WPG HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

MARCH 31, 2016 AND 2015

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of March 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conlusion 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 $21,333,688 thousand and $20,978,950 thousand, both constituting 13% of the consolidated total assets, and total liabilities of $9,569,177 thousand and $8,687,533 thousand, both constituting 8% of the consolidated total liabilities as of March 31, 2016 and 2015, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of $96,219 thousand and $94,052 thousand, constituting 33% and 12% of the consolidated total comprehensive income for the three 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 March 31, 2016 and 2015.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been audited or reviewed by independent accountants, 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.

PricewaterhouseCoopers, Taiwan

May 10, 2016

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

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

		March 31, 2016		December 31, 2015		March 31, 2015	
ASSETS	Notes	Amount	%	Amount	%	Amount	%
Current Assets							
Cash and cash equivalents	6(1)	$ 9,449,692	6	$ 9,446,642	5	$ 9,284,281	6
Financial assets at fair value through profit or loss - current	6(2)	36,058	-	62,266	-	19,389	-
Available-for-sale financial assets - current	6(3)	23,997	-	35,786	-	42,645	-
Financial assets carried at cost - current		-	-	-	-	3,497	-
Notes receivable, net	6(4)	5,812,703	4	6,511,976	4	2,612,049	2
Accounts receivable, net	6(5) and 8	71,015,329	42	85,440,433	48	69,373,069	44
Accounts receivable - related parties, net	7	269,008	-	319,058	-	224,851	-
Other receivables		7,829,141	5	9,178,333	5	3,418,800	2
Other receivables - related parties	7	119,269	-	95,876	-	103,059	-
Current income tax assets		107,289	-	1,033	-	1,949	-
Inventories, net	6(7)	55,952,649	33	50,295,037	28	55,162,987	35
Prepayments		2,072,202	1	2,801,241	1	2,906,312	2
Other current assets	8	1,361,898	1	1,299,731	1	579,867	-
		154,049,235	92	165,487,412	92	143,732,755	91
Non-current Assets							
Available-for-sale financial assets - non-current	6(8) and 8	358,216	-	335,296	-	403,906	-
Financial assets carried at cost - non-current	6(9)	467,903	-	468,031	-	429,463	-
Investments in bonds without active market - non-current		5,000	-	5,000	-	5,000	-
Investments accounted for under the equity method	6(10)	586,692	-	555,054	1	816,126	1
Property, plant and equipment	6(11) and 8	4,665,422	3	4,656,320	3	4,636,032	3
Investment property, net	6(12)	1,076,589	1	1,141,609	1	1,135,367	1
Intangible assets	6(13)	5,664,323	4	5,671,154	3	5,714,319	4
Deferred income tax assets		359,857	-	335,020	-	482,151	-
Other non-current assets	6(14) and 8	360,004	-	396,969	-	362,031	-
		13,544,006	8	13,564,453	8	13,984,395	9
Total assets		$167,593,241	100	$179,051,865	100	$157,717,150	100

(Continued)

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

		March 31, 2016		December 31, 2015		March 31, 2015	
LIABILITIES AND EQUITY	Notes	Amount	%	Amount	%	Amount	%
Current Liabilities							
Short-term borrowings	6(15)	$ 42,646,820	25	$ 54,575,352	30	$ 38,790,931	25
Commercial papers payable	6(16)	4,027,410	2	3,708,197	2	4,043,148	3
Financial liabilities at fair value through profit or loss - current	6(2)	16,760	-	26,719	-	3,046	-
Notes payable		1,185,153	1	727,694	-	586,973	-
Accounts payable		45,088,509	27	44,513,040	25	44,728,023	28
Accounts payable - related parties	7	128	-	2,121	-	875	-
Other payables		4,566,434	3	5,055,168	3	4,472,631	3
Current income tax liabilities		1,208,809	1	889,808	1	1,191,784	1
Other current liabilities	6(18)	2,660,998	1	2,087,756	1	3,923,972	2
		101,401,021	60	111,585,855	62	97,741,383	62
Non-current Liabilities							
Bonds payable	6(17)	5,895,362	4	5,875,383	3	5,815,850	4
Long-term borrowings	6(18)	10,626,781	6	12,126,659	7	7,369,658	5
Deferred income tax liabilities		426,649	-	442,058	-	409,350	-
Other non-current liabilities		670,261	1	704,152	1	471,882	-
		17,619,053	11	19,148,252	11	14,066,740	9
Total Liabilities		119,020,074	71	130,734,107	73	111,808,123	71
Equity Attributable to Owners of Parent							
Capital							
Common stock	1 and 6(20)	16,557,092	10	16,557,092	9	16,557,092	11
Capital reserve	6(21)						
Capital reserve		15,187,281	9	15,187,178	8	15,186,872	9
Retained earnings	6(22)						
Legal reserve		3,470,739	2	3,470,739	2	2,890,021	2
Special reserve		-	-	-	-	1,937,752	1
Undistributed earnings	6(30)	11,557,929	7	10,002,877	6	8,898,524	6
Other equity interest							
Other equity interest	6(23)	1,282,717	1	2,553,776	2	367,118	(1)
Treasury share							
Treasury share	6(20)	(1,354)	-	(1,242)	-	-	-
Total equity attributable to owners of parent		48,054,404	29	47,770,420	27	45,837,379	29
Non-controlling interests		518,763	-	547,338	-	71,648	-
Total equity		48,573,167	29	48,317,758	27	45,909,027	29
Significant contingent liabilties and unrecognised contract commitments	9						
Significant events after the balance sheet date	11						
TOTAL LIABILITIES AND EQUITY		$167,593,241	100	$179,051,865	100	$157,717,150	100

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 10, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

		2016		2015	
Items	Notes	Amount	%	Amount	%
Operating revenues	6(24) and 7	$ 121,532,749	100	$ 108,014,005	100
Operating costs	6(7) and 7	(116,361,138)	(96)	(103,199,774)	(95)
Gross profit		5,171,611	4	4,814,231	5
Operating expenses	6(28)(29)				
Selling and marketing		(1,982,702)	(2)	(1,782,181)	(2)
General and administrative		(1,093,489)	(1)	(1,031,762)	(1)
Total operating expenses		(3,076,191)	(3)	(2,813,943)	(3)
Operating income		2,095,420	1	2,000,288	2
Non-operating income and expenses					
Other income	6(25)	73,108	-	66,844	-
Other gains or losses	6(26)	126,772	-	18,861	-
Financial costs	6(27)	(397,762)	-	(337,715)	-
Share of profit of associates and joint ventures accounted for under equity method		4,981	-	6,457	-
Total non-operating income and expenses		(192,901)	-	(245,553)	-
Income before income tax		1,902,519	1	1,754,735	2
Income tax expense	6(30)	(342,148)	-	(355,690)	(1)
Consolidated net income		$ 1,560,371	1	$ 1,399,045	1
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations		($ 1,306,622)	(1)	($ 619,069)	-
Unrealised loss on available-for-sale financial assets	6(23)	23,965	-	225	-
Share of other comprehensive income (loss) of associates and joint venture accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		1,091	-	(5,706)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	9,013	-	7,362	-
Components of other comprehensive loss that will be reclassified to profit or loss		(1,272,553)	(1)	(617,188)	-
Total other comprehensive loss, net		($ 1,272,553)	(1)	($ 617,188)	-
Total comprehensive income		$ 287,818	-	$ 781,857	1
Consolidated net income attributable to:					
Owners of parent		$ 1,555,052	1	$ 1,397,221	1
Non-controlling interests		5,319	-	1,824	-
		$ 1,560,371	1	$ 1,399,045	1
Comprehensive income attributable to:					
Owners of parent		$ 283,993	-	$ 780,578	1
Non-controlling interests		3,825	-	1,279	-
		$ 287,818	-	$ 781,857	1
Earnings per share (In dollars)					
Basic earnings per share	6(31)	$ 0.94		$ 0.84	
Diluted earnings per share	6(31)	$ 0.87		$ 0.78	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 10, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

		Attributable to owners of the Company														
			Capital Reserve					Retained Earnings			Other Equity Adjustments					
	Notes	Common stock	Additional paid-in capital	Treasury stock transactions	Changes in parent's ownership interest in subsidiaries	Changes in share of other comprehensive income of associates and joint ventures accounted for under equity method	Capital surplus-stock warrants	Legal reserve	Special reserve	Undistributed earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interests	Total equity
2015																
Balance at January 1, 2015		$ 16,557,092	$ 14,886,934	$ 45,083	$ 464	$ 20,521	$ 232,800	$ 2,890,021	$ 1,937,752	$ 7,501,303	$ 908,749	$ 75,012	$ -	$ 45,055,731	$ 61,951	$ 45,117,682
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	1,103	-	-	-	-	-	-	-	1,103	-	1,103
Capital increase in subsidiaries not recognised proportionately to ownership		-	-	-	(33)	-	-	-	-	-	-	-	-	(33)	-	(33)
Total consolidated profit		-	-	-	-	-	-	-	-	1,397,221	-	-	-	1,397,221	1,824	1,399,045
Net other comprehensive income (loss)	6(23)	-	-	-	-	-	-	-	-	-	(616,868)	225	-	(616,643)	(545)	(617,188)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	8,418	8,418
Balance at March 31, 2015		$ 16,557,092	$ 14,886,934	$ 45,083	$ 431	$ 21,624	$ 232,800	$ 2,890,021	$ 1,937,752	$ 8,898,524	$ 291,881	$ 75,237	$ -	$ 45,837,379	$ 71,648	$ 45,909,027
2016																
Balance at January 1, 2016		$ 16,557,092	$ 14,886,934	$ 45,182	$ 431	$ 21,831	$ 232,800	$ 3,470,739	$ -	$ 10,002,877	$ 2,574,750	($ 20,974)	($ 1,242)	$ 47,770,420	$ 547,338	$ 48,317,758
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	103	-	-	-	-	-	-	-	103	-	103
Changes in market price of treasury stocks received through acquisition of subsidiary	6(20)	-	-	-	-	-	-	-	-	-	-	-	(112)	(112)	-	(112)
Total consolidated profit		-	-	-	-	-	-	-	-	1,555,052	-	-	-	1,555,052	5,319	1,560,371
Net other comprehensive income (loss)	6(23)	-	-	-	-	-	-	-	-	-	(1,295,024)	23,965	-	(1,271,059)	(1,494)	(1,272,553)
Effect of changes in consolidated entities		-	-	-	-	-	-	-	-	-	-	-	-	-	(32,400)	(32,400)
Balance at March 31, 2016		$ 16,557,092	$ 14,886,934	$ 45,182	$ 431	$ 21,934	$ 232,800	$ 3,470,739	$ -	$ 11,557,929	$ 1,279,726	$ 2,991	($ 1,354)	$ 48,054,404	$ 518,763	$ 48,573,167

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

See review report of independent accountants dated May 10, 2016..

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2016	2015
Cash flows from operating activities			
Income before income tax		$ 1,902,519	$ 1,754,735
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Income and expenses			
Depreciation	6(28)	60,314	55,567
Amortisation	6(28)	10,683	42,549
Bad debts expense		62,834	21,314
Interest expense	6(27)	331,046	275,774
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(26)	13,670	(5,609)
Interest income	6(25)	(7,179)	(7,323)
Dividend income	6(25)	(9,565)	(27,020)
Share of profit of associates and joint ventures accounted for under equity method		(4,981)	(6,457)
Loss on disposal of property, plant and equipment and investment property	6(26)	294	15
Gain on disposal of investments	6(26)	(98)	(36,070)
Amortisation of bond discount	6(17)(27)	19,979	19,710
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		2,579	(5,197)
Notes receivable, net		699,273	616,114
Accounts receivable, net		14,150,520	9,356,799
Accounts receivable - related parties, net		50,050	44,690
Other receivables		1,233,096	(1,048,077)
Other receivables - related parties		(23,393)	66,360
Inventories		(5,692,960)	(7,789,481)
Prepayments		728,412	(756,573)
Other current assets		(3,334)	(4,046)
Changes in liabilities relating to operating activities			
Notes payable		457,459	148,444
Accounts payable		727,820	4,017,292
Accounts payable - related parties		(1,993)	(1,183)
Other payables		(445,925)	(431,994)
Other current liabilities		100,932	(63,133)
Cash provided by operations		14,362,052	6,237,200
Interest paid		(377,517)	(289,866)
Income tax paid		(19,003)	(11,949)
Interest received		17,019	15,524
Dividends received		13,845	30,245
Net cash provided by operating activities		13,996,396	5,981,154

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Notes	2016	2015
Cash flows from investing activities			
Acquisition of financial assets carried at cost - non-current		$ -	($ 50,000)
Proceeds from disposal of financial assets carried at cost - non-current		-	24,500
Acquisition of available-for-sale financial assets - non-current		-	(4,972)
Proceeds from disposal of available-for-sale financial assets - current		12,042	28,969
Proceeds from disposal of available-for-sale financial assets - non-current		-	19,076
(Increase) decrease in other financial assets		(58,833)	96,495
Acquisition of investments accounted for under equity method		-	(3,000)
Acquisition of property, plant and equipment and intangible assets	6(33)	(31,001)	(47,360)
Proceeds from disposal of property, plant and equipment		1,381	15
Disposal of subsidiaries	6(33)	(29,939)	-
Decrease in refundable deposits		26,918	50,507
Increase in prepayments for investment		-	(22,000)
Decrease in other non-current assets		9,827	3,702
Net cash (used in) provided by investing activities		(69,605)	95,932
Cash flows from financing activities			
Increase in short-term borrowings		200,588,047	214,092,665
Decrease in short-term borrowings		(212,464,059)	(220,495,724)
Increase in long-term borrowings (including current portion of long-term liabilities)		4,419,894	3,193,747
Decrease in long-term borrowings (including current portion of long-term liabilities)		(5,447,085)	(4,133,810)
Increase in commerical papers payable		6,421,160	15,474,657
Decrease in commercial papers payable		(6,101,947)	(15,519,275)
(Decrease) increase in other non-current liabilities		(33,891)	14,002
Increase in non-controlling interests		-	8,418
Net cash used in financing activities		(12,617,881)	(7,365,320)
Effect of exchange rate changes on cash and cash equivalents		(1,305,860)	(612,344)
Net increase (decrease) in cash and cash equivalents		3,050	(1,900,578)
Cash and cash equivalents at beginning of period		9,446,642	11,184,859
Cash and cash equivalents at end of period		$ 9,449,692	$ 9,284,281

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated May 10, 2016.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

(1) WPG Holdings Limited (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China, and as a holding company of World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock on November 9, 2005. The Company's shares were listed on the Taiwan Stock Exchange (TSE) and approved by the Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau on the same date. After restructuring, Richpower Electronic Devices Co., Ltd. became the Company's subsidiary on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Co., Ltd. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Company's organisation restructuring on January 1, 2014, World Peace Industrial Co., Ltd., Silicon Application Corp. and Yosun Industrial Corp. acquired 100% shares in AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries. The Company originally evaluated Genuine C&C, Inc. using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 8, 2015 and completed the purchase on April 15, 2015. After the purchase, the Company held 60.5% shares of Genuine C&C, Inc. which became the Company's directly owned subsidiary.

(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). The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group". As of March 31, 2016, the Company had issued capital of $16,557,092 with a par value of $10 (in dollars) per share.

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

These consolidated financial statements as reported to the Board of Directors were issued on May 10, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

None.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarifications to IFRS 15, 'Revenue from contracts with customers' (amendments to IFRS 15)	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and operating results based on the Group's assessment.

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).

(c) The amended general hedge accounting requirements align hedge accounting more closely with an entity's risk management strategy. Risk components of non-financial items and a group of items can be designated as hedged items. The standard relaxes the requirements for hedge effectiveness, removing the 80-125% bright line, and introduces the concept of 'rebalancing'; while its risk management objective remains unchanged, an entity shall rebalance the hedged item or the hedging instrument for the purpose of maintaining the hedge ratio.

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, 'Revenue from Contracts with Customers'

The amendments clarify how to identify a performance obligation (the promise to transfer goods or services to a customer) in a contract; determine whether a company is a principal (the provider of goods or services) or an agent (responsible for arranging for the goods or services 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 12, ‘Recognition of deferred tax assets for unrealised losses’

These amendments clarify the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, and they clarify several of the general principles underlying the accounting for deferred tax assets. The amendments clarify that a deductible temporary difference exists whenever an asset is measured at fair value and that fair value is below the asset’s tax base. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, it considers a deductible temporary difference in combination with all of its other deductible temporary differences unless there are tax law restrictions, and the tax deduction resulting from temporary differences is excluded from estimated future taxable profits. The amendments are effective from January 1, 2017.

E. Amendments to IAS 19, "Defined benefit plans: Employee contributions"

The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

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

The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment. When a material impairment loss has been recognised or reversed for an individual asset, including goodwill, or a CGU, it is required to disclose the recoverable amount of the asset or CGU. If the recoverable amount is fair value less costs of disposal, it is required to disclose the level of the fair value hierarchy, the valuation techniques(s) used and key assumptions.

G. Annual improvements to IFRSs 2010-2012 cycle

(a) IFRS 3, 'Business combinations'

(b) IAS 24, 'Related party disclosures'

H. Annual improvements to IFRSs 2011-2013 cycle

(a) IFRS 13, 'Fair value measurement'

The amendment clarifies that the exception of measuring the fair value of a group of financial assets and financial liabilities (portfolio exception) applies to all financial assets, financial liabilities and other contracts within the scope of IFRS 9 or IAS 39.

(b) IAS 40, 'Investment property'

This amendment clarifies that preparers should refer to the guidance in IFRS 3 to determine whether the acquisition of a property is an asset acquisition or a business combination, and refer to the guidance in IAS 40 to distinguish between owner-occupied property and investment property.

I. Annual improvements to IFRSs 2012-2014 cycle

(a) IAS 19, 'Employee benefits'

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds or not is based on corporate bonds in that currency, and not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used.

(b) IAS 34, 'Interim financial reporting'

The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report". The amendment further amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

b) Available-for-sale financial assets measured at fair value.

c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

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

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) March 31, 2016	December 31, 2015	March 31, 2015	Note
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	WPG Core Investment Co., Ltd.	〃	100.00	100.00	100.00	Notes 7 and 8
WPG Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	44.21	44.21	-	Note 2
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	100.00	Notes 7 and 8
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	〃	100.00	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	〃	100.00	100.00	100.00	Notes 7 and 8
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Sales of computer and its peripherals	16.29	16.29	-	Note 2
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 7 and 8
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	100.00	Notes 7 and 8
Prime Future Technology Limited	World Peace International Pte. Ltd.	〃	100.00	100.00	100.00	Notes 7 and 8
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	80.00	Notes 7 and 8
World Peace International Pte. Ltd.	WPG Americas Inc.	〃	4.31	4.31	5.10	Note 4

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

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

Name of investment company	Name of subsidiaries	Main activities	Ownership (%) March 31, 2016	December 31, 2015	March 31, 2015	Note
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 7 and 8
Silicon Application Company Limited	Dstar Electronic Company Limited	〃	100.00	100.00	100.00	Notes 7 and 8
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	100.00	Notes 7 and 8
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	95.69	94.90	Note 4
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	100.00	Notes 7 and 8
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	60.00	60.00	-	Notes 3 and 7
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	Agent for selling electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
WPG International (Hong Kong) Limited	WPG China Inc.	〃	100.00	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic /electrical products	-	-	100.00	Notes 8 and 11
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 7 and 8
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	〃	100.00	100.00	100.00	Notes 7, 8 and 9
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	〃	99.99	99.99	99.99	Notes 7, 8 and 13

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

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

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

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

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

Note 4: WPG International (CI) Limited increased capital of WPG Americas Inc. by cash in April 2015. However, World Peace Industrial Co., Ltd. did not participate in the capital increase based on its shareholding ratio. World Peace Industrial Co., Ltd. totally held 4.31%, 4.31% and 5.1% of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited as of March 31, 2016, December 31, 2015 and March 31, 2015, respectively. Along with shares of WPG Americas Inc. held by WPG International (CI) Limited, the total shareholding ratio is 100%.

Note 5: Due to restriction of local regulations, the Company holds 51% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

Note 6: Due to restriction of local regulations, the Company holds 62% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

Note 7: The financial statements as of March 31, 2016 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.

Note 8: The financial statements as of March 31, 2015 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.

Note 9: Due to restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

Note 10: WPG C & C Limited originally held 39.92% of shares of Genuine Trading (Hong Kong) Company Limited. As Genuine Trading (Hong Kong) Company Limited increased its capital in October 2015, WPG C & C Limited's shareholding ratio decreased to 24.71%. Along with 75.29% of shares from the original 60.08% held by Genuine C&C Holding Inc. after capital increase, the Group holds 100% of shares of Genuine Trading (Hong Kong) Company Limited in total.

Note 11: It was liquidated in May 2015.

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

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

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

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

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

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

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 March 31, 2016, December 31, 2015, and March 31, 2015, the non-controlling interest amounted to $518,763, $547,338 and $71,648, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest March 31, 2016 Amount	Non-controlling interest March 31, 2016 Ownership	Non-controlling interest December 31, 2015 Amount	Non-controlling interest December 31, 2015 Ownership	Note
Genuine C&C, Inc. and its subsidiaries	Taiwan	$ 416,970	39.5%	$ 413,924	39.5%	

There was no subsidiary with non-controlling interests that is material to the Group as of March 31, 2015.

Summarised financial information of the subsidiaries:

(a) Balance sheets

	Genuine C&C, Inc. and its subsidiaries	
	March 31, 2016	December 31, 2015
Current assets	$ 2,556,867	$ 2,667,863
Non-current assets	118,306	136,738
Current liabilities	(1,501,749)	(1,633,525)
Non-current liabilities	(48,265)	(51,115)
Total net assets	1,125,159	1,119,961
Less: non-controlling interest	(69,545)	(72,059)
Equity attributable to owners of the parent company	$ 1,055,614	$ 1,047,902

(b) Statements of comprehensive income

	Genuine C&C, Inc. and its subsidiaries
	Three months ended March 31, 2016
Revenue	$ 2,847,170
Profit before tax	5,202
Income tax expense	980
Profit for the period	6,182
Other comprehensive loss, net of tax	(984)
Total comprehensive income	$ 5,198
Total comprehensive loss attributable to non-controlling interest	($ 2,514)
Dividends paid to non-controlling interests	$ -

(c) Statements of cash flows

	Genuine C&C, Inc. and its subsidiaries
	Three months ended March 31, 2016
Net cash provided by operating activities	$ 11,259
Net cash provided by investing activities	16,584
Net cash used in financing activities	(122,284)
Effect of exchange rates on cash and cash equivalents	(1,070)
Decrease in cash and cash equivalents	(95,511)
Cash and cash equivalents, beginning of period	421,071
Cash and cash equivalents, end of period	$ 325,560

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

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

B. Translation of foreign operations

a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

b) The operating results and financial position of all the overseas branches that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period;

iii. Inter-company debits and working capital are translated using the historical exchange rates; and

iv. Exchange differences denominated in NTD arising from translation of overseas branches' financial statements are recorded as 'other equity – exchange differences on translation of foreign financial statements' under shareholders' equity,

c) When a foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

d) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

e) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

b) Assets held mainly for trading purposes;

c) Assets that are expected to be realised within twelve months from the balance sheet date;

d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

a) Liabilities that are expected to be paid off within the normal operating cycle;

b) Liabilities arising mainly from trading activities;

c) Liabilities that are to be paid off within twelve months from the balance sheet date;

d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.

B. On a regular way purchase or sale basis, financial assets held for trading are recognised and derecognised using trade date accounting. Derivatives are recognised and derecognised using settlement date accounting.

C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(8) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(9) Loans and receivables

A. Accounts receivable

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

B. Investments in debt instruments without active market

a) Investments in debt instruments without active market are loans and receivables not originated by the entity. They are bond investments with fixed or determinable payments that are not quoted in an active market, and also meet all of the following conditions:

i. Not designated on initial recognition as at fair value through profit or loss;

ii. Not designated on initial recognition as available-for-sale;

iii. Not for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

b) On a regular way purchase or sale basis, bond investments without active market are recognised and derecognised using trade date accounting.

c) Investments in debt instruments without active market are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(10) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

a) Significant financial difficulty of the issuer or debtor;

b) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

c) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

d) The disappearance of an active market for that financial asset because of financial difficulties;

e) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

f) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

g) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

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

a) Financial assets measured at amortised cost

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

b) Financial assets measured at cost

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

c) Available-for-sale financial assets

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

(11) Derecognition of financial assets

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

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of the financial asset.

(12) Inventories

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

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

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

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

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

(15) Leases

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

(16) Investment property

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

(17) Intangible assets

A. Goodwill

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

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

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(20) Notes and accounts payable

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

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

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading except for derivatives which are categorised as financial liabilities held for trading unless they are designated as hedges.

B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(22) Derecognition of financial liabilities

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

(23) Offsetting financial instruments

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

(24) Financial liabilities and equity instruments

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

A. Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

B. Conversion options embedded in convertible corporate bonds issued by the Company, which meet the definition of an equity instrument, are initially recognised in 'capital surplus - stock warrants' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable - net' as stated above. Conversion options are not subsequently remeasured.

C. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

D. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus – stock warrants.

(25) <u>Derivative financial instruments</u>

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

(26) <u>Employee benefits</u>

A. Short-term employee benefits

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

B. Pensions

a) Defined contribution plans

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

b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

iii. Past service costs are recognised immediately in profit or loss.

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

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

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

(27) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(28) Dividends

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

(29) Revenue recognition

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

(30) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

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

(31) Operating segments

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

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

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

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

A. Financial assets-impairment of equity investments

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

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would suffer an additional loss of $847,125 in its financial statements for the three months ended March 31, 2016, being the transfer of the accumulated fair value adjustments recognised in other comprehensive income on the impaired available-for-sale financial assets to profit or loss or being the recognition of the impairment loss on the impaired financial assets measured at cost in profit or loss.

B. Revenue recognition on a net/gross basis

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

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

a. The Group has primary responsibilities for the goods or services it provides;

b. The Group bears inventory risk;

c. The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

d. The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2016	December 31, 2015	March 31, 2015
Cash on hand and petty cash	$ 3,378	$ 4,270	$ 2,878
Checking accounts	1,658,897	2,591,021	1,659,583
Demand deposits	6,296,297	6,377,180	5,926,754
Time deposits	1,491,120	474,171	1,695,066
	$ 9,449,692	$ 9,446,642	$ 9,284,281

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

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

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

Items	March 31, 2016	December 31, 2015	March 31, 2015
Current items:			
Financial assets held for trading			
Listed stocks	$ 11,053	$ 11,938	$ 12,993
Derivatives	5,371	29,709	6,055
Domestic open-end fund	20,266	20,266	-
	36,690	61,913	19,048
Valuation adjustment of financial assets held for trading	(632)	353	341
	$ 36,058	$ 62,266	$ 19,389
Current items:			
Financial liabilities held for trading			
Derivatives	$ 16,760	$ 26,719	$ 3,046

A. The Group recognised net (loss) gain of ($13,670) and $5,609 on financial assets and liabilities held for trading for the three months ended March 31, 2016 and 2015, respectively.

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

C. The non-hedging derivative instrument transactions and contract information are as follows:

	March 31, 2016			December 31, 2015		
Derivative instruments	Contract amount (notional principal)		Contract period	Contract amount (notional principal)		Contract period
Forward foreign exchange contracts						
- Sell	USD	1,500	2016.02.17~2016.05.31	USD	14,000	2015.11.26~2016.02.05
	EUR	500	2016.01.11~2016.05.23	EUR	600	2015.12.04~2016.02.16
- Sell-SWAP	USD	14,000	2016.03.03~2016.06.21	USD	15,340	2015.04.24~2016.06.21
- Buy	USD	23,807	2016.01.21~2016.06.29	USD	17,820	2015.11.20~2016.02.26
				EUR	1,100	2015.12.17~2016.01.14

	March 31, 2015		
Derivative instruments	Contract amount (notional principal)		Contract period
Forward foreign exchange contracts			
- Sell	USD	7,000	2015.01.20~2015.05.26
- Sell-SWAP	USD	19,900	2015.01.19~2015.05.13
- Buy	USD	9,714	2015.01.23~2015.05.26
	EUR	1,900	2015.03.31~2015.04.14

Note: expressed in thousands.

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

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

Items	March 31, 2016	December 31, 2015	March 31, 2015
Listed stocks	$ 25,041	$ 36,952	$ 18,139
Adjustment of available-for-sale financial assets	(1,044)	(1,166)	24,506
	$ 23,997	$ 35,786	$ 42,645

A. The Group recognised $23,965 and $11,864 in other comprehensive income (loss) for fair value change of current and non-current available-for-sale financial assets and reclassified $0 and $11,639 from equity to profit or loss for the three-months ended March 31, 2016 and 2015, respectively.

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

(4) Notes receivable

	March 31, 2016	December 31, 2015	March 31, 2015
Notes receivable	$ 5,812,703	$ 6,511,976	$ 2,612,049

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

	March 31, 2016	December 31, 2015	March 31, 2015
Accounts receivable	$ 71,884,801	$ 86,259,250	$ 69,861,931
Less: Allowance for doubtful accounts	(869,472)	(818,817)	(488,862)
	$ 71,015,329	$ 85,440,433	$ 69,373,069

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

	March 31, 2016	December 31, 2015	March 31, 2015
Group 1	$ 29,118,385	$ 30,958,362	$ 37,307,789
Group 2	36,616,369	49,343,178	26,890,349
	$ 65,734,754	$ 80,301,540	$ 64,198,138

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

Group 2: Customers not belonging to Group 1.

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

	March 31, 2016	December 31, 2015	March 31, 2015
0 to 30 days	$ 2,318,487	$ 2,991,898	$ 2,484,380
31 to 60 days	2,614,486	2,119,226	2,228,722
61 to 90 days	265,836	317,224	446,320
91 to 120 days	216,672	141,769	36,421
121 to 150 days	253,075	102,371	129,251
151 to 180 days	148,886	6,014	24,496
Over 180 days	332,605	279,208	314,203
	$ 6,150,047	$ 5,957,710	$ 5,663,793

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

	2016
	Group provision
At January 1	$ 818,817
Provision for impairment	65,475
Write-offs during the period	(96)
Effects of foreign exchange	(11,593)
Others (Note)	(3,131)
At March 31	$ 869,472

Note: Others are amounts reclassified to overdue receivables.

	2015
	Group provision
At January 1	$ 554,967
Provision for impairment	22,222
Write-offs during the period	(9,107)
Effects of foreign exchange	(2,104)
Others (Note)	(77,116)
At March 31	$ 488,862

Note: Others are amounts reclassified to overdue receivables.

(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 March 31, 2016, December 31, 2015 and March 31, 2015, outstanding accounts receivable were as follows:

March 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	$ 1,233,951	$ 1,233,951	USD 47,500	$ 1,233,951	1.32%~1.54%	Note 1
Mega International Commercial Bank	3,317,349	3,317,349	USD 173,900	3,030,273	1.39%~1.83%	Note 2
			$ 600,000			
ANZ Bank	1,286,526	1,286,526	USD 50,000	1,286,526	1.78%~2.22%	None
CTBC Bank	2,325,216	2,325,216	USD 15,000	1,887,314	1.24%~1.57%	Note 3
			$ 4,166,000			

March 31, 2016							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
E. SUN Commercial Bank	$ 2,439,499	$ 2,439,499	USD	169,600	$ 1,866,068	1.28%~1.61%	Note 4
			$	20,000			
Taipei Fubon Commercial Bank	1,562,473	1,562,473	$	3,139,300	1,018,526	1.21%~1.42%	Note 5
Industrial Bank of Taiwan	53,675	53,675	$	244,432	40,325	1.20%	Note 6
Yuanta Commercial Bank	831,228	831,228	USD	25,000	88,645	1.34%~1.46%	Note 7
			$	2,310,000			
The Hong Kong and Shanghai Banking Corporation Limited	1,844,978	1,844,978	USD	144,700	1,758,811	1.17%	Note 8
Ta Chong Bank	343,093	343,093	USD	12,700	1,131	1.75%~1.80%	Note 9
			$	1,500,000			
Standard Chartered Bank	584,232	584,232	USD	71,130	456,467	1.34%~1.44%	None
Taishin International Bank	4,325,265	4,325,265	$	8,500,000	1,151,505	1.45%~1.79%	Note 10
Bank SinoPac	246,443	246,443	USD	17,500	201,324	1.05%~1.70%	Note 11
			$	950,000			
Far Eastern International Bank	79,389	79,389	USD	22,000	25,871	1.45%~1.62%	Note 12
			$	400,000			
Chang Hwa Bank	557,891	557,891	USD	44,300	328,630	1.35%~1.76%	Note 13
DBS Bank	645,240	645,240	USD	9,200	378,654	1.04%~1.44%	Note 14
Shin Kong Bank	11,804	11,804	USD	4,500	6,507	1.42%~1.61%	Note 15
			$	10,000			
Taiwan Cooperative Bank	19,004	19,004	USD	3,000	-	1.22%~1.64%	Note 16
Hang Seng Bank	625,125	625,125	USD	28,000	410,552	1.20%~1.25%	Note 17
KGI Bank	46,105	46,105	$	130,000	45,304	1.17%~1.18%	Note 18

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

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

Note 3: The Group has signed commercial papers amounting to USD 26 million and $446,600 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 173,100 thousand and $20,000 that were pledged to others as collateral.

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

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

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

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

Note 9: The Group has signed commercial papers amounting to USD 12,700 thousand and $1,500,000 that were pledged to others as collateral.

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

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

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

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

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

Note 15: The Group has signed commercial papers amounting to USD 450 thousand and $10,000 that were pledged to others as collateral.

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

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

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

December 31, 2015								
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	$ 1,334,396	$ 1,334,396	USD	47,500	$ 1,334,396	1.32%~1.64%	Note 1
Mega International Commercial Bank	4,194,769	4,194,769	USD	173,900	3,853,236	1.10%~1.77%	Note 2
			$	650,000			
ANZ Bank	2,103,462	2,103,462	USD	160,000	2,103,462	1.53%~1.86%	None
CTBC Bank	2,696,735	2,696,735	USD	28,000	2,416,745	1.05%~1.74%	Note 3
			$	3,586,000			
E. SUN Commercial Bank	2,391,241	2,391,241	USD	195,500	1,737,610	1.15%~1.53%	Note 4
			$	20,000			
Taipei Fubon Commercial Bank	1,817,823	1,817,823	$	3,139,300	1,767,617	1.14%~1.30%	Note 5
Industrial Bank of Taiwan	91,577	91,577	$	244,432	69,613	1.20%	Note 6

December 31, 2015							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
Yuanta Commercial Bank	$ 1,025,276	$ 1,025,276	USD	25,000	$ 906,315	1.15%~1.35%	Note 7
			$	2,342,000			
The Hong Kong and Shanghai Banking Corporation Limited	2,611,079	2,611,079	USD	168,800	2,595,747	1.02%	Note 8
Ta Chong Bank	388,851	388,851	USD	12,700	30,503	1.45%~1.80%	Note 9
			$	1,700,000			
Standard Chartered Bank	874,357	874,357	USD	71,130	233,922	1.26%~1.27%	None
Taishin International Bank	6,019,879	6,019,879	$	8,500,000	2,006,826	1.35%~1.79%	Note 10
Bank SinoPac	259,361	259,361	USD	17,500	110,579	1.05%~1.46%	Note 11
			$	950,000			
Far Eastern International Bank	192,864	192,864	USD	22,000	115,972	1.25%~1.56%	Note 12
			$	400,000			
Chang Hwa Bank	500,100	500,100	USD	44,300	251,047	1.35%~1.70%	Note 13
DBS Bank	429,998	429,998	USD	62,000	208,236	1.15%~1.47%	Note 14
Shin Kong Bank	20,011	20,011	USD	4,500	15,148	1.36%~1.61%	Note 15
			$	10,000			
Taiwan Cooperative Bank	25,932	25,932	USD	3,000	23,339	1.12%~1.46%	Note 16
Hang Seng Bank	983,212	983,212	USD	28,000	375,286	1.23%~1.43%	Note 17
KGI Bank	46,539	46,539	$	65,000	44,212	1.17%	Note 18

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

March 31, 2015

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	$ 825,637	$ 825,637	USD	34,000	$ 825,637	1.42%~1.45%	Note 1
Mega International Commercial Bank	3,145,636	3,145,636	USD	164,400	3,136,430	1.10%~1.85%	Note 2
			$	670,000			
ANZ Bank	845,414	845,414	USD	50,000	845,414	1.61%	None
CTBC Bank	2,104,742	2,104,742	USD	26,000	1,931,061	1.08%~1.44%	Note 3
			$	3,097,000			
E. SUN Commercial Bank	1,654,004	1,654,004	USD	141,500	1,599,865	1.18%~1.40%	Note 4
			$	610,350			
Taipei Fubon Commercial Bank	1,829,154	1,829,154	USD	4,680	1,736,709	1.04%~1.42%	Note 5
			$	3,109,300			
Industrial Bank of Taiwan	144,399	144,399	$	304,382	-	-	Note 6
Yuanta Commercial Bank	922,376	922,376	USD	25,000	806,981	1.15%~1.48%	Note 7
			$	2,572,000			

March 31, 2015							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities (In Thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
The Hong Kong and Shanghai Banking Corporation Limited	$ 2,701,304	$ 2,701,304	USD	134,200	$ 2,472,808	0.84%~0.86%	Note 8
Ta Chong Bank	125,204	125,204	USD	5,400	112,084	1.57%~2.1%	Note 9
			$	1,700,000			
Standard Chartered Bank	671,727	671,727	USD	6,330	604,591	1.20%~1.39%	None
			$	2,396,015			
Taishin International Bank	4,649,952	4,649,952	$	8,500,000	4,349,699	1.50%~2.12%	Note 10
Bank SinoPac	3,207	3,207	$	950,000	2,754	1.31%~1.64%	Note 11
Far Eastern International Bank	103,869	103,869	USD	22,000	93,482	1.27%~1.63%	Note 12
			$	600,000			
Chang Hwa Bank	232,629	232,629	USD	19,000	228,311	1.12%~1.5%	Note 13
			$	284,310			
DBS Bank	350,006	350,006	USD	13,000	342,958	1.15%~1.25%	Note 14
			$	1,095,500			
Shin Kong Bank	15,147	15,147	USD	4,500	12,452	1.08%~1.21%	Note 15
			$	10,000			
Taiwan Cooperative Bank	35,439	35,439	USD	6,700	31,895	0.80%~0.81%	Note 16
En Tie Bank	-	-	USD	2,600	-	-	Note 17
			$	20,000			
Hang Seng Bank	364,219	364,219	USD	28,000	318,208	1.16%~1.22%	Note 18

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

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

Note 3: The Group has signed commercial papers amounting to $ 309,700 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 161 million that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to USD 528 thousand and $203,500 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to $ 304,382 that were pledged to others as collateral.

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

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

Note 9: The Group has signed commercial papers amounting to USD 2,400 thousand and $1,650,000 that were pledged to others as collateral.

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

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

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

Note 13: The Group has signed commercial papers amounting to USD 33,700 thousand and $12,000 that were pledged to others as collateral.

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

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

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

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

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

The Group has recognised loss of $68,959 and $72,089 when transferring the derecognised accounts receivable for the three months ended March 31, 2016 and 2015, respectively.

(7) Inventories

	March 31, 2016		
	Cost	Allowance for valuation	Book value
Inventories	$ 52,907,692	($ 1,090,467)	$ 51,817,225
Inventories in transit	4,135,424	-	4,135,424
	$ 57,043,116	($ 1,090,467)	$ 55,952,649

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

	March 31, 2015		
	Cost	Allowance for valuation	Book value
Inventories	$ 52,448,717	($ 635,955)	$ 51,812,762
Inventories in transit	3,350,225	-	3,350,225
	$ 55,798,942	($ 635,955)	$ 55,162,987

The cost of inventories recognised as expense for the period:

	Three months ended March 31,	
	2016	2015
Cost of goods sold	$ 116,005,483	$ 103,209,924
Loss on (gain from recovery of) price decline in inventory	354,067	(11,042)
Loss on physical inventory	1,588	892
Cost of goods sold	$ 116,361,138	$ 103,199,774

Gain arose from price recovery of inventories and sales of obsolete and slow-moving inventories during the three months ended March 31, 2015.

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

Investee company	March 31, 2016	December 31, 2015	March 31, 2015
Nichidenbo Corporation	$ 231,990	$ 231,990	$ 231,990
Promaster Technology Corp.	49,605	49,605	48,452
Apollo Electronics Group Ltd.	46,489	47,414	45,211
Murad Chia Jei Biotechnology Co., Ltd.	19,107	19,107	19,107
Hua-Jie (Taiwan) Corp.	10,500	10,500	10,500
Kingmax Technology Inc.	9,504	9,504	9,504
Others	9,588	9,587	9,860
	376,783	377,707	374,624
Add: valuation adjustment	(10,766)	(34,610)	35,930
Less: accumulated impairment	(7,801)	(7,801)	(6,648)
	$ 358,216	$ 335,296	$ 403,906

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

B. As of March 31, 2016, December 31, 2015 and March 31, 2015, the Group's available-for-sale financial assets serve as security for purchase guarantee. Please refer to Note 8.

C. The amounts recognised in other comprehensive income for fair value change of current and non-current available-for-sale financial assets for the three months ended March 31, 2016 and 2015 are described in Note 6(3).

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

Investee company	March 31, 2016	December 31, 2015	March 31, 2015
Ability I Venture Capital Corporation	$ 100,000	$ 100,000	$ 100,000
CDIB CME Fund Ltd.	100,000	100,000	100,000
Tyche Partners, LP.	63,364	63,364	-
Silicon Line GmbH	40,851	40,851	40,851
M Cube Inc.	30,365	30,365	30,365
Ability Asia Capital Corporation	25,000	25,000	-
Chlen Hwa Coating Technology Inc.	20,000	20,000	20,000
GEC Technology Hong Kong Company Limited	19,994	19,994	19,994
Bettery Energy Technology Inc.	18,000	18,000	18,000
Fantasy Story Inc.	15,047	15,047	15,047
Liefco Optical Inc.	15,000	15,000	15,000
Remotek Corporation	13,520	13,520	13,520
TekCare Corporation	12,600	12,600	-
FineMat Applied Materials Co., Ltd.	11,941	11,941	11,941
Centillion III Venture Capital Corp.	10,500	10,500	10,500
SmartDisplayer Technology Co., Ltd.	10,000	10,000	10,000
PTR-Tech Technology Co., Ltd.	10,000	10,000	10,000
Phostek Inc.	5,743	5,743	5,743
Hon Pang Venture Capital Corp.	2,634	2,634	7,335
H2UTECH Corp.	-	-	16,500
Others	53,885	54,013	42,404
	578,444	578,572	487,200
Less: Accumulated impairment	(110,541)	(110,541)	(57,737)
	$ 467,903	$ 468,031	$ 429,463

A. As of March 31, 2016, December 31, 2015 and March 31, 2015, no financial assets measured at cost held by the Group were pledged to others.

B. Based on the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as these stocks are not traded in active market, and sufficient industry information of companies similar to the investee or the investee's financial information cannot be obtained, the fair value of the investment in stocks cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets measured at cost'.

C. There was no impairment on financial assets measured as cost – non-current for the three months ended March 31, 2016 and 2015.

(10) Investments accounted for under the equity method

A. Details of investments:

Investee company	March 31, 2016	December 31, 2015	March 31, 2015
ChainPower Technology Corp.	$ 202,888	$ 201,873	$ 218,715
Sunrise Technology Co., Ltd.	80,288	79,911	58,411
Eesource Corp.	79,600	73,387	65,996
Suzhou Xinning Bonded Warehouse Co., Ltd.	56,124	55,123	47,549
Yosun Japan Corp.	36,354	40,257	38,572
Suzhou Xinning Logistics Co., Ltd.	37,940	37,604	39,135
Gain Tune Logistics (Shanghai) Co., Ltd.	37,448	35,199	32,485
VITEC WPG Limtied	33,108	-	-
Adivic Technology Co., Ltd.	22,460	31,230	25,700
Shenzhen HQPG Electronic Information Co., Ltd.	-	-	55,167
Yosun Green Technology Corp.	-	-	17,712
Genuine C&C, Inc.	-	-	174,504
Genuine Trading (Hong Kong) Company Limited	-	-	27,304
Others	482	470	14,876
	$ 586,692	$ 555,054	$ 816,126

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 March 31, 2016, December 31, 2015 and March 31, 2015, the carrying amount of the Group's individually immaterial associates amounted to $586,692, $550,054 and $816,126, respectively.

	Three months ended March 31,	
	2016	2015
Profit or loss for the period from continuing operations	$ 20,269	$ 28,053
Other comprehensive loss - net of tax	(6,773)	(5,009)
Total comprehensive income	$ 13,496	$ 23,044

C. The Company's investment in Genuine C&C Inc. has qouted market price. The fair value of Genuine C&C Inc. as at March 31, 2015 was $184,738.

D. Except for Genuine C&C Inc., the investment balance of the abovementioned investees accounted for using equity method as of and for the three months ended March 31, 2016 and 2015 were assessed based on the investees' unreviewed financial statements of the same periods.

E. The Group originally accounted Genuine C&C, Inc. and Genuine Trading (Hong Kong) Company Limited using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 15, 2015, thus Genuine C&C, Inc. became the Group's consolidated entity after the Company acquired Genuine C&C Inc. Details are provided in Notes 4(3)B and 10.

F. There was no impairment on investments accounted for using equity method for the three months ended March 31, 2016 and 2015.

(11) Property, plant and equipment

	Land	Buildings	Transportation equipment	Furniture and fixtures	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2016								
Cost	$2,291,275	$2,365,315	$ 20,894	$ 535,144	$ 528,154	$ 199,322	$ 458	$5,940,562
Accumulated depreciation	-	(414,810)	(14,282)	(393,552)	(301,006)	(148,246)	-	(1,271,896)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,289,693	$1,939,741	$ 6,612	$ 141,592	$ 227,148	$ 51,076	$ 458	$4,656,320
Three months ended March 31, 2016								
Opening net book amount	$2,289,693	$1,939,741	$ 6,612	$ 141,592	$ 227,148	$ 51,076	$ 458	$4,656,320
Additions	-	136	1,068	9,162	7,649	903	10,704	29,622
Disposals	-	-	(101)	(964)	(804)	-	-	(1,869)
Transfer	23,082	24,932	(484)	484	-	-	-	48,014
Decrease in consolidated entities	-	-	-	(13)	-	-	-	(13)
Depreciation charge	-	(18,497)	(668)	(16,141)	(13,330)	(6,287)	-	(54,923)
Effect due to changes in exchange rates	3,429	(12,439)	(77)	(1,324)	(717)	(311)	(290)	(11,729)
Closing net book amount	$2,316,204	$1,933,873	$ 6,350	$ 132,796	$ 219,946	$ 45,381	$ 10,872	$4,665,422
At March 31, 2016								
Cost	$2,317,786	$2,376,879	$ 17,825	$ 537,245	$ 522,870	$ 197,357	$ 10,872	$5,980,834
Accumulated depreciation	-	(432,242)	(11,475)	(404,449)	(302,924)	(151,976)	-	(1,303,066)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,316,204	$1,933,873	$ 6,350	$ 132,796	$ 219,946	$ 45,381	$ 10,872	$4,665,422

	Land	Buildings	Transportation equipment	Furniture and fixtures	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2015								
Cost	$2,291,223	$2,337,038	$ 15,076	$ 449,008	$ 469,588	$ 169,399	$ 4,727	$5,736,059
Accumulated depreciation	-	(395,896)	(10,712)	(309,523)	(221,112)	(114,620)	-	(1,051,863)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,289,641	$1,930,378	$ 4,364	$ 139,485	$ 248,476	$ 54,779	$ 4,727	$4,671,850
Three months ended March 31, 2015								
Opening net book amount	$2,289,641	$1,930,378	$ 4,364	$ 139,485	$ 248,476	$ 54,779	$ 4,727	$4,671,850
Additions	-	32	-	7,820	7,544	14,878	3,392	33,666
Transfer	-	-	-	-	4,707	-	(4,707)	-
Depreciation charge	-	(15,136)	(375)	(15,840)	(12,226)	(6,567)	-	(50,144)
Effect due to changes in exchange rates	(1,623)	(14,526)	(63)	(852)	(1,675)	(561)	(40)	(19,340)
Closing net book amount	$2,288,018	$1,900,748	$ 3,926	$ 130,613	$ 246,826	$ 62,529	$ 3,372	$4,636,032
At March 31, 2015								
Cost	$2,289,600	$2,320,887	$ 14,877	$ 453,321	$ 478,634	$ 183,000	$ 3,372	$5,743,691
Accumulated depreciation	-	(409,374)	(10,951)	(322,708)	(231,808)	(120,471)	-	(1,095,312)
Accumulated impairment	(1,582)	(10,765)	-	-	-	-	-	(12,347)
	$2,288,018	$1,900,748	$ 3,926	$ 130,613	$ 246,826	$ 62,529	$ 3,372	$4,636,032

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

(12) Investment property

	Land	Buildings	Total
At January 1, 2016			
Cost	$ 344,833	$ 919,470	$ 1,264,303
Accumulated depreciation	-	(122,694)	(122,694)
	$ 344,833	$ 796,776	$ 1,141,609
Three months ended March 31, 2016			
Opening net book amount	$ 344,833	$ 796,776	$ 1,141,609
Depreciation charge	-	(5,391)	(5,391)
Transfer (Note)	(23,082)	(24,932)	(48,014)
Effect due to changes in exchange rates	-	(11,615)	(11,615)
Closing net book amount	$ 321,751	$ 754,838	$ 1,076,589
At March 31, 2016			
Cost	$ 321,751	$ 877,369	$ 1,199,120
Accumulated depreciation	-	(122,531)	(122,531)
	$ 321,751	$ 754,838	$ 1,076,589

Note: Investment property amounting to $48,014 for the three months ended March 31, 2016 was transferred to property, plant and equipment. Please refer to Note 6(11).

	Land	Buildings	Total
At January 1, 2015			
Cost	$ 349,968	$ 898,656	$ 1,248,624
Accumulated depreciation	-	(99,999)	(99,999)
	$ 349,968	$ 798,657	$ 1,148,625
Three months ended March 31, 2015			
Opening net book amount	$ 349,968	$ 798,657	$ 1,148,625
Depreciation charge	-	(5,423)	(5,423)
Effect due to changes in exchange rates	-	(7,835)	(7,835)
Closing net book amount	$ 349,968	$ 785,399	$ 1,135,367
At March 31, 2015			
Cost	$ 349,968	$ 890,103	$ 1,240,071
Accumulated depreciation	-	(104,704)	(104,704)
	$ 349,968	$ 785,399	$ 1,135,367

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

	Three months ended March 31,	
	2016	2015
Rental revenue from the lease of the investment property	$ 9,130	$ 7,665

	Three months ended March 31,	
	2016	2015
Direct operating expenses arising from the investment property that generated rental income in the period	$ 3,694	$ 1,691
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 2,104	$ 3,732

B. The fair value of the investment property held by the Group as at March 31, 2016, December 31, 2015 and March 31, 2015 was $1,593,775, $1,647,280 and $1,682,620, respectively. The fair value as of March 31, 2016, December 31, 2015 and March 31, 2015 was based on independent appraisers' valuation, which is made using comparative method and income approach. Comparison method is to compare the valuation target with similar property which is traded around the valuation period. Valuations were made using the income approach with key assumptions as follows:

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

C. There is no impairment loss on investment property.

D. None of the investment property is pledged for guarantee.

(13) Intangible assets

	Operating right	Software	Goodwill	Others	Total
At January 1, 2016					
Cost	$ 356,692	$ 197,776	$ 5,691,164	$ 70,730	$6,316,362
Accumulated amortisation and impairment	(349,467)	(163,070)	(73,646)	(59,025)	(645,208)
	$ 7,225	$ 34,706	$ 5,617,518	$ 11,705	$5,671,154
Three months ended March 31, 2016					
Opening net book amount	$ 7,225	$ 34,706	$ 5,617,518	$ 11,705	$5,671,154
Additions-acquired separately	-	9,673	-	-	9,673
Amortisation charge	(2,234)	(5,879)	-	(2,471)	(10,584)
Effect due to changes in exchange rates	(7)	(279)	(5,475)	(159)	(5,920)
Closing net book amount	$ 4,984	$ 38,221	$ 5,612,043	$ 9,075	$5,664,323
At March 31, 2016					
Cost	$ 351,561	$ 208,725	$ 5,684,253	$ 69,439	$6,313,978
Accumulated amortisation and impairment	(346,577)	(170,504)	(72,210)	(60,364)	(649,655)
	$ 4,984	$ 38,221	$ 5,612,043	$ 9,075	$5,664,323

	Operating right	Software	Goodwill	Others	Total
At January 1, 2015					
Cost	$ 414,356	$ 216,639	$ 5,624,802	$ 67,381	$6,323,178
Accumulated amortisation and impairment	(287,321)	(162,001)	(71,010)	(46,289)	(566,621)
	$ 127,035	$ 54,638	$ 5,553,792	$ 21,092	$5,756,557
Three months ended March 31, 2015					
Opening net book amount	$ 127,035	$ 54,638	$ 5,553,792	$ 21,092	$5,756,557
Additions-acquired separately	-	4,911	-	-	4,911
Amortisation charge	(19,028)	(20,621)	-	(2,735)	(42,384)
Effect due to changes in exchange rates	(1,322)	(332)	(2,975)	(136)	(4,765)
Closing net book amount	$ 106,685	$ 38,596	$ 5,550,817	$ 18,221	$5,714,319
At March 31, 2015					
Cost	$ 419,150	$ 175,021	$ 5,623,356	$ 67,653	$6,285,180
Accumulated amortisation and impairment	(312,465)	(136,425)	(72,539)	(49,432)	(570,861)
	$ 106,685	$ 38,596	$ 5,550,817	$ 18,221	$5,714,319

The details of amortisation charge are as follows:

	Three months ended March 31,	
	2016	2015
Selling and marketing expenses	$ 4,425	$ 25,602
General and administrative expenses	6,258	16,947
	$ 10,683	$ 42,549

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

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

	March 31, 2016	December 31, 2015	March 31, 2015
Yosun subgroup	$ 4,711,023	$ 4,714,529	$ 4,706,175
Aeco subgroup	472,290	472,290	472,290
Others	428,730	430,699	372,352
	$ 5,612,043	$ 5,617,518	$ 5,550,817

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

Goodwill was not impaired as the recoverable amount calculated using the value-in-use exceeded the carrying amount. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

Management determined budgeted gross margin based on past performance and its expectations of market development. The assumptions used for weighted average growth rates are past historical experience and expectations of industry; the assumption used for discount rates is weighted average capital cost of the Group. As of March 31, 2016, December 31, 2015 and March 31, 2015, the key valuations used for pre-tax discount rate were 5.67%, 5.05% and 5.78%, respectively.

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

	March 31, 2016	December 31, 2015	March 31, 2015
Overdue receivables	$ 635,320	$ 648,790	$ 337,521
Less: Allowance for doubtful accounts	(635,320)	(648,790)	(337,521)
	$ -	$ -	$ -

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

	2016	2015
	Group provision	Group provision
At January 1	$ 648,790	$ 253,250
Reversal for impairment	(2,641)	(908)
Write-off of bad debts	(5,586)	-
Transferred from accounts receivable	3,131	77,116
Effect due to changes in exchange rates	(8,374)	8,063
At March 31	$ 635,320	$ 337,521

(15) Short-term borrowings

Type of borrowings	March 31, 2016	December 31, 2015	March 31, 2015
Loans for overseas purchases	$ 21,335,774	$ 30,297,718	$ 22,337,506
Short-term loans	21,311,046	24,277,634	16,453,425
	$ 42,646,820	$ 54,575,352	$ 38,790,931
Annual interest rates	0.83%~4.31%	0.88%~4.85%	0.83%~4.21%

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

(16) Short-term commercial papers payable

	March 31, 2016	December 31, 2015	March 31, 2015
Commercial papers payable	$ 4,030,000	$ 3,710,000	$ 4,045,000
Less: Unamortised discount	(2,590)	(1,803)	(1,852)
	$ 4,027,410	$ 3,708,197	$ 4,043,148
Annual interest rates	0.50%~1.29%	0.63%~1.33%	0.66%~1.36%

The commercial papers payable are guaranteed by financial institutions.

(17) Bonds payable

	March 31, 2016	December 31, 2015	March 31, 2015
Bonds payable	$ 6,000,000	$ 6,000,000	$ 6,000,000
Less: discount on bonds payable	(104,638)	(124,617)	(184,150)
	$ 5,895,362	$ 5,875,383	$ 5,815,850

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

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

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

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

(c) The conversion price ($42.8 (in dollars) per share) of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. As of March 31, 2016, the conversion price was $37.7.

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

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $232,800 were separated from the liability component and were recognised in ‘capital surplus-stock warrants’ in accordance with IAS 32.

C. As of March 31, 2016, none of the bondholders has requested for conversion to ordinary shares.

D. The amortisation of discount on bonds payable was $19,979 and $19,710 for the three months ended March 31, 2016 and 2015, respectively.

(18) Long-term borrowings

Type of borrowings	Borrowing period / repayment term	March 31, 2016	December 31, 2015	March 31, 2015
Secured bank borrowings (Note 1 and Note 2)	2012.01.02~ 2027.01.02	$ 582,651	$ 589,852	$ 592,968
Unsecured bank borrowings (Note 3~ Note 8)	2014.01.10~ 2018.11.09	11,838,085	12,858,075	10,147,300
		12,420,736	13,447,927	10,740,268
Less : current portion of long-term borrowings (shown as other current liabilities)		(1,793,955)	(1,321,268)	(3,370,610)
		$ 10,626,781	$ 12,126,659	$ 7,369,658
Interest rate range		1.21%~1.88%	1.22%~1.79%	1.20%~1.79%

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

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

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

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

Note 2: AIT Japan Inc., the Company's indirect subsidiary, had entered into a long-term loan agreement for a period of ten years with the Daiwa Bank, Limited on March 28, 2012, and the facility is JPY 250,000,000. The pledged assets are land, and furniture and fixtures, which amount to $72,245 and $78,322 thousand, respectively. The principal should be repaid in equal monthly installments (totaling 114 months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY 2,191,000.

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

(a) Contract term: Within three years from the first drawdown (January 10, 2014)

(b) Facility and drawdown: The facility is $1,800,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than $30,000 or USD 1 million, and the amount must be in multiples of $10,000 (not applied to USD drawbacks). If the amount of drawdown was in New Taiwan Dollars, the repayment period could be between 60 days and 180 days or other periods agreed by the bank; if the amount of drawdown was in US Dollars, the repayment could be between two months and six months or other periods agreed by the bank. If the amount drawn is less than 50% of the facility amount for the nine months after the first drawdown, the financial commitment fee is calculated at 0.15% per annum with the undrawn amount.

(c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For extension of the loan at maturity date, approval must be obtained from the bank. The repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to acquire foreign exchange approvals and, if any, other required approvals for repayment in the foreign currency.

(d) Loan covenant: Richpower Electronic Devices Co., Ltd. and Richpower Electronic Devices Co., Limited are required to maintain certain financial ratios based on the consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than $1,500,000.

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

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

(b) Facility and drawdown: The facility is $2,400,000, could be multiple drawdowns or revolving, however the total amount at any time cannot exceed the facility amount.

(c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown's term. At the end of the contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.

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

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

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

(b) Facility and drawdown: This pertains to a revolving loan facility of World Peace Industrial Co. Ltd., the Company's subsidiary, wherein the principal amount can be renewed after the corresponding interest is paid, and payment of the existing loan can be repaid by the new loan. If the amounts equal, then the banks would not make a procedure of remittance and loan.

(c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt. The amount of re-utilization of the revolving loan shall be repaid based on the contract.

(d) Loan covenant: The subsidiary - World Peace Industrial Co., Ltd. (WPI) is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than $7,500,000. If the covenants are not met, WPI's right to drawdown is immediately terminated, and the lead bank can decide to take the following actions:

a. Rescind part or all of the undrawn facility;

b. Demand WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;

c. Demand all rights of the promissory note as obtained from signing of the contract.

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

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

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

(b) Facility and drawdown: The facility is $1,200,000 and the first drawdown of the loan must be within three months from the contract signing date (AIT, Frontek and Apache's first drawdown dates were April 3, 2013, April 12, 2013 and May 17, 2013, respectively), and the amount of drawdown must be no less than $25,000 or USD 1 million. If the amount of drawdown was in New Taiwan Dollars, the repayment period could be 60, 90 or 180 days; if the amount of drawdown was in US Dollars, the repayment period could be two months, three months or six months.

(c) Repayment: According to the loan contract, for each drawdown, the maximum repayment term is 180 days and the principal of each drawdown must be repaid in full at the end of the term. If the amount of drawdown was in US Dollars, the repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to obtain foreign exchange approvals and, if any, other required approvals for repayment in US Dollars. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the banks have actually remitted the loan and the companies have repaid the loan, and uses the loan contract as proof of receipt.

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

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

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

(b) Facility and drawdown: The facility must be less than $7,200,000. Each drawdown amount must be no less than $100,000 or USD 3 million. The repayment period could be 60, 90 or 180 days, and six months at the most.

(c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.

(d) Loan covenant: World Peace Industrial Co., Ltd. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than $10,000,000.

(19) 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 $5,274 and $5,156 for the three months ended March 31, 2016 and 2015, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2017 are $16,358.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas companies have defined contribution plans. Contributions for pensions and retirement allowance to independent fund administered by the government in accordance with the local pension regulations are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the companies have no further obligations.

(c) The pension costs of the Group under the defined contribution pension plans for the three months ended March 31, 2016 and 2015 were $89,938 and $81,450, respectively.

(20) Share capital

A. As of March 31, 2016, the Company's authorized capital was $20,000,000 (including $500,000 for stock options, convertible preferred stock and convertible bonds), and the paid-in capital was $16,557,092 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

The Company's ordinary shares outstanding as of March 31, 2016 and 2015 were 1,655,670 thousand shares and 1,655,709 thousand shares, respectively.

B. Treasury stock

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

		March 31, 2016	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
Indirect subsidiary - Hat-Trick Co., Ltd.	Note	39,481	$ 1,354

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

March 31, 2015: None.

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

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

(21) Capital surplus

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

B. Details of capital surplus – stock warrants are provided in Note 6 (17).

(22) Retained earnings

A. Under the Company’s original Articles of Incorporation, the current year’s earnings, if any, shall be used to set aside as legal reserve, and set aside as special reserve in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, to be appropriated shall be proposed by the Board of Directors and resolved by the shareholders in the following order:

a) Directors’ and supervisors’ remuneration: up to 3% of the earnings;

b) 0.01%～5% of the earnings is appropriated as employees’ bonuses; and

c) The remaining earnings may be declared as dividends. At least 20% of the total dividends shall be in the form of cash dividends.

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

B. Legal reserve can only be used to cover accumulated losses or issue new shares or cash to shareholders in proportion to their share ownership, provided that the balance of the reserve exceeds 25% of the Company’s paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriations of earnings for 2015 and 2014 had been resolved at the Board of Directors’ and stockholders’ meeting on April 26, 2016 and June 24, 2015, respectively.

Details are summarized below:

	Years ended December 31,			
	2015		2014	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 542,047	$ -	$ 580,718	$ -
Special reserve	-	-	(1,937,752)	-
Cash dividends	3,973,702	2.40	4,139,274	2.5
	$ 4,515,749	$ 2.40	$ 2,782,240	$ 2.5

E. As of May 10, 2016, the appropriations of earnings for the year ended December 31, 2015 has not yet been resolved by the shareholders.

F. For the information relating to employees' compensation (bonuses) and directors' remuneration, please refer to Note 6(29).

(23) Other equity items

	2016		
	Available-for-sale investment	Currency translation	Total
At January 1	($ 20,974)	$ 2,574,750	$ 2,553,776
Revaluation - gross	23,965	-	23,965
Cumulative translation differences:			
- Group	-	(1,305,128)	(1,305,128)
- Tax on Group	-	9,013	9,013
- Associates	-	1,091	1,091
At March 31	$ 2,991	$ 1,279,726	$ 1,282,717

	2015		
	Available-for-sale investment	Currency translation	Total
At January 1	$ 75,012	$ 908,749	$ 983,761
Revaluation - gross	11,864	-	11,864
Revaluation transfer - gross	(11,639)	-	(11,639)
Cumulative translation differences:			
- Group	-	(618,524)	(618,524)
- Tax on Group	-	7,362	7,362
- Associates	-	(5,706)	(5,706)
At March 31	$ 75,237	$ 291,881	$ 367,118

(24) Operating revenue

	Three months ended March 31, 2016	Three months ended March 31, 2015
Sales revenue	$ 121,519,806	$ 108,012,263
Service revenue	12,943	1,742
	$ 121,532,749	$ 108,014,005

(25) Other income

	Three months ended March 31, 2016	Three months ended March 31, 2015
Rental revenue	$ 11,399	$ 12,484
Dividend income	9,565	27,020
Interest income	7,179	7,323
Other income	44,965	20,017
	$ 73,108	$ 66,844

(26) Other gains and losses

	Three months ended March 31, 2016	Three months ended March 31, 2015
Gain on disposal of investments	$ 98	$ 36,070
(Loss) gain on financial assets (liabilities) at fair value through profit or loss	(13,670)	5,609
Loss on disposal of property, plant and equipment and investment property	(294)	(15)
Currency exchange gain (loss)	153,517	(13,262)
Other losses	(12,879)	(9,541)
	$ 126,772	$ 18,861

(27) Finance costs

	Three months ended March 31, 2016	Three months ended March 31, 2015
Interest expense:		
Bank borrowings	$ 331,046	$ 275,774
Convertible bonds	19,979	19,710
Others	46,737	42,231
	$ 397,762	$ 337,715

(28) Additional information of expenses by nature

	Three months ended March 31, 2016	Three months ended March 31, 2015
Employee benefit expense	$ 1,881,908	$ 1,710,168
Depreciation charges on property and equipment (including investment property)	$ 60,314	$ 55,567
Amortisation charges on intangible assets and other non-current assets	$ 10,683	$ 42,549

(29) Employee benefit expense

	Three months ended March 31,	
	2016	2015
Wages and salaries	$ 1,647,176	$ 1,464,604
Labor and health insurance fees	84,097	79,939
Pension costs	95,212	86,606
Other personnel expenses	55,423	79,019
	$ 1,881,908	$ 1,710,168

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

(a) No more than 3% as remuneration to directors and supervisors.

(b) 0.01%~5% as employees' bonus.

(c) The remaining is distributed as bonus to shareholders based on shareholding ratio. Total cash dividends shall not be less than 20% of total bonus distributed to shareholders, if any.

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

However, in accordance with the Company Act amended on May 20, 2015, a company shall distribute employee remuneration, based on the current year's profit condition, in a fixed amount or a proportion of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. Aforementioned employee remuneration could be paid by cash or stocks. Specifics of the compensation are to be determined in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders during their meeting. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

Under the Company's amended Articles of Incorporation that have been approved by the Board of Directors on December 29, 2015, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. According to Note 6(22) C, the remainder, if any, shall be distributed as employees' bonus that account for 0.01%~5%, supervisors' and directors' remuneration that account for no higher than 3%, and shareholders' bonus in proportionately to shareholding ratio. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed. The remainder to be appropriated shall be proposed by the Board of Directors and reported to the shareholders for a resolution.

B. For the three months ended March 31, 2016 and 2015, employees' compensation (bonus) was both accrued at $5,223; while directors' and supervisors' remuneration was both accrued at $7,500. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were accrued based on the profit of current year distributable for the year ended December 31, 2015 and the percentage as prescribed by the Company's amended Articles of Incorporation that have been approved by the Board of Directors on December 29, 2015. The expenses recognised for 2014 were accrued based on the net income for 2014 and the percentage as prescribed by the Company's Articles of Incorporation for employees and directors/supervisors, taking into account other factors such as legal reserve and special reserve.

The difference between employees' compensation of $12,238 and directors' and supervisors' remuneration of $30,000 as resolved by the meeting of Board of Directors and employees' compensation of $20,892 and directors' and supervisors' remuneration of $30,000 recognised in the 2015 financial statements by $8,654 had been adjusted in the profit or loss of the first quarter in 2016. The employees' compensation will be distributed in the form of cash and is not distributed as of May 10, 2016.

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

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

(30) Income tax

A. Income tax expense

a) Components of income tax expense:

	Three months ended March 31, 2016	Three months ended March 31, 2015
Current tax		
Current tax on profits for the period	$ 395,657	$ 304,871
Adjustments in respect of prior years income tax	1,290	(463)
Total current tax	396,947	304,408
Deferred tax		
Origination and reversal of temporary differences	(54,799)	51,282
Income tax expense	$ 342,148	$ 355,690

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

	Three months ended March 31,	
	2016	2015
Currency translation differences	($ 9,013)	($ 7,362)

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

C. Unappropriated retained earnings:

	March 31, 2016	December 31, 2015	March 31, 2015
Earnings generated after 1998	$ 11,557,929	$ 10,002,877	$ 8,898,524

D. As of March 31, 2016, December 31, 2015 and March 31, 2015, the balance of the imputation tax credit account was $579,824, $579,824 and $153,491, respectively.

E. Creditable ratio of appropriated retained earnings:

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

(31) Earnings per share

	Three months ended March 31, 2016		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,555,052	1,655,670	$ 0.94
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,555,052	1,655,670	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	19,905	159,151	
Employees’ compensation	-	563	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,574,957	1,815,384	$ 0.87

	Three months ended March 31, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,397,221	1,655,709	$ 0.84
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,397,221	1,655,709	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	19,635	148,515	
Employees' bonus	-	696	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,416,856	1,804,920	$ 0.78

(32) Business combinations

A. On April 15, 2015, the Group acquired 44.21% of the share capital of Genuine C&C Inc. for $510,041. The Company originally held 16.29% of share capital of Genuine C&C, Inc. through the Company's subsidiary, World Peace Industrial Co., Ltd. The Group holds 60.50% share capital of Genuine C&C, Inc. in total and obtained control of Genuine C&C, Inc. Genuine C&C, Inc. is engaged in sales of computer and its peripherals. As a result of the acquisition, the Group is expected to utilise Genuine C&C, Inc.'s B2B (business-to-business) ecommerce platform and channels of information media related products in Mainland China, and to introduce the Company's investing experiences to enhance competitiveness of two companies.

B. On July 20, 2015, the Group acquired 55% of the share capital of Peng Yu (Shanghai) Digital Technology Co., Ltd. (Peng Yu) for $41,536 (approximately US$1,334 thousand).

C. The following table summarises the consideration paid for Genuine C&C and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

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

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

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

E. The Group recognised a gain of $14,483 as a result of measuring at fair value its 16.29% equity interest in Genuine C&C Inc. held before the business combination.

F. Had Genuine C&C and Peng Yu been consolidated from January 1, 2015, the operating revenue and profit before income tax included in the consolidated statement of comprehensive income since April 15, 2015 contributed by Genuine C&C Inc. and since July 20, 2015 contributed by Peng Yu (Shanghai) Digital Technology Co., Ltd. (Peng Yu) would be as follows:

	Three months ended March 31, 2015
Operating revenue	$ 110,987,656
Profit before tax	1,767,751

(33) Supplemental cash flow information

A. Partial payment of cash from investing activities

	Three months ended March 31, 2016	Three months ended March 31, 2015
Acquisition of property, plant and equipment and intangible assets	$ 39,295	$ 38,577
Add: accounts payable at the beginning of period	3,019	10,892
Less: accounts payable at the end of period	(11,313)	(2,109)
Cash paid during the period for property, plant and equipment	$ 31,001	$ 47,360

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

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

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

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

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

(2) Significant transactions and balances with related parties

A. Sales of goods

	Three months ended March 31, 2016	Three months ended March 31, 2015
Sales of goods		
Others	$ 215,225	$ 239,959
Associates	58,194	29,650
	$ 273,419	$ 269,609

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

B. Purchases of goods

	Three months ended March 31, 2016	Three months ended March 31, 2015
Purchases of goods		
Associates	$ 118	$ 869

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

	March 31, 2016	December 31, 2015	March 31, 2015
Accounts receivable			
Others	$ 242,207	$ 297,338	$ 213,552
Associates	26,801	21,720	11,299
	$ 269,008	$ 319,058	$ 224,851

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

	March 31, 2016	December 31, 2015	March 31, 2015
Other receivables:			
Associates	$ 119,269	$ 95,876	$ 103,059

The above pertain mainly to advance payments.

E. Payables to related parties

	March 31, 2016	December 31, 2015	March 31, 2015
Accounts payable			
Associates	$ 128	$ 2,121	$ 875

The payables to related parties arise mainly from purchases of goods. The payables are due

30 to 90 days after the date of purchase. The payables are unsecured in nature and bear no interest.

F. Others

The Group's donations to other related parties were $1,500 for the three months ended March 31, 2016 and 2015.

(3) Key management compensation

	Three months ended March 31,	
	2016	2015
Salaries and other short-term employee benefits	$ 44,164	$ 43,992
Post-employment benefits	642	781
	$ 44,806	$ 44,773

8. PLEDGED ASSETS

Pledged assets (Note 1)	March 31, 2016	December 31, 2015	March 31, 2015	Purpose of Collateral
Other current assets				
-Bank deposits	$ 995,231	$ 853,494	$ 412,330	Short-term loans, deposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	220,269	258,808	84,775	Short-term loans, security for purchases and limited impounded account for disposal of accounts receivable, non-pledged time deposits that are not considered as cash equivalents and performance for provisional attachment
Available-for-sale financial assets-non-current (Note 2)	9,013	9,013	9,014	Security for purchases
Property, plant and equipment				
-Land	1,319,647	1,316,215	1,331,261	Long-term and short-term loans, import loans and security for purchases
-Buildings	638,253	639,221	648,974	〃
Other non-current assets				
-Refundable deposits	21	21	884	Tariff security deposit
	$ 3,182,434	$ 3,076,772	$ 2,487,238	

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 March 31, 2016, December 31, 2015 and March 31, 2015.

Note 2: As of March 31, 2016, December 31, 2015 and March 31, 2015, the owned subsidiary -

Silicon Application Corporation held 1,133 thousand shares of Kingmax Technology Inc., which have been pledged for purchases.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

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

(1) Contingencies

None.

(2) Commitments

A. Capital commitments

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

	March 31, 2016	December 31, 2015	March 31, 2015
Property, plant and equipment and intangible assets	$ 8,565	$ 18,891	$ 5,694

B. Operating lease commitments and building management fee agreements

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

	March 31, 2016	December 31, 2015	March 31, 2015
Not later than one year	$ 455,026	$ 475,455	$ 416,115
Later than one year but not later than five years	990,199	1,075,573	996,389
Later than five years	104,440	136,197	230,811
	$ 1,549,665	$ 1,687,225	$ 1,643,315

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

March 31, 2016	December 31, 2015	March 31, 2015
$ 846,284	$ 852,378	$ 904,805
USD 48,628,000	USD 51,477,000	USD 46,029,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) Details of the appropriation of earnings of 2015 as resolved by the Board of Directors on April 26, 2016 are provided in Note 6(22) D.

(2) The Board of Directors has resolved to sign the memorandum of agreement for the purchase of property for office use located in Jingmao Section, Nangang District, Taipei City. The total transaction amount is $6,550,000.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Fair value information of financial instruments

a) Except those in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other financial assets, refundable deposits, short-term loans, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables, long-term loans - current portion, bonds payable, long-term loans and deposits received) are approximate to their fair value. Fair value information of financial instruments measured at fair value is provided in Note 12(3).

	March 31, 2016			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost - non-current	$ 467,903	$ -	$ -	$ -
Investments in bonds without active markets - non-current	5,000	-	-	5,000
	$ 472,903	$ -	$ -	$ 5,000

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

	March 31, 2015			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Equity and investments in bonds without active markets:				
Financial assets measured at cost-current	$ 3,497	$ -	$ -	$ -
Financial assets measured at cost - non-current	429,463	-	-	-
Investments in bonds without active makets-non-current	5,000	-	-	5,000
	$ 437,960	$ -	$ -	$ 5,000

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

i. Investments in debt instruments without active market: If recent transaction prices or market quotes are available, the fair value is based on such information. If there is no quoted market price available, the fair value is determined by using valuation techniques and calculated as the present value of the estimated cash flows.

ii. Convertible debentures payable: Regarding the convertible bonds issued by the Group, the coupon rate is approximate to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and approximate to the book value.

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with treasury department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group adopts the forward foreign contract to hedge recognised foreign currency assets and liabilities and reduce fair value risk arising from change in foreign exchange. In order to reduce foreign exchange risk, the Group monitored foreign exchange changes and established stop-loss points.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain foreign subsidiaries' functional currency: local common currency). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2016		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 700,134	32.19	$ 22,533,802
USD：RMB	21,400	6.47	688,758
USD：HKD	35,887	7.76	1,155,017
USD：KRW	24,438	1,133.67	786,530
USD：JPY	19,320	112.42	621,820
HKD：USD	132,879	0.13	551,449
Non-monetary items			
USD：TWD	349,404	32.19	11,245,565
RMB：USD	398,165	0.15	1,979,676
JPY ：USD	900,921	0.01	257,934
INR ：USD	624,926	0.02	304,055
KRW：TWD	12,406,336	0.03	352,216
HKD：USD	294,128	0.13	1,220,631
Financial liabilities			
Monetary items			
USD：TWD	819,054	32.19	26,361,262
USD：RMB	163,550	6.47	5,263,852
USD：KRW	28,867	1,133.67	929,087
USD：JPY	18,875	112.42	607,481
USD：INR	11,596	66.15	373,202
HKD：USD	69,180	0.13	287,097
SGD：USD	4,863	0.74	115,985

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

	March 31, 2015		
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 829,022	31.30	$ 25,948,381
USD：HKD	35,004	7.76	1,095,619
USD：KRW	20,832	1,101.53	652,038
USD：JPY	41,088	120.20	1,286,055
USD：MYR	3,465	3.71	108,460
RMB：USD	633,587	0.16	3,195,811
HKD：USD	28,143	0.13	113,586
Non-monetary items			
USD：TWD	326,913	31.30	10,232,376
RMB：USD	279,758	0.16	1,411,099
JPY ：USD	694,680	0.01	180,895
INR ：USD	620,658	0.02	311,974
KRW：TWD	10,970,072	0.03	311,715
HKD：USD	283,022	0.13	1,142,277
Financial liabilities			
Monetary items			
USD：TWD	1,004,500	31.30	31,440,838
USD：RMB	55,851	6.21	1,748,122
USD：KRW	27,601	1,101.53	863,906
USD：JPY	42,338	120.20	1,325,190
USD：MYR	5,806	3.71	181,741
USD：THB	4,909	32.60	153,648
RMB：USD	184,928	0.16	932,775
SGD：USD	4,887	0.73	111,231

v. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2016 and 2015 amounted $153,517 and ($13,262), respectively.

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

	Three months ended March 31, 2016		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	1%	$ 225,338	$ -
USD：RMB	1%	6,888	-
USD：HKD	1%	11,550	-
USD：KRW	1%	7,865	-
USD：JPY	1%	6,218	-
HKD：USD	1%	5,514	-
Financial liabilities			
Monetary items			
USD：TWD	1%	263,613	-
USD：RMB	1%	52,639	-
USD：KRW	1%	9,291	-
USD：JPY	1%	6,075	-
USD：INR	1%	3,732	-
HKD：USD	1%	2,871	-
SGD：USD	1%	1,160	-

	Three months ended March 31, 2015		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	1%	$ 259,484	$ -
USD：HKD	1%	11,033	-
USD：KRW	1%	6,622	-
USD：JPY	1%	13,072	-
USD：MYR	1%	1,133	-
RMB：USD	1%	32,187	-
HKD：USD	1%	1,144	-

	Three months ended March 31, 2015		
	Sensitivity Analysis		
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Financial liabilities			
Monetary items			
USD：TWD	1%	314,408	-
USD：RMB	1%	17,501	-
USD：KRW	1%	8,774	-
USD：JPY	1%	13,469	-
USD：MYR	1%	1,899	-
USD：THB	1%	1,543	-
RMB：USD	1%	9,394	-
SGD：USD	1%	1,120	-

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 three months ended March 31, 2016 and 2015 would have increased/decreased by $307 and $133, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $3,822 and $4,466 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 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 three months ended March 31, 2016 and 2015, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At March 31, 2016 and 2015, if interest rates on borrowings had been 1%

higher/lower with all other variables held constant, post-tax profit for the three months ended March 31, 2016 and 2015 would have been $22,003 and $14,648 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 three months ended March 31, 2016 and 2015, and management does not expect any significant losses from non-performance by these counterparties.

iii. The credit quality information of financial assets that are neither past due nor impaired is provided in Notes 6(5)A. and 7(2)C.

iv. The ageing analysis of financial assets that were past due is provided in Note 6(5)B.

v. The individual analysis of financial assets that had been impaired is provided in Notes 6(5)C. and 6(14).

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:

March 31, 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term loans	$ 42,730,587	$ -	$ -	$ -
Short-term notes payable	4,030,000	-	-	-
Financial liabilities measured at fair value through profit or loss	16,760	-	-	-
Notes payable	1,185,153	-	-	-
Accounts payable	45,088,509	-	-	-
Accounts payable - related parties	128	-	-	-
Other payables	4,566,434	-	-	-
Bonds payable	-	6,000,000	-	-
Long-term loans (including current portion)	1,985,152	6,288,784	4,241,584	309,920

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

Non-derivative financial liabilities:

March 31, 2015

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term loans	$ 38,935,081	$ -	$ -	$ -
Short-term notes payable	4,045,000	-	-	-
Financial liabilities measured at fair value through profit or loss	3,046	-	-	-
Notes payable	586,973	-	-	-
Accounts payable	44,728,023	-	-	-
Accounts payable - related parties	875	-	-	-
Other payables	4,472,631	-	-	-
Bonds payable	-	-	6,000,000	-
Long-term loans (including current portion)	6,355,338	925,652	3,369,703	371,849

Derivative financial liabilities:

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

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

(3) Fair value information

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

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

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

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

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

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

March 31, 2016	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 30,687	$ -	$ -	$ 30,687
Forward exchange contracts	-	5,371	-	5,371
Available-for-sale financial assets				
Equity securities	297,927	77,602	6,684	382,213
	$ 328,614	$ 82,973	$ 6,684	$ 418,271
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 16,760	$ -	$ 16,760

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 32,557	$ -	$ -	$ 32,557
Forward exchange contracts	-	29,709	-	29,709
Available-for-sale financial assets				
Equity securities	288,213	76,185	6,684	371,082
	$ 320,770	$ 105,894	$ 6,684	$ 433,348
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 26,719	$ -	$ 26,719

March 31, 2015

	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 13,334	$ -	$ -	$ 13,334
Forward exchange contracts	-	6,055	-	6,055
Available-for-sale financial assets				
Equity securities	358,861	81,006	6,684	446,551
	$ 372,195	$ 87,061	$ 6,684	$ 465,940
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 3,046	$ -	$ 3,046

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

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

	Listed shares
Market quoted price	Closing price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques widely accepted in financial management.

(c) When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) Forward exchange contracts are usually valued based on the current forward exchange rate.

(e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group’s credit quality.

E. For the three months ended March 31, 2016 and 2015, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the three months ended March 31, 2016 and 2015:

	2016	2015
At January 1	$ 6,684	$ 6,684
Losses recognised in profit or loss	-	-
At March 31	$ 6,684	$ 6,684

G. For the three months ended March 31, 2016 and 2015, there was no transfer into or out from Level 3.

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

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

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

	Fair value at March 31, 2016	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Equity investment without active market	$ 6,684	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

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

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

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:

			March 31, 2016			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Net asset value	± 1%	$ -	$ -	$ 67	$ 67

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

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

13. SUPPLEMENTARY DISCLOSURES

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

(1) Significant transactions information

A. Loans to others: Pleasse refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Aggregate purchases or sales of the same securities reaching \$300 million or 20% of paid-in capital or more: None.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Derivative financial instruments undertaken during the reporting periods: Please see Notes 6 and 12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investee companies

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

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

Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Information on significant transactions of the Company and subsidiary and investee company in Mainland China as of and for the three months ended March 31, 2016 is provided in Note(1)J.

14. OPERATING SEGMENT INFORMATION

1) General information

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

2) Measurement of segment information

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

3) Reconciliation for segment income (loss)

A. The net income reported to the chief operating decision-maker is measured in a manner consistent with revenues, costs and expenses in the statement of comprehensive income. As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the amounts in the statements of segment income, reconciliation is not needed.

B. The segment information of the reportable segments provided to the chief operating decision-maker for the three months ended March 31, 2016 and 2015 is as follows:

Three months ended March 31, 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	$ 55,030,102	$ 12,379,042	$ 19,525,732	$ 21,833,934	$ 2,837,392	$ 9,926,547	$ -	$121,532,749
Revenue from internal customers	2,610,649	899,862	861,114	2,471,246	9,778	1,053,335	(7,905,984)	-
Total revenue	$ 57,640,751	$ 13,278,904	$ 20,386,846	$ 24,305,180	$ 2,847,170	$ 10,979,882	($ 7,905,984)	$121,532,749
Segment profit (loss)	$ 1,293,924	$ 233,971	$ 540,161	$ 446,254	$ 45,987	($ 86,947)	$ 715,559	$ 3,188,909
Net income	$ 740,382	$ 67,673	$ 337,482	$ 274,466	$ 6,182	$ 124,261	$ 9,925	$ 1,560,371

Three monhts ended March 31, 2015:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	$ 45,229,881	$ 13,985,803	$ 17,152,891	$ 24,404,646	$ 7,240,784	$ -	$ 108,014,005
Revenue from internal customers	2,102,395	774,139	297,056	1,792,855	569,756	(5,536,201)	-
Total revenue	$ 47,332,276	$ 14,759,942	$ 17,449,947	$ 26,197,501	$ 7,810,540	($ 5,536,201)	$ 108,014,005
Segment profit (loss)	$ 1,086,033	$ 406,228	$ 545,617	$ 538,028	($ 150,999)	$ 607,143	$ 3,032,050
Net income	$ 665,731	$ 247,364	$ 253,889	$ 294,293	($ 13,195)	($ 49,037)	$ 1,399,045

WPG Holdings Limited and Subsidiaries

Loans to others

Three months ended March 31, 2016

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2016	Balance at March 31, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Genuine C&C (South Asia) Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	Y	$ 64,370	$ 64,370	$ 53,105	1.85	Short-term financing	-	Operation	-	None	-	$ 116,680	$ 116,680	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	643,700	643,700	643,700	1.85	Short-term financing	-	Operation	-	None	-	5,436,281	5,436,281	Note 3
2	World Peace International (South Asia) Pte. Ltd.	World Peace International Pte. Ltd.	Other receivables - related parties	Y	321,850	-	-	0	Short-term financing	-	Operation	-	None	-	5,436,281	5,436,281	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	933,365	933,365	675,885	2.69	Short-term financing	-	Operation	-	None	-	5,436,281	5,436,281	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG China Inc.	Other receivables - related parties	Y	321,850	321,850	321,850	2.79	Short-term financing	-	Operation	-	None	-	5,436,281	5,436,281	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG South Asia Pte. Ltd.	Other receivables - related parties	Y	160,925	-	-	0	Short-term financing	-	Operation	-	None	-	5,436,281	5,436,281	Note 3
3	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	Y	64,370	64,370	61,152	1.85	Short-term financing	-	Operation	-	None	-	2,345,845	2,345,845	Note 3
4	AIO Component Co., Limited	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	49,720	49,720	49,720	2.80	Short-term financing	-	Operation	-	None	-	59,862	59,862	Note 7
5	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	400,000	400,000	154,700	1.55	Short-term financing	-	Operation	-	None	-	454,774	454,774	Note 2
6	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	740,255	740,255	666,230	2.12	Short-term financing	-	Operation	-	None	-	791,635	791,635	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2016	Balance at March 31, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
7	AECO Electronic (Ningbo) Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	$ 44,748	$ 44,748	$ 44,748	2.80	Short-term financing	-	Operation	-	None	-	$ 61,661	$ 61,661	Note 7
8	WPI International Trading (Shanghai) Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	Y	49,720	-	-	0	Short-term financing	-	Operation	-	None	-	135,718	339,296	Note 7
9	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables - related parties	Y	1,641,435	1,062,105	540,708	2.12	Short-term financing	-	Operation	-	None	-	13,493,896	13,493,896	Note 7
9	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Other receivables - related parties	Y	289,665	289,665	61,152	2.12	Short-term financing	-	Operation	-	None	-	13,493,896	13,493,896	Note 7
9	WPI International (Hong Kong) Limited	WPG Gain Tune Ltd.	Other receivables - related parties	Y	1,126,475	1,126,475	-	0	Short-term financing	-	Operation	-	None	-	5,397,559	13,493,896	Note 7
10	World Peace Industrial Co., Ltd.	WPG China Inc.	Other receivables - related parties	Y	193,110	193,110	-	0	Short-term financing	-	Operation	-	None	-	4,349,068	8,698,136	Note 6
10	World Peace Industrial Co., Ltd.	Long-Think Intemational Co., Ltd.	Other receivables - related parties	Y	106,211	106,211	16,382	1.85-1.90	Short-term financing	-	Operation	-	None	-	4,349,068	8,698,136	Note 6
11	Longview Technology Inc.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	80,000	80,000	10,000	1.85	Short-term financing	-	Operation	-	None	-	255,113	255,113	Note 2
12	SILICON APPLICATION (B.V.I.) CORP.	Silicon Application Corp.	Other receivables - related parties	Y	1,255,215	1,255,215	1,255,215	1.00	Short-term financing	-	Operation	-	None	-	1,287,296	3,218,240	Note 7
12	SILICON APPLICATION (B.V.I.) CORP.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	80,463	80,463	80,463	2.20	Short-term financing	-	Operation	-	None	-	3,218,240	3,218,240	Note 7
13	Silicon Application Company Limited	Silicon Application Corp.	Other receivables - related parties	Y	708,070	708,070	708,070	1.00	Short-term financing	-	Operation	-	None	-	719,494	1,798,736	Note 7
13	Silicon Application Company Limited	WPG China Inc.	Other receivables - related parties	Y	257,480	-	-	0	Short-term financing	-	Operation	-	None	-	1,798,736	1,798,736	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2016	Balance at March 31, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
13	Silicon Application Company Limited	WPG China (SZ) Inc.	Other receivables - related parties	Y	$ 64,370	$ -	$ -	0	Short-term financing	-	Operation	-	None	-	$ 1,798,736	$ 1,798,736	Note 7
13	Silicon Application Company Limited	Dstar Electronic Company Limited	Other receivables - related parties	Y	22,530	22,530	-	0	Short-term financing	-	Operation	-	None	-	1,798,736	1,798,736	Note 7
13	Silicon Application Company Limited	WPG Gain Tune Ltd.	Other receivables - related parties	Y	514,960	514,960	-	0	Short-term financing	-	Operation	-	None	-	719,494	1,798,736	Note 7
14	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	333,124	333,124	333,124	2.80	Short-term financing	-	Operation	-	None	-	387,625	387,625	Note 7
15	Yosun Industrial Corp.	WPG China Inc.	Other receivables - related parties	Y	193,110	193,110	193,110	2.80	Short-term financing	-	Operation	-	None	-	2,441,739	4,883,478	Note 6
15	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	321,850	321,850	-	-	Short-term financing	-	Operation	-	None	-	2,441,739	4,883,478	Note 6
16	Giatek Corp., Ltd.	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	1,126,475	1,126,475	1,126,475	1.20	Short-term financing	-	Operation	-	None	-	1,164,235	1,164,235	Note 4
17	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	188,936	188,936	188,936	2.80	Short-term financing	-	Operation	-	None	-	218,321	218,321	Note 7
18	Sertek Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	331,506	331,506	331,506	1.20	Short-term financing	-	Operation	-	None	-	446,600	446,600	Note 7
19	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	482,775	482,775	482,775	2.20	Short-term financing	-	Operation	-	None	-	565,521	565,521	Note 2
20	Frontek Technology Corporation	Apache Communication Inc.	Other receivables - related parties	Y	482,775	482,775	482,775	1.46	Short-term financing	-	Operation	-	None	-	722,699	1,156,319	Note 5
21	Asian Information Technology Inc.	Apache Communication Inc.	Other receivables - related parties	Y	321,850	321,850	-	0	Short-term financing	-	Operation	-	None	-	1,534,960	2,455,936	Note 5
22	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Other receivables - related parties	Y	150,000	150,000	150,000	1.37	Short-term financing	-	Operation	-	None	-	237,235	237,235	Note 2

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2016	Balance at March 31, 2016	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
23	Richpower Electronic Devices Co., Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	$ 160,925	$ 160,925	$ 128,740	2.50	Short-term financing	-	Operation	-	None	-	$ 1,611,193	$ 1,611,193	Note 7
24	Richpower Electronic Devices Pte Ltd.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	225,295	225,295	209,203	1.85	Short-term financing	-	Operation	-	None	-	439,355	439,355	Note 9
25	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	289,665	289,665	225,295	2.04	Short-term financing	-	Operation	-	None	-	1,318,319	1,318,319	Note 3
25	WPG South Asia Pte. Ltd.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	Y	418,405	418,405	209,203	1.85	Short-term financing	-	Operation	-	None	-	1,318,319	1,318,319	Note 3
25	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	Y	321,850	321,850	128,740	1.85	Short-term financing	-	Operation	-	None	-	1,318,319	1,318,319	Note 3
26	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	68,136	68,136	68,136	2.50	Short-term financing	-	Operation	-	None	-	76,546	76,546	Note 1
27	WPG China Inc.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	Y	49,720	49,720	49,720	4.55	Short-term financing	-	Operation	-	None	-	2,174,596	2,174,596	Note 7
27	WPG China Inc.	WPG China (SZ) Inc.	Other receivables - related parties	Y	160,925	160,925	160,925	2.80	Short-term financing	-	Operation	-	None	-	2,174,596	2,174,596	Note 7
28	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Other receivables - related parties	Y	99,440	99,440	74,580	2.80	Short-term financing	-	Operation	-	None	-	105,561	422,246	Note 10
29	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Other receivables - related parties	Y	7,458	7,458	-	0	Short-term financing	-	Operation	-	None	-	8,936	35,744	Note 10
30	Mec Technology Co., Limited	Richpower Electronic Divices Co., Ltd.	Other receivables - related parties	Y	144,833	-	-	0	Short-term financing	-	Operation	-	None	-	165,491	165,491	Note 2
31	WPG Investment Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	Y	150,000	150,000	-	0	Short-term financing	-	Operation	-	None	-	199,806	199,806	Note 2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WPG Holdings Limited and Subsidiaries

Provision of endorsements and guarantees to others

Three months ended March 31, 2016

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2016	Outstanding endorsement/ guarantee amount at March 31, 2016	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	$ 24,027,202	$ 179,335	$ 89,903	$ 89,903	$ 89,903	0.19	$ 24,027,202	Y	N	N	Notes 4 and 5
1	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	5,965,358	193,110	193,110	972	-	6.40	5,965,358	N	N	N	Note 7
1	World Peace International Pte. Ltd.	WPG C&C Computers And Peripheral (India) Private Ltd.	Note 1	5,965,358	247,825	247,825	-	-	8.21	5,965,358	N	N	N	Note 7
1	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	5,965,358	2,655,263	2,655,263	1,552,196	-	87.96	5,965,358	N	N	N	Note 7
2	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	10,872,670	708,070	708,070	708,070	-	3.26	17,396,272	N	N	N	Note 6
2	World Peace Industrial Co., Ltd.	WPG China Inc.	Note 3	10,872,670	198,260	198,260	-	-	0.91	17,396,272	N	N	Y	Note 6
2	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	10,872,670	2,388,005	2,349,505	1,322,767	-	10.80	17,396,272	N	N	N	Note 6
2	World Peace Industrial Co., Ltd.	Vitec WPG Limited	Note 1	10,872,670	72,416	72,416	72,416	-	0.33	17,396,272	N	N	N	Note 6
2	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	10,872,670	1,217,448	1,217,448	1,172,420	-	5.60	17,396,272	N	N	Y	Note 6
2	World Peace Industrial Co., Ltd.	Long-Think International (Hong Kong) Limited	Note 1	10,872,670	354,035	-	-	-	-	17,396,272	N	N	N	Note 6
3	Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Note 1	5,280,995	64,370	-	-	-	-	6,601,244	N	N	N	Note 9

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2016	Outstanding endorsement/ guarantee amount at March 31, 2016	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
4	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	$ 12,208,695	$ 1,411,308	$ 1,271,308	$ 439,170	$ -	10.41	$ 24,417,389	N	N	N	Note 10
4	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	12,208,695	1,737,990	1,737,990	725,555	-	14.24	24,417,389	N	N	N	Note 10
4	Yosun Industrial Corp.	Sertek Incorporated	Note 1	12,208,695	1,609,250	1,609,250	1,051,637	-	13.18	24,417,389	N	N	N	Note 10
4	Yosun Industrial Corp.	RichPower Electronic Devices Co., Limited	Note 1	12,208,695	350,000	350,000	-	-	2.87	24,417,389	N	N	N	Note 10
5	Genuine C&C Inc.	Hubei Xinsheng Technology Investment Management Co., Ltd.	Note 1	422,246	278,530	278,530	224,833	-	26.58	527,807	N	N	Y	Note 11
5	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	422,246	193,110	-	-	-	-	527,807	N	N	Y	Note 11
6	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	2,455,936	726,720	726,720	321,320	-	11.84	3,069,920	N	N	N	Note 8
6	Asian Information Technology Inc.	WPG China Inc.	Note 3	2,455,936	16,093	16,093	715	-	0.26	3,069,920	N	N	Y	Note 8
6	Asian Information Technology Inc.	AIT Japan Inc.	Note 1	2,455,936	643,700	643,700	289,516	-	10.48	3,069,920	N	N	N	Note 8
7	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	1,156,319	320,000	320,000	140,058	-	11.07	1,445,399	N	N	N	Note 8
8	WPG South Asia Pte. Ltd.	WPG India Electronics Private Limited	Note 1	1,310,751	16,093	16,093	-	-	2.46	1,310,751	N	N	N	Note 12

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

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

Note 3: An affiliate.

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

Note 5: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases for World Peace Industrial Co., Ltd. The book value of those pledged investments is $89,903.

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

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

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

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

Note 10: The cumulative guarantee amount to others should not be in excess of 200% of guarantor and its subsidiaries' total net assets. The guarantee amount to a single company should not be in excess of 100% of guarantor and its subsidiaries' total net assets. The net asset value is based on the latest audited or reviewed financial statements.

Note 11: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 20% of guarantor's net assets. However, guarantee amount to a single overseas affiliate should not be in excess of 30% of guarantor's net assets.

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

WPG Holdings Limited and Subsidiaries

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

Three months ended March 31, 2016

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of March 31, 2016				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
WPG Holdings Limited	Ability I Venture Capital Corporation, etc. - Equity securities	None	Financial assets at cost - non-current	-	$ 243,164	-	$ 243,164	
Silicon Application Corp.	Genesis Photonics Inc., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	16,759	-	16,759	Note 2
World Peace Industrial Co., Ltd.	Prohubs International Corp., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	46,772	-	46,772	
AECO Technology Co., Ltd.	Hua-Jie (Taiwan) Corp. - Equity securities	None	Available-for-sale financial assets - non-current	668	6,684	3.32	6,684	
Yosun Industrial Corp.	Fortend Taiwan Scientific Corp., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	8,565	-	8,565	
Yosun Industrial Corp.	Nichidenbo Corporation	None	Available-for-sale financial assets - non-current	9,647	241,177	5.78	241,177	
Genuine C&C Inc.	TekCare Corporation, etc. - Equity securities	None	Financial assets at cost - non-current	-	21,400	-	21,400	
Hat-Trick Co., Ltd.	Mega Diamond Money Market	None	Financial assets measured at fair value through profit or loss - current	-	20,689	-	20,689	
Richpower Electronic Devices Co., Ltd.	Promaster Technology Co., Ltd., etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	22,227	-	22,227	
Mec Technology Co., Limited	Promaster Technology Co., Ltd. - Equity securities	None	Available-for-sale financial assets - non-current	1,368	7,362	4.00	7,362	
WPG Investment Co., Ltd.	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at cost - non-current, etc.	-	151,376	-	151,376	
WPG Investment Co., Ltd.	Sunrise Technology Co., Ltd, etc. - Equity securities	None	Available-for-sale financial assets - non-current, etc.	-	157,871	-	157,871	
SILICON APPLICATION (B.V.I.) CORP.	Apollo Electronics Group Ltd.	None	Available-for-sale financial assets - non-current, etc.	6,825	46,489	15.17	46,489	
SILICON APPLICATION (B.V.I.) CORP.	MCUBE, Inc., etc. - Equity securities	None	Financial assets at cost - non-current	-	6,437	-	6,437	
Win-Win Systems Ltd.	Silicon Electronics Company(s) Pte. Ltd. - Equity securities	None	Financial assets at cost - non-current	180	-	10.00	-	

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

Note 2: There are 1,133 thousand shares of Kingmax Technology Inc. which have been pledged for purchases as of March 31, 2016.

WPG Holdings Limited and Subsidiaries

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

Three months ended March 31, 2016

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same parent company	Sales	($ 6,774,216)	(27.65)	Note 3	Note 3	Note 3	$ 5,130,717	24.80	
〃	WPG Electronics (HK) Limited	〃	〃	(520,522)	(2.12)	〃	〃	〃	554,278	2.68	
Longview Technology Inc.	WPI International (Hong Kong) Limited	〃	〃	(196,037)	(39.28)	〃	〃	〃	88,660	25.60	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	〃	〃	(865,676)	(2.83)	〃	〃	〃	429,762	2.20	
〃	WPG China (SZ) Inc.	〃	〃	(581,793)	(1.90)	〃	〃	〃	805,770	4.13	
〃	World Peace International (South Asia) Pte Ltd.	〃	〃	(519,910)	(1.70)	〃	〃	〃	152,835	0.78	
〃	WPG SCM Limited	〃	〃	(233,129)	(0.76)	〃	〃	〃	77,523	0.40	
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	〃	〃	(489,634)	(27.03)	〃	〃	〃	77,714	11.43	
〃	WPI International (Hong Kong) Limited	〃	〃	(167,035)	(9.22)	〃	〃	〃	87,269	12.84	
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	〃	(215,226)	(80.04)	〃	〃	〃	242,207	97.52	
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	Same parent company	〃	(929,969)	(14.31)	〃	〃	〃	926,811	26.26	
〃	WPG C&C Computers And Peripheral (India) Private Limited	〃	〃	(426,238)	(6.56)	〃	〃	〃	281,184	7.97	
〃	Genuine C&C (IndoChina) Pte Ltd.	〃	〃	(139,043)	(2.14)	〃	〃	〃	99,485	2.82	
〃	WPG C&C (Malaysia) Sdn Bhd	〃	〃	(130,765)	(2.01)	〃	〃	〃	89,176	2.53	
Silicon Application Corp.	WPG Electronics (HK) Limited	〃	〃	(491,835)	(4.21)	90 days after monthly billings	Note 4	Note 4	597,255	7.78	
〃	WPG China (SZ) Inc.	〃	〃	(241,646)	(2.07)	90 days after monthly billings	〃	〃	315,704	4.11	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction: Purchases (sales)	Transaction: Amount	Transaction: Percentage of total purchases (sales)	Transaction: Credit term	Differences in transaction terms compared to third party transactions: Unit price	Differences in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Footnote
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Same parent company	Sales	($ 954,297)	(11.32)	Credit 75 days	Note 5	Note 5	$ 184,995	3.66	
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	〃	〃	(1,188,032)	(14.84)	Credit 75 days	Note 1	Note 1	1,741,823	30.65	
〃	WPG China (SZ) Inc.	〃	〃	(604,881)	(7.55)	〃	Note 5	Note 5	876,029	15.41	
〃	RichPower Electronic Devices Co., Limited	〃	〃	(187,157)	(2.34)	〃	〃	〃	40,119	0.71	
〃	Yosun Industrial Corp.	〃	〃	(158,015)	(1.97)	〃	〃	〃	29,637	0.52	
Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	〃	〃	(110,187)	(2.82)	〃	〃	〃	14,243	1.57	
Asian Information Technology Inc.	AIT Japan Inc.	〃	〃	(513,881)	(6.67)	Note 2	Note 2	Note 2	315,248	6.89	
〃	Silicon Application Corp.	〃	〃	(190,539)	(2.47)	〃	〃	〃	122,784	2.88	
〃	WPG Electronics (HK) Limited	〃	〃	(110,605)	(1.43)	〃	〃	〃	131,565	2.88	
AIT Japan Inc.	Asian Information Technology Inc.	〃	〃	(424,144)	(44.54)	〃	〃	〃	276,276	45.88	
Apache Communication Inc.	Asian Information Technology Inc.	〃	〃	(185,313)	(2.37)	〃	〃	〃	53,902	1.21	
〃	WPI International (Hong Kong) Limited	〃	〃	(135,479)	(1.73)	〃	〃	〃	74,974	1.69	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	〃	〃	(379,692)	(33.11)	90 days after monthly billings	Note 4	Note 4	327,363	40.19	
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	〃	〃	(140,220)	(15.16)	〃	〃	〃	101,116	12.25	
RichPower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	〃	〃	(225,363)	(14.87)	Note 6	Note 6	Note 6	264,105	17.88	
Mec Technology Co., Limited	RichPower Electronic Devices Co., Ltd.	〃	〃	(153,794)	(22.38)	〃	〃	〃	94,440	25.69	
WPG Americas Inc.	World Peace Industrial Co., Ltd.	〃	〃	(142,950)	(13.67)	30 days after monthly billings	Note 4	Note 4	113,519	15.87	
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd	〃	〃	(122,865)	(82.19)	60 days after monthly billings	〃	〃	-	0.00	
WPG China Inc.	WPG China (SZ) Inc.	〃	〃	(151,470)	(7.12)	〃	Note 5	Note 5	137,048	11.73	
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	〃	〃	(191,395)	(6.72)	Note 7	Note 7	Note 7	103,432	10.28	

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

Three months ended March 31, 2016

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2016 (Note 1)	Turnover rate (Note 2)	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
Silicon Application Corp.	WPG Electronics (HK) Limited	Same parent company	$ 597,255	3.20	$ -	-	$ 166,011	$ -
〃	WPG China (SZ) Inc.	〃	315,704	2.97	-	-	80,706	-
SILICON APPLICATION (B.V.I.) CORP.	Silicon Application Corp.	〃	1,264,978	0.00	-	-	-	-
Silicon Application Company Limited	Silicon Application Corp.	〃	720,865	0.00	-	-	-	-
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	〃	5,130,717	6.19	-	-	2,139,437	-
〃	WPG Electronics (HK) Limited	〃	554,278	4.86	-	-	54,012	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	〃	429,762	8.17	-	-	429,762	-
〃	World Peace International (South Asia) Pte. Ltd.	〃	152,835	8.46	-	-	152,835	-
〃	WPG Electronics (HK) Limited	〃	243,174	0.28	-	-	-	-
〃	WPG China (SZ) Inc.	〃	805,770	2.76	-	-	236,874	-
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	242,207	3.14	-	-	12,959	-
World Peace International (South Asia) Pte. Ltd.	WPG C&C Computers And Peripheral (India) Pte. Ltd.	Same parent company	281,184	6.37	-	-	149,472	-
World Peace International (South Asia) Pte. Ltd.	WPG SCM Limited	〃	926,811	2.84	-	-	300,552	-
AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	〃	155,263	0.00	-	-	16,466	-
AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	〃	674,011	0.00	-	-	-	-
WPI International (Hong Kong) Limited	WPG C&C Limited.	〃	545,753	0.00	-	-	223,239	-
World Peace International (South Asia) Pte. Ltd.	WPG South Asia Pte. Ltd.	〃	160,267	0.00	-	-	160,267	-
〃	WPG SCM Limited	〃	105,474	0.00	-	-	105,457	-
World Peace International (South Asia) Pte. Ltd.	WPI International (Hong Kong) Limited	〃	644,725	0.00	-	-	1,997	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2016 (Note 1)	Turnover rate (Note 2)	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
World Peace International (South Asia) Pte. Ltd.	WPG China Inc.	Same parent company	$ 328,186	0.00	$ -	-	$ -	$ -
〃	WPG Americas Inc.	〃	680,577	0.00	-	-	48,278	-
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	〃	184,995	23.04	-	-	184,995	-
〃	WPG China Inc.	〃	197,451	0.00	-	-	-	-
〃	Yosun Japan Corp.	〃	117,339	0.00	-	-	25,895	-
〃	WPG Chian (SZ) Inc.	〃	112,866	3.39	-	-	26,201	-
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	〃	876,029	2.93	-	-	288,102	-
〃	WPG China Inc.	〃	1,741,823	2.44	-	-	630,416	-
Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	〃	1,132,422	0.00	-	-	-	-
Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	〃	189,395	0.00	-	-	-	-
Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	〃	333,750	0.00	-	-	626	-
Sertek Limited	Yosun Hong Kong Corp. Ltd.	〃	335,097	0.00	-	-	-	-
Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	〃	490,623	0.00	-	-	464,160	-
Asian Information Technology Inc.	AIT Japan Inc.	〃	315,248	5.02	-	-	72,950	-
〃	WPG Electronics (HK) Limited	〃	131,565	4.57	-	-	15,256	-
〃	Silicon Application Corp.	〃	122,784	8.63	-	-	55,596	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	〃	130,701	2.24	-	-	30,256	-
AIT Japan Inc.	Asian Information Technology Inc.	〃	276,276	7.93	-	-	276,276	-
Frontek Technology Corporation	Apache Communication Inc.	〃	483,634	0.00	-	-	-	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	〃	327,363	3.81	-	-	101,311	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	〃	151,875	0.00	-	-	-	-
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	〃	101,116	4.24	-	-	42,076	-
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	〃	264,105	2.65	-	-	77,503	-
Richpower Electronic Devices Pte. Ltd.	Yosun Singapore Pte Ltd.	〃	209,536	0.00	-	-	333	-
RichPower Electronic Devices Co., Limited	WPG Korea Co., Ltd	〃	129,321	0.00	-	-	-	-
Mec Technology Co., Limited	WPG Electronics (HK) Limited	〃	163,598	1.79	-	-	81,621	-

					Overdue receivables			
Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2016 (Note 1)	Turnover rate (Note 2)	Amount	Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
WPG China Inc.	WPG China (SZ) Inc.	Same parent company	$ 137,048	1.00	$ -	-	$ -	$ -
〃	WPG China (SZ) Inc.	〃	160,625	0.00	-	-	-	-
WPG South Asia Pte Ltd.	WPG Korea Co., Ltd.	〃	225,691	0.00	-	-	379	-
〃	Yosun Singapore Pte Ltd.	〃	221,882	0.00	-	-	4,706	-
〃	World Peace International (South Asia) Pte. Ltd.	〃	178,107	0.00	-	-	77,617	-
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	〃	103,432	10.30	-	-	81,171	-
WPG Americas Inc.	World Peace Industrial Co., Ltd.	〃	113,519	9.79	-	-	113,519	-

Note 1: Balance as at March 31, 2016 includes other receivables that exceed $100,000.
Note 2: Turnover rate of 0.00 was caused by the receivables amount recorded as other receivables, and thus the turnover rate is not applicable.
Note 3: The subsequent collections are amounts collected as of May 10, 2016.

WPG Holdings Limited and Subsidiaries

Significant inter-company transactions during the reporting periods

Three months ended March 31, 2016

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Sales	$ 6,774,216	Note 5	5.57
1	〃	WPG Electronics (HK) Limited	3	〃	520,522	〃	0.43
2	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	〃	196,037	〃	0.16
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	〃	865,676	〃	1.01
3	〃	WPG China (SZ) Inc.	3	〃	581,793	〃	0.48
3	〃	World Peace International (South Asia) Pte Ltd.	3	〃	519,910	〃	0.43
3	〃	WPG SCM Limited	3	〃	233,129	〃	0.19
4	Silicon Application Corp.	WPG Electronics (HK) Limited	3	〃	491,835	Notes 9 and 13	0.40
4	〃	WPG China (SZ) Inc.	3	〃	241,646	Notes 6 and 9	0.20
5	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	〃	954,297	Notes 7 and 16	0.79
6	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	〃	1,188,032	〃	0.98
6	〃	WPG China (SZ) Inc.	3	〃	604,881	〃	0.50
6	〃	RichPower Electronic Devices Co., Limited	3	〃	187,157	〃	0.15
6	〃	Yosun Industrial Corp.	3	〃	158,015	〃	0.13
7	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	〃	110,187	〃	0.09
8	Asian Information Technology Inc.	AIT Japan Inc.	3	〃	513,881	Note 4	0.42
8	〃	Silicon Application Corp.	3	〃	190,539	〃	0.16
8	〃	WPG Electronics (HK) Limited	3	〃	110,605	〃	0.09
9	AIT Japan Inc.	Asian Information Technology Inc.	3	〃	424,144	〃	0.35
10	Apache Communication Inc.	Asian Information Technology Inc.	3	〃	185,313	〃	0.15
10	〃	WPI International (Hong Kong) Limited	3	〃	135,479	〃	0.11
11	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	〃	379,692	Notes 9 and 19	0.31
12	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	〃	140,220	〃	0.12

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
13	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	Sales	$ 225,363	Note 8	0.19
14	Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	3	〃	153,794	〃	0.13
15	WPG Americas Inc.	World Peace Industrial Co., Ltd.	3	〃	142,950	Note 20	0.12
16	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	〃	122,865	Notes 9 and 10	0.10
17	WPG China Inc.	WPG China (SZ) Inc.	3	〃	151,470	〃	0.12
18	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	〃	489,634	Note 5	0.40
18	〃	WPI International (Hong Kong) Limited	3	〃	167,035	〃	0.14
19	Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	3	〃	215,226	〃	0.18
20	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	〃	929,969	〃	0.77
20	〃	WPG C&C Computers And Peripheral (India) Private Limited	3	〃	426,238	〃	0.35
20	〃	Genuine C&C (IndoChina) Pte Ltd.	3	〃	139,043	〃	0.11
20	〃	WPG C&C (Malaysia) Sdn Bhd	3	〃	130,765	〃	0.11
21	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	3	〃	191,395	Note 20	0.16
1	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Accounts receivable	597,255	Notes 9 and 13	0.36
1	Silicon Application Corp.	WPG China (SZ) Inc.	3	〃	315,704	Notes 6 and 9	0.19
2	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	〃	5,130,717	Note 5	3.06
2	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	〃	554,278	〃	0.33
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	〃	429,762	〃	0.26
3	〃	World Peace International (South Asia) Pte. Ltd.	3	〃	152,835	〃	0.09
3	〃	WPG Electronics (HK) Limited	3	〃	243,174	〃	0.15
3	〃	WPG China (SZ) Inc.	3	〃	805,770	〃	0.48
4	Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	3	〃	242,207	〃	0.14
5	World Peace International (South Asia) Pte. Ltd.	WPG C&C Computers And Peripheral (India) Pte. Ltd.	3	〃	281,184	〃	0.17
5	〃	WPG SCM Limited	3	〃	926,811	〃	0.55
6	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	〃	184,995	Notes 7 and 16	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)
6	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	Accounts receivable	$ 112,866	Notes 7 and 16	0.07
7	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	〃	876,029	〃	0.52
7	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	〃	1,741,823	〃	1.04
8	Asian Information Technology Inc.	AIT Japan Inc.	3	〃	315,248	Note 4	0.19
8	〃	WPG Electronics (HK) Limited	3	〃	131,565	〃	0.08
8	〃	Silicon Application Corp.	3	〃	122,784	〃	0.07
9	AIT Japan Inc.	Asian Information Technology Inc.	3	〃	276,276	〃	0.16
10	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	〃	130,701	〃	0.08
11	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	〃	327,363	Notes 9 and 19	0.20
12	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	〃	101,116	〃	0.06
13	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	〃	264,105	Note 8	0.16
14	WPG China Inc.	WPG China (SZ) Inc.	3	〃	137,048	Notes 9 and 10	0.08
15	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPG Electronics (HK) Limited	3	〃	103,432	Note 20	0.06
16	WPG Amerioas Inc.	World Peace Industrial Co., Ltd.	3	〃	113,519	〃	0.07
17	Mec Technology Co., Limited	WPG Electronics (HK) Limited	3	〃	163,598	Note 8	0.10
1	Silicon Application Company Limited	Silicon Application Corp.	3	Other receivables	720,865	Note 17	0.43
2	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	3	〃	155,263	〃	0.09
3	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	3	〃	674,011	〃	0.40
4	WPI International (Hong Kong) Limited	WPG C&C Limited	3	〃	545,753	〃	0.33
5	World Peace International (South Asia) Pte. Ltd.	WPG South Asia Pte. Ltd.	3	〃	160,267	〃	0.10
5	〃	WPG SCM Limited	3	〃	105,474	〃	0.06
5	〃	WPI International (Hong Kong) Limited	3	〃	644,725	〃	0.38
5	〃	WPG China Inc.	3	〃	328,186	〃	0.20
5	〃	WPG Americas Inc.	3	〃	680,577	〃	0.41
6	Yosun Industrial Corp.	WPG China Inc.	3	〃	197,451	〃	0.12
6	〃	Yosun Japan Corp.	3	〃	117,339	〃	0.07
7	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	〃	1,132,422	Notes 17 and 18	0.68

				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)
8	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	3	Other receivables	$ 189,395	Note 17	0.11
9	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	3	〃	333,750	〃	0.20
10	Sertek Limited	Yosun Hong Kong Corp. Ltd.	3	〃	335,097	〃	0.20
11	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	〃	490,623	〃	0.29
12	Frontek Technology Corporation	Apache Communication Inc.	3	〃	483,634	〃	0.29
13	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	〃	151,875	〃	0.09
14	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	3	〃	209,536	〃	0.13
15	Rich Power Electronic Devices Co., Limited	WPG Korea Co., Ltd	3	〃	129,321	〃	0.08
16	WPG China Inc.	WPG China (SZ) Inc.	3	〃	160,625	〃	0.10
17	WPG South Asia Pte Ltd.	WPG Korea Co., Ltd	3	〃	225,691	〃	0.13
17	〃	Yosun Singapore Pte Ltd.	3	〃	221,882	〃	0.13
17	〃	World Peace International (South Asia) Pte. Ltd.	3	〃	178,107	〃	0.11
18	SILICON APPLICATION (B.V.I.) CORP.	Silicon Application Corp.	3	〃	1,264,978	〃	0.75

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

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

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

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

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

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

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

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

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

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

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

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

Note 14: Mainly accrued payment on behalf of others and transfer pricing of intangible assets.

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

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

Note 17: Mainly accrued financing charges.

Note 18: The amount pertains mainly to receivables from related parties for collections of sales on behalf of the Company.
Note 19: The collection period is 90 days from the end of the month of sales.
Note 20: The terms and sales perices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30 days from the end of the month of sales.

WPG Holdings Limited and Subsidiaries

Information on investees

Three months ended March 31, 2016

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2016			Net profit (loss) of the investee for the three months ended March 31, 2016	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 1)	Footnote
				Balance as at March 31, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic /electrical components	$ 13,484,384	$ 13,484,384	981,100,000	100.00	$ 21,747,404	$ 739,968	$ 739,968	Note 4
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic /electrical components	4,063,464	4,063,464	346,812,367	100.00	6,139,839	337,482	337,482	Note 4
WPG Holdings Limited	Silicon Application Corp.	Taiwan	Sales of electronic /electrical components	4,717,962	4,717,962	406,570,000	100.00	6,601,244	67,673	67,673	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic /electrical components	14,735	14,735	3,920,000	100.00	43,303	1,481	1,481	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic /electrical components	169,071	169,071	1,087,794	100.00	352,216	11,430	11,430	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,783,583	3,783,583	124,442,727	100.00	3,716,174	112,241	112,241	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	16,131,691	16,131,691	649,650,000	100.00	17,033,780	274,466	273,587	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	499,516	2,403	2,403	Note 4
WPG Holdings Limited	WPG Core Investment Co., Ltd.	Taiwan	Investment company	45,000	45,000	4,500,000	100.00	5,424	(3,295)	(3,295)	Note 4
WPG Holdings Limited	Genuine C&C Inc.	Taiwan	Sales of electronic /electrical components	510,041	510,041	35,175,221	44.21	505,837	8,378	3,896	Note 4
Silicon Application Corp.	SILICON APPLICATION (B.V.I.) CORP.	British Virgin Islands	International investment	706,402	706,402	22,000,000	100.00	3,218,240	8,845		Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	International investment	24,015	24,015	765,000	100.00	26,174	31		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	113,980	(12)		Notes 2 and 5
Silicon Application Corp.	Win-Win Electronic Corp.	Taiwan	Sales of computer software, hardware and electronic components	10,000	10,000	1,000,000	100.00	9,443	(7)		Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at March 31, 2016	Initial investment amount: Balance as at December 31, 2015	Shares held as at March 31, 2016: Number of shares	Shares held as at March 31, 2016: Ownership (%)	Shares held as at March 31, 2016: Book value	Net profit (loss) of the investee for the three months ended March 31, 2016	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 1)	Footnote
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Taiwan	Sales of computer software, hardware and electronic components	$ 959,504	$ 959,504	73,500,000	100.00	$ 1,155,387	$ 30,211		Notes 2 and 5
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	British Virgin Islands	Holding company	1,132,162	1,132,162	34,196,393	100.00	3,103,363	66,728		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	13,544,902	428,576		Notes 2 and 5
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic /electrical components	364,290	364,290	33,900,000	100.00	639,683	26,198		Notes 2 and 5
World Peace Industrial Co., Ltd.	ChainPower Technology Corp.	Taiwan	Sales of electronic /electrical components	116,650	116,650	14,820,382	39.00	202,888	9,377		Notes 2 and 3
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Sales of electronic /electrical components	1,468,555	1,468,555	94,600,000	100.00	1,741,098	3,710		Notes 2 and 5
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Taiwan	Sales of electronic /electrical components	149,130	149,130	12,964,098	16.29	171,989	8,378		Notes 2 and 3
Longview Technology Inc.	Longview Technology GC Limited	British Virgin Islands	Holding company	335,328	335,328	11,300,000	100.00	398,772	7,991		Notes 2 and 5
Longview Technology Inc.	Long-Think International Co., Ltd.	Taiwan	Sales of electronic /electrical components	37,302	37,302	4,000,000	100.00	62,634	2,396		Notes 2 and 5
AECO Technology Co., Ltd.	TECO Enterprise Holding (B.V.I.) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	789,600	2,994		Notes 2 and 5
Yosun Industrial Corp.	Suntop Investments Ltd.	Cayman Islands	Investment company	1,812,188	1,812,188	50,700,000	100.00	4,718,327	134,560		Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of office machinery and electronic components	1,616,722	1,616,722	94,828,100	100.00	1,709,224	(43,937)		Notes 2 and 5
Yosun Industrial Corp.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	19,920	19,920	1,660,000	24.24	205	-		Notes 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of electronic components	11,520	11,520	1,080,000	20.00	39,667	19,857		Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic components	44,172	44,172	15,015	50.00	36,353	(3,278)		Notes 2 and 3
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Taiwan	Sales of electronic components	2,092,631	2,092,631	85,000,000	100.00	2,413,161	85,747		Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Import and export business for electronic components	83,494	83,494	19,500,000	100.00	446,600	(1,178)		Notes 2 and 5

				Initial investment amount		Shares held as at March 31, 2016					
Investor	Investee	Location	Main business activities	Balance as at March 31, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2016	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 1)	Footnote
Genuine C&C Inc.	Hat-Trick Co., Ltd.	Taiwan	Investment and retail business of other grocery	$ 79,999	$ 79,999	8,000,000	100.00	$ 37,520	($ 1,207)		Notes 2 and 5
Genuine C&C Inc.	GENUINE C&C HOLDING INC. (Seychelles)	Seychelles	Holding company	163,400	163,400	5,500,000	100.00	105,281	(4,844)		Notes 2 and 5
Genuine C&C Inc.	Taibaoo Creation Co., Ltd.	Taiwan	Retail business of other grocery	20,000	20,000	2,000,000	50.00	7,170	(891)		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	12,636	3,528		Notes 2 and 3
Asian Information Technology Inc.	Frontek Technology Corporation	Taiwan	Import and export business for electrical components	1,515,256	1,515,256	214,563,352	100.00	2,890,798	104,125		Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Import and export business for electrical components	680,313	680,313	136,445,400	100.00	1,895,543	110,561		Notes 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Import and export business for electrical components	124,521	124,521	10,000,000	100.00	123,965	1,981		Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electrical components	127,800	127,800	10,780,000	49.00	22,460	(18,108)		Notes 2 and 3
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	International investment	155,558	155,558	4,703,107	100.00	294,157	6,006		Notes 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	International investment	101,862	101,862	2,970,000	100.00	125,454	1,202		Notes 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Import and export business for electrical components	343,959	343,959	28,000,000	100.00	785,349	15,118		Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	International investment	33,287	33,287	1,000,000	100.00	4,135	(14)		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	1,611,193	42,263		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	461,558	19,541		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	8,956	(1,754)		Notes 2 and 5

				Initial investment amount		Shares held as at March 31, 2016					
Investor	Investee	Location	Main business activities	Balance as at March 31, 2016	Balance as at December 31, 2015	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2016	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 1)	Footnote
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte. Ltd.	Singapore	Sales of electronic components	$ 1,988	$ 1,988	10,000	100.00	$ 219,678	$ 942		Notes 2 and 5
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of office machinery and electronic components	11,520	11,520	1,080,000	20.00	39,933	19,857		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.	Taibaoo Creation Co., Ltd.	Taiwan	Retail business of other grocery	10,000	10,000	1,000,000	25.00	3,585	(891)		Notes 2 and 5
WPG Investment Co., Ltd.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	50,000	50,000	3,279,800	10.67	67,652	3,528		Notes 2 and 3
WPG Korea Co., Ltd.	Apache Communication Inc.	British Virgin Islands	International investment	68,883	69,182	2,795,000	100.00	88,956	194		Notes 2, 5 and 6

Note 1: Investment income (loss) recognised by the company including realised (unrealised) gain or loss from upstream intercompany transactions and amortisation of investment discount (premium).
Note 2: Investment income (loss) recognised by each subsidiary.
Note 3: An investee company accounted for under the equity method by subsidiary.
Note 4: A subsidiary.
Note 5: An indirect subsidiary.
Note 6: Original investment exchange rate KRW1:NTD 0.028390 on March 31, 2016, and KRW 1 : NTD 0.028105 on December 31, 2015.

WPG Holdings Limited and Subsidiaries

Information on investments in Mainland China

Three months ended March 31, 2016

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2016 — Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016	Net income of investee for the three months ended March 31, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 15)	Book value of investments in Mainland China as of March 31, 2016	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2016	Footnote
WPG China Inc.	Sales of electronic /electrical components	$ 1,875,742	1	$ 1,877,606	$ -	-	$ 1,877,606	$ 48,035	100.00	$ 48,035	$ 2,229,951	-	
WPG China (SZ) Inc.	Sales of computer software and electronic components	153,550	1	112,507	-	-	112,507	62,799	100.00	62,799	544,898	-	Note 9
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	32,185	1	30,199	-	-	30,199	3,490	49.00	1,710	56,124	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Sales of electronic / electrical components	40,778	1	15,950	-	-	15,950	4,370	40.00	1,748	37,448	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services / extra work	68,105	1	19,786	-	-	19,786	1,911	29.40	562	37,940	-	
Shenzhen HQPG Electronic Information Co., Ltd.	Sales, import and export trade of electronic related products	156,835	1	76,849	-	-	76,849	-	-	-	-	-	Note 13
Silicon Application (Shanghai) Ltd.	Sales of computer software and electronic components	-	1	7,055	-	-	7,055	-	-	-	-	-	Note 3
Silicon Application (Wuhon) Ltd.	Sales of computer software and electronic components	-	1	6,839	-	-	6,839	-	-	-	-	-	Note 5

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2016: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2016: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016	Net income of investee for the three months ended March 31, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 15)	Book value of investments in Mainland China as of March 31, 2016	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2016	Footnote
WPI International Trading (Shenzhen) Ltd.	Sales of electronic /electrical components	$ -	1	$ 105,040	$ -	-	$ 105,040	$ -	-	$ -	$ -	-	Note 12
WPI International Trading (Shanghai) Ltd.	Sales of electronic /electrical components	230,826	1	21,336	-	-	21,336	2,262	100.00	2,262	339,296	-	
AIO (Shanghai) Components Company Limited	Sales of electronic /electrical components	8,231	1	-	-	-	-	212	100.00	212	59,862	-	Note 8
Long-Think International (Shanghai) Limited	Sales of electronic /electrical components	16,463	1	143,490	-	-	143,490	1,206	100.00	(119)	165,578	-	Note 7
AECO Electronic (Ningbo) Co., Ltd.	International trade of electronic components and products	149,683	1	128,674	-	-	128,674	72	100.00	72	61,661	-	
Sertek (Shanghai) Limited	Sales of electronic components	80,463	1	-	-	-	-	(344)	100.00	(344)	86,690	-	
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	247,828	1	247,828	-	-	247,828	3,737	100.00	3,737	387,625	-	
Yosun South China Corp. Ltd.	Sales of electronic components	138,396	1	-	-	-	-	2,617	100.00	2,617	218,321	-	
Dalian Kaiyuan Innovations Digital Co., Ltd.	Development, import, export and sales of software and electronic products	49,720	1	24,959	-	-	24,959	-	-	-	-	-	Note 14
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic products	77,066	1	42,935	-	-	42,935	6,411	55.00	2,133	29,735	-	
Hubei Xinsheng Technology Management Co., Ltd.	Sales of electronic products and peripherals	149,160	1	75,841	-	-	75,841	(11,356)	83.33	(6,649)	30,772	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2016	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2016: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2016: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016	Net income of investee for the three months ended March 31, 2016	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2016 (Note 15)	Book value of investments in Mainland China as of March 31, 2016	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2016	Footnote
World Components Agent (Shanghai) Inc.	Sales of electronic components	$ 6,574	1	$ 6,437	$ -	-	$ 6,437	($ 4)	100.00	($ 4)	$ 4,114	-	
Arise Component Corp.	Sales of electronic components	-	1	25,748	-	-	25,748	-	-	-	-	-	Note 6
Software World Limited	Sales of electronic /electrical components	-	1	5,954	-	-	5,954	-	-	-	-	-	Note 4
Mec Technology (Shanghai) Co., Ltd.	Sales of electronic /electrical components	-	1	16,093	-	-	16,093	-	-	-	-	-	Note 2
Qegoo Technology Co., Ltd.	Business e-commerce platform	59,542	1	5,160	-	-	5,160	-	15.00	-	5,160	-	

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

Note 2: It was liquidated in March, 2011.

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

Note 4: It was liquidated in December, 2008.

Note 5: It was liquidated in November, 2007.

Note 6: It was liquidated in December, 2011.

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

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

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

Note 10: For paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the three months ended March 31, 2016, accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016, book value of investments in Mainland China as of March 31, 2016, accumulated amount of investment income remitted back to Taiwan as of March 31, 2016, etc., the exchange rates used were USD 1: NTD 32.825, HKD 1: NTD 4.150 and RMB 1: NTD 4.972.

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

Note 12: It was liquidated in September 2015.

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

Note 14: For the three months ended March 31, 2016, Genuine C&C Holding Inc. (Seychelles) has sold Dalian Kaiyuan Innovation Digital Co., Ltd. and the transaction amounted to RMB$2,150 thousand. However, the amount was not collected as of May 10, 2016.

Note 15: Except for WPG China Inc., WPG China (SZ) Inc. and Hubei Xinsheng Technology Management Co., Ltd., the investment income/loss for the three months ended March 31, 2016 that was recognised by the Company was based on the financial statements reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C. The remaining investment income/loss was measured based on unreviewed financial statements of investee during the same period.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2016	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
WPG Holdings Limited	$ 2,132,897	$ 2,247,144	$ 29,143,900
World Peace Industrial Co., Ltd.	267,402	625,179	13,068,841
Richpower Electronic Devices Co., Ltd.	22,047	16,093	1,447,897
Silicon Application Corp.	13,894	20,202	3,960,747
Pernas Electronics Co., Ltd.	32,185	32,185	685,279
Yosun Industrial Corp.	247,828	475,179	7,325,217
Sertek Incorporated	-	80,463	848,282
AECO Technology Co., Ltd.	126,165	126,165	682,161
WPG Investment Co., Ltd.	5,160	15,719	308,195
Genuine C&C Inc.	143,735	144,346	675,095

(1) Exchange rates as of March 31, 2016 were USD 1: NTD 32.185, HKD 1 : NTD 4.150 and RMB 1 : NTD 4.972.

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

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