing agreement with Mega International Commercial Bank and other financial institutions on November 27, 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: The facility is \$2,400,000, could be multiple drawdowns or revolving, however the total amount at any time cannot exceed the facility amount.

- (c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown's term. At the end of the contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.
- (d) Loan covenant: During the contract term, Silicon Application Corporation is required to maintain financial ratios as follows: the liquidity ratio should not be less than 100%, debt ratio should not be higher than 220%, time interest earned ratio should not be less than 3 and net value (net intangible assets) should be maintained at or above \$3,000,000.

The loan was settled on August 28, 2017. During the contract term, Silicon Application Corporation did not violate any provision from the aforementioned loan covenant.

Note 5: Silicon Application Corporation, the Company's subsidiary, had entered into a syndicated borrowing agreement with Bank of Taiwan and other financial institutions on May 16, 2017. 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 \$2,600,000, could be multiple drawdowns or revolving, however the total amount at any time cannot exceed the facility amount.
- (c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown's term. At the end of the contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.
- (d) Loan covenant: During the contract term, Silicon Application Corporation is required to maintain financial ratios as follows: the liquidity ratio should not be less than 100%, debt ratio should not be higher than 220%, time interest earned ratio should not be less than 3 and net value (net intangible assets) should be maintained at or above \$3,000,000. If Silicon Application Corporation could not meet any of the abovementioned covenants due to the adoption of IFRSs, then Silicon Application Corporation should, within six months of delivering the first IFRS financial statements to the bank, renegotiate the terms of the covenant with the syndicate of lending financial institutions, and obtain the agreement of the majority of the syndicate.

Silicon Application Corporation met all the financial commitments stated in the contract.

Note 6: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a syndicated borrowing 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.

The contract was due on September 30, 2017. During the contract term, WPI did not violate any provision from the aforementioned loan covenant.

Note 7: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a syndicated borrowing agreement with Hua Nan Commercial Bank, Mizuho Corporate Bank, E. SUN Commercial Bank, Taiwan Cooperative Bank, Chang Hwa Commercial Bank, Far Eastern International Bank and other financial institutions on August 31, 2017. 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 30 or 180 days ; One months at the least 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 250%, 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.

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

Note 8: The Company's subsidiary, Asian Information Technology Inc., and indirect subsidiary, Frontek Technology Corporation, had entered into long-term loan agreements for a period of two years with Yuanta Commercial Bank in May 2014 and December 2014 with facilities of \$400,000 and \$300,000, respectively. Payment terms are the following: monthly interest payments, principal is payable upon maturity, and loans can be drawdown or repaid at any time during the term of the contract.

The subsidiary, Asian Information Technology Inc., and indirect subsidiary, Frontek Technology Corporation, have renewed the long-term loan agreement for two more years with Yuanta Commercial Bank in April 2015 and December 2016, respectively. Facilities and related regulations were in agreement with those referred above.

The contract was due in April 2017. During the contract term, Asian Information Technology Inc. did not violate any provision from the loan covenant.

Note 9: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with Taipei Fubon Commercial Bank, 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.

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

Note 10: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with The Bank of Tokyo-Mitsubishi UFJ on September 23, 2016. 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 \$700,000,000. 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 must be repaid in full at the end of each drawdown's term. Interests shall be paid quarterly.
- (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, net value (net intangible assets) should not be less than \$10,000,000 and the ratio of liability divided by

earnings before interest, taxes, depreciation and amortization (EBITDA) should not be higher than 10. If the covenants are not met, 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 obtained from signing of the contract.

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

Note 11: On June 12, 2017, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 2 billion until March 15, 2020. The principal is payable in 10 quarterly installments of KRW 200 million each starting from December 15, 2017. The interest is payable quarterly.

Note 12: On June 12, 2017, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 1 billion until June 15, 2020. The principal is payable in 10 quarterly installments of KRW 100 million each starting from December 15, 2017. The interest is payable quarterly.

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

subsidiaries will make contribution for the deficit by next March.

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

- (b) For the aforementioned pension plan, the Company and its domestic subsidiaries recognised pension costs of \$4,314, \$4,984, \$12,951 and \$15,240 for the three months ended September 30, 2017 and 2016 and nine months ended September 30, 2017 and 2016, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2018 are \$23,414.

**B. Defined contribution plans**

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on not less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Other overseas companies have defined contribution plans. Contributions for pensions and retirement allowance to independent fund administered by the government in accordance with the local pension regulations are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the companies have no further obligations.
- (c) The pension costs of the Group under the defined contribution pension plans for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016 were \$83,162, \$85,719, \$235,917 and \$262,244, respectively.

**(21) Share capital**

As of September 30, 2017, 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 \$18,250,618 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares outstanding (in thousands of shares) for the nine months ended September 30, 2017 and 2016 are as follows:

	2017	2016
At January 1	1,723,895	1,655,670
Convertible bonds converted to shares	101,167	37,073
Disposal of Company's share by subsidiaries	-	39
At September 30	<u>1,825,062</u>	<u>1,692,782</u>

(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 options are provided in Note 6 (18).

	2017					
	<u>Share premium</u>	<u>Treasury share transaction</u>	<u>Recognised changes in subsidiaries' equity</u>	<u>Changes in associates' net equity</u>	<u>Stock options</u>	<u>Total</u>
January 1	\$ 16,694,715	\$ 45,177	\$ 431	\$ 21,989	\$138,741	\$ 16,901,053
Convertible bonds converted to shares	<u>2,695,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 138,741)</u>	<u>2,556,419</u>
September 30	<u>\$ 19,389,875</u>	<u>\$ 45,177</u>	<u>\$ 431</u>	<u>\$ 21,989</u>	<u>\$ -</u>	<u>\$ 19,457,472</u>

  

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

(23) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used to set aside as legal reserve, and set aside as special reserve in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, to be appropriated shall be proposed by the Board of Directors. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed.

Employees of the Company's subsidiaries are entitled to receive the distribution of earnings. The terms shall be defined by the Board of Directors.

- B. Legal reserve can only be used to cover accumulated losses or issue new shares or cash to shareholders in proportion to their share ownership, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of earnings for 2016 and 2015 had been resolved at the stockholders' meeting on June 19, 2017 and June 22, 2016, respectively. Details are summarized below:

	Years ended December 31,			
	2016		2015	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	\$ 531,288	\$ -	\$ 542,047	\$ -
Cash dividends	4,178,311	2.40	3,973,703	2.40
	<u>\$ 4,709,599</u>	<u>\$ 2.40</u>	<u>\$ 4,515,750</u>	<u>\$ 2.40</u>

The above appropriations of earnings for 2016 and 2015 as resolved by the shareholders are the same with the amounts resolved by the Board of Directors.

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

(24) Other equity items

	2017		
	Available-for-sale investment	Currency translation	Total
At January 1	(\$ 10,088)	\$ 918,151	\$ 908,063
Revaluation - gross	59,228	-	59,228
Revaluation associates	28	-	28
Cumulative translation differences:			
- Group	- ( 4,063,018)	( 4,063,018)	
- Tax on Group	- ( 1,216)	( 1,216)	
- Associates	- ( 33,471)	( 33,471)	
At September 30	<u>\$ 49,168</u>	<u>(\$ 3,179,554)</u>	<u>(\$ 3,130,386)</u>

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

(25) Operating revenue

	Three months ended September 30,	
	2017	2016
Sales revenue	\$ 146,628,292	\$ 142,232,284
Service revenue	39,199	26,483
	<u>\$ 146,667,491</u>	<u>\$ 142,258,767</u>

	Nine months ended September 30,	
	2017	2016
Sales revenue	\$ 393,908,774	\$ 397,495,467
Service revenue	140,679	55,368
	<u>\$ 394,049,453</u>	<u>\$ 397,550,835</u>

(26) Other income

	Three months ended September 30,	
	2017	2016
Bad debts transferred to revenue	\$ 34,497	\$ -
Rental revenue	19,260	15,721
Dividend income	21,892	22,327
Interest income	11,105	9,650
Other income	10,197	40,870
	<u>\$ 96,951</u>	<u>\$ 88,568</u>

	Nine months ended September 30,	
	2017	2016
Bad debts transferred to revenue	\$ 351,718	\$ -
Rental revenue	51,926	42,111
Dividend income	30,462	40,952
Interest income	22,535	27,088
Other income	95,309	164,011
	<u>\$ 551,950</u>	<u>\$ 274,162</u>

(27) Other gains and losses

		<u>Three months ended September 30,</u>	
		<u>2017</u>	<u>2016</u>
Gain on disposal of investments	\$	1,726	\$ 3,390
Gain (loss) on financial assets and liabilities at fair value through profit or loss		13,984	( 30,302)
Loss on disposal of property, plant and equipment and investment property	(	222)	( 1,181)
Currency exchange gain		87,489	60,980
Impairment loss	(	8,742)	( 7,811)
Other losses	(	17,592)	( 26,112)
	\$	<u>76,643</u>	<u>(\$ 1,036)</u>

		<u>Nine months ended September 30,</u>	
		<u>2017</u>	<u>2016</u>
Gain on disposal of investments	\$	17,969	\$ 976
Loss on financial assets and liabilities at fair value through profit or loss	(	5,532)	( 21,917)
Loss on disposal of property, plant and equipment and investment property	(	773)	( 4,252)
Currency exchange gain		329,312	136,955
Impairment loss	(	9,111)	( 62,103)
Other losses	(	38,461)	( 52,467)
	\$	<u>293,404</u>	<u>(\$ 2,808)</u>

(28) Finance costs

		<u>Three months ended September 30,</u>	
		<u>2017</u>	<u>2016</u>
Interest expense:			
Bank borrowings	\$	427,439	\$ 306,282
Convertible bonds		163	17,976
Less: Capitalization of qualifying assets	(	2,160)	-
Others		46,135	55,612
	\$	<u>471,577</u>	<u>\$ 379,870</u>

		<u>Nine months ended September 30,</u>	
		<u>2017</u>	<u>2016</u>
Interest expense:			
Bank borrowings	\$	1,145,090	\$ 923,222
Convertible bonds		20,723	58,003
Less: Capitalization of qualifying assets	(	4,040)	-
Others		139,260	156,894
	\$	<u>1,301,033</u>	<u>\$ 1,138,119</u>

(29) Additional information of expenses by nature

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Employee benefit expense	<u>\$ 2,229,410</u>	<u>\$ 2,153,726</u>
Depreciation charges on property and equipment (including investment property)	<u>\$ 51,105</u>	<u>\$ 56,314</u>
Amortisation charges on intangible assets and other non-current assets	<u>\$ 5,996</u>	<u>\$ 8,453</u>
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Employee benefit expense	<u>\$ 6,039,956</u>	<u>\$ 6,098,861</u>
Depreciation charges on property and equipment (including investment property)	<u>\$ 158,237</u>	<u>\$ 175,256</u>
Amortisation charges on intangible assets and other non-current assets	<u>\$ 19,939</u>	<u>\$ 28,425</u>

(30) Employee benefit expense

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Wages and salaries	\$ 1,998,213	\$ 1,918,489
Labor and health insurance fees	84,348	82,672
Pension costs	87,476	90,703
Other personnel expenses	59,373	61,862
	<u>\$ 2,229,410</u>	<u>\$ 2,153,726</u>
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Wages and salaries	\$ 5,367,270	\$ 5,386,195
Labor and health insurance fees	247,684	253,363
Pension costs	248,868	277,484
Other personnel expenses	176,134	181,819
	<u>\$ 6,039,956</u>	<u>\$ 6,098,861</u>

- A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be between 0.01% ~5% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.



- B. For the three months ended September 30, 2017 and 2016 and nine months ended September 30, 2017 and 2016, employees' compensation was accrued at \$7,348, \$5,223, \$18,294 and \$15,669, respectively; while directors' and supervisors' remuneration was accrued at \$8,750, \$7,500, \$26,250 and \$22,500, respectively. The aforementioned amounts were recognised in salary expenses.

For the three months ended September 30, 2017 and nine months ended September 30, 2017, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the profit of current year distributable for the year ended December 31, 2017 and the percentage as prescribed by the Company's Articles of Incorporation.

The difference between employees' compensation of \$11,080 and directors' and supervisors' remuneration of \$30,000 as resolved by the Board of Directors and employees' compensation of \$20,892 and directors' and supervisors' remuneration of \$30,000 recognised in the 2016 financial statements by \$9,812 had been adjusted in the profit or loss of the first quarter in 2017. The employees' compensation was distributed in the form of cash.

- C. Information about employees' compensation 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:

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Current tax		
Current tax on profits for the period	\$ 425,661	\$ 368,155
Tax on undistributed surplus earnings	-	-
Prior year income tax underestimation	<u>2,782</u>	<u>3,361</u>
Total current tax	<u>428,443</u>	<u>371,516</u>
Deferred tax		
Origination and reversal of temporary differences	( <u>3,830</u> )	<u>26,331</u>
Income tax expense	<u>\$ 424,613</u>	<u>\$ 397,847</u>

	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Current tax		
Current tax on profits for the period	\$ 1,156,153	\$ 1,121,288
Tax on undistributed surplus earnings	53,736	76,807
Prior year income tax (over)		
underestimation	( 5,759)	2,227
Total current tax	<u>1,204,130</u>	<u>1,200,322</u>
Deferred tax		
Origination and reversal of temporary		
differences	<u>18,001</u>	<u>12,787</u>
Income tax expense	<u>\$ 1,222,131</u>	<u>\$ 1,213,109</u>

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

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Currency translation differences	<u>\$ 4,151</u>	<u>(\$ 18,754)</u>

	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Currency translation differences	<u>\$ 1,216</u>	<u>(\$ 40,367)</u>

- B. The Company's income tax returns through 2012 have been assessed and approved by the Tax Authority.

- C. Unappropriated retained earnings:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Earnings generated after			
1998	<u>\$ 11,687,621</u>	<u>\$ 10,734,088</u>	<u>\$ 10,462,460</u>

- D. As of September 30, 2017, December 31, 2016 and September 30, 2016, the balance of the imputation tax credit account was \$956,672, \$861,957 and \$849,212, respectively.

- E. Creditable ratio of appropriated retained earnings:

	<u>2016 (Actual)</u>	<u>2015 (Actual)</u>
Creditable ratio	<u>15.95%</u>	<u>15.50%</u>

(32) Earnings per share

Three months ended September 30, 2017			
	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 parent	<u>\$ 2,025,996</u>	<u>1,823,753</u>	<u>\$ 1.11</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,025,996	1,823,753	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	138	1,347	
Employees' compensation	<u>-</u>	<u>182</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,026,134</u>	<u>1,825,282</u>	<u>\$ 1.11</u>
Three months ended September 30, 2016			
	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 parent	<u>\$ 1,867,350</u>	<u>1,674,464</u>	<u>\$ 1.12</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,867,350	1,674,464	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	1,627	146,466	
Employees' compensation	<u>-</u>	<u>805</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,868,977</u>	<u>1,821,735</u>	<u>\$ 1.03</u>

Nine months ended September 30, 2017			
	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 parent	<u>\$ 5,663,132</u>	<u>1,768,813</u>	<u>\$ 3.20</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 5,663,132	1,768,813	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	20,549	56,353	
Employees' compensation	<u>-</u>	<u>578</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 5,683,681</u>	<u>1,825,744</u>	<u>\$ 3.11</u>

Nine months ended September 30, 2016			
	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 parent	<u>\$ 4,975,368</u>	<u>1,661,991</u>	<u>\$ 2.99</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,975,368	1,661,991	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	41,505	154,899	
Employees' compensation	<u>-</u>	<u>676</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 5,016,873</u>	<u>1,817,566</u>	<u>\$ 2.76</u>

(33) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

On August 23, 2016, the Group acquired additional 25% shares of its subsidiary-Taibao Creation Co., Ltd. (abbreviated as Taibao) for a total cash consideration of \$3,498. The

carrying amount of non-controlling interest in Taibao was \$3,498 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$3,498 and an increase in the equity attributable to owners of the parent by \$3,498. The effect of changes in interests in Taibao on the equity attributable to owners of the parent for the nine months ended September 30, 2016 is shown below:

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

(34) Supplemental cash flow information

A. Partial payment of cash from investing activities

	Nine months ended September 30,	
	2017	2016
Acquisition of property, plant and equipment and intangible assets	\$ 851,822	\$ 105,457
Add: Accounts payable at the beginning of period	-	3,019
Add: Prepayments at the end of period	1,978	-
Less: Accounts payable at the end of period	-	( 1,789)
Cash paid during the period for property, plant and equipment	<u>\$ 853,800</u>	<u>\$ 106,687</u>

B. Information on the cash flows of subsidiary disposed:

	August 1, 2016 (Note 1)	January 1, 2016 (Note2)	Total
<u>Consideration received</u>			
Other receivables	<u>\$ 22,229</u>	<u>\$ -</u>	<u>\$ 22,229</u>
<u>Carrying amount of the assets and liabilities of the subsidiary</u>			
Cash	\$ 4,172	\$ 29,939	\$ 34,111
Other current assets	34,820	245,084	279,904
Property, plant and equipment	2,080	13	2,093
Other non-current assets	8,447	220	8,667
Short-term borrowings	( 6,170)	( 52,520)	( 58,690)
Other current liabilities	( 12,630)	( 157,936)	( 170,566)
Non-controlling interests	( 5,121)	( 32,400)	( 37,521)
Total net assets	<u>\$ 25,598</u>	<u>\$ 32,400</u>	<u>\$ 57,998</u>

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

Note 2: As the Company sold certain shares in VITEC WPG Limited, the Company lost control over VITEC WPG Limited and accordingly, accounted for its investment in VITEC WPG Limited using equity method.

## 7. RELATED PARTY TRANSACTIONS

### (1) Parent and ultimate controlling party

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

### (2) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Chain Power Technology Corp.	Investee accounted for using equity method
Yosun Japan Corp.	"
VITEC WPG Limited	"
CECI Technology Co. Ltd.	"
Gain Tune Logistics (Shanghai) Co., Ltd.	"
Suzhou Xinning Logistics Co., Ltd.	"
Suzhou Xinning Bonded Warehouse Co., Ltd.	"
Eesource Corp.	"
CEAC Technology HK Limited	Subsidiary of investee accounted for using equity method
CEAC International Limited	Subsidiary of investee accounted for using equity method
P.T. WPG Electrindo Jaya	Stockholder of a Group's subsidiary accounted for using equity method
WPG Holdings Education Foundation	One third of paid-in-capital was granted by the Group
Wu Chih-Chiang (Note)	Key management of the subsidiary, Genuine C&C Inc.

Note: Former vice president of Genuine C&C Inc. and became a consultant starting March 1, 2017.

### (3) Significant transactions and balances with related parties

#### A. Operating revenues

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Sales of goods		
Others	\$ 217,217	\$ 189,045
Associates	80,392	66,878
	<u>\$ 297,609</u>	<u>\$ 255,923</u>

	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Sales of goods		
Others	\$ 487,984	\$ 589,419
Associates	<u>238,702</u>	<u>186,649</u>
	<u>\$ 726,686</u>	<u>\$ 776,068</u>

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

B. Purchases

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Purchases of goods		
Associates	<u>\$ 10,309</u>	<u>\$ 1,295</u>

	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Purchases of goods		
Associates	<u>\$ 415,443</u>	<u>\$ 1,721</u>

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

C. Receivables from related parties

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Accounts receivable			
Others	\$ 216,609	\$ 205,629	\$ 165,948
Associates	<u>25,560</u>	<u>24,289</u>	<u>25,657</u>
	<u>\$ 242,169</u>	<u>\$ 229,918</u>	<u>\$ 191,605</u>

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

D. Other receivables

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Other receivables			
Others	\$ -	\$ 21,622	\$ -
Associates	<u>7,714</u>	<u>1,797</u>	<u>52,659</u>
	<u>\$ 7,714</u>	<u>\$ 23,419</u>	<u>\$ 52,659</u>

Receivables from payments on behalf of others, purchase on behalf of others, receivables from capital reduction of investments accounted for using equity method, and receivables

from disposal of subsidiary.

E. Payables to related parties

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Accounts payable			
Associates	<u>\$          821</u>	<u>\$        12,679</u>	<u>\$          1,289</u>

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

F. Endorsements and guarantees provided to related parties

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Associates			
VITEC WPG Limited	<u>\$        68,085</u>	<u>\$        72,562</u>	<u>\$        70,560</u>

G. Others

The Group's donations to WPG Holding Education Foundation were \$1,500, \$1,500, \$4,900 and \$4,500 for the three months ended September 30, 2017 and 2016 and nine months ended September 30, 2017 and 2016, respectively.

(4) Key management compensation

	<u>Three months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Salaries and other short-term employee benefits	\$          64,423	\$          55,069
Post-employment benefits	<u>          975</u>	<u>          921</u>
	<u>\$        65,398</u>	<u>\$        55,990</u>
	<u>Nine months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>
Salaries and other short-term employee benefits	\$        165,306	\$        151,229
Post-employment benefits	<u>        2,015</u>	<u>        2,409</u>
	<u>\$       167,321</u>	<u>\$       153,638</u>



## 8. PLEDGED ASSETS

<u>Pledged assets (Note 1)</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>	<u>Purpose of Collateral</u>
Other current assets and other non-current assets				
-Time deposits	\$ 87,352	\$ 110,395	\$ 87,117	Security for purchases and deposits for litigation
Available-for-sale financial assets-non-current (Note 2)	4,507	9,014	9,014	Security for purchases
Property, plant and equipment (including investment property)				
-Land	1,382,596	1,384,236	1,325,854	Long-term and short-term borrowings guarantee and security for purchases
-Buildings and structures	<u>633,682</u>	<u>649,986</u>	<u>634,432</u>	"
	<u>\$ 2,108,137</u>	<u>\$ 2,153,631</u>	<u>\$ 2,056,417</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 September 30, 2017, December 31, 2016 and September 30, 2016.

Note 2: As of September 30, 2017, December 31, 2016 and September 30, 2016, the subsidiary - Silicon Application Corporation held 566 thousand, 1,133 thousand and 1,133 thousand shares of Kingmax 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 expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Property, plant and equipment and intangible assets	<u>\$ 5,644,122</u>	<u>\$ 6,454,010</u>	<u>\$ 16,620</u>

B. Operating lease

The future aggregate minimum payments under operating leases are as follows:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Not later than one year	\$ 376,397	\$ 444,336	\$ 412,401
Later than one year but not later than five years	460,697	680,762	868,559
Later than five years	-	465	27,065
	<u>\$ 837,094</u>	<u>\$ 1,125,563</u>	<u>\$ 1,308,025</u>

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>September 30, 2016</u>
\$	707,492	\$ 811,408	\$ 1,013,950
USD	100,391,000	USD 81,708,000	USD 56,004,000

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) 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 borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, long-term borrowings - current portion, bonds payable, long-term borrowings 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).
- b) The methods and assumptions of fair value measurement are as follows:  
Convertible debentures payable: Regarding the convertible bonds issued by the Group, the coupon rate is approximate to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and approximate to the book value.

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

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

September 30, 2017			
	Foreign currency amount (in thousands)		Book value (NTD)
		Exchange rate	
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 408,712	30.26	\$ 12,367,617
USD : RMB	14,919	6.65	451,452
USD : HKD	5,474	7.81	165,634
USD : KRW	23,649	1,135.89	715,613
USD : JPY	20,941	112.45	633,661
USD : INR	7,714	65.31	233,440
USD : THB	4,021	33.41	121,672
HKD : USD	65,579	0.13	253,987
<u>Non-monetary items</u>			
RMB : USD	26,945	0.15	122,627
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	472,770	30.26	14,306,033
USD : RMB	91,259	6.65	2,761,497
USD : KRW	32,302	1,135.89	977,446
USD : JPY	20,193	112.45	611,031
HKD : USD	56,034	0.13	217,021
EUR : USD	3,119	1.18	113,276

December 31, 2016			
Foreign currency: functional currency	Foreign currency amount	Exchange rate	Book value
	(in thousands)		(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 500,487	32.25	\$ 16,140,706
USD : RMB	16,423	6.99	529,635
USD : HKD	36,893	7.76	1,189,786
USD : KRW	17,274	1,194.00	557,096
USD : JPY	10,100	117.02	325,714
HKD : USD	109,979	0.13	457,291
<u>Non-monetary items</u>			
RMB : USD	26,526	0.14	122,471
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	353,940	32.25	11,414,573
USD : RMB	106,897	6.99	3,447,422
USD : KRW	21,547	1,194.00	694,895
USD : JPY	9,970	117.02	321,538
USD : MYR	4,629	4.48	149,295
HKD : USD	82,033	0.13	341,092
EUR : USD	3,289	1.05	111,493

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

- v. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016 amounted to \$87,489, \$60,980, \$329,312 and \$136,955, respectively.

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

Nine months ended September 30, 2017				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
Foreign currency: functional currency				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$ 123,676	\$	-
USD : RMB	1%	4,515		-
USD : HKD	1%	1,656		-
USD : KRW	1%	7,156		-
USD : JPY	1%	6,337		-
USD : INR	1%	2,334		-
USD : THB	1%	1,217		-
HKD : USD	1%	2,540		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%	143,060		-
USD : RMB	1%	27,615		-
USD : KRW	1%	9,774		-
USD : JPY	1%	6,110		-
HKD : USD	1%	2,170		-
EUR : USD	1%	1,133		-

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

#### Price risk

- The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2017 and 2016 would have increased/decreased by \$104 and \$207, 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 \$4,930 and \$3,544 as a result of gains/losses on equity securities classified as available-for-sale, respectively.



### Interest rate risk

- The Group's interest rate risk arises from short-term and long-term borrowings (including long-term liabilities due within a year), short-term notes and bills payable and bonds payable. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings were mainly in fixed rate instruments. During the nine months ended September 30, 2017 and 2016, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At September 30, 2017 and 2016, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the six months ended September 30, 2017 and 2016 would have been \$133,061 and \$114,552 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

### b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only rated parties with good ratings are accepted.
- ii. No credit limits were exceeded during the nine months ended September 30, 2017 and 2016, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The credit quality information of financial assets that are neither past due nor impaired is provided in Notes 6(5)A. and 7(3)C.
- iv. The ageing analysis of financial assets that were past due is provided in Note 6(5)B.
- v. The individual analysis of financial assets that had been impaired is provided in Notes 6(5)C. and 6(15).

c) Liquidity risk

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

Non-derivative financial liabilities:

<u>September 30, 2017</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 57,079,208	\$ -	\$ -	\$ -
Short-term notes and bills payable	3,850,000	-	-	-
Financial liabilities measured at fair value through profit or loss	1,155	-	-	-
Notes payable	645,038	-	-	-
Accounts payable	57,208,074	-	-	-
Accounts payable - related parties	821	-	-	-
Other payables	5,557,240	-	-	-
Long-term borrowings (including current portion)	603,397	5,449,472	6,934,387	224,304

Non-derivative financial liabilities:

<u>December 31, 2016</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 52,948,597	\$ -	\$ -	\$ -
Short-term notes and bills payable	4,205,000	-	-	-
Financial liabilities measured at fair value through profit or loss	5,686	-	-	-
Notes payable	415,080	-	-	-
Accounts payable	47,829,951	-	-	-
Accounts payable - related parties	12,679	-	-	-
Other payables	4,542,499	-	-	-
Bonds payable (including current portion)	3,575,800	-	-	-
Long-term borrowings (including current portion)	7,563,604	4,754,522	292,917	264,796

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

Derivative financial liabilities:

As of September 30, 2017, December 31, 2016 and September 30, 2016, derivative financial liabilities that the Group entered into are all due within a year.

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

(3) Fair value information

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

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

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

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

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

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2017, December 31, 2016 and September 30, 2016 is as follows:

<u>September 30, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 10,396	\$ -	\$ -	\$ 10,396
Forward exchange contracts	-	6,523	-	6,523
Available-for-sale financial assets				
Equity securities	420,629	28,393	43,973	492,995
	<u>\$ 431,025</u>	<u>\$ 34,916</u>	<u>\$ 43,973</u>	<u>\$ 509,914</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 1,155</u>	<u>\$ -</u>	<u>\$ 1,155</u>

<u>December 31, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 20,737	\$ -	\$ -	\$ 20,737
Forward exchange contracts	-	17,721	-	17,721
Available-for-sale financial assets				
Equity securities	282,387	22,058	50,636	355,081
	<u>\$ 303,124</u>	<u>\$ 39,779</u>	<u>\$ 50,636</u>	<u>\$ 393,539</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 5,686</u>	<u>\$ -</u>	<u>\$ 5,686</u>
<u>September 30, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 20,723	\$ -	\$ -	\$ 20,723
Forward exchange contracts	-	2,115	-	2,115
Available-for-sale financial assets				
Equity securities	278,074	26,617	49,671	354,362
	<u>\$ 298,797</u>	<u>\$ 28,732</u>	<u>\$ 49,671</u>	<u>\$ 377,200</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 19,124</u>	<u>\$ -</u>	<u>\$ 19,124</u>

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

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

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

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

- (d) Forward exchange contracts are usually valued based on the current forward exchange rate.
  - (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
  - (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. Because the trading amount of the investment in Sunlux Energy Corporation was assessed to be unsteady and underperforming, the Group transferred the fair value from Level 1 to Level 2 in the first quarter of 2017.
- F. The following chart is the movement of Level 3 for the nine months ended September 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
At January 1	\$ 50,636	\$ 63,112
Capital reduction	( 4,507)	-
Effect of foreign exchange	( 2,156)	( 13,441)
At September 30	<u>\$ 43,973</u>	<u>\$ 49,671</u>

- G. For the nine months ended September 30, 2017 and 2016, there was no transfer into or out from Level 3.
- H. Finance and accounting department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently reviewed.
- Finance and accounting department sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS. The related valuation results are reported to management monthly. Management is responsible for managing and reviewing valuation processes.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at September 30, 2017</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Equity investment without active market	\$ 43,973	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

	<u>Fair value at December 31, 2016</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Equity investment without active market	\$ 50,636	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

	<u>Fair value at September 30, 2016</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Equity investment without active market	\$ 49,671	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

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

		<u>September 30, 2017</u>			
		<u>Recognised in profit or loss</u>		<u>Recognised in other comprehensive income</u>	
<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets					
Equity instrument	Net asset value ± 1%	\$ -	\$ -	\$ 440	\$ 440

			December 31, 2016			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 506	\$ 506
			September 30, 2016			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 497	\$ 497

### 13. SUPPLEMENTARY DISCLOSURES

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

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Aggregate purchases or sales of the same securities reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Derivative financial instruments undertaken during the reporting periods: Please see Notes 6(2)C. and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

#### (2) Information on investee companies

Names, locations and other information of investee companies (including investees in Mainland



China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

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

Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Information on significant transactions of the Company and subsidiary and investee company in Mainland China as of and for the nine months ended September 30, 2017 is provided in Note(1)J.

#### 14. OPERATING SEGMENT INFORMATION

##### 1) General information

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

##### 2) Measurement of segment information

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

##### 3) Reconciliation for segment income (loss)

- A. The net income reported to the chief operating decision-maker is measured in a manner consistent with revenues, costs and expenses in the statement of comprehensive income. As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the amounts in the statements of segment income, reconciliation is not needed.
- B. The segment information of the reportable segments provided to the chief operating decision-maker for the three months ended September 30, 2017 and 2016, and nine months ended September 30, 2017 and 2016 is as follows:

##### Three months ended September 30, 2017:

	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	Trigold Holdings Limited (Note)	Others	Eliminations	Total
Revenue from external customers	\$ 68,950,297	\$ 20,482,941	\$ 20,457,552	\$ 20,906,948	\$ 2,335,364	\$ 13,534,389	\$ -	\$ 146,667,491
Revenue from internal customers	3,641,984	1,339,605	579,367	1,910,143	149,123	814,907	( 8,435,129)	-
Total revenue	<u>\$ 72,592,281</u>	<u>\$ 21,822,546</u>	<u>\$ 21,036,919</u>	<u>\$ 22,817,091</u>	<u>\$ 2,484,487</u>	<u>\$ 14,349,296</u>	<u>(\$ 8,435,129)</u>	<u>\$ 146,667,491</u>
Segment profit	<u>\$ 1,640,905</u>	<u>\$ 450,342</u>	<u>\$ 527,746</u>	<u>\$ 416,120</u>	<u>\$ 70,751</u>	<u>\$ 223,518</u>	<u>\$ 295,226</u>	<u>\$ 3,624,608</u>
Net income	<u>\$ 977,515</u>	<u>\$ 237,652</u>	<u>\$ 318,222</u>	<u>\$ 259,577</u>	<u>\$ 24,997</u>	<u>\$ 2,286,376</u>	<u>(\$ 2,067,261)</u>	<u>\$ 2,037,078</u>

Three months ended September 30, 2016:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Genuine C&C Inc. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	\$ 67,674,902	\$ 16,411,694	\$ 23,172,627	\$ 21,549,035	\$ 2,475,704	\$ 10,974,805	\$ -	\$142,258,767
Revenue from internal customers	3,113,432	1,030,291	474,811	1,945,929	9,185	1,080,297	( 7,653,945)	-
Total revenue	<u>\$ 70,788,334</u>	<u>\$ 17,441,985</u>	<u>\$ 23,647,438</u>	<u>\$ 23,494,964</u>	<u>\$ 2,484,889</u>	<u>\$ 12,055,102</u>	<u>(\$ 7,653,945)</u>	<u>\$142,258,767</u>
Segment profit (loss)	<u>\$ 1,542,356</u>	<u>\$ 358,539</u>	<u>\$ 636,163</u>	<u>\$ 496,757</u>	<u>\$ 64,740</u>	<u>\$ 150,559</u>	<u>\$ 378,047</u>	<u>\$ 3,627,161</u>
Net income	<u>\$ 943,188</u>	<u>\$ 188,882</u>	<u>\$ 337,597</u>	<u>\$ 310,576</u>	<u>\$ 7,920</u>	<u>\$ 1,971,779</u>	<u>(\$ 1,886,744)</u>	<u>\$ 1,873,198</u>

Nine months ended September 30, 2017:

	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	Trigold Holdings Limited (Note)	Others	Eliminations	Total
Revenue from external customers	\$ 181,112,191	\$ 52,113,953	\$ 53,568,014	\$ 61,807,272	\$ 6,780,254	\$ 38,667,769	\$ -	\$394,049,453
Revenue from internal customers	9,543,706	3,435,857	1,229,383	5,828,431	506,206	2,095,799	( 22,639,382)	-
Total revenue	<u>\$ 190,655,897</u>	<u>\$ 55,549,810</u>	<u>\$ 54,797,397</u>	<u>\$ 67,635,703</u>	<u>\$ 7,286,460</u>	<u>\$ 40,763,568</u>	<u>(\$ 22,639,382)</u>	<u>\$394,049,453</u>
Segment profit (loss)	<u>\$ 4,356,437</u>	<u>\$ 1,163,911</u>	<u>\$ 1,368,103</u>	<u>\$ 1,310,814</u>	<u>\$ 245,258</u>	<u>\$ 700,441</u>	<u>\$ 820,697</u>	<u>\$ 9,965,661</u>
Net income	<u>\$ 2,675,278</u>	<u>\$ 607,178</u>	<u>\$ 885,248</u>	<u>\$ 837,218</u>	<u>\$ 102,059</u>	<u>\$ 6,337,270</u>	<u>(\$ 5,732,823)</u>	<u>\$ 5,711,428</u>

Note: The Company originally held 60.5% equity of Genuine C&C, Inc. On the effective date of September 1, 2017, the stock swap between Trigold Holdings Limited and the shareholders who previously owned Genuine C&C, Inc. was conducted at a stock swap ratio of 1:1. On the same day, Trigold Holdings Limited was established and began OTC trading whereas Genuine C&C, Inc. was unlisted from OTC.

Nine months ended September 30, 2016:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Genuine C&C Inc. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	\$ 184,895,950	\$ 42,349,247	\$ 65,142,159	\$ 66,024,481	\$ 7,968,172	\$ 31,170,826	\$ -	\$397,550,835
Revenue from internal customers	<u>8,356,199</u>	<u>2,922,613</u>	<u>1,732,555</u>	<u>6,955,222</u>	<u>27,534</u>	<u>3,548,000</u>	<u>( 23,542,123)</u>	<u>-</u>
Total revenue	<u>\$ 193,252,149</u>	<u>\$ 45,271,860</u>	<u>\$ 66,874,714</u>	<u>\$ 72,979,703</u>	<u>\$ 7,995,706</u>	<u>\$ 34,718,826</u>	<u>(\$ 23,542,123)</u>	<u>\$397,550,835</u>
Segment profit (loss)	<u>\$ 4,325,955</u>	<u>\$ 878,817</u>	<u>\$ 1,785,097</u>	<u>\$ 1,478,512</u>	<u>\$ 161,343</u>	<u>\$ 386,636</u>	<u>\$ 1,158,859</u>	<u>\$ 10,175,219</u>
Net income	<u>\$ 2,553,832</u>	<u>\$ 419,353</u>	<u>\$ 1,032,522</u>	<u>\$ 861,907</u>	<u>\$ 20,277</u>	<u>\$ 5,166,546</u>	<u>(\$ 5,063,337)</u>	<u>\$ 4,991,100</u>

## WPG Holdings Limited and Subsidiaries

## Loans to others

Nine months ended September 30, 2017

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 10)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2017	September 30, 2017							Item	Value			
1	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	\$ 58,608	\$ 58,608	\$ 58,608	2.50	2	\$ -	Operation	\$ -	None	-	\$ 74,225	\$ 74,225	Note 1
2	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	1,089,360	163,404	163,404	2.25	2	-	Operation	-	None	-	167,698	167,698	Note 4
3	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	393,380	196,690	196,690	2.48	2	-	Operation	-	None	-	424,335	424,335	Note 8
4	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	1,997,160	1,997,160	-	0.00	2	-	Operation	-	None	-	5,667,135	5,667,135	Note 3
4	World Peace International (South Asia) Pte Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	605,200	302,600	-	0.00	2	-	Operation	-	None	-	5,667,135	5,667,135	Note 3
4	World Peace International (South Asia) Pte Ltd.	WPG China Inc.	Other receivables - related parties	Y	605,200	302,600	302,600	3.20	2	-	Operation	-	None	-	5,667,135	5,667,135	Note 3
4	World Peace International (South Asia) Pte Ltd.	SAC Components (South Asia) Pte. Ltd.	Other receivables - related parties	Y	30,260	30,260	-	0.00	2	-	Operation	-	None	-	5,667,135	5,667,135	Note 3
4	World Peace International (South Asia) Pte Ltd.	WPG C&C Thailand Co., Ltd.	Other receivables - related parties	Y	15,130	15,130	-	0.00	2	-	Operation	-	None	-	5,667,135	5,667,135	Note 3
4	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	Other receivables - related parties	Y	1,210,400	1,210,400	605,200	2.48	2	-	Operation	-	None	-	5,667,135	5,667,135	Note 3
5	World Peace International Pte Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	121,040	121,040	114,988	2.48	2	-	Operation	-	None	-	2,258,430	2,258,430	Note 3

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 10)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2017	September 30, 2017							Item	Value			
6	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	\$ 151,300	\$ 151,300	\$ -	0.00	2	\$ -	Operation	\$ -	None	-	\$ 1,311,369	\$ 1,311,369	Note 3
6	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	302,600	302,600	151,300	3.89	2	-	Operation	-	None	-	1,311,369	1,311,369	Note 3
6	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	605,200	605,200	347,990	2.48	2	-	Operation	-	None	-	1,311,369	1,311,369	Note 3
7	Yosun Hong Kong Corp. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	1,694,560	1,694,560	907,800	2.83	2	-	Operation	-	None	-	4,669,817	4,669,817	Note 7
7	Yosun Hong Kong Corp. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	151,300	151,300	151,300	3.08	2	-	Operation	-	None	-	4,669,817	4,669,817	Note 7
8	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	300,000	150,000	68,000	1.55	2	-	Operation	-	None	-	422,333	422,333	Note 2
9	AECO Electronics Co., Ltd.	WPG C&C Limited	Other receivables - related parties	Y	726,240	726,240	726,240	2.12	2	-	Operation	-	None	-	758,705	758,705	Note 7
9	AECO Electronics Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	726,240	-	-	0.00	2	-	Operation	-	None	-	758,705	758,705	Note 7
10	WPG China Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Other receivables - related parties	Y	77,367	-	-	0.00	2	-	Operation	-	None	-	878,367	2,195,917	Note 7
11	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	113,775	113,775	113,775	2.80	2	-	Operation	-	None	-	204,985	204,985	Note 7
11	Yosun South China Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	68,265	68,265	68,265	2.80	2	-	Operation	-	None	-	204,985	204,985	Note 7
12	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	186,591	186,591	186,591	2.80	2	-	Operation	-	None	-	363,829	363,829	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 10)	Amount of transactions with the borrower	Reason for short-term financing	Allowance	Collateral		Limit on loans	Ceiling on total loans granted	Footnote	
					September 30, 2017	September 30, 2017						for doubtful accounts	Item	Value	granted to a single party			
12	Yosun Shanghai Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	\$ 145,632	\$ 145,632	\$ 145,632	2.80	2	\$ -	Operation	\$ -	-	None	-	\$ 363,829	\$ 363,829	Note 7
13	WPG Investment Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	Y	150,000	150,000	110,000	1.16	2	-	Operation	-	-	None	-	180,400	180,400	Note 2
14	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables - related parties	Y	1,845,860	1,603,780	302,600	2.40	2	-	Operation	-	-	None	-	14,168,953	14,168,953	Note 7
14	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Other receivables - related parties	Y	151,300	45,390	45,390	2.40-2.70	2	-	Operation	-	-	None	-	14,168,953	14,168,953	Note 7
14	WPI International (Hong Kong) Limited	WPG China Inc.	Other receivables - related parties	Y	363,120	-	-	0.00	2	-	Operation	-	-	None	-	14,168,953	14,168,953	Note 7
15	World Peace Industrial Co., Ltd.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	90,780	45,390	16,401	2.15	2	-	Operation	-	-	None	-	4,286,779	8,573,558	Note 6
15	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	3,026,000	1,513,000	-	0.00	2	-	Operation	-	-	None	-	4,286,779	8,573,558	Note 6
16	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Other receivables - related parties	Y	150,000	150,000	150,000	1.37	2	-	Operation	-	-	None	-	200,962	200,962	Note 2
17	Silicon Application (BVI) Corporation	Silicon Application Corp.	Other receivables - related parties	Y	1,180,140	1,180,140	1,180,140	1.25	2	-	Operation	-	-	None	-	1,234,725	3,086,812	Note 7
17	Silicon Application (BVI) Corporation	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	90,780	90,780	90,780	1.20-1.45	2	-	Operation	-	-	None	-	3,086,812	3,086,812	Note 7
18	Silicon Application Company Limited	Silicon Application Corp.	Other receivables - related parties	Y	665,720	665,720	665,720	1.00	2	-	Operation	-	-	None	-	691,071	1,727,678	Note 7
18	Silicon Application Company Limited	Dstar Electronic Company Limited	Other receivables - related parties	Y	21,182	21,182	21,182	1.25	2	-	Operation	-	-	None	-	1,727,678	1,727,678	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 10)	Amount of transactions with the borrower	Reason for short-term financing	Allowance	Collateral		Limit on loans	Ceiling on total loans granted	Footnote
					September 30, 2017	September 30, 2017						for doubtful accounts	Item	Value	granted to a single party		
18	Silicon Application Company Limited	WPG Electronics (HK) Limited	Other receivables - related parties	Y	\$ 60,520	\$ -	\$ -	0.00	2	\$ -	Operation	\$ -	None	-	\$ 1,727,678	\$ 1,727,678	Note 7
18	Silicon Application Company Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	514,420	211,820	211,820	1.45-1.70	2	-	Operation	-	None	-	1,727,678	1,727,678	Note 7
18	Silicon Application Company Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	302,600	302,600	302,600	2.70	2	-	Operation	-	None	-	1,727,678	1,727,678	Note 7
18	Silicon Application Company Limited	WPG Americas Inc.	Other receivables - related parties	Y	453,900	272,340	272,340	3.43	2	-	Operation	-	None	-	1,727,678	1,727,678	Note 7
18	Silicon Application Company Limited	WPG SCM Limited	Other receivables - related parties	Y	242,080	242,080	242,080	1.70	2	-	Operation	-	None	-	1,727,678	1,727,678	Note 7
19	Sertek Limited	WPG Americas Inc.	Other receivables - related parties	Y	417,588	417,588	417,588	2.97	2	-	Operation	-	None	-	430,935	430,935	Note 7
20	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	Other receivables - related parties	Y	502,600	200,000	200,000	2.05	2	-	Operation	-	None	-	562,284	562,284	Note 2
21	Apache Communication Inc.	Frontek Technology Corporation	Other receivables - related parties	Y	100,000	-	-	0.00	2	-	Operation	-	None	-	422,593	676,148	Note 5
22	Frontek Technology Corporation	Asian Information Technology Inc.	Other receivables - related parties	Y	484,160	484,160	242,080	1.43	2	-	Operation	-	None	-	610,883	977,412	Note 5
23	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Other receivables - related parties	Y	91,020	91,020	91,020	3.50	2	-	Operation	-	None	-	440,952	440,952	Note 2
23	Genuine C&C Inc.	Hoban Inc.	Other receivables - related parties	Y	50,000	50,000	-	0.00	2	-	Operation	-	None	-	440,952	440,952	Note 2
23	Genuine C&C Inc.	Trigold Holdings Limited	Other receivables - related parties	Y	15,000	15,000	-	0.00	2	-	Operation	-	None	-	440,952	440,952	Note 2



No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at	Actual amount drawn down	Interest rate	Nature of loan (Note 10)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2017	September 30, 2017							Item	Value			
24	Richpower Electronic Devices Co., Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	\$ 151,300	\$ -	\$ -	0.00	2	\$ -	Operation	\$ -	None	-	\$ 1,883,110	\$ 1,883,110	Note 7
24	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	605,200	605,200	514,420	2.22	2	-	Operation	-	None	-	1,883,110	1,883,110	Note 7
25	Long-Think International (Shanghai) Limited	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	40,959	40,959	-	0.00	2	-	Operation	-	None	-	96,826	96,826	Note 7
26	Longview Technology Inc.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	50,000	-	-	0.00	2	-	Operation	-	None	-	222,858	222,858	Note 2
27	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Yosun Shanghai Corp. Ltd.	Other receivables - related parties	Y	6,827	6,827	-	0.00	2	-	Operation	-	None	-	53,898	53,898	Note 9
27	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	N	22,755	-	-	0.00	2	-	Operation	-	None	-	53,898	53,898	Notes 9 and 11

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 9: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed 10% of the Company's net assets and the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

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

Note 10: The column of 'Nature of loan' shall fill in 1. 'Business transaction or 2. 'Short-term financing'.

Note 11: Genuine Trading (Hong Kong) Company Limited had disposed all shares of Hubei Xinsheng Technology Investment Management Co., Ltd. on August 1, 2016. Hubei Xinsheng Technology Investment Management Co., Ltd. wasn't non-related party until August 1, 2016.

WPG Holdings Limited and Subsidiaries  
Provision of endorsements and guarantees to others  
Nine months ended September 30, 2017

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2017	Outstanding endorsement/ guarantee amount at September 30, 2017	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	\$ 25,404,699	\$ 164,622	\$ 81,171	\$ 81,171	\$ 81,171	0.16	25,404,699	Y	N	N	Notes 4 and 5
1	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	6,311,095	181,560	181,560	153,557	-	5.75	6,311,095	N	N	N	Note 7
1	World Peace International Pte. Ltd.	WPG C&C Computers and Peripheral (India) Private Ltd.	Note 1	6,311,095	366,146	366,146	-	-	11.60	6,311,095	N	N	N	Note 7
1	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	6,311,095	3,162,170	2,874,700	907,988	-	91.10	6,311,095	N	N	N	Note 7
2	WPG South Asia Pte. Ltd.	WPG India Electronics Private Limited	Note 1	1,131,369	15,130	15,130	-	-	2.31	1,311,369	N	N	N	Note 11
3	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	10,137,673	1,537,208	1,537,208	607,146	-	15.16	20,275,345	N	N	N	Note 9
3	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	10,137,673	2,390,540	1,301,180	352,250	-	12.84	20,275,345	N	N	N	Note 9
3	Yosun Industrial Corp.	Sertek Incorporated	Note 1	10,137,673	1,513,000	1,513,000	1,315,602	-	14.92	20,275,345	N	N	N	Note 9
3	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	Note 1	10,137,673	700,000	350,000	259,755	-	3.45	20,275,345	N	N	N	Note 9
4	World Peace Industrial Co., Ltd.	Vitec WPG Limited	Note 3	10,716,948	68,085	68,085	68,085	-	0.32	17,147,116	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	10,716,948	1,959,503	1,413,383	952,073	-	6.59	17,147,116	N	N	Y	Note 6
4	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	10,716,948	665,720	665,720	665,720	-	3.11	17,147,116	N	N	N	Note 6

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2017	Outstanding endorsement/ guarantee amount at September 30, 2017	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
4	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	\$ 10,716,948	\$ 2,788,762	\$ 1,603,780	\$ 735,445	\$ -	7.48	17,147,116	N	N	N	Note 6
5	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	977,412	511,300	471,300	397,728	-	19.29	1,221,766	N	N	N	Note 8
6	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	440,952	182,040	91,020	-	-	8.26	551,190	N	N	Y	Note 10
7	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	1,946,896	1,410,470	815,790	-	-	16.76	2,433,620	N	N	N	Note 8
7	Asian Information Technology Inc.	WPG China Inc.	Note 3	1,946,896	15,130	15,130	-	-	0.31	2,433,620	N	N	Y	Note 8
7	Asian Information Technology Inc.	AIT Japan Inc.	Note 1	1,946,896	1,149,880	1,149,880	380,905	-	23.62	2,433,620	N	N	N	Note 8

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

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

Note 3: An affiliate.

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

Note 5: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases for World Peace Industrial Co., Ltd. The book value of those pledged investments is \$81,171.

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

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

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

Note 9: The cumulative guarantee amount to others should not be in excess of 200% of guarantor and its subsidiaries' total net assets. The guarantee amount to a single company should not be in excess of 100% of guarantor and its subsidiaries' total net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The Company's guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the ultimate parent company should not exceed 10% of the ultimate parent company's net assets. The net asset value is based on the latest audited or reviewed financial statements.

Note 10: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 30% of guarantor's net assets. However, guarantee amount to a single overseas affiliate should not be in excess of 40% of guarantor's net assets.

Note 11: The cumulative guarantee amount to others should not be in excess of 200% of the Company's net assets. The guarantee amount to a single company should not be in excess of 200% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets.

WPG Holdings Limited and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Nine months ended September 30, 2017

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

				As of September 30, 2017				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value (Note 1)	Footnote
				(in thousands)				
WPG Holdings Limited	Vitec Holdings Co., Ltd., etc.	None	Available-for-sale financial assets - non-current, etc.	230	\$ 109,365	0.02	\$ 109,365	
WPG Holdings Limited	Tyche Partners L.P. - Funds	None	Financial assets at cost - non-current	-	138,217	-	138,217	
WPG Holdings Limited	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at cost - non-current	-	171,815	-	171,815	
Silicon Application Corp.	Kingmax Technology Inc., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	9,717	-	9,717	Note 2
World Peace Industrial Co., Ltd.	Silicon Line GmbH, Munich etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	26,680	-	26,680	
AECO Technology Co., Ltd.	Hua-Jie (Taiwan) Corp. - Equity securities	None	Available-for-sale financial assets - non-current	668	6,684	3.32	6,684	
Yosun Industrial Corp.	Fortend Taiwan Scientific Corp., etc. - Equity securities	None	Financial assets at cost - non-current	-	3,463	-	3,463	
Yosun Industrial Corp.	Nichidenbo Corporation - Equity securities	None	Available-for-sale financial assets - non-current	9,647	266,742	5.78	266,742	
Genuine C&C Inc.	Systemweb Technology - Equity securities	None	Financial assets at cost - non-current	700	8,800	9.90	8,800	
Hoban Inc.	Mega Diamond Money Market - funds	None	Financial assets measured at fair value through profit or loss - current	835	10,396	-	10,396	
Richpower Electronic Devices Co., Ltd.	Promaster Technology Co., Ltd., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	22,867	-	22,867	
Mec Technology Co., Ltd.	Promaster Technology Co., Ltd. - Equity securities	None	Available-for-sale financial assets - non-current	1,368	8,580	4.00	8,580	
WPG Investment Co., Ltd.	DIGITIMES Inc. etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	163,452	-	163,452	
Silicon Application (BVI) Corp.	Apollo Electronics Group Ltd., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	39,383	-	39,383	
Asian Information Technology Inc.	Phostek Inc. - Equity securities	None	Financial assets at cost - non-current	-	-	-	-	

				As of September 30, 2017				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
Win-Win Systems Ltd.	Silicon Electronics Company(s) Pte. Ltd. - Equity securities	None	Financial assets at cost - non-current	180	\$ -	-	\$ -	
WPG South Asia Pte. Ltd.	ViMOS Technologies GmbH - Equity securities	None	Financial assets at cost - non-current	20	654	9.00	654	
WPG China Inc.	Nanjing Sunlord Electronics Corporation Ltd. - Equity securities	None	Financial assets at cost - non-current	897	44,918	1.70	44,918	

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

Note 2: There are 566 thousand shares of Kingmax Technology Inc. which have been pledged for purchases as of September 30, 2017.

WPG Holdings Limited and Subsidiaries  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
Nine months ended September 30, 2017

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at September 1, 2017		Addition		Disposal				Balance as at September 30, 2017	
					Number of shares (thousands)	Amount	Number of shares (thousands)	Amount	Number of shares (thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousands)	Amount
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	World Peace Industrial Co., Ltd.	Subsidiary	981,100	\$ 20,412,332	116,152	\$ 1,023,627 (Note 2)	-	\$ -	\$ -	\$ -	1,097,252	\$ 21,435,959
WPG Holdings Limited	Genuine C&C Inc.	Note 1	Trigold Holdings Limited and World Peace Industrial Co., Ltd.	Subsidiary	35,175	505,693	12,964	193,059 (Note 3)	48,139	698,752	698,752	-	-	-
WPG Holdings Limited	Trigold Holdings Limited	Note 1	Trigold Holdings Limited	Subsidiary	-	-	48,139	701,517 (Note 4)	-	-	-	-	48,139	701,517

Note 1 : It was recognised at investments accounted for using equity method

Note 2 : The acquisition cost is \$2,487,285, inclusive of share of profit (loss) of associates accounted for using equity method, other equity and dividends received (\$1,463,658) for the period.

Note 3: On July 28, 2017, the Company acquired 12,964 thousand equity shares of subsidiary, Genuine C&C Inc., from another subsidiary, World Peace Industrial Co., Ltd., the acquisition cost was \$175,098, inclusive of share of profit (loss) of associates accounted for using equity method, other equity and dividends received \$17,961 for the period.

Note 4: The Company originally held 48,139 thousand shares of Genuine C&C Inc., however, on September 1, 2017, Trigold Holdings Limited exchanged equity shares with the shareholders of Genuine C&C Inc. at a ratio of 1:1, the acquisition cost was \$698,752, inclusive of share of profit (loss) of associates accounted for using equity method and other equity \$2,765 for the period.

WPG Holdings Limited and Subsidiaries  
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more  
Nine months ended September 30, 2017

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:														
Real estate acquired		Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments	
by	Real estate acquired						the counterparty							
The Company	Office building A in Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	\$ 4,533,954	\$ 566,744	Ji Tai Development Co., Ltd.	Non-related party	-	-	-	\$ -	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None	
The Company	Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	1,063,114	132,889	Lee	Non-related party	-	-	-	-	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None	
The Company	Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	843,765	105,471	Wang	Non-related party	-	-	-	-	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None	

Note 1: It was the date of contract.



WPG Holdings Limited and Subsidiaries  
Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more  
Nine months ended September 30, 2017

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Differences in transaction terms compared to third party transactions											
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Same parent company	Sales	(\$ 249,026)	( 51.27)	Note 7	Note 7	Note 7	\$ 27,195	52.46	
World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte Ltd.	"	"	( 134,571)	( 0.19)	Note 3	Note 3	Note 3	8,187	0.04	
"	WPI International (Hong Kong) Limited	"	"	( 4,233,564)	( 5.83)	"	"	"	696,095	3.17	
"	AECO Technology Co., Ltd.	"	"	( 332,949)	( 0.46)	"	"	"	43,332	0.20	
"	WPG Electronics (HK) Limited	"	"	( 656,101)	( 0.90)	"	"	"	311,044	1.42	
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	"	( 372,262)	( 74.81)	"	"	"	105,342	100.58	
World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	Same parent company	"	( 277,382)	( 1.42)	"	"	"	33,909	0.83	
"	Conuine C&C (IndoChina) Pte Ltd.	"	"	( 201,603)	( 1.04)	"	"	"	-	0.00	
"	WPG C&C (Malaysia) Sdn Bhd	"	"	( 369,058)	( 1.89)	"	"	"	24,906	0.61	
"	WPG C&C Computers And Peripheral (India) Private Limited	"	"	( 926,554)	( 4.76)	"	"	"	184,985	4.53	
"	WPG SCM Limited	"	"	( 4,635,922)	( 23.80)	"	"	"	1,307,103	32.02	
"	P.T. WPG Electrindo Jaya	Investment under equity method	"	( 115,722)	( 0.59)	"	"	"	111,267	2.73	
"	WPG C&C (Thailand) Co., Ltd.	Same parent company	"	( 134,310)	( 0.69)	"	"	"	41,520	1.02	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	( 4,930,087)	( 4.97)	"	"	"	1,171,247	5.23	
"	World Peace International (South Asia) Pte Ltd.	"	"	( 2,031,224)	( 2.05)	"	"	"	86,852	0.39	
"	WPI International Trading (Shanghai) Ltd.	"	"	( 251,781)	( 0.25)	"	"	"	95,384	0.43	
"	WPG Electronics (HK) Limited	"	"	( 283,709)	( 0.29)	"	"	"	85,976	0.38	

			Differences in transaction terms compared to third party transactions								
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	Same parent company	Sales	(\$ 1,755,815) (	1.77)	Note 3	Note 3	Note 3	\$ 513,876	2.30	
"	WPG China Inc.	"	"	( 664,631) (	0.67)	"	"	"	246,320	1.10	
"	WPG SCM Limited	"	"	( 577,948) (	0.58)	"	"	"	90,993	0.41	
"	WPG Korea Co., Ltd.	"	"	( 159,875) (	0.16)	"	"	"	53,636	0.24	
"	Yosun Hong Kong Corp. Ltd.	"	"	( 321,794) (	0.32)	"	"	"	12,516	0.06	
"	VITEC WPG Limited	"	"	( 121,391) (	0.12)	"	"	"	11,270	0.05	
WPG C&C Limited	WPI International (Hong Kong) Limited	"	"	( 428,465) (	7.92)	"	"	"	54,366	6.20	
"	WPI International Trading (Shanghai) Ltd.	"	"	( 1,076,564) (	19.90)	"	"	"	459,373	52.42	
Longview Technology Inc.	WPI International (Hong Kong) Limited	"	"	( 345,888) (	24.85)	"	"	"	46,396	13.11	
Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	( 124,108) (	11.10)	"	"	"	15,666	6.39	
"	WPI International (Hong Kong) Limited	"	"	( 355,984) (	31.84)	"	"	"	48,279	19.69	
"	Longview Technology Inc.	"	"	( 125,209) (	11.20)	"	"	"	11,899	4.85	
Silicon Application Corp.	WPI International (Hong Kong) Limited	"	"	( 171,494) (	0.34)	30 days after monthly billings	Note 4	Note 4	20,357	0.15	
"	Pernas Electronics Co., Ltd.	"	"	( 987,251) (	1.97)	"	"	"	254,273	1.82	
"	WPG Electronics (HK) Limited	"	"	( 1,997,920) (	3.99)	90 days after monthly billings	"	"	833,752	5.98	
"	WPG China (SZ) Inc.	"	"	( 626,120) (	1.25)	120 days after monthly billings	"	"	155,628	1.12	
"	WPG SCM Limited	"	"	( 176,153) (	0.35)	30 days after monthly billings	"	"	26,995	0.19	
Pernas Electronics Co., Ltd.	Silicon Application Corp.	"	"	( 122,572) (	2.67)	"	"	"	60,141	3.72	
"	Everwiner Enterprise Co., Ltd.	"	"	( 200,031) (	4.35)	90 days after monthly billings	"	"	75,065	4.64	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	"	( 1,157,270) (	37.38)	"	"	"	553,579	49.75	
"	WPG China (SZ) Inc.	"	"	( 155,710) (	5.03)	120 days after monthly billings	"	"	51,010	4.58	
Asian Information Technology Inc.	WPI International (Hong Kong) Limited	"	"	( 392,069) (	1.45)	Note 2	Note 2	Note 2	274,565	4.87	

Differences in transaction terms compared to third party transactions											
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)		Footnote		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
Asian Information Technology Inc.	Frontek Technology Corporation	Same parent company	Sales	(\$ 450,991) (	1.67)	Note 2	Note 2	Note 2	\$ 57,299	1.02	
"	Apache Communication Inc.	"	"	( 3,542,217) (	13.11)	"	"	"	4,829	0.09	
"	AIT Japan Inc.	"	"	( 979,573) (	3.63)	"	"	"	225,748	4.00	
"	WPG China (SZ) Inc.	"	"	( 105,131) (	0.39)	"	"	"	24,957	0.44	
Henshen Electric Trading Co., Ltd.	Asian Information Technology Inc.	"	"	( 168,468) (	26.14)	"	"	"	25,522	17.84	
Frontek Technology Corporation	Asian Information Technology Inc.	"	"	( 837,735) (	5.64)	"	"	"	259,295	6.89	
"	WPG Electronics (HK) Limited	"	"	( 372,527) (	2.51)	"	"	"	204,194	5.43	
Apache Communication Inc.	Asian Information Technology Inc.	"	"	( 110,341) (	0.63)	"	"	"	23,549	0.69	
AIT Japan Inc.	Asian Information Technology Inc.	"	"	( 983,024) (	49.01)	"	"	"	386,334	62.54	
WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	"	"	( 139,207) (	2.37)	Note 7	Note 7	Note 7	-	0.00	
"	WPI International (Hong Kong) Limited	"	"	( 195,484) (	3.33)	"	"	"	-	0.00	
"	Silicon Application Corp.	"	"	( 103,185) (	1.76)	"	"	"	-	0.00	
"	Peng Yu International Limited	"	"	( 100,778) (	1.72)	"	"	"	99,946	5.50	
WPG China (SZ) Inc.	WPG China Inc.	"	"	( 111,921) (	2.18)	60 days after monthly billings	Note 5	Note 5	25,405	1.01	
WPG China Inc.	WPG China (SZ) Inc.	"	"	( 215,758) (	3.82)	90 days after monthly billings	"	"	33,578	1.63	
WPG Americas Inc.	World Peace Industrial Co., Ltd.	"	"	( 141,734) (	0.99)	30 days after monthly billings	Note 4	Note 4	14,602	0.72	
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	"	( 360,328) (	79.87)	Note 7	Note 7	Note 7	-	0.00	
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	"	( 407,821) (	1.74)	Note 6	Note 6	Note 6	111,467	2.48	
"	WPG China Inc.	"	"	( 394,011) (	1.68)	"	"	"	143,036	3.18	
"	Yosun Hong Kong Corp. Ltd.	"	"	( 4,014,589) (	17.17)	Note 3	Note 3	Note 3	193,668	4.31	
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	"	( 955,042) (	3.88)	Note 6	Note 6	Note 6	226,014	5.05	
"	WPG China Inc.	"	"	( 2,136,987) (	8.67)	"	"	"	580,648	12.98	
"	Yosun Industrial Corp.	"	"	( 564,303) (	2.29)	Note 3	Note 3	Note 3	23,554	0.53	
"	Richpower Electronic Devices Co., Limited	"	"	( 1,015,512) (	4.12)	"	"	"	53,796	1.20	

Table 6, Page 3

							Differences in transaction terms compared to third party transactions				
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction						Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Yosun Singapore Pte Ltd.	WPG SCM Limited	Same parent company	Sales	(\$ 345,426)	( 9.79)	Credit 60 days	Note 5	Note 5	\$ 53,438	5.61	
Yosun Singapore Pte Ltd.	Yosun Hong Kong Corp. Ltd.	"	"	( 152,385)	( 4.32)	Note 3	Note 3	Note 3	997	0.10	
Sertek Incorporated	Yosun Industrial Corp.	"	"	( 381,359)	( 3.73)	"	"	"	24,959	5.22	
Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	"	"	( 326,745)	( 3.19)	"	"	"	25,314	5.29	
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	"	( 1,008,165)	( 17.45)	Note 6	Note 6	Note 6	452,702	27.99	
Richpower Electronic Devices Co., Ltd.	WPG Korea Co., Ltd.	"	"	( 163,643)	( 2.83)	"	"	"	18,044	1.12	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	"	( 131,123)	( 2.27)	Note 3	Note 3	Note 3	4,607	0.28	
Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	"	"	( 608,440)	( 9.45)	"	"	"	85,677	5.75	
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	"	"	( 413,892)	( 34.20)	30 days after monthly billings	Note 4	Note 4	102,772	45.84	

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

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

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

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

Note 5: Similar to third parties.

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

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

WPG Holdings Limited and Subsidiaries  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
Nine months ended September 30, 2017

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2017 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
World Peace Industrial Co., Ltd.	WPI International (Hong Kong)	Same parent company	\$ 696,095	5.49	\$ -	-	\$ 696,095	\$ -
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	"	311,044	2.39	-	-	86,887	-
World Peace Industrial Co., Ltd.	P.T. WPG Electrindo Jaya	"	111,267	2.77	-	-	-	-
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	"	184,985	5.62	-	-	146,490	-
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	1,307,103	4.01	-	-	526,062	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	1,171,247	7.95	-	-	1,171,247	-
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	"	513,876	3.37	-	-	244,813	-
WPI International (Hong Kong) Limited	WPG China Inc.	"	246,320	5.53	-	-	-	-
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	"	459,373	3.46	-	-	109,772	-
Silicon Application Corp.	Pernas Electronics Co., Ltd.	"	254,273	9.54	-	-	254,273	-
Silicon Application Corp.	WPG Electronics (HK) Limited	"	833,752	3.33	-	-	200,801	-
Silicon Application Corp.	WPG China (SZ) Inc.	"	155,628	3.81	-	-	73,692	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	553,579	3.84	-	-	132,782	-
Asian Information Technology Inc.	WPI International (Hong Kong) Limited	"	274,565	3.70	-	-	274,565	-
Asian Information Technology Inc.	AIT Japan Inc.	"	225,748	5.62	-	-	225,748	-
Frontek Technology Corporation	Asian Information Technology Inc.	"	259,295	7.22	-	-	-	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	204,194	2.52	-	-	47,957	-
AIT Japan Inc.	Asian Information Technology Inc.	"	386,334	6.01	-	-	386,334	-
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	111,467	5.26	-	-	61,369	-
Yosun Industrial Corp.	WPG China Inc.	"	143,036	4.34	-	-	96,225	-
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	193,668	26.16	-	-	193,668	-

		Overdue receivables								
Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2017 (Note 1)	Turnover rate (Note 2)	Amount	Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts		
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	Same parent company	\$ 226,014	4.54	\$ -	-	\$ 169,552	\$ -		
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	580,648	4.33	-	-	265,984	-		
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	452,702	3.05	-	-	119,472	-		
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	"	102,772	5.80	-	-	102,892	-		
Genuine C&C Inc.	P.T. WPG Electrindo Jaya	"	105,342	3.19	-	-	-	-		
World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd.	"	115,226	0.00	-	-	-	-		
World Peace International (South Asia) Pte Ltd.	WPG China Inc.	"	304,779	0.00	-	-	-	-		
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	616,608	0.00	-	-	-	-		
WPI International (Hong Kong) Limited	WPG C&C Limited	"	303,254	0.00	-	-	45	-		
AECO Electronic Co., Ltd.	WPG C&C Limited	"	729,362	0.00	-	-	-	-		
Silicon Application (BVI) Corp.	Silicon Application Corp.	"	1,185,467	0.00	-	-	-	-		
Silicon Application Company Limited	WPI International (Hong Kong) Limited	"	213,422	0.00	-	-	-	-		
Silicon Application Company Limited	Silicon Application Corp.	"	737,741	0.00	-	-	-	-		
Silicon Application Company Limited	WPG SCM Limited	"	242,126	0.00	-	-	-	-		
Silicon Application Company Limited	WPG Korea Co., Ltd.	"	306,299	0.00	-	-	-	-		
Silicon Application Company Limited	WPG Americas Inc.	"	272,444	0.00	-	-	-	-		
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	151,294	0.00	-	-	-	-		
Frontek Technology Corporation	Asian Information Technology Inc.	"	245,427	0.00	-	-	245,427	-		
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	400,430	0.00	-	-	76,377	-		
WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	"	151,748	0.00	-	-	448	-		
Yosun Hong Kong Corp. Ltd.	WPG Korea Co., Ltd.	"	153,436	0.00	-	-	387	-		
Yosun Hong Kong Corp. Ltd.	WPG Americas Inc.	"	914,365	0.00	-	-	911,645	-		
Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	"	187,020	0.00	-	-	429	-		
Yosun Shanghai Corp. Ltd.	WPG China Inc.	"	145,632	0.00	-	-	346	-		
Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	"	163,730	0.00	-	-	-	-		

					Overdue receivables			
Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2017 (Note 1)	Turnover rate (Note 2)	Amount	Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Same parent company	\$ 114,040	0.00	\$ -	-	\$ 114,040	\$ -
Sertek Incorporated	Richpower Electronic Devices Co., Ltd.	"	202,269	0.00	-	-	-	-
Sertek Limited	WPG Americas Inc.	"	420,757	0.00	-	-	3,160	-
Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	"	520,796	0.00	-	-	85,422	-
Richpower Electronic Devices Pte Ltd	Yosun Singapore Pte Ltd.	"	197,083	0.00	-	-	392	-
WPG Investment Co., Ltd.	WPG Holdings Limited	"	110,428	0.00	-	-	-	-

Note 1: Balance as at September 30, 2017 includes other receivables that exceed \$100,000.

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

Note 3: The subsequent collections are amounts collected as of November 14, 2017.

WPG Holdings Limited and Subsidiaries  
Significant inter-company transactions during the reporting periods  
Nine months ended September 30, 2017

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Sales	\$ 249,026	Note 11	0.06
1	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	134,571	Note 5	0.03
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	4,233,564	Note 5	1.07
1	World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	3	"	332,949	Note 5	0.08
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	656,101	Note 5	0.17
2	World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	3	"	277,382	Note 5	0.07
2	World Peace International (South Asia) Pte Ltd.	Genuine C&C (IndoChina) Pte Ltd	3	"	201,603	Note 5	0.05
2	World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	3	"	369,058	Note 5	0.09
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	926,554	Note 5	0.24
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	4,635,922	Note 5	1.18
2	World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	3	"	134,310	Note 5	0.03
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	4,930,087	Note 5	1.25
3	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	"	2,031,224	Note 5	0.52
3	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	"	251,781	Note 5	0.06
3	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	3	"	283,709	Note 5	0.07
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	1,755,815	Note 5	0.45
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	664,631	Note 5	0.17
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3	"	577,948	Note 5	0.15



				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	Sales	\$ 159,875	Note 5	0.04
3	WPI International (Hong Kong) Limited	Yosun Hong Kong Corp. Ltd.	3	"	321,794	Note 5	0.08
4	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	428,465	Note 5	0.11
4	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	1,076,564	Note 5	0.27
5	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	345,888	Note 5	0.09
6	Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	124,108	Note 5	0.03
6	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	355,984	Note 5	0.09
6	Long-Think International (Hong Kong) Limited	Longview Technology Inc.	3	"	125,209	Note 5	0.03
7	Silicon Application Corp.	WPI International (Hong Kong) Limited	3	"	171,494	Notes 9 and 11	0.04
7	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	987,251	Notes 9 and 11	0.25
7	Silicon Application Corp.	WPI International (Hong Kong) Limited	3	"	1,997,920	Notes 9 and 12	0.51
7	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	626,120	Note 6 and 9	0.16
7	Silicon Application Corp.	WPG SCM Limited	3	"	176,153	Notes 9 and 11	0.04
8	Pernas Electronics Co., Ltd.	Silicon Application Corp.	3	"	122,572	Notes 9 and 11	0.03
8	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	200,031	Notes 9 and 12	0.05
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	1,157,270	Notes 9 and 12	0.29
9	Everwiner Enterprise Co., Ltd.	WPG China (SZ) Inc.	3	"	155,710	Note 6 and 9	0.04
10	Asian Information Technology Inc.	WPI International (Hong Kong) Limited	3	"	392,069	Note 4	0.10
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	450,991	Note 4	0.11
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	3,542,217	Note 4	0.90
10	Asian Information Technology Inc.	AIT Japan Inc.	3	"	979,573	Note 4	0.25
10	Asian Information Technology Inc.	WPG China (SZ) Inc.	3	"	105,131	Note 4	0.03
11	Henshen Electric Trading Co., Ltd.	Asian Information Technology Inc.	3	"	168,468	Note 4	0.04
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	837,735	Note 4	0.21
12	Frontek Technology Corporation	WPI International (Hong Kong) Limited	3	"	372,527	Note 4	0.09

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
13	Apache Communication Inc.	Asian Information Technology Inc.	3	Sales	\$ 110,341	Note 4	0.03
14	AIT Japan Inc.	Asian Information Technology Inc.	3	"	983,024	Note 4	0.25
15	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	139,207	Note 11	0.04
15	WPI International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	195,484	Note 11	0.05
15	WPI International (Hong Kong) Limited	Silicon Application Corp.	3	"	103,185	Note 11	0.03
15	WPI International (Hong Kong) Limited	Peng Yu International Limited	3	"	100,778	Note 11	0.03
16	WPG China (SZ) Inc.	WPG China Inc.	3	"	111,921	Note 10	0.03
17	WPG China Inc.	WPG China (SZ) Inc.	3	"	215,758	Notes 9 and 12	0.05
118	WPG Americas Inc.	World Peace Industrial Co., Ltd.	3	"	141,734	Notes 9 and 11	0.04
19	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	360,328	Note 10	0.09
20	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	407,821	Note 8	0.10
20	Yosun Industrial Corp.	WPG China Inc.	3	"	394,011	Note 8	0.10
20	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	4,014,589	Note 5	1.02
21	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	955,042	Note 8	0.24
21	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	2,136,987	Note 8	0.54
21	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	"	564,303	Note 5	0.14
21	Yosun Hong Kong Corp. Ltd.	Richpower Electornic Devices Co., Limited	3	"	1,015,512	Note 5	0.26
22	Yosun Singapore Pte Ltd.	WPG SCM Limited	3	"	345,426	Note 10	0.09
22	Yosun Singapore Pte Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	152,385	Note 5	0.04
23	Sertek Incorporated	Yosun Industrial Corp.	3	"	381,359	Note 5	0.10
23	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	"	326,745	Note 5	0.08
24	Richpower Electronic Devices Co., Ltd.	WPI International (Hong Kong) Limited	3	"	1,008,165	Note 8	0.26
24	Richpower Electronic Devices Co., Ltd.	WPG Korea Co., Ltd.	3	"	163,643	Note 8	0.04
24	Richpower Electronic Devices Co., Ltd.	Richpower Electornic Devices Co., Limited	3	"	131,123	Note 5	0.03
25	Richpower Electornic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	608,440	Note 5	0.15
26	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPI International (Hong Kong) Limited	3	"	413,892	Notes 9 and 11	0.11

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	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	Accounts receivable	\$ 696,095	Note 5	0.36
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	311,044	Note 5	0.16
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	184,985	Note 5	0.10
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	1,307,103	Note 5	0.69
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	1,171,247	Note 5	0.61
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	513,876	Note 5	0.27
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	246,320	Note 5	0.13
4	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	459,373	Note 5	0.24
5	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	254,273	Notes 9 and 11	0.13
5	Silicon Application Corp.	WPI International (Hong Kong) Limited	3	"	833,752	Notes 9 and 12	0.44
5	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	155,628	Note 6 and 9	0.08
6	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	553,579	Notes 9 and 12	0.29
7	Asian Information Technology Inc.	WPI International (Hong Kong) Limited	3	"	274,565	Note 4	0.14
7	Asian Information Technology Inc.	AIT Japan Inc.	3	"	225,748	Note 4	0.12
8	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	259,295	Note 4	0.14
8	Frontek Technology Corporation	WPI International (Hong Kong) Limited	3	"	204,194	Note 4	0.11
9	AIT Japan Inc.	Asian Information Technology Inc.	3	"	386,334	Note 4	0.20
10	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	111,467	Note 8	0.06
10	Yosun Industrial Corp.	WPG China Inc.	3	"	143,036	Note 8	0.07
10	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	193,668	Note 5	0.10
11	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	226,014	Note 8	0.12
11	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	580,648	Note 8	0.30
12	Richpower Electronic Devices Co., Ltd.	WPI International (Hong Kong) Limited	3	"	452,702	Note 8	0.24
13	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPI International (Hong Kong) Limited	3	"	102,772	Notes 9 and 11	0.05
1	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd.	3	Other receivables	115,226	Note 7	0.06

Table 8. Page 4

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
2	World Peace International (South Asia) Pte Ltd.	WPG China Inc.	3	Other receivables	\$ 304,779	Note 7	0.16
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	616,608	Note 7	0.32
3	WPI International (Hong Kong) Limited	WPG C&C Limited	3	"	303,254	Note 7	0.16
4	AECO Electronic Co., Ltd.	WPG C&C Limited	3	"	729,362	Note 7	0.38
5	Silicon Application (BVI) Corp.	Silicon Application Corp.	3	"	1,185,467	Note 7	0.62
6	Silicon Application Company Limited	WPI International (Hong Kong) Limited	3	"	213,422	Note 7	0.11
6	Silicon Application Company Limited	Silicon Application Corp.	3	"	737,741	Note 7	0.39
6	Silicon Application Company Limited	WPG SCM Limited	3	"	242,126	Note 7	0.13
6	Silicon Application Company Limited	WPG Korea Co., Ltd.	3	"	306,299	Note 7	0.16
6	Silicon Application Company Limited	WPG Americas Inc.	3	"	272,444	Note 7	0.14
7	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	151,294	Note 7	0.08
8	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	245,427	Note 7	0.13
9	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	400,430	Note 7	0.21
9	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	3	"	151,748	Note 7	0.08
10	Yosun Hong Kong Corp. Ltd.	WPG Korea Co., Ltd.	3	"	153,436	Note 7	0.08
10	Yosun Hong Kong Corp. Ltd.	WPG Americas Inc.	3	"	914,365	Note 7	0.48
11	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	3	"	187,020	Note 7	0.10
11	Yosun Shanghai Corp. Ltd.	WPG China Inc.	3	"	145,632	Note 7	0.08
12	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	163,730	Note 7	0.09
13	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	3	"	114,040	Note 7	0.06
14	Sertek Incorporated	Richpower Electronic Devices Co., Ltd.	3	"	202,269	Note 7	0.11
15	Sertek Limited	WPG Americas Inc.	3	"	420,757	Note 7	0.22
16	Richpower Electornic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	520,796	Note 7	0.27
17	Richpower Electronic Devices Pte Ltd	Yosun Singapore Pte Ltd.	3	"	197,083	Note 7	0.10
18	WPG Investment Co., Ltd.	WPG Holdings Limited	2	"	110,428	Note 7	0.06

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

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

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

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

Note 7: Mainly accrued financing charges.

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

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

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

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

Note 12: The collection period is 90 days from the end of the month of sales.

WPG Holdings Limited and Subsidiaries  
Information on investees  
Nine months ended September 30, 2017

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2017			Net profit (loss) of the investee for the nine months ended September 30, 2017	Investment income (loss) recognised by the Company for the nine months ended September 30, 2017	Footnote
				Balance as at September 30, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic components	\$ 15,971,669	\$ 13,484,384	1,097,252,407	100.00	\$ 21,435,959	\$ 2,674,594	\$ 2,651,764	Notes 4 and 9
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic /electrical components	4,063,464	4,063,464	346,812,367	100.00	4,867,240	885,248	885,248	Note 4
WPG Holdings Limited	Silicon Application Corp.	Taiwan	Sales of computer software, hardware and electronic components	4,717,962	4,717,962	406,570,000	100.00	6,039,203	607,178	607,178	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic components	14,735	14,735	3,920,000	100.00	51,128	7,885	7,885	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic components	169,071	169,071	1,087,794	100.00	420,477	39,908	39,908	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,783,583	3,783,583	124,442,727	100.00	4,089,342	623,882	623,882	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	13,644,406	16,131,691	512,074,400	100.00	13,903,332	837,218	834,582	Notes 4 and 9
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	450,815	( 3,172)	( 288)	Note 4
WPG Holdings Limited	WPG Core Investment Co., Ltd.	Taiwan	Investment company	50,000	50,000	5,000,000	100.00	1,270	( 503)	( 503)	Note 4
WPG Holdings Limited	Genuine C&C Inc.	Taiwan	Sales of computer and its peripheral equipment	-	510,041	-	0.00	-	93,351	38,680	Note 10
WPG Holdings Limited	Trigold Holdings Limited	Taiwan	Investment company	707,968	-	48,139,319	60.50	701,517	5,270	2,969	Notes 4 and 10
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	British Virgin Islands	Holding company	1,132,162	1,132,162	34,196,393	100.00	3,275,720	( 109)	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,774,146	2,774,146	83,179,435	100.00	14,224,828	1,557,130	-	Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2017			Net profit (loss) of the investee for the nine months ended September 30, 2017	Investment income (loss) recognised by the Company for the nine months ended September 30, 2017	Footnote
				Balance as at September 30, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value			
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic components	\$ 364,290	\$ 364,290	33,900,000	100.00	\$ 557,809	\$ 65,295	\$ -	Notes 2 and 5
World Peace Industrial Co., Ltd.	Chainpower Technology Corp.	Taiwan	Sales of electronic components	66,261	66,261	9,781,452	39.00	149,003	48,743	-	Notes 2 and 3
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Sales of electronic components	1,468,555	1,468,555	94,600,000	100.00	1,660,538	28,546	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Taiwan	Sales of computer and its peripheral equipment	-	149,130	-	0.00	-	93,351	-	Notes 2, 5 and 11
Longview Technology Inc.	Longview Technology GC Limited	British Virgin Islands	Holding company	335,328	335,328	11,300,000	100.00	368,238	24,424	-	Notes 2 and 5
Longview Technology Inc.	Long-Think International Co., Ltd.	Taiwan	Sales of electronic components	37,302	37,302	4,000,000	100.00	52,529	7,798	-	Notes 2 and 5
AECO Technology Co., Ltd.	Teco Enterprise Holding (BVI) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	758,847	23,892	-	Notes 2 and 5
Silicon Application Corp.	Silicon Application (BVI) Corp.	British Virgin Islands	Holding company	706,402	706,402	22,000,000	100.00	3,086,812	33,721	-	Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	Holding company	24,015	24,015	765,000	100.00	24,811	185	-	Notes 2 and 5
Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Singapore	Sales of computer software, hardware and electronic components	104,510	104,510	3,500,000	100.00	113,828	5,430	-	Notes 2 and 5
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Taiwan	Sales of electronic components	959,504	959,504	73,500,000	100.00	1,031,833	111,244	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Sales of electronic components	343,959	343,959	28,000,000	100.00	694,668	47,247	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	International investment	-	33,287	-	0.00	-	(303)	-	Notes 2, 5 and 12
Asian Information Technology Inc.	Frontek Technology Corporation Inc.	Taiwan	Wholesale of electronic components	1,515,256	1,515,256	214,563,352	100.00	2,443,531	301,804	-	Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Wholesale of electronic components	680,313	680,313	157,000,000	100.00	1,690,371	64,244	-	Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2017			Net profit (loss) of the investee for the nine months ended September 30, 2017	Investment income (loss) recognised by the Company for the nine months ended September 30, 2017	Footnote
				Balance as at September 30, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value			
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Wholesale of electronic components	\$ 124,521	\$ 124,521	10,000,000	100.00	\$ 117,647	\$ 7,573	\$ -	Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electronic components	206,200	157,200	11,760,000	49.00	59,715	(44,406)	-	Notes 2, 3 and 8
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	Investment company	155,558	155,558	4,703,107	100.00	309,262	13,118	-	Notes 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	Investment company	101,862	101,862	2,970,000	100.00	119,096	1,114	-	Notes 2 and 5
Yosun Industrial Corp.	Suntop Investments Limited	Cayman Islands	Investment company	1,812,188	1,812,188	50,700,000	100.00	4,999,968	367,264	-	Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of electronic /electrical	1,616,722	1,616,722	94,828,100	100.00	1,701,129	158,058	-	Notes 2 and 5
Yosun Industrial Corp.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	19,920	19,920	1,660,000	24.24	205	-	-	Notes 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of electronic /electrical components, office machinery and equipment	11,520	11,520	1,080,000	20.00	34,287	17,493	-	Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic /electrical components	21,037	44,172	5,000	50.00	9,242	932	-	Notes 2, 3 and 6
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Taiwan	Sales of electronic /electrical components	2,092,631	2,092,631	85,000,000	100.00	2,182,426	305,031	-	Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic /electrical	83,494	83,494	19,500,000	100.00	430,935	7,629	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components	284,898	284,898	63,000,000	100.00	1,883,110	281,192	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Taiwan	Sales of electronic components	401,247	401,247	24,300,000	100.00	390,193	15,984	-	Notes 2 and 5
Mec Technology Co., Ltd.	Mec Technology Co., Limited	Hong Kong	Sales of electronic components	1,092	1,092	25,000	100.00	6,719	(90)	-	Notes 2 and 5
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	212,168	3,124	-	Notes 2 and 5



Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2017			Net profit (loss) of the investee for the nine months ended September 30, 2017	Investment income (loss) recognised by the Company for the nine months ended September 30, 2017	Footnote
				Balance as at September 30, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value			
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of electronic /electrical components, office machinery and equipment	\$ 11,520	\$ 11,520	1,080,000	20.00	\$ 34,287	\$ 17,493	\$ -	Notes 2 and 3
WPG Investment Co., Ltd.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	17,800	17,800	1,565,218	22.86	-	-	-	Notes 2 and 3
WPG Investment Co., Ltd.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	50,000	50,000	3,279,800	10.67	57,070	( 9,130)	-	Notes 2 and 3
Trigold Holdings Limited	Genuine C&C Inc.	Taiwan	Sales of computer, components and its peripheral equipment	1,093,697	-	79,569,450	100.00	1,102,380	93,351	-	Notes 2, 5 and 10
Genuine C&C Inc.	Hoban Inc.	Taiwan	General investment and retail of groceries	79,999	79,999	8,000,000	100.00	23,797	( 7,780)	-	Notes 2 and 5
Genuine C&C Inc.	Genuine C&C Holding Inc. (Seychelles)	Seychelles	Holding company	193,870	163,400	6,500,000	100.00	128,012	12,591	-	Notes 2, 5 and 7
Genuine C&C Inc.	Taibao Creation Co., Ltd.	Taiwan	Retail of groceries	26,995	26,995	4,000,000	100.00	13,958	( 8)	-	Notes 2 and 5
Genuine C&C Inc.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	12,636	12,636	1,682,151	5.47	11,634	( 9,130)	-	Notes 2 and 3

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

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

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

Note 4: A subsidiary.

Note 5: An indirect subsidiary.

Note 6: In March 2017, the associate reduced its capital.

Note 7: In March 2017, the subsidiary increased its capital.

Note 8: In April 2017, the associate increased its capital.

Note 9 : In April 2017, Yosun Industrial Corp. transferred the operations of Texas Instruments product line to World Peace Industrial Co., Ltd., and World Peace Industrial Co., Ltd. increased capital as consideration. Meanwhile, Yosun Industrial Corp. reduced its capital.

Note 10: The Company hold 48,139 thousand shares of Genuine C&C Inc. initially, and the Company recognised investment gains (losses) of Genuine C&C Inc. for the eight months ended August 31, 2017 and Trigold Holdings Limited for the nine months ended September 30, 2017 because Trigold Holdings Limited converted stock into shares with the original shareholders of Genuine C&C Inc. on September 1, 2017 and the conversion ratio is 1 share of Trigold Holdings Limited's common stock converted to 1 share of Genuine C&C Inc..

Note 11: On July 28, 2017, the Company's subsidiary, World Peace Industrial Co., Ltd., disposed 12,964 thousand shares of the sister company, Genuine C&C Inc., who is controlled by the same parent company, to the parent company, WPG Holdings Limited.

Note 12: In August 2017, the liquidation of the subsidiary has been completed.

WPG Holdings Limited and Subsidiaries  
Information on investments in Mainland China  
Nine months ended September 30, 2017

Table 10

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the nine months ended September 30, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2017	Net income of investee for the nine months ended September 30, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2017 (Note 7)	Book value of investments in Mainland China as of September 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2017	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Sales of electronic /electrical components	\$ 1,723,312	1	\$ 1,765,306	\$ -	\$ -	\$ 1,765,306	\$ 176,138	100.00	\$ 245,849	\$ 2,197,043	\$ -	
WPG China (SZ) Inc.	Sales of computer software and electronic components	152,841	1	104,997	-	-	104,997	131,573	100.00	131,573	661,720	-	Note 4
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	37,637	1	28,393	-	-	28,393	14,812	49.00	7,258	59,665	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Sales of electronic components	45,510	1	14,996	-	-	14,996	6,195	40.00	2,478	31,671	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services / extra work	68,265	1	18,602	-	-	18,602	12,194	29.40	3,585	31,292	-	
CECI Technology Co. Ltd.	Business e- commerce platform	1,123,022	1	-	-	-	-	232,184	15.00	35,002	605,221	-	Note 8
WPI International Trading (Shanghai) Limited	Sales of electronic components	211,281	1	19,669	-	-	19,669	( 17,464)	100.00	( 17,464)	223,528	-	
AIO (Shanghai) Components Company Limited	Sales of electronic components	7,534	1	-	-	-	-	212	100.00	212	7,774	-	Note 3
Long-Think International (Shanghai) Limited	Sales of electronic components	15,069	1	143,490	-	-	143,490	( 1,641)	100.00	( 1,641)	96,826	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the nine months ended September 30, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2017	Net income of investee for the nine months ended September 30, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2017 (Note 7)	Book value of investments in Mainland China as of September 30, 2017	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2017	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
AECO Electronic (Ningbo) Co., Ltd.	International trade of electronic components and products	\$ -	1	\$ 118,619	\$ -	\$ -	\$ 118,619	(\$ 18)	0.00	(\$ 18)	\$ -	\$ -	Note 9
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	285,875	1	233,002	-	-	233,002	4,390	100.00	4,390	363,830	-	
Yosun South China Corp. Ltd.	Sales of electronic /electrical components	145,944	1	-	-	-	-	2,673	100.00	2,673	204,986	-	
Qegoo Technology Co., Ltd.	Business e- commerce platform	55,981	1	4,852	-	-	4,852	-	15.00	-	4,852	-	
World Components Agent (Shanghai) Inc.	Sales of electronic components	-	1	6,450	-	6,450	-	(15)	0.00	(15)	-	-	Note 10
Peng Yu (Shanghai) Digital Technology Co., Ltd	Sales of electronic products	102,398	1	40,362	16,958	-	57,320	26,562	55.00	8,839	44,490	-	

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

Note 2: Long View Technology Inc. held investments in Mainland China 100% ownership of Long-Think International Trading (Shanghai) Limited through third district transfer investment of British Virgin Islands-Long Think International (HK) Limited as of August 31, 2012. The investment had been permitted by Investment Commission.

Note 3: WPI International (Hong Kong) Limited acquired AIO Components Company Limited as of July 1, 2010, and AIO (Shanghai) Company Limited became the Company's indirect subsidiary. The investment of USD 469 thousand in AIO (Shanghai) Company Limited had been permitted by Investment Commission.

Note 4: WPG International (Hong Kong) Limited invested in WPG (Shenzhen) Inc. in the amount of HKD 10 million, which is part of the distribution of earnings from WPG China Inc. The investment had been permitted by Investment Commission, and was excluded from the ceiling of investment amount in Mainland China.

Note 5: For paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the nine months ended September 30, 2017, accumulated amount of remittance from Taiwan to Mainland China as of September 30, book value of investments in Mainland China as of September 30, 2017, accumulated amount of investment income remitted back to Taiwan as of September 30, 2017, etc., the exchange rates used were USD 1: NTD 30.26, HKD 1: NTD 3.873 and RMB 1: NTD 4.551.

Note 6: The ending balance of investment was calculated based on combined ownership percentage held by the Company.

Note 7: Except for WPG China Inc., WPG China (SZ) Inc. and Peng Yu (Shanghai) Digital Technology Co., Ltd., the investment income/loss for the nine months ended September 30, 2017 that was recognised by the Company was based on the financial statements reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C. The remaining investment income/loss was measured based on unreviewed financial statements of investee during the same period.

Note 8: In August 2016, WPG China Inc. gained 15% of shares in the investee with its own capital.  
Note 9: It has completed cancellation of registration in June 2017.  
Note 10: It has completed cancellation of registration in May 2017.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2017	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
WPG Holdings Limited	\$ 1,932,294	\$ 2,109,820	\$ 30,810,927
World Peace Industrial Co., Ltd. and its subsidiaries	378,610	714,988	12,881,562
Silicon Application Corp. and its subsidiaries	37,222	43,109	3,623,522
Yosun Industrial Corp. and its subsidiaries	253,730	537,539	6,082,604
WPG Investment Co., Ltd.	4,852	14,779	270,600
Trigold Holdings Limited and its subsidiaries	151,564	134,582	695,661

(1) Exchange rates as of September 30, 2017 were USD 1: NTD 30.26, HKD 1 : NTD 3.873 and RMB 1 : NTD 4.551.

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