ASUSTEK COMPUTER INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report Thereon

June 30, 2017 and 2016

(Stock code: 2357)

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For the convenience of readers and for information purpose only, the independent auditors' review 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 independent auditors' review report and financial statements shall prevail.

Independent Auditors' Review Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

We have reviewed the accompanying consolidated balance sheets of ASUSTEK COMPUTER INC. and its subsidiaries as of June 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, and of changes in equity and of cash flows for the six-month periods ended June 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews. We did not review the financial statements of certain investments accounted for under equity method. These investments accounted for under equity method amounted to $175,512 thousand and $88,003 thousand as of June 30, 2017 and 2016, respectively, and total comprehensive income amounted to $12,507 thousand, $643 thousand, $13,540 thousand, and $643 thousand for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively. The financial statements of these investments accounted for under equity method were reviewed by other auditors whose reports thereon have been furnished to us and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of other auditors.

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36, "Review of Financial Statements". 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 conducted in accordance with generally accepted auditing standards, 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.

The accompanying consolidated financial statements included certain non-significant consolidated subsidiaries and investments accounted for under equity method, whose statements reflect total assets amounting to $86,605,043 thousand and $62,097,817 thousand (including investments accounted for

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under equity method amounting to $125,523 thousand and $132,480 thousand), constituting 24% and 19% of total consolidated assets as of June 30, 2017 and 2016, respectively, total liabilities amounting to $22,994,874 thousand and $18,664,511 thousand, constituting 13% and 12% of total consolidated liabilities as of June 30, 2017 and 2016, respectively, and total comprehensive income (loss) amounting to ($354,179) thousand, ($187,540) thousand, $577,995 thousand and ($57,814) thousand, constituting (113%), (5%), 11% and (1%) of total consolidated comprehensive income (loss) for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively. These amounts and the related information disclosed in the accompanying consolidated financial statements were based on the unreviewed financial statements of such consolidated subsidiaries and investments accounted for under equity method.

Based on our reviews and the reports of other auditors, except for the effect on the financial statements and related disclosures of such adjustments, if any, as might have been determined to be necessary had the financial statements of these non-significant consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors as explained in the preceding paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Chou, Chien-Hung   Chang, Ming-Hui

for and on behalf of PricewaterhouseCoopers, Taiwan
August 11, 2017

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 in countries and jurisdiction other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such consolidated 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 auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2017, DECEMBER 31, 2016 AND JUNE 30, 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	Notes	JUNE 30, 2017 (UNAUDITED) AMOUNT	%	DECEMBER 31, 2016 AMOUNT	%	JUNE 30, 2016 (UNAUDITED) AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	$ 71,034,121	20	$ 87,692,669	24	$ 67,105,315	21
Financial assets at fair value through profit or loss - current	6(2)	5,898,992	2	6,170,649	2	3,061,244	1
Available-for-sale financial assets - current	6(3)	459,382	-	313,448	-	237,202	-
Derivative financial assets for hedging - current	6(5)	56,374	-	1,329,360	-	776,820	-
Notes receivable	6(6) and 8	9,212,303	2	4,890,436	1	7,621,897	2
Trade receivables	6(6)(7) and 7	71,007,780	20	79,807,901	22	69,937,112	22
Other receivables	7	764,416	-	545,384	-	1,041,602	-
Inventories	6(8)	96,370,409	27	87,094,696	24	86,996,279	27
Prepayments		6,362,741	2	6,023,824	2	7,972,316	3
Other current assets	8	159,068	-	103,732	-	166,217	-
Total current assets		261,325,586	73	273,972,099	75	244,916,004	76
Non-current assets							
Available-for-sale financial assets - non-current	6(3)	63,054,362	18	58,393,833	16	53,348,277	16
Financial assets carried at cost - non-current	6(4)	150,810	-	153,458	-	153,508	-
Investments accounted for under equity method	6(9)	347,703	-	356,037	-	342,910	-
Property, plant and equipment	6(10) and 8	14,594,026	4	13,743,767	4	9,517,830	3
Investment property		4,004,960	1	4,007,221	1	92,728	-
Intangible assets	6(11)	1,857,774	1	1,898,724	1	1,937,870	1
Deferred income tax assets		8,687,942	2	8,795,857	2	8,654,384	3
Other non-current assets	6(12) and 8	2,254,536	1	2,898,930	1	3,107,594	1
Total non-current assets		94,952,113	27	90,247,827	25	77,155,101	24
TOTAL ASSETS		$ 356,277,699	100	$ 364,219,926	100	$ 322,071,105	100

(Continued)

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2017, DECEMBER 31, 2016 AND JUNE 30, 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		JUNE 30, 2017 (UNAUDITED)		DECEMBER 31, 2016		JUNE 30, 2016 (UNAUDITED)	
LIABILITIES AND EQUITY	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities							
Short-term borrowings	6(13)	$ 5,892,750	2	$ 2,978,526	1	$ 1,737,801	-
Financial liabilities at fair value through profit or loss - current	6(2)	779,836	-	148,975	-	118,633	-
Derivative financial liabilities for hedging - current	6(5)	1,275,974	-	46,526	-	86,381	-
Notes and trade payables	6(7) and 7	64,485,509	18	73,544,002	20	47,346,083	15
Dividends payable		12,971,323	4	-	-	11,355,164	4
Other payables - accrued expenses	6(7) and 7	32,730,447	9	38,104,869	11	35,117,572	11
Current income tax liabilities		5,210,288	2	5,173,029	1	5,692,683	2
Provisions for liabilities - current	6(16) and 9	40,083,464	11	43,296,679	12	38,509,912	12
Receipts in advance		683,102	-	595,293	-	481,553	-
Current portion of long-term borrowings	6(14)	307,011	-	728,092	-	730,147	-
Other current liabilities	7	4,261,025	1	3,880,921	1	3,621,159	1
Total current liabilities		168,680,729	47	168,496,912	46	144,797,088	45
Non-current liabilities							
Long-term borrowings	6(14)	714,161	-	540,000	-	662,750	-
Deferred income tax liabilities		9,924,927	3	10,384,511	3	9,073,106	3
Other non-current liabilities		596,889	-	581,289	-	499,319	-
Total non-current liabilities		11,235,977	3	11,505,800	3	10,235,175	3
Total liabilities		179,916,706	50	180,002,712	49	155,032,263	48
Equity attributable to shareholders of the parent							
Share capital - common shares	6(17)	7,427,603	2	7,427,603	2	7,427,603	3
Capital surplus	6(18)	5,107,255	1	5,079,722	1	4,843,225	1
Retained earnings	6(19)(26)						
Legal reserve		33,429,056	10	31,508,782	9	31,508,782	10
Special reserve		693,941	-	693,941	-	699,098	-
Unappropriated retained earnings		92,907,708	26	101,793,153	28	90,872,107	28
Other equity	6(3)(5)(20)(26)	34,269,794	10	34,982,282	10	29,603,489	9
Total equity attributable to shareholders of the parent		173,835,357	49	181,485,483	50	164,954,304	51
Non-controlling interest	6(28)	2,525,636	1	2,731,731	1	2,084,538	1
Total equity		176,360,993	50	184,217,214	51	167,038,842	52
TOTAL LIABILITIES AND EQUITY		$ 356,277,699	100	$ 364,219,926	100	$ 322,071,105	100

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

		FOR THE THREE-MONTH PERIODS ENDED JUNE 30,				FOR THE SIX-MONTH PERIODS ENDED JUNE 30,			
		2017		2016		2017		2016	
Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating revenue	6(21) and 7	$ 97,318,245	100	$ 103,343,297	100	$ 205,539,421	100	$ 222,596,301	100
Operating costs	6(8)(15)(24)(25) and 7	(85,438,001)	(88)	(88,828,433)	(86)	(178,702,491)	(87)	(191,829,662)	(86)
Gross profit		11,880,244	12	14,514,864	14	26,836,930	13	30,766,639	14
Operating expenses	6(12)(15)(24)(25), 7 and 9								
Selling expenses		(5,587,835)	(6)	(5,647,704)	(5)	(11,336,963)	(5)	(12,185,136)	(5)
General and administrative expenses		(1,587,584)	(1)	(1,810,278)	(2)	(3,405,657)	(2)	(3,542,340)	(2)
Research and development expenses		(2,785,688)	(3)	(3,066,459)	(3)	(6,164,643)	(3)	(6,013,360)	(3)
Total operating expenses		(9,961,107)	(10)	(10,524,441)	(10)	(20,907,263)	(10)	(21,740,836)	(10)
Operating profit		1,919,137	2	3,990,423	4	5,929,667	3	9,025,803	4
Non-operating income and expenses									
Other income	6(22)	297,980	-	229,915	-	557,742	-	409,969	-
Other gains (losses)	6(2)(3)(10)(23)	386,212	1	1,213,209	1	912,118	1	1,428,494	1
Finance costs		(29,452)	-	(15,947)	-	(50,820)	-	(34,584)	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(9)	9,931	-	1,987	-	7,645	-	1,859	-
Total non-operating income and expenses		664,671	1	1,429,164	1	1,426,685	1	1,805,738	1
Profit before income tax		2,583,808	3	5,419,587	5	7,356,352	4	10,831,541	5
Income tax expenses	6(26)	(507,864)	(1)	(1,217,762)	(1)	(1,532,834)	(1)	(2,394,726)	(1)
Profit for the period		$ 2,075,944	2	$ 4,201,825	4	$ 5,823,518	3	$ 8,436,815	4
Other comprehensive income									
Components of other comprehensive income that will be reclassified to profit or loss									
Financial statements translation differences of foreign operations	6(20)	$ 117,786	-	$ 308,354	-	($ 3,631,251)	(2)	($ 532,382)	-
Unrealized gain (loss) on valuation of available-for-sale financial assets	6(3)(20)	(1,075,185)	(1)	(2,656,834)	(3)	4,799,105	2	991,754	-
Gain (loss) on effective portion of cash flow hedges	6(5)(20)	(1,411,066)	(1)	1,696,393	2	(2,502,434)	(1)	(196,846)	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(9)(20)	287	-	(65)	-	(226)	-	(190)	-
Income tax relating to the components of other comprehensive income	6(20)(26)	(20,606)	-	(52,247)	-	610,469	-	65,801	-
Other comprehensive income for the period		($ 2,388,784)	(2)	($ 704,399)	(1)	($ 724,337)	(1)	$ 328,137	-
Total comprehensive income for the period		($ 312,840)	-	$ 3,497,426	3	$ 5,099,181	2	$ 8,764,952	4
Profit attributable to:									
Shareholders of the parent		$ 2,010,364	2	$ 4,125,374	4	$ 5,661,754	3	$ 8,286,848	4
Non-controlling interest		65,580	-	76,451	-	161,764	-	149,967	-
		$ 2,075,944	2	$ 4,201,825	4	$ 5,823,518	3	$ 8,436,815	4
Total comprehensive income (loss) attributable to:									
Shareholders of the parent		($ 378,840)	-	$ 3,425,035	3	$ 4,949,266	2	$ 8,620,197	4
Non-controlling interest		66,000	-	72,391	-	149,915	-	144,755	-
		($ 312,840)	-	$ 3,497,426	3	$ 5,099,181	2	$ 8,764,952	4
Earnings per share (In dollars)	6(27)								
Basic earnings per share		$ 2.70		$ 5.55		$ 7.62		$ 11.16	
Diluted earnings per share		$ 2.70		$ 5.51		$ 7.59		$ 11.06	

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(EXPRESSEN IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Equity attributable to shareholders of the parent												
		Capital surplus		Retained earnings			Other equity						
	Common shares	Share premium	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain on valuation of available-for-sale financial assets	Gain (loss) on effective portion of cash flow hedges	Remeasurements of defined benefit plan	Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 2016													
Balance at January 1, 2016	$ 7,427,603	$ 4,227,966	$ 491,687	$ 29,799,035	$ 699,231	$ 95,436,277	$ 2,927,648	$ 25,514,835	$ 887,285	($ 59,628)	$ 167,351,939	$ 2,076,007	$ 169,427,946
Appropriations of 2015 earnings (Note 6(19))													
Legal reserve	-	-	-	1,709,747	-	(1,709,747)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,141,404)	-	-	-	-	(11,141,404)	-	(11,141,404)
Reversal of special reserve	-	-	-	-	(133)	133	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	8,286,848	-	-	-	-	8,286,848	149,967	8,436,815
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(447,074)	977,269	(196,846)	-	333,349	(5,212)	328,137
Change in associates and joint ventures accounted for under equity method	-	-	169	-	-	-	-	-	-	-	169	-	169
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	123,403	-	-	-	-	-	-	-	123,403	-	123,403
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(136,224)	(136,224)
Balance at June 30, 2016	$ 7,427,603	$ 4,227,966	$ 615,259	$ 31,508,782	$ 699,098	$ 90,872,107	$ 2,480,574	$ 26,492,104	$ 690,439	($ 59,628)	$ 164,954,304	$ 2,084,538	$ 167,038,842
For the six-month period ended June 30, 2017													
Balance at January 1, 2017	$ 7,427,603	$ 4,227,966	$ 851,756	$ 31,508,782	$ 693,941	$ 101,793,153	$ 2,149,750	31,628,691	$ 1,282,834	($ 78,993)	$181,485,483	$ 2,731,731	$ 184,217,214
Appropriations of 2016 earnings (Note 6(19))													
Legal reserve	-	-	-	1,920,274	-	(1,920,274)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(12,626,925)	-	-	-	-	(12,626,925)	-	(12,626,925)
Profit for the period	-	-	-	-	-	5,661,754	-	-	-	-	5,661,754	161,764	5,823,518
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(3,011,373)	4,801,319	(2,502,434)	-	(712,488)	(11,849)	(724,337)
Change in associates and joint ventures accounted for under equity method	-	-	(262)	-	-	-	-	-	-	-	(262)	-	(262)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	27,795	-	-	-	-	-	-	-	27,795	-	27,795
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(356,010)	(356,010)
Balance at June 30, 2017	$ 7,427,603	$ 4,227,966	$ 879,289	$ 33,429,056	$ 693,941	$ 92,907,708	($ 861,623)	$ 36,430,010	($ 1,219,600)	($ 78,993)	$ 173,835,357	$ 2,525,636	$ 176,360,993

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017	2016
Cash flows from operating activities		
Consolidated profit before income tax for the period	$ 7,356,352	$ 10,831,541
Adjustments to reconcile consolidated profit before income tax to net cash provided by (used in) operating activities		
Income and expenses that result in non-cash flows		
Depreciation (including investment property)	607,407	640,810
Amortisation	185,897	202,404
Bad debt provision	239,555	201,388
Net loss on financial assets or liability at fair value through profit or loss	1,631,082	279,753
Share of profit of associates and joint ventures accounted for under equity method	(7,645)	(1,859)
Interest income	(552,791)	(399,750)
Dividend income	(4,951)	(10,219)
Interest expense	50,820	34,584
Others	(13,189)	32,666
Changes in assets/liabilities relating to operating activities		
Financial assets at fair value through profit or loss	470,373	2,867,457
Notes receivable	(4,321,867)	(2,810,303)
Trade receivables	8,734,158	8,279,254
Other receivables	(164,113)	19,261
Inventories	(9,275,713)	17,148,529
Prepayments	(213,959)	(962,337)
Other current assets	(55,336)	(31,628)
Financial liabilities at fair value through profit or loss	(1,233,664)	(1,792,991)
Notes and trade payables	(9,065,525)	(11,261,690)
Other payables - accrued expenses	(5,669,332)	(8,025,161)
Provisions for liabilities	(3,213,215)	473,217
Receipts in advance	87,809	(372,562)
Other current liabilities	357,151	(289,063)
Other operating liabilities	18,799	13,643
Receipt of interest	514,687	405,571
Payment of interest	(76,022)	(210,274)
Payment of income tax	(1,068,083)	(2,409,291)
Net cash provided by (used in) operating activities	(14,681,315)	12,852,950
Cash flows from investing activities		
Acquisition of property, plant and equipment	(841,095)	(1,229,008)
Changes in other non-current assets	(170,505)	(376,104)
Receipt of dividends	4,201	3,523
Others	(102,507)	(59,944)
Net cash provided by (used in) investing activities	(1,109,906)	(1,661,533)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	2,981,277	(52,956)
Proceeds from long-term borrowings	880,000	-
Redemption of long-term borrowings	(1,086,736)	(762,959)
Disposal of ownership interests in subsidiaries (without losing control)	10,347	184,442
Others	(3,199)	79,225
Net cash provided by (used in) financing activities	2,781,689	(552,248)
Effects due to changes in exchange rate	(3,649,016)	(413,002)
Increase (decrease) in cash and cash equivalents	(16,658,548)	10,226,167
Cash and cash equivalents at beginning of period	87,692,669	56,879,148
Cash and cash equivalents at end of period	$ 71,034,121	$ 67,105,315

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

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. **HISTORY AND ORGANIZATION**

(1) ASUSTEK COMPUTER INC. (ASUS or the Company) was established in the Republic of China (R.O.C.). The Company is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, tablet PCs, smart phones and other handheld devices, etc.).

(2) The Company resolved to spin-off its OEM businesses on January 1, 2008. Pursuant to the Company's resolution, the Company transferred its computer OEM, design and manufacture of computer cases and molds and non-computer OEM businesses to its spun-off subsidiaries, PEGATRON CORPORATION (PEGA) and UNIHAN CORPORATION, respectively. On June 1, 2010, however, the Company transferred further its OEM assets and business (the Company's investments accounted for under equity method in PEGA) to the Company's another investee, PEGATRON INTERNATIONAL INVESTMENT CO. LTD. (PII). PII issued new shares to the Company and its shareholders as consideration. On April 29, 2013, the Company disposed the partial shares of PEGA and reduced the ownership percentage to less than 20%.

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

These consolidated financial statements were reported to the Board of Directors and issued on August 11, 2017.

3. **APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, "Regulatory deferral accounts"	January 1, 2016
Disclosure initiative (amendments to IAS 1)	January 1, 2016

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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
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
Annual improvements to IFRSs 2010-2012 cycle	July 1, 2014
Annual improvements to IFRSs 2011-2013 cycle	July 1, 2014
Annual improvements to IFRSs 2012-2014 cycle	January 1, 2016

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

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Classification and measurement of share-based payment transactions (amendments to IFRS 2)	January 1, 2018
Applying IFRS 9, “Financial instruments” with IFRS 4, “Insurance contracts” (amendments to IFRS 4)	January 1, 2018
IFRS 9, “Financial instruments”	January 1, 2018
IFRS 15, “Revenue from contracts with customers”	January 1, 2018
Clarifications to IFRS 15, “Revenue from contracts with customers” (amendments to IFRS 15)	January 1, 2018
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Transfers of investment property (amendments to IAS 40)	January 1, 2018
IFRIC 22, “Foreign currency transactions and advance consideration”	January 1, 2018

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, “First-time adoption of International Financial Reporting Standards”	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, “Disclosure of interests in other entities”	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, “Investments in associates and joint ventures”	January 1, 2018

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

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 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 recognize the equity instrument not held for trading at fair value in other comprehensive income.

B. The impairment losses of debt instruments are assessed using an “expected credit loss” approach. An entity assesses at the end of each financial reporting period whether there has been a significant increase in credit risk on that instrument since initial recognition to recognize 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Group shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

C. The amended general hedge accounting makes the accounting practices consistent with an entity’s risk management strategy. The components and the grouping of non-financial items can be loosened as hedged items. The 80%~125% threshold of highly efficient hedge is removed, and that the hedged items and the hedged percentages that the hedge instruments can rebalance under the unchanged business objectives of risk management is increased.

(3) International Financial Reporting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
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 IASB
IFRS 16, “Leases”	January 1, 2019
IFRS 17, “Insurance contracts”	January 1, 2021
IFRIC 23, “Uncertainty over income tax treatments”	January 1, 2019

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

IFRS 16, “Leases”

IFRS 16, “Leases”, replaces IAS 17, “Leases” and related interpretations and SICs. The standard requires lessees to recognize a “right-of-use asset” and a lease liability (except for those leases with terms of less than 12 months and leases of low-value assets). Lessor accounting still uses the dual classification approach: operating lease and finance lease, and only increases the related disclosures.

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

These consolidated financial statements are prepared by the Group in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34, “Interim Financial Reporting” as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following significant 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 recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgements in applying the Group’s accounting policies 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 unrealized 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 (transactions with non-controlling interests) 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 recognized 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. 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. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized 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 recognized 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 (%)			
Investor	Subsidiary	Main business activities	2017/06/30	2016/12/31	2016/06/30	Remark
ASUS	ASUS COMPUTER INTERNATIONAL (ACI)	Selling 3C products in North America	100.00	100.00	100.00	Note 1
ASUS	ASUS TECHNOLOGY INCORPORATION (ASUTC)	Selling 3C products in Taiwan	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) 2017/06/30	2016/12/31	2016/06/30	Remark
ASUS	SHINEWAVE INTERNATIONAL INC. (SWI)	Developing, selling and consulting about information system software	50.99	50.99	50.99	
ASUS	ASUS HOLLAND B. V. (ACH)	Repairing 3C products	100.00	100.00	100.00	
ASUS	ASUS INTERNATIONAL LIMITED (AIL)	Investing in 3C and computer peripheral business	100.00	100.00	100.00	Note 1
ASUS	ASUSTEK HOLDINGS LIMITED (AHL)	Investing in computer peripherals business	100.00	100.00	100.00	
ASUS	ASUS GLOBAL PTE. LTD. (ASGL)	Selling 3C products	100.00	100.00	100.00	Note 1
ASUS	ASUS CLOUD CORPORATION (ASUSCLOUD)	Selling and consulting about internet service	90.06	90.06	87.57	
ASUS	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Developing, manufacturing and selling ink-jet print heads and ink-jet digital image output technology	56.72	56.72	56.72	
ASUS	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, developing and manufacturing high-speed analog circuit	40.88	41.08	41.08	
ASUS	ASKEY COMPUTER CORP. (ASKEY)	Designing, manufacturing, repairing and selling communication products and computer peripheral spare parts	100.00	100.00	100.00	Note 1
ASUS	HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	Investing in computer peripherals business	100.00	100.00	100.00	
ASUS	HUA-MIN INVESTMENT CO., LTD. (HMI)	Investing in computer peripherals business	100.00	100.00	100.00	
ASUS	AGAIT TECHNOLOGY CORPORATION (AGA)	Designing and selling computer peripheral and smart vacuums	100.00	100.00	100.00	
ASUS	ENERTRONIX, INC. (EN)	Selling communication products	-	-	100.00	
ASUS	UPI SEMICONDUCTOR CORP. (UPI)	Designing, developing and selling integrated circuits	37.50	37.50	37.50	
ASUS	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling industrial computers and computer peripherals	45.58	45.58	45.58	Note 1
ASUS	ASUS DIGITAL INTERNATIONAL PTE. LTD. (ADI)	Investing in computer peripherals business	100.00	100.00	100.00	
ASUS	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling medical computers	5.60	5.60	7.72	
SWI GROUP	EMES (SUZHOU) CO., LTD. (EMES)	Developing, selling and consulting about information system software	100.00	100.00	100.00	
ASKEY GROUP	ASKEY INTERNATIONAL CORP. (ASKEYI)	Selling and servicing communication products	100.00	100.00	100.00	
ASKEY GROUP	DYNALINK INTERNATIONAL CORP. (DIC)	Investing in communication business	100.00	100.00	100.00	
ASKEY GROUP	MAGIC INTERNATIONAL CO., LTD. (MIC)	Investing in computer peripherals business	100.00	100.00	100.00	Note 1

Investor	Subsidiary	Main business activities	Ownership (%) 2017/06/30	2016/12/31	2016/06/30	Remark
ASKEY GROUP	ASKEY (VIETNAM) COMPANY LIMITED (ASKEYVN)	Manufacturing and selling communication products	100.00	100.00	100.00	
ASKEY GROUP	MAGICOM INTERNATIONAL CORP. (MAGICOM)	Investing in communication business	100.00	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (SHANGHAI) LTD. (ASKEYSH)	Developing and selling communication products	100.00	100.00	100.00	
ASKEY GROUP	OPENBASE LIMITED (OB)	Selling communication products and computer peripherals	100.00	100.00	100.00	
ASKEY GROUP	LEADING PROFIT CO., LTD. (LP)	Selling communication products and computer peripherals	100.00	100.00	100.00	
ASKEY GROUP	UNI LEADER INTERNATIONAL LTD. (UNI)	Selling communication products and computer peripherals	100.00	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (JIANGSU) LTD. (ASKEYJS)	Manufacturing and selling communication products	100.00	100.00	100.00	
ASKEY GROUP	WISE ACCESS (HK) LIMITED (WISE)	Investing in communication and computer peripherals business	100.00	100.00	100.00	
ASKEY GROUP	SILIGENCE SAS (SILIGENCE)	Selling and servicing communication products	80.00	80.00	80.00	
ASKEY GROUP	ASKEY MAGICXPRESS (WUJIANG) CORP. (ASKEYMWJ)	Manufacturing and selling communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY COMMUNICATION GMBH (ASKEYCG)	Selling and servicing communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY DO BRASIL TECNOLOGIA LTDA. (ASKEYBR)	Servicing communication products	100.00	100.00	100.00	
IUT GROUP	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (IUTS)	Investing in ink-jet print heads and ink-jet digital image output technology business	100.00	100.00	100.00	
HCVC GROUP	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, developing, and manufacturing high-speed analog circuit	8.22	8.26	8.26	
HCVC GROUP	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling industrial computers and computer peripherals	8.71	8.71	8.71	Note 1
HCVC GROUP	UPI SEMICONDUCTOR CORP. (UPI)	Designing, developing and selling integrated circuits	9.54	9.54	9.54	
HCVC GROUP	SHINEWAVE INTERNATIONAL INC. (SWI)	Developing, selling and consulting about information system software	0.01	0.01	0.01	
HCVC GROUP	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Developing, manufacturing and selling ink-jet print heads and ink-jet digital image output technology	0.01	0.01	0.01	
HCVC GROUP	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling medical computers	1.05	1.28	1.47	

Investor	Subsidiary	Main business activities	Ownership (%) 2017/06/30	2016/12/31	2016/06/30	Remark
HMI GROUP	UPI SEMICONDUCTOR CORP. (UPI)	Designing, developing and selling integrated circuits	4.99	4.99	4.99	
HMI GROUP	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, developing and manufacturing high-speed analog circuit	4.01	4.03	4.03	
HMI GROUP	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling industrial computers and computer peripherals	8.71	8.71	8.71	Note 1
HMI GROUP	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling medical computers	1.28	1.28	1.47	
AGA GROUP	AGAITECH HOLDING LTD. (AGAHL)	Investing in computer peripherals business	100.00	100.00	100.00	
AGA GROUP	AGAIT TECHNOLOGY (H.K.) CORPORATION LIMITED (AGAHK)	Investing in computer peripherals business	100.00	100.00	100.00	
AGA GROUP	AGAIT TECHNOLOGY (SHENZHEN) LIMITED (AGASZ)	Selling smart vacuums	-	100.00	100.00	
AGA GROUP	AGAIT INTELLIGENT TECHNOLOGY (SHENZHEN) CO., LIMITED (AGAISZ)	Manufacturing smart vacuums	-	-	100.00	
AAEON GROUP	AAEON ELECTRONICS, INC. (AAEONEI)	Selling industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON DEVELOPMENT INCORPORATED (AAEONDI)	Investing in industrial computers and computer peripherals business	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY CO., LTD. (AAEONTCL)	Investing in industrial computers and interface cards business	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (EUROPE) B. V. (AAEONEU)	Selling industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY GMBH (AAEONG)	Selling industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON INVESTMENT CO., LTD. (AAEONI)	Investing in industrial computers and computer peripherals business	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY SINGAPORE PTE. LTD. (AAEONSG)	Selling industrial computers and computer peripherals	94.20	94.20	94.20	
AAEON GROUP	AAEON TECHNOLOGY (SUZHOU) INC. (AAEONSZ)	Manufacturing and selling industrial computers and interface cards	100.00	100.00	100.00	
AAEON GROUP	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling medical computers	49.07	49.07	58.50	
ONYX GROUP	ONYX HEALTHCARE USA, INC. (ONYXHU)	Selling medical computers and peripherals	100.00	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE EUROPE B. V. (ONYXHE)	Marketing support and repairing medical computers and peripherals	100.00	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE (SHANGHAI) LTD. (ONYXSH)	Selling medical computers and peripherals	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) 2017/06/30	2016/12/31	2016/06/30	Remark
UPI GROUP	UBIQ SEMICONDUCTOR CORP. (UBIQ)	Designing, developing and selling integrated circuits	100.00	100.00	100.00	
UPI GROUP	UPI-SEMICONDUCTOR CORPORATION (HK) LIMITED (UPIHK)	Investing in integrated circuits technical support consulting service business	100.00	100.00	100.00	
UPI GROUP	UPI-SEMICONDUCTOR CORPORATION (SHENZHEN) LIMITED (UPISZ)	Integrated circuits marketing support and technical service	100.00	100.00	100.00	
UPI GROUP	JPD LABO CO., LTD. (JPDJP)	Designing and developing integrated circuits	100.00	100.00	100.00	Note 3
ASUSCLOUD GROUP	ASUS CLOUD SINGAPORE PTE. LTD. (ASUSCLOUDSG)	Investing in internet service business	100.00	100.00	100.00	
ASUSCLOUD GROUP	ASUS CLOUD (TIANJIN) INFORMATION TECHNOLOGY CO., LTD. (ASUSCLOUDTJ)	Selling internet service	100.00	100.00	100.00	
ASUSCLOUD GROUP	ASUS LIFE CORPORATION (ASUSLC)	Selling internet information service	50.00	50.00	-	
ASUSCLOUD GROUP	ASUS CLOUD (LUXEMBOURG) S. A R. L (ASUSCLOUDLB)	Operation and Maintenance service for information hardware	100.00	100.00	100.00	
AIL GROUP	DEEP DELIGHT LIMITED (DDL)	Investing in computer peripherals business	100.00	100.00	100.00	
AIL GROUP	CHANNEL PILOT LIMITED (CHANNEL)	Investing in 3C business	100.00	100.00	100.00	Note 1
AIL GROUP	UNIMAX HOLDINGS LIMITED (UHL)	Investing in automotive electronics and computer peripherals business	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Investing in 3C business	100.00	100.00	100.00	Note 1
AIL GROUP	ASUS MIDDLE EAST FZCO (ACAE)	3C products marketing support and repair in Middle East	100.00	100.00	100.00	
AIL GROUP	ASUS EGYPT L. L. C. (ACEG)	3C products marketing support in Egypt	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER GMBH (ACG)	Selling 3C products and marketing support in Germany	100.00	100.00	100.00	
AIL GROUP	ASUS FRANCE SARL (ACF)	3C products marketing support in France	100.00	100.00	100.00	
AIL GROUP	ASUSTEK (UK) LIMITED (ACUK)	3C products marketing support in United Kingdom	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	3C products marketing support and repair in Hong Kong	100.00	100.00	100.00	
AIL GROUP	ASUS KOREA CO., LTD. (ACKR)	3C products marketing support and repair in South Korea	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (S) PTE. LTD. (ACSG)	Repairing 3C products in Singapore	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) 2017/06/30	2016/12/31	2016/06/30	Remark
AIL GROUP	ASUS POLSKA SP. Z O. O. (ACPL)	3C products marketing support in Poland	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PRIVATE LIMITED (ACIN)	3C products marketing support and repair in India	100.00	100.00	100.00	
AIL GROUP	ASUS EUROPE B.V. (ACNL)	Selling 3C products	100.00	100.00	100.00	Note 2
AIL GROUP	ASUS TECHNOLOGY (VIETNAM) CO., LTD. (ACVN)	Repairing 3C products in Vietnam	100.00	100.00	100.00	
AIL GROUP	ASUSTEK ITALY S. R. L. (ACIT)	3C products marketing support in Italy	100.00	100.00	100.00	
AIL GROUP	ASUS IBERICA S. L. (ACIB)	3C products marketing support in Spain	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing 3C products	100.00	100.00	100.00	
AIL GROUP	ASUS JAPAN INCORPORATION (ACJP)	Selling 3C products in Japan	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER CZECH REPUBLIC S. R. O. (ACCZ)	3C products marketing support in Czech Republic	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Selling 3C products in China	100.00	100.00	100.00	
AIL GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing 3C products in Europe	99.59	99.59	99.59	
AIL GROUP	ASUS SERVICE AUSTRALIA PTY LIMITED (ASAU)	Repairing 3C products in Australia	100.00	100.00	100.00	
AIL GROUP	ASUS AUSTRALIA PTY LIMITED (ACAU)	3C products marketing support in Australia	100.00	100.00	100.00	
AIL GROUP	ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Selling 3C products in Brazil	100.00	100.00	100.00	Note 1
AIL GROUP	ASUS INDIA PRIVATE LIMITED (ASIN)	Selling 3C products in India	100.00	100.00	100.00	
AIL GROUP	ASUS ISRAEL (TECHNOLOGY) LTD. (ACIL)	3C products marketing support in Israel	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (CHONGQING) CO., LTD. (ACCQ)	Selling 3C products in China	100.00	100.00	100.00	
AIL GROUP	ASUS PERU S. A. C (ACPE)	3C products marketing support in Peru	100.00	100.00	100.00	
AIL GROUP	PT. ASUS SERVICE INDONESIA (ASID)	Repairing 3C products in Asia-pacific and America	100.00	100.00	100.00	
AIL GROUP	ASUS HOLDINGS MEXICO, S. A. DE C. V. (ACMH)	Selling 3C products in Mexico	100.00	100.00	100.00	
AIL GROUP	ASUS MEXICO, S. A. DE C. V. (ACMX)	3C products marketing support in Mexico	100.00	100.00	100.00	
AIL GROUP	ASUS PORTUGAL, SOCIEDADE UNIPESSOAL LDA. (ACPT)	3C products marketing support in Portugal	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) 2017/06/30	2016/12/31	2016/06/30	Remark
AIL GROUP	ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY (ACHU)	3C products marketing support and repair in Hungary	100.00	100.00	100.00	
AIL GROUP	ASUS SWITZERLAND GMBH (ACCH)	3C products marketing support in Switzerland	100.00	100.00	100.00	
AIL GROUP	ASUS NORDIC AB (ACN)	3C products marketing support in North Europe	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER COLOMBIA S. A. S. (ACCO)	3C products marketing support in Columbia	100.00	100.00	100.00	
AIL GROUP	ASUS MARKETING (THAILAND) CO., LTD. (ACTH)	3C products marketing support in Thailand	100.00	100.00	-	
AIL GROUP	ASUSTEK COMPUTERS (PTY) LIMITED (ACZA)	3C products marketing support and repair in Africa	100.00	-	-	
AIL GROUP	UNIMAX ELECTRONICS INCORPORATION (UEI)	Manufacturing and selling automotive electronics and computer peripherals	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER (SHANGHAI) CO., LTD. (ACS)	3C products repairing support	100.00	100.00	100.00	
AIL GROUP	ASUS INVESTMENTS (SUZHOU) CO., LTD. (ACISZ)	Leasing real estate	100.00	100.00	100.00	
ACH GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing 3C products in Europe	0.41	0.41	0.41	

Note 1: If during the period the subsidiary had been identified as significant, its financial statements had been reviewed by independent auditors under the regulations of the authority.

Note 2: The name of ASUS TECHNOLOGY HOLLAND B. V. was changed to ASUS EUROPE B.V. since May 1, 2016.

Note 3: The name of UPI SOLUTIONS CO., LTD. was changed to JPD LABO CO., LTD. since June 1, 2017.

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

D. Adjustments for subsidiaries with different end of the financial reporting period: None.

E. Significant restrictions on its ability to transfer the assets and liabilities to other entities within the Group: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:
Non-controlling interests in each subsidiary is immaterial to the Group.

(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 (NTD)", 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 recognized in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

(B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized 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 other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within “other gains (losses)”.

B. Translation of foreign operations

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

a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

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

c. All resulting exchange differences are recognized in other comprehensive income.

(B) When the 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 still retains partial interests 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.

(C) 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 interests in this foreign operation. In addition, if the Group still retains partial interests 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.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(A) Assets arising from operating activities that are expected to be realized, 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 realized within 12 months from the end of the financial reporting period;

(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 12 months after the end of the financial reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as 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 12 months from the end of the financial reporting period;

(D) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the end of the financial reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(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 can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

(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 held 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 at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. Financial assets at fair value through profit or loss are initially recognized 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 recognized 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 recognized and derecognized using trade date accounting.

C. Available-for-sale financial assets are initially recognized 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 recognized 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

Loans and receivables are created originally by the entity by selling goods or providing services to customers in the ordinary course of business. They are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Due to the insignificant discount effect on the non-interest bearing short-term receivables, they are measured at the original invoice amount.

(10) Impairment of financial assets

A. The Group assesses at the end of the financial reporting period 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 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) A breach of contract, such as a default or delinquency in interest or principal payments;

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

(D) It becomes probable that the borrower will enter bankruptcy or other financial reorganization;

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

(F) 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 unfavorable economic conditions that correlate with defaults on the assets in the group;

(G) 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

(H) 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 recognized 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 recognized, the previously recognized 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 recognized previously. Impairment loss is recognized 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 recognized in profit or loss. Impairment loss recognized for this category shall not be reversed subsequently. Impairment loss is recognized 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 recognized in profit or loss, and is reclassified from "other comprehensive income" to "profit or loss". If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognized, then such impairment loss can be reversed through profit or loss. Impairment loss of an investment in an equity instrument recognized in profit or loss shall not be reversed in profit or loss. Impairment loss is recognized 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 derecognizes 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 almost 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 financial asset.

(12) Operating leases (lessor)

An operating lease is a lease that all the risks and rewards incidental to ownership of the leased assets are not transferred to the lessees. Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under equity method

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% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

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

C. When changes in an associate’s equity are not recognized 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 recognizes change in ownership interests in the associate in “capital surplus” in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealized 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 or buys treasury stocks (including the Group does not acquire or dispose 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 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 recognized 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 recognized in profit or loss.

G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus 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 still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

(15) Property, plant and equipment

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

B. Subsequent costs are included in the asset’s carrying amount or recognized 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 derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Except for land which 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. If each component of property, plant and equipment is significant, it should be depreciated separately.

D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. 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 buildings are 3~60 years, machinery and equipment are 1~10 years and miscellaneous equipment are 1~20 years.

(16) Operating leases (lessee)

An operating lease is a lease that the lessor assumes substantially all the risks and rewards incidental to ownership of the leased asset. Payments made under an operating lease (net of any incentives received from the lessor) are recognized in profit or loss on a straight-line basis over the lease term.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 5~50 years.

(18) Intangible assets

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

B. Other intangible assets, mainly trademark and computer software, are amortised on a straight-line basis over their estimated useful lives of 1~6 years.

(19) Impairment of non-financial assets

A. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized 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 decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortisation had the impairment not been recognized.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(20) Borrowings

Borrowings are recognized 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 recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and trade payables

Notes and trade payables are obligations to pay for goods or services that have been acquired from supplies in the ordinary course of business. They are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Due to the insignificant discount effect on the non-interest bearing short-term payables, they are measured at the original invoice amount.

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

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

B. Financial liabilities at fair value through profit or loss are initially recognized 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 recognized in profit or loss.

(23) Derecognition of financial liabilities

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

(24) Offsetting financial assets and financial liabilities

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

(25) Derivative financial instruments and hedging activities

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

B. The Group designates certain derivatives as:

Hedges of the variability in cash flow associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

C. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

D. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

E. Cash flow hedge

(A) The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within “other gains (losses)”.

(B) When the forecast transaction that is hedged results in the recognition of a non-financial asset or financial liability, the gains and losses previously deferred in other comprehensive income are reclassified into profit or loss in the periods when the asset acquired or the liability assumed affects profit or loss. The deferred amounts are ultimately recognized in sales revenue.

(C) When a hedging instrument expires or is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income. When a forecast transaction occurs or is no longer expected to occur, the cumulative gain or loss that was recognized in other comprehensive income is transferred to profit or loss in the periods when the hedged forecast cash flow affects profit or loss.

(26) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period**,** which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(27) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(A) Defined contribution plans

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

(B) Defined benefit plans

a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash follow using interest rates of government bonds or interest rates of return of high-quality investments that have terms to maturity approximating to the terms of the related pension liability.

b. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.

c. Prior service costs are recognized immediately in profit or loss.

d. 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) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

(D) Employees' compensation and directors' remuneration

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

(28) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.

(B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.

(C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(D) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the issued subsidiaries and the issued subsidiaries must refund their payments on the stocks, the issued subsidiary recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in ''capital surplus – others''.

(29) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized 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 end of the financial reporting period 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 shareholders resolve to retain the earnings.

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

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets 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 realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

G. The interim period income tax expense is calculated according to pretax income times effective income tax rate, and the related information is disclosed accordingly.

(30) Dividends

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

(31) Revenue recognition

Sales of goods

A. The Group is primarily engaged in the selling of 3C products. Revenue is measured at the fair value of the consideration received or receivable taking into account value-added 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 recognized 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.

B. The Group offers customers volume discounts and right of return for defective products. The Group estimates such discounts and returns based on historical experience. Provisions for such liabilities are recorded when the sales are recognized. The volume discounts are estimated based on the anticipated annual sales quantities.

(32) 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 recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. If the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as goodwill, if the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as profit.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker 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 at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

Critical accounting estimates and assumptions:

A. Estimation of sales returns and discounts

The Group estimates discounts and returns based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

As of June 30, 2017, provisions for discounts and sales returns amounted to $19,552,349.

B. Evaluation of inventories

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2017, the carrying amount of inventories was $96,370,409.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	2017/06/30	2016/12/31	2016/06/30
Cash on hand and petty cash	$ 10,419	$ 8,027	$ 9,322
Checking accounts and demand deposits	17,326,472	28,186,635	24,354,535
Time deposits	52,343,607	59,495,580	42,741,222
Others	1,353,623	2,427	236
	$ 71,034,121	$ 87,692,669	$ 67,105,315

The Group has no cash and cash equivalents pledged to others.

(2) <u>Financial assets and liabilities at fair value through profit or loss</u>

	2017/06/30		2016/12/31		2016/06/30	
Current items:						
Financial assets held for trading						
Open-end funds	$	5,535,281	$	5,089,953	$	2,333,515
Listed and OTC stocks		340,476		223,024		189,974
Non-hedging derivatives		23,235		857,672		537,755
	$	5,898,992	$	6,170,649	$	3,061,244
Current items:						
Financial liabilities held for trading						
Non-hedging derivatives	$	779,836	$	148,975	$	118,633

A. The Group recognized net gain (loss) on derivative financial instruments held for trading amounting to ($1,149,614), $1,080,300, ($1,767,024) and ($283,268) and net gain (loss) on non-derivative financial instruments held for trading amounting to $81,303, ($436), $135,942 and $3,515 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

B. The unexpired contracts are as follows:

	2017/06/30			2016/12/31		
Items	Contract amount (Nominal principal) (in thousands)		Contract period	Contract amount (Nominal principal) (in thousands)		Contract period
Derivative financial assets:						
Forward exchange contracts						
-EUR/USD	EUR	1,000	2016/06-2017/09	EUR	428,000	2016/06-2017/09
-NOK/USD	NOK	33,413	2017/06-2017/09	NOK	124,283	2016/10-2017/03
-RUB/USD	RUB	595,920	2017/05-2017/07	RUB	1,223,471	2016/12-2017/02
-JPY/USD	JPY	2,126,900	2017/05-2017/08	JPY	100,000	2016/06-2017/01
-GBP/USD	GBP	-	-	GBP	21,395	2016/11-2017/04
-SEK/USD	SEK	-	-	SEK	50,857	2016/12-2017/01
-CNH/USD	CNH	-	-	CNH	1,187,695	2016/12-2017/01
-CAD/USD	CAD	-	-	CAD	187,080	2016/08-2017/08
-NTD/USD	USD	-	-	USD	155,000	2016/11-2017/02
-CHF/USD	CHF	-	-	CHF	711	2016/12-2017/01
Currency option contracts						
-IDR/USD	IDR	472,410,000	2017/05-2017/09	IDR	1,185,080,000	2016/12-2017/03
-GBP/USD	GBP	33,000	2017/06-2017/09	GBP	36,000	2016/12-2017/03
-CNH/USD	CNH	-	-	CNH	5,474,254	2016/08-2017/04
Currency swap contracts						
-USD/NTD	USD	12,000	2017/03-2017/10	USD	-	-

Items	2017/06/30 Contract amount (Nominal principal) (in thousands)		2017/06/30 Contract period	2016/12/31 Contract amount (Nominal principal) (in thousands)		2016/12/31 Contract period
Derivative financial liabilities:						
Forward exchange contracts						
-EUR/USD	EUR	364,400	2017/03-2017/09	EUR	110,000	2016/12-2017/05
-RUB/USD	RUB	54,000	2017/06-2017/07	RUB	124,612	2016/12-2017/01
-SEK/USD	SEK	171,820	2017/04-2017/09	SEK	124,661	2016/12-2017/02
-GBP/USD	GBP	10,060	2017/05-2017/08	GBP	7,000	2016/12-2017/04
-CHF/USD	CHF	2,000	2017/06-2017/07	CHF	-	-
-JPY/USD	JPY	449,300	2017/05-2017/07	JPY	-	-
-NOK/USD	NOK	119,983	2017/05-2017/09	NOK	-	-
-CAD/USD	CAD	169,000	2016/12-2018/02	CAD	-	-
-INR/USD	INR	-	-	INR	341,850	2016/12-2017/01
-IDR/USD	IDR	-	-	IDR	269,610,000	2016/12-2017/01
-USD/NTD	USD	2,010	2017/06-2017/07	USD	600	2016/12-2017/02
Currency option contracts						
-EUR/USD	EUR	140,000	2017/04-2017/09	EUR	72,000	2016/12-2017/03
-AUD/USD	AUD	36,000	2017/06-2017/09	AUD	-	-
-CNH/USD	CNH	4,879,505	2017/02-2017/12	CNH	-	-
-MXN/USD	MXN	73,100	2017/03-2017/07	MXN	-	-
-INR/USD	INR	1,154,700	2017/06-2017/09	INR	-	-
-JPY/USD	JPY	-	-	JPY	34,050,000	2016/12-2017/04
-RUB/USD	RUB	-	-	RUB	6,537,310	2016/11-2017/03
-USD/NTD	USD	65,000	2017/05-2017/09	USD	174,000	2016/11-2017/03

Items	2016/06/30 Contract amount (Nominal principal) (in thousands)		2016/06/30 Contract period
Derivative financial assets:			
Forward exchange contracts			
-EUR/USD	EUR	383,000	2016/03-2017/09
-NOK/USD	NOK	140,984	2016/06-2016/08
-GBP/USD	GBP	28,000	2016/05-2016/10
-SEK/USD	SEK	73,126	2016/06-2016/08
-CNH/USD	CNH	135,120	2016/06-2016/07
-SGD/USD	SGD	8,000	2016/06-2016/07
-CHF/USD	CHF	4,801	2016/06-2016/08
Currency option contracts			
-CNH/USD	CNH	3,106,684	2016/03-2016/10
-USD/NTD	USD	14,000	2016/05-2016/08

Items	2016/06/30 Contract amount (Nominal principal) (in thousands)		Contract period
Derivative financial liabilities:			
Forward exchange contracts			
-AUD/USD	AUD	5,000	2016/05-2016/07
-CAD/USD	CAD	110,000	2016/03-2016/12
-JPY/USD	JPY	5,110,225	2016/04-2017/01
-SEK/USD	SEK	34,300	2016/06-2016/07
-CNH/USD	CNH	858,060	2016/06-2016/09
-INR/USD	INR	2,042,234	2016/06-2016/07
-IDR/USD	IDR	947,350,000	2016/06-2016/08
-NOK/USD	NOK	18,100	2016/06-2016/07
-NTD/USD	USD	10,000	2016/06-2016/07
Currency option contracts			
-CNH/USD	CNH	50,320	2016/03-2016/07
-GBP/USD	GBP	3,000	2016/06-2016/07
-USD/NTD	USD	2,000	2016/05-2016/07

(A) Forward exchange contracts

The Group entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

(B) Currency option contracts

The Group entered into currency option contracts to buy or sell various foreign currencies rights at an agreed price in the future to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting.

(C) Currency swap contracts

The Group entered into currency swap contracts to hedge cash flow risk of the floating-rate liability positions. However, these currency swap contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Available-for-sale financial assets

	2017/06/30	2016/12/31	2016/06/30
Current items:			
Listed and OTC stocks	$ 310,939	$ 280,939	$ 280,939
Unlisted and non-OTC stocks	-	30,000	30,000
	310,939	310,939	310,939
Valuation adjustment	212,903	66,923	(10,285)
Accumulated impairment	(64,460)	(64,414)	(63,452)
	$ 459,382	$ 313,448	$ 237,202
Non-current items:			
Listed and OTC stocks	$ 26,591,882	$ 26,591,903	$ 26,592,537
Unlisted and non-OTC stocks	309,438	305,440	315,271
Convertible bonds	7,575	7,575	7,575
	26,908,895	26,904,918	26,915,383
Valuation adjustment	36,283,993	31,630,884	26,563,006
Accumulated impairment	(138,526)	(141,969)	(130,112)
	$ 63,054,362	$ 58,393,833	$ 53,348,277

A. The Group recognized ($1,074,935), ($2,648,340), $4,801,319 and $977,269 in other comprehensive income (loss) for fair value change and reclassified ($46), ($900), $39,108 and $4,968 from equity to profit or loss for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

B. After evaluating and comparing the carrying amount of available-for-sale financial assets and its recoverable amounts, the Group recognized impairment loss amounting to $46, $900, $46 and $1,806 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

C. The Group has no available-for-sale financial assets pledged to others.

(4) Financial assets measured at cost

	2017/06/30	2016/12/31	2016/06/30
Non-current items:			
Unlisted and non-OTC stocks	$ 279,554	$ 288,558	$ 288,681
Private fund	68,173	69,631	69,665
	347,727	358,189	358,346
Accumulated impairment	(196,917)	(204,731)	(204,838)
	$ 150,810	$ 153,458	$ 153,508

A. In accordance with the Group’s intention, its investment in unlisted and non-OTC stocks and the private fund should be classified as “available-for-sale financial assets”. However, as the investments are not traded in active market, and no sufficient industry, financial information and investment portfolio of the private fund can be obtained, the fair value of the investments cannot be measured reliably. Thus, the Group classified those funds as “financial assets measured at cost”.

B. The Group has no financial assets measured at cost pledged to others.

(5) Hedge accounting

	2017/06/30		2016/12/31		2016/06/30	
	Assets (Liabilities)		Assets (Liabilities)		Assets (Liabilities)	
Current items:						
Forward exchange contracts - cash flow hedges	$	56,374	$	1,329,360	$	776,820
Forward exchange contracts - cash flow hedges	(	1,275,974)	(	46,526)	(	86,381)
	($	1,219,600)	$	1,282,834	$	690,439

Cash flow hedges:

	Hedged item	Derivative instruments designated as hedges	Fair value of derivative instruments designated as hedges	Period of anticipated cash flow	Period of gain (loss) expected to be recognized
2017/06/30	Expected transactions	Forward exchange contracts	($ 1,219,600)	2017/07-2018/06	2017/07-2018/06
2016/12/31	Expected transactions	Forward exchange contracts	1,282,834	2017/01-2017/06	2017/01-2017/06
2016/06/30	Expected transactions	Forward exchange contracts	690,439	2016/07-2016/12	2016/07-2016/12

A. The hedged highly probable forecast transactions denominated in foreign currency are expected to occur during the next 12 months. Amounts accumulated in “other comprehensive income” as of June 30, 2017 are recycled into profit or loss in the periods when the hedged asset acquired or the hedged liability assumed affects profit or loss. The Group has assessed that the effect of profit or loss arising from ineffective cash flow hedge is insignificant as the Group was effective mostly in executing the hedge transactions for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

B. Information on gain or loss arising from cash flow hedges recognized in profit or loss and other comprehensive income (loss):

	For the three-month periods ended June 30,			
	2017		2016	
Amount adjusted in other comprehensive income (loss)	($	1,411,066)	$	1,696,393
Amount transferred from other comprehensive income to profit or loss	(	434,155)	(	955,129)

	For the six-month periods ended June 30,	
	2017	2016
Amount adjusted in other comprehensive income (loss)	($ 2,502,434)	($ 196,846)
Amount transferred from other comprehensive income to profit or loss	325,947	(583,983)

C. The unexpired contracts are as follows:

	2017/06/30			2016/12/31		
	Contract amount (Nominal principal) (in thousands)		Contract period	Contract amount (Nominal principal) (in thousands)		Contract period
Derivative financial assets for hedging:						
Forward exchange contracts						
-EUR/USD	EUR	100,000	2017/06-2017/12	EUR	535,000	2016/10-2017/06
-GBP/USD	GBP	5,000	2017/06-2017/12	GBP	28,000	2016/11-2017/03
-JPY/USD	JPY	2,000,000	2017/06-2017/09	JPY	4,500,000	2016/11-2017/03
-SEK/USD	SEK	-	-	SEK	46,000	2016/12-2017/03
-RUB/USD	RUB	2,600,000	2017/04-2017/12	RUB	200,000	2016/12-2017/03
-AUD/USD	AUD	-	-	AUD	18,000	2016/10-2017/03
-INR/USD	INR	-	-	INR	1,025,000	2016/11-2017/03
-PLN/USD	PLN	5,000	2017/06-2017/09	PLN	130,000	2016/10-2017/03
-NOK/USD	NOK	-	-	NOK	36,000	2016/11-2017/03
-TRY/USD	TRY	-	-	TRY	24,000	2016/11-2017/03
Derivative financial liabilities for hedging:						
Forward exchange contracts						
-EUR/USD	EUR	1,350,000	2017/03-2018/06	EUR	-	-
-INR/USD	INR	-	-	INR	425,000	2016/12-2017/03
-SEK/USD	SEK	-	-	SEK	12,000	2016/12-2017/03
-RUB/USD	RUB	-	-	RUB	2,900,000	2016/11-2017/03
-TRY/USD	TRY	-	-	TRY	10,000	2016/12-2017/03
-GBP/USD	GBP	60,000	2017/04-2017/12	GBP	-	-
-AUD/USD	AUD	30,000	2017/06-2017/09	AUD	-	-
-PLN/USD	PLN	125,000	2017/03-2017/12	PLN	-	-

	2016/06/30		
	Contract amount (Nominal principal) (in thousands)		Contract period
Derivative financial assets for hedging:			
Forward exchange contracts			
-EUR/USD	EUR	585,000	2016/02-2016/12
-GBP/USD	GBP	69,000	2016/02-2016/12
-JPY/USD	JPY	3,000,000	2016/06-2016/12
-SEK/USD	SEK	105,000	2016/03-2016/09
-RUB/USD	RUB	500,000	2016/06-2016/09
-AUD/USD	AUD	20,000	2016/04-2016/09
-NOK/USD	NOK	70,000	2016/03-2016/09
-PLN/USD	PLN	40,000	2016/05-2016/09
Derivative financial liabilities for hedging:			
Forward exchange contracts			
-JPY/USD	JPY	4,500,000	2016/04-2016/09
-AUD/USD	AUD	10,000	2016/06-2016/09
-RUB/USD	RUB	4,000,000	2016/06-2016/09
-IDR/USD	IDR	900,000,000	2016/06-2016/09

(6) Notes and trade receivables

	2017/06/30	2016/12/31	2016/06/30
Notes receivable	$ 9,212,303	$ 4,890,436	$ 7,621,897
Trade receivables	76,496,587	85,382,828	75,130,101
	85,708,890	90,273,264	82,751,998
Less: allowance for sales returns and discounts	(2,351,425)	(2,497,173)	(2,164,501)
Less: allowance for doubtful accounts (accumulated impairment)	(3,137,382)	(3,077,754)	(3,028,488)
	$ 80,220,083	$ 84,698,337	$ 77,559,009

A. The aging analysis of trade receivables that were past due but not impaired is as follows:

	2017/06/30	2016/12/31	2016/06/30
Less than 90 days	$ 9,405,467	$ 11,518,562	$ 10,830,092
Between 91 and 180 days	532,232	462,395	978,524
More than 181 days	80,875	165,909	289,889
	$ 10,018,574	$ 12,146,866	$ 12,098,505

The above aging analysis is based on past due date, and there was no significant change for the credit quality of the above receivables after the assessment. They were still considered collectible, and had no impairment concern.

B. Individual assessment of impaired trade receivables:

(A) Impaired but not past due

	2017/06/30	2016/12/31	2016/06/30
Gross amount	$ 959	$ 1,719	$ 953

(B) Impaired and past due

	2017/06/30	2016/12/31	2016/06/30
Gross amount	$ 3,136,423	$ 3,076,035	$ 3,027,535

(C) Movements for allowance for doubtful accounts (accumulated impairment) of trade receivables are as follows:

	2017		
	Individual provision	Group provision	Total
January 1	$ 1,928,328	$ 1,149,426	$ 3,077,754
Recognition (reversal)	35,359	192,602	227,961
Write-offs	(428)	(12,465)	(12,893)
Net exchange differences	(109,666)	(45,774)	(155,440)
June 30	$ 1,853,593	$ 1,283,789	$ 3,137,382

	2016		
	Individual provision	Group provision	Total
January 1	$ 2,066,841	$ 880,732	$ 2,947,573
Recognition (reversal)	(101,777)	264,752	162,975
Write-offs	(206)	(35,362)	(35,568)
Net exchange differences	(33,529)	(12,963)	(46,492)
June 30	$ 1,931,329	$ 1,097,159	$ 3,028,488

C. The credit quality of trade receivables that are neither past due nor impaired based on the Group's Credit Quality Control Policy is as follows:

	2017/06/30	2016/12/31	2016/06/30
Group 1	$ 34,434,127	$ 40,219,490	$ 30,659,702
Group 2	26,555,079	27,441,545	27,178,905
	$ 60,989,206	$ 67,661,035	$ 57,838,607

Group 1: Insured, or guaranteed by the third party, or the trading object is the associate.

Group 2: Neither insured and guaranteed by the third party, nor the trading object is the associate.

D. The Group holds financial assets as security for trade receivables.

E. Information about notes receivable that are pledged to others as collateral is provided in Note 8.

(7) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of $28,454,030, $35,269,570 and $27,813,217 on June 30, 2017, December 31, 2016 and June 30, 2016, respectively) and liabilities (fair value of $31,921,571, $44,557,406 and $29,172,444 on June 30, 2017, December 31, 2016 and June 30, 2016, respectively) with certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, resulting in the presentation of a net amount for trade receivables, notes and trade payables and other payables – accrued expenses. For certain transactions, the Group has received financial assets from those companies as collateral, and accordingly, it does not meet the offsetting criteria in paragraph 42 of IAS 32. However, under the associated collateral agreement, the collateral can be set off against the net amount of the assets and liabilities in the case of default and insolvency or bankruptcy.

B. Financial assets and financial liabilities subject to master netting arrangements are as follows:

	Offsetting trade receivables, notes payable, trade payables and other payables - accrued expenses					
	Gross amount of financial assets (before offset)	Gross amount of financial liabilities (before offset)	Offsetting amount	Amount of financial assets presented in the balance sheet (after offset)	Amount of financial liabilities presented in the balance sheet (after offset)	Not set off in the balance sheet: collateral (received) /provided
2017/06/30	$ 28,454,030	($ 31,921,571)	($ 28,186,827)	$ 267,203	($ 3,734,744)	($ 30,000)
2016/12/31	35,269,570	(44,557,406)	(35,131,118)	138,452	(9,426,288)	(30,000)
2016/06/30	27,813,217	(29,172,444)	(26,941,645)	871,572	(2,230,799)	(30,000)

(8) Inventories

	2017/06/30		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 50,336,431	($ 4,738,082)	$ 45,598,349
Work in process	2,589,433	(223,138)	2,366,295
Finished goods	3,349,781	(354,567)	2,995,214
Merchandise inventories	54,573,346	(11,100,682)	43,472,664
Inventories in transit	1,937,887	-	1,937,887
	$ 112,786,878	($ 16,416,469)	$ 96,370,409

	2016/12/31		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 36,882,054	($ 4,121,806)	$ 32,760,248
Work in process	2,625,452	(268,039)	2,357,413
Finished goods	2,575,216	(369,548)	2,205,668
Merchandise inventories	60,775,002	(11,730,587)	49,044,415
Inventories in transit	726,952	-	726,952
	$ 103,584,676	($ 16,489,980)	$ 87,094,696

	2016/06/30		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 38,399,146	($ 4,690,994)	$ 33,708,152
Work in process	2,171,164	(247,305)	1,923,859
Finished goods	2,974,041	(507,490)	2,466,551
Merchandise inventories	58,946,855	(11,136,436)	47,810,419
Inventories in transit	1,087,298	-	1,087,298
	$ 103,578,504	($ 16,582,225)	$ 86,996,279

Except for costs of goods sold, the inventories recognized as operating costs amounted to $176,247, $733,716, $715,310 and 2,163,634 of which ($6,281), $710,758, $520,820 and $1,964,168 pertain to the decline (recovery) in value of inventories for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively. The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because some inventories with allowance for valuation loss had been sold during the three-month period ended June 30, 2017.

(9) Investments accounted for under equity method

	2017/06/30	2016/12/31	2016/06/30
Associates	$ 347,703	$ 356,037	$ 342,910

A. The Group's associates are all immaterial, and summary about financial information of share attributable to the Group is as follows:

	For the three-month periods ended June 30,	
	2017	2016
Profit (loss) for the period	$ 9,931	$ 1,987
Other comprehensive income (loss) for the period - net of income tax	148	(228)
Total comprehensive income (loss) for the period	$ 10,079	$ 1,759

	For the six-month periods ended June 30,	
	2017	2016
Profit (loss) for the period	$ 7,645	$ 1,859
Other comprehensive income (loss) for the period - net of income tax	3,287	889
Total comprehensive income (loss) for the period	$ 10,932	$ 2,748

B. The fair value of the Group's associates which have quoted market price is as follows:

	2017/06/30	2016/12/31	2016/06/30
The fair value of associates	$ 197,593	$ 154,213	$ 176,530

C. As of June 30, 2017 and 2016, the investments accounted for under equity method amounted to $125,523 and $132,480, respectively, and the share of comprehensive income (loss) amounted to ($2,289), ($3,199), ($6,121) and ($3,452) for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively, which were determined based on the investees' unreviewed financial statements.

(10) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and Equipment under installation	Total
January 1, 2017						
Cost	$ 6,474,545	$ 7,155,510	$ 5,280,117	$ 7,299,782	$ -	$26,209,954
Accumulated depreciation and impairment	-	(2,608,710)	(3,624,234)	(6,233,243)	-	(12,466,187)
	$ 6,474,545	$ 4,546,800	$ 1,655,883	$ 1,066,539	$ -	$ 13,743,767
January 1, 2017	$ 6,474,545	$ 4,546,800	$ 1,655,883	$ 1,066,539	$ -	$ 13,743,767
Acquisitions	-	42,969	338,428	247,421	261,654	890,472
Disposals	-	-	(3,112)	(8,794)	-	(11,906)
Depreciation	-	(128,369)	(261,142)	(215,050)	-	(604,561)
Reclassifications	-	54,075	28,138	72,448	592,475	747,136
Effects due to changes in consolidated entities	-	-	-	2,866	-	2,866
Net exchange differences	(32,433)	(75,367)	(31,087)	(15,968)	(18,893)	(173,748)
June 30, 2017	$ 6,442,112	$ 4,440,108	$ 1,727,108	$ 1,149,462	$ 835,236	$ 14,594,026
June 30, 2017						
Cost	$ 6,442,112	$ 7,129,654	$ 5,445,200	$ 6,751,040	$ 835,236	$26,603,242
Accumulated depreciation and impairment	-	(2,689,546)	(3,718,092)	(5,601,578)	-	(12,009,216)
	$ 6,442,112	$ 4,440,108	$ 1,727,108	$ 1,149,462	$ 835,236	$ 14,594,026

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and Equipment under installation	Total
January 1, 2016						
Cost	$ 2,078,462	$ 6,562,164	$ 5,222,523	$ 7,627,479	$ -	$21,490,628
Accumulated depreciation and impairment	-	(2,501,325)	(3,266,645)	(6,679,869)	-	(12,447,839)
	$ 2,078,462	$ 4,060,839	$ 1,955,878	$ 947,610	$ -	$ 9,042,789
January 1, 2016	$ 2,078,462	$ 4,060,839	$ 1,955,878	$ 947,610	$ -	$ 9,042,789
Acquisitions	495,655	364,336	187,986	158,854	-	1,206,831
Disposals	-	-	(5,512)	(26,595)	-	(32,107)
Depreciation	-	(121,676)	(335,051)	(180,972)	-	(637,699)
Reversal of impairment	-	-	-	15,611	-	15,611
Reclassifications	-	12,876	9,742	8,548	-	31,166
Net exchange differences	(8,940)	(58,000)	(31,124)	(10,697)		(108,761)
June 30, 2016	$ 2,565,177	$ 4,258,375	$ 1,781,919	$ 912,359	$ -	$ 9,517,830
June 30, 2016						
Cost	$ 2,565,177	$ 6,826,769	$ 5,259,677	$ 7,658,749	$ -	$22,310,372
Accumulated depreciation and impairment	-	(2,568,394)	(3,477,758)	(6,746,390)	-	(12,792,542)
	$ 2,565,177	$ 4,258,375	$ 1,781,919	$ 912,359	$ -	$ 9,517,830

A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment reversal gain amounting to $0, $12,826, $0 and $15,611 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

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

(11) Intangible assets

	Trademark	Computer software	Goodwill	Others	Total
January 1, 2017					
Cost	$ 358,298	$ 1,670,272	$ 1,180,170	$ 710,478	$ 3,919,218
Accumulated amortisation and impairment	(3,195)	(1,363,602)	(48,272)	(605,425)	(2,020,494)
	$ 355,103	$ 306,670	$ 1,131,898	$ 105,053	$ 1,898,724
January 1, 2017	$ 355,103	$ 306,670	$ 1,131,898	$ 105,053	$ 1,898,724
Acquisitions	-	83,627	-	-	83,627
Amortisation	-	(123,524)	-	(17,769)	(141,293)
Reclassifications	-	17,058	-	-	17,058
Net exchange differences	-	(345)	-	3	(342)
June 30, 2017	$ 355,103	$ 283,486	$ 1,131,898	$ 87,287	$ 1,857,774
June 30, 2017					
Cost	$ 358,298	$ 1,766,817	$ 1,180,635	$ 651,638	$ 3,957,388
Accumulated amortisation and impairment	(3,195)	(1,483,331)	(48,737)	(564,351)	(2,099,614)
	$ 355,103	$ 283,486	$ 1,131,898	$ 87,287	$ 1,857,774

	Trademark	Computer software	Goodwill	Others	Total
January 1, 2016					
Cost	$ 358,722	$ 1,555,146	$ 1,180,853	$ 671,191	$ 3,765,912
Accumulated amortisation and impairment	(3,619)	(1,192,659)	(48,955)	(524,184)	(1,769,417)
	$ 355,103	$ 362,487	$ 1,131,898	$ 147,007	$ 1,996,495
January 1, 2016	$ 355,103	$ 362,487	$ 1,131,898	$ 147,007	$ 1,996,495
Acquisitions	-	58,537	-	22,229	80,766
Disposals	-	(1,750)	-	-	(1,750)
Amortisation	-	(103,023)	-	(42,028)	(145,051)
Reclassifications	-	6,846	-	-	6,846
Net exchange differences	-	565	-	(1)	564
June 30, 2016	$ 355,103	$ 323,662	$ 1,131,898	$ 127,207	$ 1,937,870
June 30, 2016					
Cost	$ 358,298	$ 1,624,012	$ 1,180,854	$ 691,390	$ 3,854,554
Accumulated amortisation and impairment	(3,195)	(1,300,350)	(48,956)	(564,183)	(1,916,684)
	$ 355,103	$ 323,662	$ 1,131,898	$ 127,207	$ 1,937,870

A. The impairment assessment of goodwill relies on the managements' subjective judgement, including identifying cash-generating units and determining the recoverable amounts of related cash-generating units. The recoverable amount is based on the fair value of cash generating units less disposal costs. The fair value is based on stock price in active market classified as Level 2.

B. The Group has no intangible assets pledged to others.

(12) Long-term prepaid rents (shown as "Other non-current assets")

	2017/06/30	2016/12/31	2016/06/30
Land use right	$ 1,192,587	$ 1,244,205	$ 1,322,720

In February, 2014, September, 2013, April, 2010, November, 2008, October, 2006, and July, 2002, the Group signed a land use right contract with Suzhiu City Government, Shanghai City Government, Chongqing City Government and Wujiang City Government, for the use of land for a period of 40~50 years. All rentals had been paid on the contract dates. The Group recognized rental expenses of $7,986, $8,976, $16,194 and $18,126 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

(13) Short-term borrowings

Type of borrowings	2017/06/30	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 5,892,750	0.78%~2.90%	-

Type of borrowings	2016/12/31	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 2,978,526	0.78%~4.00%	-

Type of borrowings	2016/06/30	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 1,737,801	0.87%~1.42%	-

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	2017/06/30
Credit borrowings - installment-repayment				
Mega International Commercial Bank	2015.02~2017.09, payable at maturity date, commencing 2 years after the initial date of borrowing	1.51%~ 2.76%	-	$ 304,200
Bank of Taiwan	2016.09~2018.09, payable at maturity date, commencing 2 years after the initial date of borrowing	1.16%~ 1.38%	-	340,000
Taishin International Bank	2017.03~2020.03, payable at maturity date, commencing 3 years after the signing date of contract	1.28%	-	300,000
Others	2017.05~2022.05	4.01%~ 4.48%	Land and buildings	76,972
				1,021,172
Less: current portion of long-term borrowings				(307,011)
				$ 714,161

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	2016/12/31
Credit borrowings - installment-repayment				
Mega International Commercial Bank	2015.02~2017.09, payable at maturity date, commencing 2 years after the initial date of borrowing	1.51%~ 2.61%	-	$ 645,000
Bank of Taiwan	2016.09~2018.09, payable at maturity date, commencing 2 years after the initial date of borrowing	1.31%	-	240,000
Taishin International Bank	2016.10~2018.03, payable at maturity date, commencing 3 years after the signing date of contract	1.28%~ 1.40%	-	300,000
Others	2012.05~2017.05	2.62%~ 2.65%	Buildings	83,092
				1,268,092
Less: current portion of long-term borrowings				(728,092)
				$ 540,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	2016/06/30
Credit borrowings - installment-repayment				
Mega International Commercial Bank	2014.10~2017.09, payable at maturity date, commencing 2 years after the initial date of borrowing	1.51%~ 1.99%	-	$ 968,250
Taishin International Bank	2015.10~2018.03, payable at maturity date, commencing 3 years after the signing date of contract	1.32%~ 1.40%	-	100,000
Bank of Taiwan	2015.11~2017.08, payable at maturity date, commencing 2 years after the initial date of borrowing	1.34%~ 1.38%	-	240,000
Others	2012.05~2017.05	2.62%~ 2.65%	Buildings	84,647
				1,392,897
Less: current portion of long-term borrowings				(730,147)
				$ 662,750

Under the borrowing contracts, the Company's subsidiaries who signed the contracts are required to maintain certain covenants semi-annually agreed by both sides, and the bank can inspect at any time when necessary. As of June 30, 2017, December 31, 2016 and June 30, 2016, the Company's subsidiaries who signed the contracts did not violate any of the covenants specified in the contract.

(15) Pensions

A. Defined benefit pension 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.

(B) The pension costs under the defined benefit pension plans of the Group were $4,060, $4,090, $7,958 and $7,583 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

(C) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2018 are $8,116.

B. Defined contribution pension plans

(A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension 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 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(C) The pension costs under the defined contribution pension plans of the Group were $263,800, $281,004, $541,440 and $571,813 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

(16) Provisions for liabilities

	Provisions for warranty	Provisions for sales returns and discounts	Provisions for legal claims and royalty	Total
January 1, 2017	$ 14,070,105	$ 21,576,443	$ 7,650,131	$ 43,296,679
Recognition (reversal)	5,466,847	17,621,407	34,032	23,122,286
Used	(5,364,161)	(18,588,164)	(245,400)	(24,197,725)
Net exchange differences	(638,767)	(1,057,337)	(441,672)	(2,137,776)
June 30, 2017	$ 13,534,024	$ 19,552,349	$ 6,997,091	$ 40,083,464

	Provisions for warranty	Provisions for sales returns and discounts	Provisions for legal claims and royalty	Total
January 1, 2016	$ 12,332,740	$ 17,910,712	$ 7,793,243	$ 38,036,695
Recognition (reversal)	6,984,738	19,379,214	(109,067)	26,254,885
Used	(6,538,524)	(18,533,956)	(10,382)	(25,082,862)
Net exchange differences	(230,934)	(318,904)	(148,968)	(698,806)
June 30, 2016	$ 12,548,020	$ 18,437,066	$ 7,524,826	$ 38,509,912

Analysis of total provisions:

	2017/06/30	2016/12/31	2016/06/30
Current	$ 40,083,464	$ 43,296,679	$ 38,509,912

A. Provisions for warranty

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.

B. Provisions for sales returns and discounts

The Group allows sales returns and provides discounts on 3C products sold. Provision for sales returns and discounts is estimated based on these products' historical data and other known factors. A provision is recognized as current when it is expected to be used in one year.

C. Provisions for legal claims and royalty

The Group recognizes provision for legal claims or royalty fees made by the patentees against the Group. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provision for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

(17) Common shares

A. As of June 30, 2017, the Company's authorized capital was $47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was $7,427,603, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the six-month periods ended June 30, 2017 and 2016 are both 742,760,280 shares.

B. As of June 30, 2017, the Company issued Global Depositary Receipts (GDRs), of which 5,389,000 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 26,945,000 shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

(18) Capital surplus

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

	2017/06/30	2016/12/31	2016/06/30
Share premium	$ 4,227,966	$ 4,227,966	$ 4,227,966
Difference between consideration and carrying amount of subsidiaries acquired or disposed	874,128	846,333	611,297
Changes in associates and joint ventures accounted for under equity method	5,161	5,423	3,962
	$ 5,107,255	$ 5,079,722	$ 4,843,225

(19) Retained earnings

A. Under the Company's Articles of Incorporation, 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. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.

B. The Company is facing a rapidly changing industrial environment, with the life cycle of the industry in the growth phase. In line with the long-term financial plan of the Company and the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared.

C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. As resolved by the shareholders on June 8, 2016, the Company distributed cash dividends to owners amounting to $11,141,404 ($15 (in dollars) per share) for the appropriation of 2015 earnings. On June 7, 2017, the Shareholders resolved to distribute cash dividends amounting to $12,626,925 ($17 (in dollars) per share) for the appropriation of 2016 earnings.

F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(25).

(20) Other equity

	Gain (loss) on effective portion of cash flow hedges	Unrealized gain on valuation of available-for-sale financial assets	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2017	$ 1,282,834	$ 31,628,691	$ 2,149,750	($ 78,993)	$ 34,982,282
-The Company	-	4,788,448	(3,073,542)	-	1,714,906
-Subsidiaries	(2,502,434)	12,874	62,392	-	(2,427,168)
-Associates	-	(3)	(223)	-	(226)
June 30, 2017	($ 1,219,600)	$ 36,430,010	($ 861,623)	($ 78,993)	$ 34,269,794

	Gain (loss) on effective portion of cash flow hedges	Unrealized gain on valuation of available-for-sale financial assets	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2016	$ 887,285	$ 25,514,835	$ 2,927,648	($ 59,628)	$ 29,270,140
-The Company	-	1,045,443	(911,074)	-	134,369
-Subsidiaries	(196,846)	(68,174)	464,184	-	199,164
-Associates	-	-	(184)	-	(184)
June 30, 2016	$ 690,439	$ 26,492,104	$ 2,480,574	($ 59,628)	$ 29,603,489

(21) Operating revenue

	For the three-month periods ended June 30,	
	2017	2016
Sales revenue	$ 97,318,245	$ 103,343,297

	For the six-month periods ended June 30,	
	2017	2016
Sales revenue	$ 205,539,421	$ 222,596,301

(22) Other income

	For the three-month periods ended June 30,	
	2017	2016
Interest income	$ 293,030	$ 219,719
Dividend income	4,950	10,196
	$ 297,980	$ 229,915

	For the six-month periods ended June 30,	
	2017	2016
Interest income	$ 552,791	$ 399,750
Dividend income	4,951	10,219
	$ 557,742	$ 409,969

(23) Other gains (losses)

	For the three-month periods ended June 30,	
	2017	2016
Net gains (losses) on non-derivative financial instruments	$ 81,303	($ 436)
Net gains (losses) on derivative financial instruments	(1,149,614)	1,080,300
Net currency exchange gains (losses)	1,727,597	(156,536)
Gains (losses) on disposal of investments	9	8,362
Other net gains (losses)	(273,083)	281,519
	$ 386,212	$ 1,213,209

	For the six-month periods ended June 30,	
	2017	2016
Net gains (losses) on non-derivative financial instruments	$ 135,942	$ 3,515
Net gains (losses) on derivative financial instruments	(1,767,024)	(283,268)
Net currency exchange gains (losses)	2,673,316	1,248,126
Gains (losses) on disposal of investments	38,753	15,136
Other net gains (losses)	(168,869)	444,985
	$ 912,118	$ 1,428,494

(24) Costs and expenses by nature

	For the three-month periods ended June 30,					
	2017			2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 840,992	$ 4,132,693	$ 4,973,685	$ 759,982	$ 4,677,431	$ 5,437,413
Depreciation	137,719	170,077	307,796	153,209	168,120	321,329
Amortisation	4,631	93,636	98,267	5,769	96,689	102,458

	For the six-month periods ended June 30,					
	2017			2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 1,782,404	$ 9,631,957	$ 11,414,361	$ 1,544,044	$ 9,685,032	$ 11,229,076
Depreciation	263,648	340,913	604,561	306,182	331,517	637,699
Amortisation	8,290	177,607	185,897	12,053	190,351	202,404

(25) Employee benefit expenses

	For the three-month periods ended June 30,	
	2017	2016
Wages and salaries	$ 4,174,437	$ 4,676,876
Labor and health insurance	371,229	342,364
Pension (Note)	267,860	285,094
Other personnel expenses	160,159	133,079
	$ 4,973,685	$ 5,437,413

	For the six-month periods ended June 30,	
	2017	2016
Wages and salaries	$ 9,751,833	$ 9,636,507
Labor and health insurance	764,174	733,432
Pension (Note)	549,398	579,396
Other personnel expenses	348,956	279,741
	$ 11,414,361	$ 11,229,076

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

A. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

B. For the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, employees' compensation was accrued at $142,055, $301,392, $400,066 and $605,422, respectively; directors' remuneration was accrued at $7,476, $15,862, $21,056 and $31,864, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on no less than 1% and no more than 1% of profit of current year distributable for the six-month period ended June 30, 2017.

Employees' compensation and directors' remuneration for 2016 as resolved by the Board of Directors during its meeting were in agreement with those amounts recognized in the 2016 financial statements. As of August 11, 2017, the employees' compensation and directors' remuneration of the Company for 2016 has not yet been fully distributed.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors during its meeting is available at the Market Observation Post System website.

(26) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	For the three-month periods ended June 30,	
	2017	2016
Income tax expenses	$ 507,864	$ 1,217,762

	For the six-month periods ended June 30,	
	2017	2016
Income tax expenses	$ 1,532,834	$ 2,394,726

There is no significant difference between current income tax and income tax expense for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016.

(B) The income tax relating to components of other comprehensive income is as follows:

	For the three-month periods ended June 30,	
	2017	2016
Changes in fair value of available-for-sale financial assets	$ 1,646	($ 6,390)
Currency translation differences	18,960	58,637
	$ 20,606	$ 52,247

	For the six-month periods ended June 30,	
	2017	2016
Changes in fair value of available-for-sale financial assets	$ 1,475	$ 16,511
Currency translation differences	(611,944)	(82,312)
	($ 610,469)	($ 65,801)

B. The Tax Authority has examined the Company's income tax returns through 2013.

C. Unappropriated retained earnings:

	2017/06/30	2016/12/31	2016/06/30
Earnings generated in and after 1998	$ 92,907,708	$ 101,793,153	$ 90,872,107

D. Imputation credit account (ICA) and creditable ratio:

	2017/06/30	2016/12/31	2016/06/30
(A) ICA balance	$ 15,530,127	$ 15,112,733	$ 15,625,916

	2016 (Expected)	2015 (Actual)
(B) Creditable ratio for earnings distribution	15.26%	16.78%

(27) Earnings per share

	For the three-month period ended June 30, 2017		
	Amount after income 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	$ 2,010,364	742,760	$ 2.70
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	1,392	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,010,364	744,152	$ 2.70

	For the three-month period ended June 30, 2016		
	Amount after income tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,125,374	742,760	$ 5.55
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	6,232	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,125,374	748,992	$ 5.51

	For the six-month period ended June 30, 2017		
	Amount after income tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 5,661,754	742,760	$ 7.62
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	3,366	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,661,754	746,126	$ 7.59

	For the six-month period ended June 30, 2016		
	Amount after income 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	$ 8,286,848	742,760	$ 11.16
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	6,628	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 8,286,848	749,388	$ 11.06

(28) Transactions with non-controlling interests

Disposal of equity interest in subsidiaries (without losing control)

In June, 2017, the Group disposed 0.23% ownership of its subsidiary－ONYX for a total cash consideration of $10,347. In January, 2016, the Group disposed 2.82% ownership of its subsidiary －ONYX for a total cash consideration of $44,889. From April to June, 2016, the Group disposed 2% ownership of its subsidiary－AAEON for a total cash consideration of $139,553. The effect of disposal of equity interest in subsidiaries to capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed is shown below:

	For the three-month periods ended June 30,	
	2017	2016
Proceeds from disposal of subsidiaries	$ 10,347	$ 139,553
Less: Disposed carrying amount of equity interest in subsidiaries	(2,079)	(54,188)
Disposed other equity of subsidiaries	(13)	(1,315)
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	$ 8,255	$ 84,050

	For the six-month periods ended June 30,	
	2017	2016
Proceeds from disposal of subsidiaries	$ 10,347	$ 184,442
Less: Disposed carrying amount of equity interest in subsidiaries	(2,079)	(63,079)
Disposed other equity of subsidiaries	(13)	(1,237)
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	$ 8,255	$ 120,126

(29) Operating leases

The Group leases offices, warehouse and parking lots under operating lease agreements. The Group recognized rental expenses of $279,237, $259,824, $549,172 and $527,091 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively. Information about the future aggregate minimum lease payments under non-cancellable operating leases is provided in Note 9.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
ASUSTOR INC.	Associate
LITEMAX ELECTRONIC INC.	Associate
EXCELLIANCE MOS CORPOATION.	Associate
Others (related parties with non-significant transactions)	Others

(3) Significant transactions and balances with related parties

A. Sales of goods:

	For the three-month periods ended June 30,	
	2017	2016
Sales of goods		
-Associates	$ 243	$ 164
-Others	543	531
	$ 786	$ 695

	For the six-month periods ended June 30,	
	2017	2016
Sales of goods		
-Associates	$ 794	$ 805
-Others	1,182	712
	$ 1,976	$ 1,517

The terms of the above transactions are due 30 to 90 days after the date of delivery, open account 60 days or negotiated by both parties, which are similar to those for third parties.

B. Purchases of goods and services:

	For the three-month periods ended June 30,	
	2017	2016
Purchases of goods		
-Associates	$ 5,968	$ 4,705
-Others	171,417	186,452
Purchases of services		
-Associates	19	47
-Others	668	(100)
	$ 178,072	$ 191,104

	For the six-month periods ended June 30,	
	2017	2016
Purchases of goods		
-Associates	$ 23,658	$ 21,222
-Others	342,383	415,221
Purchases of services		
-Associates	20	51
-Others	10,668	10,000
	$ 376,729	$ 446,494

Purchase terms are open account 30 to 120 days, 45 to 90 days after the date of acceptance or within 1 to 6 months, which are similar to those for third parties.

C. Trade receivables and other receivables:

	2017/06/30	2016/12/31	2016/06/30
Trade receivables			
-Associates	$ 232	$ 239	$ 57
-Others	570	641	557
	802	880	614
Other receivables			
-Associates	14,421	507	14,802
-Others	-	97	6,720
	14,421	604	21,522
	$ 15,223	$ 1,484	$ 22,136

The trade receivables arise mainly from sales transactions, unsecured in nature and bear no interest.

D. Trade payables and other items of current liabilities:

	2017/06/30	2016/12/31	2016/06/30
Trade payables			
-Associates	$ 6,541	$ 8,387	$ 4,650
-Others	128,612	230,927	165,990
	135,153	239,314	170,640
Other items of current liabilities			
-Associates	155	101	196
-Others	-	-	23
	155	101	219
	$ 135,308	$ 239,415	$ 170,859

The trade payables arise mainly from purchase transactions and bear no interest.

(4) Key management compensation

	For the three-month periods ended June 30,	
	2017	2016
Salaries and other short-term employee benefits	$ 203,294	$ 378,220
Post-employment benefits	1,658	1,675
	$ 204,952	$ 379,895

	For the six-month periods ended June 30,	
	2017	2016
Salaries and other short-term employee benefits	$ 523,088	$ 747,236
Post-employment benefits	3,316	3,378
	$ 526,404	$ 750,614

8. **PLEDGED ASSETS**

Pledged assets	Items	Book Value 2017/06/30	Book Value 2016/12/31	Book Value 2016/06/30	Purpose
Other current assets and other non-current assets	Notes receivable, pledged restricted deposits, time deposits and refundable deposits	$ 223,213	$ 214,932	$ 208,262	Note
Property, plant and equipment	Land and buildings	169,805	100,375	101,936	Bank loans
		$ 393,018	$ 315,307	$ 310,198	

Note: Pledged for customs, performance bond, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, social security and salary account, etc.

9. **SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS**

(1) Contingencies

A. Lawsuits for infringement of intellectual property rights

(A) Several patentees filed lawsuits or investigations for patent infringement including the patent of Blu-Ray, multi-core ARM processor products, the structure of microphone hole, DVD player subtitle, motherboard and router, User Interface, audio signal encoding and decoding system, Audio stream, products with UMTS and remote upgrade code function against the Group. These lawsuits or investigations are currently under investigation in a California court, in a Texas court, in a Delaware court, in a Colorado court, in a German court, in a French court, in a Netherlands court and in an England court. The Group cannot presently determine the ultimate outcome of these lawsuits, but has already recognized the possible loss in the financial statements.

(B) Several patentees filed lawsuits or investigations for patent infringement including products supporting Smart Lock function for Android 5.0, products supporting ZenCircle APP, AP and router products supporting MU-MIMO, cellphone and Pad supporting OK Google function, products with Google Play Movies & TV function, DVD player restriction technology, notebook with dust filter, MP3 function for desktop and notebook, Broadcom chip, products with Win10 supporting Miracast and Snap Assist function, SDRAM function, trademark of ZenFone, Pad, Google Now digital assistant, Google's Voice Actions function and Wifi switch function for notebooks, Pad and cellphone against the Group. These lawsuits or investigations are currently under investigation in a Texas court, in a California court, in a Virginia court, in a Massachusetts court, in a Delaware court, at the United States International Trade Commission, in a German court and in an India court. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

B. VIA Technologies, Inc. (hereinafter referred to as VIA) filed a criminal suit for patent infringement and business secret misappropriation of USB 3.0 products against the subsidiary, ASMEDIA, and a supplementary civil action against the Company and its subsidiary, ASMEDIA on August 21, 2012. VIA and its subsidiaries also filed a lawsuit for patent infringement and business secret misappropriation of USB 3.0 products against the Company and its subsidiaries, ASMEDIA and ACI, in a California court, USA, in August, 2014. A settlement was reached for the above two cases at end of July, 2017, whereby the Group has promised to compensate VIA USD 15 million. The Group has recognized abovementioned compensation of $456,300 in the second quarter financial statements.

C. The European Commission has started an investigation into whether the Group has restricted the retail prices of distributors in February, 2017. This case is in preliminary investigation, and the Group cannot presently determine the outcome. The Group has always followed the law and regulations and will fully cooperate with the regulators with respect to this investigation.

(2) Commitments

A. The Group has signed a contract amount to $3,268,000 to construct the new office building of the headquarters, but has not recognized capital expenditures as of June 30, 2017.

B. The Group leases offices, warehouse and parking lots under non-cancellable operating lease agreements. The future aggregate minimum lease payments are as follows:

	2017/06/30	2016/12/31	2016/06/30
Less than 1 year	$ 483,653	$ 583,696	$ 456,719
Between 1 and 2 years	264,900	306,650	218,980
Between 2 and 3 years	98,418	183,776	136,653
Between 3 and 4 years	70,558	64,049	39,145
More than 4 years	91,612	74,103	39,554

10. **SIGNIFICANT DISASTER LOSS:** None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD**:

Information on the lawsuit against VIA which has reached a settlement is provided in Note 9 (1).

12. **OTHERS**

(1) Capital 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 sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities is calculated as "current liabilities plus non-current liabilities" as shown in the consolidated balance sheets.

During 2017, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2016. The liability ratios are as follows:

	2017/06/30	2016/12/31	2016/06/30
Total liabilities	$ 179,916,706	$ 180,002,712	$ 155,032,263
Total equity	176,360,993	184,217,214	167,038,842
Total assets	$ 356,277,699	$ 364,219,926	$ 322,071,105
Liability ratio	50.50%	49.42%	48.14%

(2) Financial instruments

A. Fair value information of financial instruments

The carrying amounts of financial instruments measured at non fair value (including cash and cash equivalents, notes and trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, guarantee deposits received and long-term borrowings) are reasonably approximate to the fair values. Please refer to Note 12(3) for the fair value information of financial instruments measured at fair value.

B. Financial risk management policies

(A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate 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 various derivative financial instruments to hedge certain risk exposures. Please refer to Notes 6(2) and 6(5).

(B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.

C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

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

b. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group uses derivative financial instruments to hedge, like forward exchange contracts, currency option contracts, currency swap contracts, etc. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

c. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

d. For hedging recognized assets or liabilities denominated in foreign currencies or the highly probable forecast transactions, the Group adopts the foreign exchange contracts and other derivative financial instruments to hedge the fair value risk and cash flow risk due to foreign exchange rate fluctuations. The Group monitors exchange rate fluctuation at any time and pre-sets a "stop loss" amount to limit its foreign exchange risk.

e. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency is NTD; other certain subsidiaries' functional currency is USD, EUR, CNY, etc.). Non-monetary items are assessed to have no significant impact on the Group. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	2017/06/30					
				Sensitivity Analysis		
	Foreign currency amount (In dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 3,230,370,222	30.420	$ 98,267,862	1%	$ 982,679	$ -
EUR:USD	347,565,416	34.721	12,067,954	1%	120,680	-
CNH:USD	1,843,179,209	4.487	8,270,253	1%	82,703	-
Financial liabilities						
Monetary items						
USD:NTD	3,850,005,082	30.420	117,117,155	1%	1,171,172	-
EUR:USD	45,562,383	34.721	1,581,989	1%	15,820	-
CNH:USD	1,910,198,913	4.487	8,570,967	1%	85,710	-

	2016/12/31					
				Sensitivity Analysis		
	Foreign currency amount (In dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 3,187,222,660	32.250	$ 102,787,931	1%	$ 1,027,879	$ -
EUR:USD	471,291,619	33.901	15,977,351	1%	159,774	-
CNH:USD	2,197,268,825	4.618	10,147,427	1%	101,474	-
Financial liabilities						
Monetary items						
USD:NTD	4,057,899,448	32.250	130,867,257	1%	1,308,673	-
EUR:USD	45,899,608	33.901	1,556,052	1%	15,561	-
CNH:USD	1,925,135,695	4.618	8,890,662	1%	88,907	-

	2016/06/30					
				Sensitivity Analysis		
	Foreign currency amount (In dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 2,812,224,211	32.275	$ 90,764,536	1%	$ 907,645	$ -
EUR:USD	302,401,513	35.890	10,853,130	1%	108,531	-
CNH:USD	2,277,854,379	4.844	11,035,015	1%	110,350	-
Financial liabilities						
Monetary items						
USD:NTD	2,986,828,864	32.275	96,399,902	1%	963,999	-
EUR:USD	48,456,932	35.890	1,739,110	1%	17,391	-
CNH:USD	2,095,547,236	4.844	10,151,832	1%	101,518	-

f. Net currency exchange gains (losses) (including realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, amounted to $1,727,597, ($156,536), $2,673,316 and $1,248,126, respectively.

Price risk

a. The Group is exposed to equity securities price risk because of investments held by the Group either as at fair value through profit or loss or available-for-sale on stock investments. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

b. The prices of the Group's investments in equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased by 1% with all other variables held constant, non-operating revenues for the six-month periods ended June 30, 2017 and 2016 would have increased by $3,405 and $1,900, respectively. Other comprehensive income - unrealized gain on valuation of available-for-sale financial assets would have increased by $635,062 and $535,779, respectively. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheets either as available-for-sale or at fair value through profit or loss. The Group has no price risk of merchandise inventories. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Interest rate risk

a. The Group's interest rate risk arises from borrowings. 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. During the six-month periods ended June 30, 2017 and

2016, the Group's borrowings at variable rate were denominated in USD, CNH and NTD.

b. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions. The Group expects no significant interest rate risk.

c. At June 30, 2017 and 2016, if interest rates on borrowings had been 1 basis point (0.01%) higher with all other variables held constant, non-operating expenses for the six-month periods ended June 30, 2017 and 2016 would have been $496 and $268 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(B) Credit risk

a. 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. The maximum exposure to credit risk is the carrying amount of all financial instruments. According to the Group's credit policy, each operating 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 by the Board of Directors based on internal or external ratings. The utilization of credit limits is regularly monitored. Credit risk arises mainly from cash and cash equivalents, derivative financial instruments, deposits and short-term financial products guaranteed income with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables. For banks and financial institutions, only those with a rating of "A" class above as evaluated by an independent party are accepted as counterparties.

b. No credit limits were exceeded during the six-month periods ended June 30, 2017 and 2016, and the management does not expect any significant losses from non-performance by these counterparties.

c. The credit quality information of financial assets that are neither past due nor impaired, the aging analysis of financial assets that were past due but not impaired and the individual analysis of financial assets that had been impaired is provided in the statement for each type of financial assets as described in Note 6.

(C) Liquidity risk

a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's 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 on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheets ratio targets.

b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. At June 30, 2017, December 31, 2016 and June 30, 2016, the Group held financial assets at fair value through profit or loss of $5,875,757, $5,312,977 and $2,523,489, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period 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.

	2017/06/30				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 5,892,750	$ -	$ -	$ -	$ 5,892,750
Notes and trade payables	64,485,509	-	-	-	64,485,509
Dividends payable	12,971,323	-	-	-	12,971,323
Other payables - accrued expenses	32,730,447	-	-	-	32,730,447
Long-term borrowings (including current portion)	307,011	342,811	302,811	68,539	1,021,172
Other financial liabilities	1,578,911	743	-	8,101	1,587,755
Derivative financial liabilities:					
Forward exchange contracts	1,811,116	-	-	-	1,811,116
Currency option contracts	244,694	-	-	-	244,694

	2016/12/31				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 2,978,526	$ -	$ -	$ -	$ 2,978,526
Notes and trade payables	73,544,002	-	-	-	73,544,002
Other payables - accrued expenses	38,104,869	-	-	-	38,104,869
Long-term borrowings (including current portion)	728,092	540,000	-	-	1,268,092
Other financial liabilities	1,207,407	-	-	-	1,207,407
Derivative financial liabilities:					
Forward exchange contracts	66,202	-	-	-	66,202
Currency option contracts	129,299	-	-	-	129,299

	2016/06/30				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 1,737,801	$ -	$ -	$ -	$ 1,737,801
Notes and trade payables	47,346,083	-	-	-	47,346,083
Dividends payable	11,355,164	-	-	-	11,355,164
Other payables - accrued expenses	35,117,572	-	-	-	35,117,572
Long-term borrowings (including current portion)	730,147	662,750	-	-	1,392,897
Other financial liabilities	1,092,032	-	-	-	1,092,032
Derivative financial liabilities:					
Forward exchange contracts	202,975	-	-	-	202,975
Currency option contracts	2,039	-	-	-	2,039

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

(3) Fair value information

A. 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. 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 is as follows:

	2017/06/30			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Open-end funds	$ 5,535,281	$ -	$ -	$ 5,535,281
Listed and OTC stocks	340,476	-	-	340,476
Forward exchange contracts	-	17,069	-	17,069
Currency option contracts	-	3,531	-	3,531
Currency swap contracts	-	2,635	-	2,635
Derivative financial assets for hedging	-	56,374	-	56,374
Available-for-sale financial assets				
Listed and OTC stocks	63,325,685	-	-	63,325,685
Unlisted and non-OTC stocks	-	170,015	10,469	180,484
Convertible bonds	-	-	7,575	7,575
	$ 69,201,442	$ 249,624	$ 18,044	$ 69,469,110
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 535,142	$ -	$ 535,142
Currency option contracts	-	244,694	-	244,694
Derivative financial liabilities for hedging	-	1,275,974	-	1,275,974
	$ -	$ 2,055,810	$ -	$ 2,055,810

	2016/12/31			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Open-end funds	$ 5,089,953	$ -	$ -	$ 5,089,953
Listed and OTC stocks	223,024	-	-	223,024
Forward exchange contracts	-	676,275	-	676,275
Currency option contracts	-	181,397	-	181,397
Derivative financial assets for hedging	-	1,329,360	-	1,329,360
Available-for-sale financial assets				
Listed and OTC stocks	58,487,162	-	-	58,487,162
Unlisted and non-OTC stocks	-	198,933	13,611	212,544
Convertible bonds	-	-	7,575	7,575
	$ 63,800,139	$ 2,385,965	$ 21,186	$ 66,207,290
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 19,676	$ -	$ 19,676
Currency option contracts	-	129,299	-	129,299
Derivative financial liabilities for hedging	-	46,526	-	46,526
	$ -	$ 195,501	$ -	$ 195,501

	2016/06/30			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Open-end funds	$ 2,333,515	$ -	$ -	$ 2,333,515
Listed and OTC stocks	189,974	-	-	189,974
Forward exchange contracts	-	400,280	-	400,280
Currency option contracts	-	137,475	-	137,475
Derivative financial assets for hedging	-	776,820	-	776,820
Available-for-sale financial assets				
Listed and OTC stocks	53,348,729	-	-	53,348,729
Unlisted and non-OTC stocks	-	204,162	25,013	229,175
Convertible bonds	-	-	7,575	7,575
	$ 55,872,218	$ 1,518,737	$ 32,588	$ 57,423,543
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 116,594	$ -	$ 116,594
Currency option contracts	-	2,039	-	2,039
Derivative financial liabilities for hedging	-	86,381	-	86,381
	$ -	$ 205,014	$ -	$ 205,014

C. 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 and OTC stocks	Open-end fund	Convertible bond
Market quoted price	Closing price	Net asset value	Closing price

(B) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.

(C) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

(D) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. 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, for example, model risk or liquidity risk. 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 sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.

D. JMC ELECTRONICS CO., LTD. has been listed on the TWSE from January, 2017, therefore, the Group has transferred the fair value from Level 2 to Level 1 at the end of the month when the event occurred. For the six-month period ended June 30, 2016, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3:

	2017		
	Equity instruments	Debt instruments	Total
January 1	$ 13,611	$ 7,575	$ 21,186
Losses recognized in net other comprehensive loss (Note 2)	(3,142)	-	(3,142)
June 30	$ 10,469	$ 7,575	$ 18,044

	2016		
	Equity instruments	Debt instruments	Total
January 1	$ 28,131	$ 7,575	$ 35,706
Losses recognized in profit or loss (Note 1)	(900)	-	(900)
Losses recognized in net other comprehensive loss (Note 2)	(2,218)	-	(2,218)
June 30	$ 25,013	$ 7,575	$ 32,588

Note 1 : Recorded as other gains (losses).

Note 2 : Recorded as unrealized gain (loss) on valuation of available for-sale financial assets.

F. There was no transfer into or out from Level 3 for the six-month periods ended June 30, 2017 and 2016.

G. The investment segment is in charge of valuation procedures for fair value measurements being categorized 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, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

H. 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 June 30, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 10,469	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Debt instruments:					
Convertible bonds	$ 7,575	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2016	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 13,611	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Debt instruments:					
Convertible bonds	$ 7,575	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value

	Fair value at June 30, 2016		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:						
Unlisted and non-OTC stocks	$	25,013	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Debt instruments:						
Convertible bonds	$	7,575	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value

I. 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 a different outcome.

13. **SUPPLEMENTARY DISCLOSURES**

(1) Significant transactions information

A. Financings provided: Table 1.

B. Endorsements and guarantees provided: Table 2.

C. Marketable securities held at the ended of period (excluding investments in subsidiaries, associates and joint ventures): Table 3.

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Table 4.

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

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

G. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Table 5.

H. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to 6(2), (5) and 12(2).

J. Intercompany relationships and significant intercompany transactions (only disclosures transactions amount at least $100 million or 20% of the paid-in capital): Table 7.

(2) Information on investees

Names, locations, and related information of investees over which the company exercises significant influence (excluding information on investment in mainland China): Table 8.

(3) Information on investments in China

A. Information on investment in mainland China: Table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Table 7.

14. OPERATING SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement basis

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the six-month period ended June 30, 2017		
	3C Brand	Others	Total
Revenues from external customers	$ 184,293,202	$ 21,246,219	$ 205,539,421
Revenues from other segments	$ 458,373	$ 3,459,178	- (Note 1)
Segment income	$ 5,554,847	$ 386,933	$ 5,941,780
Total assets (Note 2)	$ -	$ -	$ -

	For the six-month period ended June 30, 2016		
	3C Brand	Others	Total
Revenues from external customers	$ 203,645,018	$ 18,951,283	$ 222,596,301
Revenues from other segments	$ 342,982	$ 3,460,936	- (Note 1)
Segment income	$ 8,459,834	$ 595,949	$ 9,055,783
Total assets (Note 2)	$ -	$ -	$ -

Note 1: The intra-segment revenues have been eliminated to $0.

Note 2: Because the Group’s segment assets are not provided to the chief operating decision-maker, such items are not required to be disclosed.

(4) Reconciliation for segment income

A. The intra-segment transactions are based on fair value. The revenues from external customers reported to the chief operating decision-maker are measured in a manner consistent with the consolidated statements of comprehensive income.

B. The reconciliation of the reportable operating segment's profit (others are the same as consolidated statements of comprehensive income) is as follows:

	For the six-month periods ended June 30,	
	2017	2016
Reportable operating segments' profit before adjustment	$ 5,941,780	$ 9,055,783
Unallocated profit (loss)	(12,113)	(29,980)
Reportable operating segments' profit	$ 5,929,667	$ 9,025,803

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

FINANCINGS PROVIDED

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 1

(Amounts in thousands of new Taiwan dollars and foreign currencies)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	ASTP	ASGL	Other non-current assets	Yes	28,899,000 (USD 950,000)	28,899,000 (USD 950,000)	28,899,000 (USD 950,000)	0.23320 ~ 0.99706	b	-	Need for operating	-	-	-	41,323,716 (USD 1,358,439)	41,323,716 (USD 1,358,439)	
2	ONYX	ONYXSH	Other receivables	Yes	7,605 (USD 250)	7,605 (USD 250)	7,605 (USD 250)	3.70000	a	43,425	-	-	-	-	43,425	325,232	
3	ASKEY	SILIGENCE	Other receivables	Yes	138,778 (USD 4,562)	138,778 (USD 4,562)	138,778 (USD 4,562)	1.35000 ~ 1.80000	b	-	Need for operating	-	-	-	927,425	1,236,567	

Note 1：Nature for Financing：a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2：Limit of total financing amount：According to Procedures for Lending of ASTP, lending to foreign company in which parent company holds directly or indirectly 100% of voting right, limit of total financing amount shall not exceed 100% of the net worth of ASTP as of the period.

According to Procedures for Lending of ONYX, limit of total financing amount shall not exceed 40% of the net worth of ONYX as of the period.

According to Procedures for Lending of ASKEY, limit of total financing amount shall not exceed 20% of the net worth of ASKEY as of the period.

Limit financing amount for individual counter-party：According to Procedures for Lending of ASTP, lending to foreign company in which parent company holds directly or indirectly 100% of voting right, limit of financing amount for individual counter-party shall not exceed 100% of the net worth of ASTP as of the period.

According to Procedures for Lending of ONYX, limit of financing amount for individual counter-party shall not exceed 10% of the net worth of ONYX as of the period.

Where funds are loaned for business dealings, limit of financing amount for individual counter-party shall not exceed business dealings amount of latest year.

Business dealings amount here means sales amount or purchase amount of lender and borrower, which is higher.

According to Procedures for Lending of ASKEY, limit of financing amount for individual counter-party shall not exceed 15% of the net worth of ASKEY as of the period.

Note 3：Amount denominated in foreign currencies in this table are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 2

(Amounts in thousands of new Taiwan dollars and foreign currencies)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement / Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
1	ASKEY	ASKEYJS	c	1,854,851	1,521,000 (USD 50,000)	1,521,000 (USD 50,000)	304,200 (USD 10,000)	-	24.60	2,473,134	Y	N	Y	

Note 1： Nature of relationship of guaranteed party：

a. A company that has a business relationship with endorsement/guarantee provider.

b. A subsidiary in which endorsor/guarantor provider holds directly over 50% of equity interest.

c. An investee in which endorsement/guarantee provider and its subsidiaries hold over 50% of equity interest.

d. An investor which holds directly or indirectly over 50% of equity interest of endorsor/guarantor provider.

e. A company that has provided guarantees to endorsement/guarantee provider, and vice versa, due to contractual requirements.

f. An investee in which endorsement/guarantee provider conjunctly invests with other stockholders, and for which endorsement/guarantee provider has provided endorsement/guarantee provider in proportion to its shareholding percentage.

Note 2： Limit of the total amount of guarantee: According to Procedures for Endorsements and Guarantees of ASKEY, the total amount of guarantee shall not exceed 40% of the net worth of ASKEY as of the period. Limit of the total amount of guarantee for individual counter-party：According to Procedures for Endorsements and Guarantees of ASKEY, limit of guarantee amount for individual counter-party shall not exceed 30% of the net worth of ASKEY as of the period.

Note 3： Amount denominated in foreign currencies in this table are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

JUNE 30, 2017

Table 3

(Amounts in thousands of new Taiwan dollars)

Held Company Name	Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	June 30, 2017 Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	Note
ASUS	Fund	UNION MONEY MARKET	-	Financial assets at fair value through profit or loss	77,101,364	1,010,367	-	1,010,367	
ASUS	Fund	FSITC TAIWAN MONEY MARKET	-	Financial assets at fair value through profit or loss	28,833,956	437,570	-	437,570	
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	-	Financial assets at fair value through profit or loss	65,176,272	1,055,276	-	1,055,276	
ASUS	Fund	JIH SUN MONEY MARKET	-	Financial assets at fair value through profit or loss	93,131,802	1,368,739	-	1,368,739	
ASUS	Fund	YUANTA DE-BAO MONEY MARKET	-	Financial assets at fair value through profit or loss	14,258,037	170,067	-	170,067	
ASUS	Stock	SPORTON	-	Financial assets at fair value through profit or loss	329,767	50,784	0.36	50,784	
ASUS	Stock	ENE	-	Available-for-sale financial assets - current	917,247	12,566	1.22	12,566	
ASUS	Stock	ALCOR MICRO	-	Available-for-sale financial assets - current	905,879	16,940	1.23	16,940	
ASUS	Stock	AZUREWAVE	-	Available-for-sale financial assets - current	934,745	13,367	0.70	13,367	
ASUS	Stock	LEDLINK	-	Available-for-sale financial assets - current	684,388	27,923	1.38	27,923	
ASUS	Stock	GLOBALWAFERS	-	Available-for-sale financial assets - current	1,626,626	345,658	0.37	345,658	
ASUS	Stock	JMC	-	Available-for-sale financial assets - current	1,000,000	29,850	1.00	29,850	
ASUS	Stock	ADVANTECH	-	Available-for-sale financial assets - non-current	91,483,812	19,714,761	14.45	19,714,761	
ASUS	Stock	APTOS	-	Available-for-sale financial assets - non-current	1,563,000	8,794	1.10	8,794	
ASUS	Stock	PEGA	-	Available-for-sale financial assets - non-current	448,506,484	42,742,668	17.42	42,742,668	
ASUS	Stock	EOSTEK	-	Available-for-sale financial assets - non-current	1,600,000	55,486	14.94	55,486	
ASUS	Stock	AIROHA	-	Available-for-sale financial assets - non-current	267,590	29,435	0.44	29,435	
ASUS	Stock	EOSMEM	-	Available-for-sale financial assets - non-current	1,406,250	11,250	3.57	11,250	
ASUS	Bond	MOBISOCIAL	-	Available-for-sale financial assets - non-current	-	7,575	-	7,575	
ASUS	Stock	EMPASS	-	Available-for-sale financial assets - non-current	497,500	9,950	19.90	9,950	
ASUS	Stock	NANOLUX	-	Available-for-sale financial assets - non-current	536	28,299	14.51	28,299	
ASUS	Stock	AM TRUST	-	Financial assets carried at cost - non-current	10,000,000	62,859	7.81	-	
ASUS	Fund	TNP	-	Financial assets carried at cost - non-current	94	26,751	2.06	-	
ASUTC	Fund	YUANTA WAN TAI MONEY MARKET	-	Financial assets at fair value through profit or loss	8,271,793	124,360	-	124,360	
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	-	Financial assets at fair value through profit or loss	60,031,084	971,969	-	971,969	
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	Financial assets at fair value through profit or loss	2,844,248	35,379	-	35,379	
ASMEDIA	Fund	JIH SUN MONEY MARKET	-	Financial assets at fair value through profit or loss	1,921,897	28,246	-	28,246	
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	Financial assets at fair value through profit or loss	2,396,991	38,372	-	38,372	
ASMEDIA	Fund	FUH HWA RMB MONEY MARKET	-	Financial assets at fair value through profit or loss	531,862	26,755	-	26,755	
ASKEY	Stock	NETCOMM	-	Available-for-sale financial assets - non-current	1,980,000	79,501	1.35	79,501	
ASKEY	Stock	CIPHERMAX	-	Available-for-sale financial assets - non-current	9,234	-	-	-	
ASKEY	Stock	RETI	-	Available-for-sale financial assets - non-current	80,700	-	3.32	-	
MIC	Stock	BROADCOM	-	Available-for-sale financial assets - non-current	90	641	-	641	
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	Available-for-sale financial assets - non-current	44,775	-	0.04	-	
HCVC	Fund	YUANTA WAN TAI MONEY MARKET	-	Financial assets at fair value through profit or loss	1,195,407	17,972	-	17,972	
HCVC	Fund	TAISHIN TA-CHONG MONEY MARKET	-	Financial assets at fair value through profit or loss	4,158,909	58,619	-	58,619	
HCVC	Fund	YUANTA DE-BAO MONEY MARKET	-	Financial assets at fair value through profit or loss	348,419	4,156	-	4,156	
HCVC	Fund	CAPITAL MONEY MARKET	-	Financial assets at fair value through profit or loss	917,513	14,688	-	14,688	
HCVC	Stock	PRIMESENSOR TECHNOLOGY	-	Available-for-sale financial assets - non-current	233,286	3,621	1.11	3,621	
HCVC	Stock	APAQ TECHNOLOGY	-	Available-for-sale financial assets - non-current	5,568,012	197,664	7.61	197,664	
HCVC	Stock	EOSMEM	-	Available-for-sale financial assets - non-current	1,406,250	11,250	3.57	11,250	
HCVC	Stock	LEDLINK	-	Available-for-sale financial assets - current	320,520	13,078	0.65	13,078	
HMI	Fund	NOMURA TAIWAN MONEY MARKET	-	Financial assets at fair value through profit or loss	992,728	16,074	-	16,074	
HMI	Stock	APAQ TECHNOLOGY	-	Available-for-sale financial assets - non-current	3,210,015	113,956	4.39	113,956	
HMI	Stock	EOSMEM	-	Available-for-sale financial assets - non-current	812,500	6,500	2.06	6,500	
AAEON	Stock	ADVANTECH	-	Financial assets at fair value through profit or loss	664	143	-	143	
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	Financial assets at fair value through profit or loss	2,091,070	26,010	-	26,010	
AAEON	Stock	MACHVISION	-	Financial assets at fair value through profit or loss	1,860,020	229,713	4.37	229,713	
AAEON	Stock	ATECH OEM TECHNOLOGY	-	Financial assets at fair value through profit or loss	293	4	-	4	
AAEON	Stock	UNITECH ELECTRONICS	-	Available-for-sale financial assets - non-current	549,600	11,129	1.17	11,129	
AAEON	Stock	LILEE SYSTEMS	-	Available-for-sale financial assets - non-current	468,750	-	-	-	
AAEON	Stock	YAN CHUNG TECHNOLOGY	-	Available-for-sale financial assets - non-current	266,600	-	7.27	-	
AAEON	Stock	ALLIED BIOTECH	-	Available-for-sale financial assets - non-current	300,000	5,430	0.32	5,430	
AAEON	Stock	TELEION WIRELESS	-	Available-for-sale financial assets - non-current	149,700	-	-	-	
AAEONI	Fund	HSBC GLOBAL INCOME	-	Financial assets at fair value through profit or loss	555,078	6,948	-	6,948	

Held Company Name	Marketable Securities		Relationship with the Company	Financial Statement Account	June 30, 2017				Note
	Type	Name			Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
AAEONI	Stock	ATECH OEM TECHNOLOGY	-	Financial assets at fair value through profit or loss	4,320,000	59,832	5.94	59,832	
AAEONI	Stock	MUTTO OPTRONICS	-	Available-for-sale financial assets - non-current	310,000	5,983	0.65	5,983	
AAEONI	Stock	SUNENGINE	-	Available-for-sale financial assets - non-current	1,654,825	10,469	2.75	10,469	
ASGL	Fund	JIH SUN MONEY MARKET	-	Financial assets at fair value through profit or loss	784,448	11,529	-	11,529	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	Financial assets at fair value through profit or loss	3,530	110,256	-	110,256	
AIL	Stock	EONEX	-	Financial assets carried at cost - non-current	31,733	-	2.70	-	
AIL	Stock	SPLASHTOP	-	Available-for-sale financial assets - non-current	5,728,003	-	3.41	-	
AIL	Stock	GENESIS VC	-	Financial assets carried at cost - non-current	2,929,240	19,778	18.03	-	
DDL	Fund	ASIA PACIFIC GENESIS C	-	Financial assets carried at cost - non-current	-	41,422	9.00	-	
UEI	Fund	NOMURA TAIWAN MONEY MARKET	-	Financial assets at fair value through profit or loss	119,142	1,929	-	1,929	
AHL	Stock	9SKY	-	Financial assets carried at cost - non-current	1,000,000	-	5.71	-	

Note ：Amount denominated in foreign currencies in this table are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 4

(Amounts in thousands of new Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counter-party	Nature of Relationship	Beginning Balance		Acquisition			Disposal					Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	Note 2	Shares/Units	Amount	Carrying Value	Note 2	Gain/Loss on Disposal	Shares/Units	Amount
ASUS	Fund	UNION MONEY MARKET	a	-	-	67,187,488	879,007	111,472,795	1,460,000	a	101,558,919	1,329,500	1,329,095	a	405	77,101,364	1,010,367
								-	455	b							
ASUS	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	-	-	157,205,477	2,543,000	a	92,029,205	1,489,000	1,488,449	a	551	65,176,272	1,055,276
								-	725	b							
ASUS	Fund	JIH SUN MONEY MARKET	a	-	-	-	-	93,131,802	1,368,000	a	-	-	-	-	-	93,131,802	1,368,739
								-	739	b							
ASUS	Fund	YUANTA DE-BAO MONEY MARKET	a	-	-	-	-	108,720,050	1,295,000	a	94,462,013	1,125,439	1,125,000	a	439	14,258,037	170,067
								-	67	b							
ASUS	Fund	FSITC TAIWAN MONEY MARKET	a	-	-	76,128,666	1,153,167	32,326,028	490,000	a	79,620,738	1,206,800	1,206,065	a	735	28,833,956	437,570
								-	468	b							
ASUS	Fund	FSITC MONEY MARKET	a	-	-	7,711,599	1,362,717	3,733,491	660,000	a	11,445,090	2,022,952	2,022,431	a	521	-	-
											-	-	286	b			
ASUS	Fund	SINOPAC TWD MONEY MARKET	a	-	-	-	-	36,213,253	500,000	a	36,213,253	500,196	500,000	a	196	-	-
ASUS	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	71,952,511	1,080,057	-	-	-	71,952,511	1,080,590	1,080,000	a	590	-	-
											-	-	57	b			
ASUTC	Fund	NOMURA TAIWAN MONEY MARKET	a	-	-	622,092	10,055	59,408,992	961,000	a	-	-	-	-	-	60,031,084	971,969
								-	914	b							
ASUTC	Fund	YUANTA WAN TAI MONEY MARKET	a	-	-	4,611,471	69,221	6,790,222	102,000	a	3,129,900	47,000	46,367	a	633	8,271,793	124,360
											-	-	494	b			

Note 1： a. Financial assets at fair value through profit or loss - current

b. Available-for-sale financial assets - current

c. Available-for-sale financial assets - non-current

d. Investments accounted for under equity method

Note 2： a. Acquired or capital Increase/ disposed or liquidation in this period

b. Current-revaluation

c. Recognized investment gain or loss under equity investment

d. Effect of exchange rate changes and recognized cumulative translation adjustment under equity investment

e. Recognized equity adjustment under equity investment

f. Re-classification credit of equity investment

g. Received cash dividends

h. Variance of unrealized profit from sale

Note 3： Amount denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2017 to June 30, 2017, otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 5 (Amounts in thousands of new Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Payables or Receivables (Note 3)		Note
			Purchases/ (Sales)	Amount	% to Total Purchases/ (Sales) amount	Payment Terms (Note 2)	Unit Price	Payment Terms	Ending Balance	% to Total Notes/Trade payable or Accounts Received (Note 3)	
ASUS	ASUTC	b	(Sales)	(8,585,941)	(5.61)	OA 90	-	-	1,675,900	2.46	
ASUS	ASGL	b	(Sales)	(139,621,980)	(91.27)	OA 180	-	-	59,444,764	87.37	
ASUS	AAEON	b	(Sales)	(320,732)	(0.21)	Month-end 30 days	-	-	73,627	0.11	
ASUS	OB	b	Purchases	466,129	0.31	Month-end 60 days	-	-	(285,965)	(0.54)	
ASUS	ASMEDIA	b	Purchases	135,860	0.09	Month-end 30 days	-	-	(27,282)	(0.05)	
ASGL	ACCQ	b	(Sales)	(4,815,655)	(3.07)	OA 180	-	-	1,771,483	1.97	
ASGL	ACI	b	(Sales)	(26,352,212)	(16.82)	OA 180	-	-	22,664,073	25.17	
ASGL	ACSH	b	(Sales)	(24,258,621)	(15.48)	OA 180	-	-	23,843,398	26.48	
ASGL	ACJP	b	(Sales)	(4,288,376)	(2.74)	OA 120	-	-	1,665,853	1.85	
ASGL	ASIN	b	(Sales)	(1,240,609)	(0.79)	OA 180	-	-	1,986,360	2.21	
ASGL	ACG	b	(Sales)	(372,673)	(0.24)	OA 90	-	-	102,648	0.11	
ASGL	ACMH	b	(Sales)	(928,968)	(0.59)	OA 180	-	-	1,963,358	2.18	
ASGL	ACNL	b	(Sales)	(12,282,821)	(7.84)	OA 180	-	-	4,704,827	5.23	
ASKEY	LP	b	(Sales)	(5,386,661)	Note 4	Month-end 90 days	-	Payment terms is one to two months longer than third parties	1,067,489	11.35	
ASKEY	LP	b	Purchases	4,029,556	20.30	Month-end 90 days	Based on cost of finished goods plus related expenditures of related party	-	-	-	
ASKEY	UNI	b	Purchases	9,932,160	50.04	Month-end 90 days	Based on cost of finished goods plus related expenditures of related party	-	(4,851,922)	(75.58)	
ASKEY	SILIGENCE	b	(Sales)	(526,853)	(3.43)	Month-end 90 days	Same as third parties	Payment terms is one to two months longer than third parties	474,379	5.04	
LP	ASKEYJS	b	(Sales)	(5,254,269)	(56.52)	Month-end 90 days	-	Payment terms is one to two months longer than third parties	2,822,320	100.00	
LP	ASKEYJS	b	Purchases	3,958,208	42.53	Month-end 90 days	Based on cost of finished goods plus related expenditures of related party	-	(1,724,968)	(61.77)	
UNI	ASKEYJS	b	Purchases	9,948,796	99.95	Month-end 90 days	Based on cost of finished goods plus related expenditures of related party	-	(4,837,992)	(99.96)	
OB	ASKEYJS	b	Purchases	438,596	97.21	Month-end 90 days	Based on cost of finished goods plus related expenditures of related party	-	(238,671)	(100.00)	
ONYX	ONYXHU	b	(Sales)	(136,036)	(29.10)	Month-end 90 days	-	-	54,261	35.53	
AAEON	AAEONEU	b	(Sales)	(152,085)	(7.45)	Month-end 60 days	-	-	56,450	8.79	
AAEON	AAEONSZ	b	(Sales)	(123,816)	(6.07)	Month-end 60 days	-	-	54,716	8.52	
AAEON	AAEONEI	b	(Sales)	(267,237)	(13.09)	Month-end 60 days	-	-	69,867	10.88	
UPI	MAXCHIP	d	Purchases	121,291	81.91	Month-end 30 days	-	-	(48,416)	(28.26)	
UBIQ	MAXCHIP	d	Purchases	199,192	99.57	Month-end 30 days	-	-	(70,190)	(37.76)	

Note 1 : a. Parent company；b. Subsidiary；c. Associate；d. Other。

Note 2 : Accounts receivables between subsidies which 100% owned by ASUS, if the transactions continuous, besides the original transaction terms, could depend on actual demands of capital to extend payment terms and transfer to long-term receivables.

Note 3 : Including transferred to long-term receivables amount as meeting transaction terms.

Note 4：Sales of raw materials were recognized in the deduction of cost of goods sold.

Note 5：Amount denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2017 to June 30, 2017, otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2017

Table 6 (Amounts in thousands of new Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Ending Balance	Turnover		Overdue		Amounts Received in Subsequent Period	Allowance for bad debts
						Amount	Action Taken		
ASUS	ASUTC	b	1,675,900	8.10	times	-	-	1,488,826	-
ASUS	ASGL	b	59,444,764	3.84	times	-	-	29,469,187	-
OB	ASUS	a	285,965	2.98	times	-	-	85,586	-
ASGL	ACCQ	b	1,771,483	6.79	times	122,665	Reconciling and demanding payment monthly	681,944	-
ASGL	ACI	b	22,664,073	2.22	times	-	-	4,041,821	-
ASGL	ACSH	b	23,843,398	2.19	times	133,339	Reconciling and demanding payment monthly	3,036,833	-
ASGL	ACJP	b	1,665,853	4.02	times	-	-	803,920	-
ASGL	ASIN	b	1,986,360	0.98	times	129,076	Reconciling and demanding payment monthly	82,364	-
ASGL	ACG	b	102,648	3.63	times	-	-	100,010	-
ASGL	ACMH	b	1,963,358	1.06	times	695,300	Reconciling and demanding payment monthly	247,297	-
ASGL	ACNL	b	4,704,827	4.42	times	-	-	3,333,437	-
ASKEY	LP	b	1,067,489	13.18	times	-	-	609,350	-
ASKEY	SILIGENCE	b	474,379	3.02	times	138,778	Transferred to other receivables – financing provided	133,642	-
UNI	ASKEY	b	4,851,922	4.26	times	-	-	786,205	-
LP	ASKEYJS	b	2,822,320	4.86	times	-	-	608,400	-
ASKEYJS	LP	b	1,724,968	5.92	times	-	-	278,484	-
ASKEYJS	UNI	b	4,837,992	4.27	times	-	-	786,235	-
ASKEYJS	OB	b	238,671	3.31	times	-	-	86,136	-

Note 1：a. Parent company；b. Subsidiary；c. Associate；d. Other。

Note 2：Amount denominated in foreign currencies in this table are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY DISCLOUSURE TRANSACTIONS AMOUNT AT LEAST NT$100 MILLION)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 7-1

(Amounts in thousands of new Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	ASUS	ASUTC	a	Sales	8,585,941	OA 90	4.18%
0	ASUS	ASGL	a	Sales	139,621,980	OA 180	67.93%
0	ASUS	AAEON	a	Sales	320,732	Month-end 30 days	0.16%
1	OB	ASUS	b	Sales	466,129	Month-end 60 days	0.23%
2	ASMEDIA	ASUS	b	Sales	135,860	Month-end 30 days	0.07%
3	ASGL	ACCQ	c	Sales	4,815,655	OA 180	2.34%
3	ASGL	ACI	c	Sales	26,352,212	OA 180	12.82%
3	ASGL	ACSH	c	Sales	24,258,621	OA 180	11.80%
3	ASGL	ACJP	c	Sales	4,288,376	OA 120	2.09%
3	ASGL	ASIN	c	Sales	1,240,609	OA 180	0.60%
3	ASGL	ACG	c	Sales	372,673	OA 90	0.18%
3	ASGL	ACMH	c	Sales	928,968	OA 180	0.45%
3	ASGL	ACNL	c	Sales	12,282,821	OA 180	5.98%
4	ASKEY	LP	c	Sales	5,386,661	Month-end 90 days	2.62%
4	ASKEY	SILIGENCE	c	Sales	526,853	Month-end 90 days	0.26%
5	UNI	ASKEY	c	Sales	9,932,160	Month-end 90 days	4.83%
6	LP	ASKEY	c	Sales	4,029,556	Month-end 90 days	1.96%
6	LP	ASKEYJS	c	Sales	5,254,269	Month-end 90 days	2.56%
7	ASKEYJS	UNI	c	Sales	9,948,796	Month-end 90 days	4.84%
7	ASKEYJS	LP	c	Sales	3,958,208	Month-end 90 days	1.93%
7	ASKEYJS	OB	c	Sales	438,596	Month-end 90 days	0.21%
8	AAEON	AAEONEI	c	Sales	267,237	Month-end 60 days	0.13%
8	AAEON	AAEONSZ	c	Sales	123,816	Month-end 60 days	0.06%
8	AAEON	AAEONEU	c	Sales	152,085	Month-end 60 days	0.07%
9	ONYX	ONYXHU	c	Sales	136,036	Month-end 90 days	0.07%
10	ACH	ASGL	c	Maintenance revenue	320,617	Pay on delivery	0.16%
10	ACH	ASGL	c	Marketing service revenue	23	Pay on delivery	0.00%
11	ACCZS	ASGL	c	Maintenance revenue	268,959	Pay on delivery	0.13%
11	ACCZS	ASGL	c	Marketing service revenue	31	Pay on delivery	0.00%
12	ACF	ASGL	c	Marketing service revenue	153,575	Pay on delivery	0.07%
13	ACG	ASGL	c	Marketing service revenue	228,908	Pay on delivery	0.11%
13	ACG	ASGL	c	Maintenance revenue	38	Pay on delivery	0.00%
14	ACUK	ASGL	c	Marketing service revenue	106,325	Pay on delivery	0.05%
15	ACSZ	ASGL	c	Service revenue	980,612	Pay on delivery	0.48%
16	ACN	ASGL	c	Marketing service revenue	127,747	Pay on delivery	0.06%
17	ACIT	ACNL	c	Marketing service revenue	135,878	Pay on delivery	0.07%

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

(ONLY DISCLOUSURE TRANSACTIONS AMOUNT AT LEAST NT$100 MILLION)

JUNE 30, 2017

Table 7-2

(Amounts in thousands of new Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	ASUS	ASUTC	a	Trade receivables	1,675,900	OA 90	0.47%
0	ASUS	ASGL	a	Trade receivables	59,444,764	OA 180	16.68%
3	ASGL	ACCQ	c	Trade receivables	1,771,483	OA 180	0.50%
3	ASGL	ACI	c	Trade receivables	22,664,073	OA 180	6.36%
3	ASGL	ACSH	c	Trade receivables	23,843,398	OA 180	6.69%
3	ASGL	ACJP	c	Trade receivables	1,665,853	OA 120	0.47%
3	ASGL	ASIN	c	Trade receivables	1,986,360	OA 180	0.56%
3	ASGL	ACG	c	Trade receivables	102,648	OA 90	0.03%
3	ASGL	ACMH	c	Trade receivables	1,963,358	OA 180	0.55%
3	ASGL	ACNL	c	Trade receivables	4,704,827	OA 180	1.32%
4	ASKEY	LP	c	Trade receivables	1,067,489	Month-end 90 days	0.30%
4	ASKEY	SILIGENCE	c	Trade receivables	474,379	Month-end 90 days	0.13%
5	UNI	ASKEY	c	Trade receivables	4,851,922	Month-end 90 days	1.36%
6	LP	ASKEYJS	c	Trade receivables	2,822,320	Month-end 90 days	0.79%
7	ASKEYJS	UNI	c	Trade receivables	4,837,992	Month-end 90 days	1.36%
7	ASKEYJS	LP	c	Trade receivables	1,724,968	Month-end 90 days	0.48%
7	ASKEYJS	OB	c	Trade receivables	238,671	Month-end 90 days	0.07%
1	OB	ASUS	b	Trade receivables	285,965	Month-end 60 days	0.08%
15	ACSZ	ASGL	c	Trade receivables	689,515	Pay on delivery	0.19%

Note 1： ASUS and its subsidiaries are coded as follows:

a. ASUS is coded "0".

b. The subsidiaries are coded consecutively beginning from"1"in the order presented in the table above.

Note 2： Transactions are categorized as follows:

a. The parent company to subsidiary.

b. Subsidiary to parent company.

c. Subsidiary to subsidiary.

Note 3： Regarding percentage of transaction amount to consolidated net 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 net revenue for income statement accounts.

Note 4： Only disclose sales and accounts receivable side information for intercompany relationships and significant intercompany transactions. Corresponding purchase and accounts payable information was not elaborated any further.

Note 5： Amount denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2017 to June 30, 2017, otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 8

(Amounts in thousands of new Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		Balance as of June 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2017	December 31, 2016	Shares	Percentage of Ownership	Carrying Value			
ASUS	ACI	U.S.A	Selling 3C products in North America	13,320	13,320	50,000	100.00	-	(32,972)	(32,972)	Note 3
ASUS	ASUTC	Taiwan	Selling 3C products in Taiwan	204,244	204,244	19,000,000	100.00	1,239,899	742,982	742,982	Note 1
ASUS	SWI	Taiwan	Developing, selling and consulting about information system software	72,132	72,132	5,468,750	50.99	88,515	(4,343)	(2,215)	
ASUS	ACH	Netherlands	Repairing 3C products	37,821	37,821	3,000,000	100.00	186,009	6,881	6,881	
ASUS	AIL	Cayman Islands	Investing in 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	36,433,345	313,525	313,525	Note 1
ASUS	AHL	Cayman Islands	Investing in computer peripherals business	662,434	662,434	20,452,104	100.00	616,221	(31,892)	(31,892)	
ASUS	ASINT	Taiwan	Selling, designing and manufacturing memory module which apply to low-end, mid-end and high-end segmentation	50,000	50,000	5,250,000	16.55	-	-	-	
ASUS	ASUSCLOUD	Taiwan	Selling and consulting about internet service	450,278	450,278	45,027,789	90.06	83,220	(38,982)	(35,105)	
ASUS	IUT	Taiwan	Developing, manufacturing and selling ink-jet print heads and ink-jet digital image output technology	123,218	123,218	11,401,092	56.72	66,926	(14,546)	(8,252)	
ASUS	ASMEDIA	Taiwan	Designing, developing and manufacturing high-speed analog circuit	295,838	295,838	23,248,727	40.88	564,114	99,759	40,874	
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	6,173,497	(297,602)	(302,867)	
ASUS	EMC	Taiwan	Designing, manufacturing and selling computer peripheral spare parts	40,967	40,967	2,317,888	7.46	35,139	37,132	2,774	
ASUS	HCVC	Taiwan	Investing in computer peripherals business	1,100,000	1,100,000	114,500,000	100.00	1,464,481	33,487	33,487	
ASUS	HMI	Taiwan	Investing in computer peripherals business	680,000	680,000	68,000,000	100.00	929,709	31,354	31,354	
ASUS	AGA	Taiwan	Designing and selling computer peripheral and smart vacuums	140,000	140,000	14,000,000	100.00	26,307	(3,103)	(3,103)	
ASUS	AAEON	Taiwan	Manufacturing and selling industrial computers and computer peripherals	2,429,370	2,429,370	43,756,000	45.58	2,642,076	287,435	126,323	
ASUS	JPX	Taiwan	Designing and selling computer peripheral spare parts	10,400	10,400	1,040,000	14.86	2,555	(4,682)	(695)	
ASUS	UPI	Taiwan	Designing, developing and selling integrated circuits	357,628	357,628	33,812,819	37.50	252,760	(11,549)	(4,534)	
ASUS	ASGL	Singapore	Selling 3C products	838,070	838,070	28,000,000	100.00	22,199,225	4,507,297	4,017,525	
ASUS	ADI	Singapore	Investing in computer peripherals business	25,290	25,290	830,001	100.00	6,352	(1,149)	(1,149)	
ASUS	ONYX	Taiwan	Designing, manufacturing and selling medical computers	60,170	60,170	1,018,250	5.60	45,519	57,569	3,223	
ACH	ACCZS	Czech Republic	Repairing 3C products in Europe	30	29	-	0.41	311	1,724	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing about communication products	307,607	307,607	10,000,000	100.00	236,969	(18,622)	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing in communication business	271,695	271,695	8,160,172	100.00	-	13,666	-	Note 2 and 3
ASKEY	MIC	British Virgin Islands	Investing in computer peripherals business	3,832,534	3,832,534	117,525,738	100.00	3,764,991	(63,824)	-	Note 2
ASKEY	ECOLAND	Taiwan	Green energy industry	21,840	21,840	780,000	33.91	14,383	(11,086)	-	Note 2
DIC	ASKEYVN	Vietnam	Manufacturing and selling communication products	174,444	184,939	2,883,359	100.00	77,406	-	-	Note 2
DIC	WISE	Hong Kong	Investing in communication and computer peripherals business	41,113	43,586	1,600,000	100.00	-	13,580	-	Note 2 and 3
MIC	MAGICOM	Cayman Islands	Investing in communication business	2,769,133	2,935,718	91,030,000	100.00	3,757,849	(67,053)	-	Note 2
MIC	OB	British Virgin Islands	Selling communication products and computer peripherals	1,521	1,613	50,000	100.00	48,440	15,031	-	Note 2
MIC	LP	Mauritius	Selling communication products and computer peripherals	1,522,521	1,614,113	50,050,000	100.00	-	(4,377)	-	Note 2 and 3
MIC	UNI	Mauritius	Selling communication products and computer peripherals	1,521	1,613	50,000	100.00	23,951	4,250	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing communication products	3,981	4,220	100,000	100.00	3,122	(176)	-	Note 2
MIC	ASKEYBR	Brazil	Services communication products	13,681	14,504	1,499,850	99.99	7,990	(3,499)	-	Note 2
OB	ASKEYBR	Brazil	Services communication products	1	1	150	0.01	1	(3,499)	-	Note 2
WISE	SILIGENCE	France	Selling and servicing communication products	40,987	43,452	780,000	80.00	-	16,997	-	Note 2 and 3
IUT	IUTS	Samoa Islands	Investing in ink-jet print heads and ink-jet digital image output technology business	-	-	-	100.00	-	-	-	Note 2
HCVC	EMC	Taiwan	Designing, manufacturing and selling computer peripheral spare parts	14,955	14,955	1,487,772	4.79	22,554	37,132	-	Note 2
HCVC	ASINT	Taiwan	Selling, designing and manufacturing memory module which apply to low-end, mid-end and high-end segmentation	37,500	37,500	2,625,000	8.28	-	-	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount June 30, 2017	Original Investment Amount December 31, 2016	Balance as of June 30, 2017 Shares	Balance as of June 30, 2017 Percentage of Ownership	Balance as of June 30, 2017 Carrying Value	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
HCVC	ASMEDIA	Taiwan	Designing, developing and manufacturing high-speed analog circuit	31,508	31,508	4,674,919	8.22	113,498	99,759	-	Note 2
HCVC	AAEON	Taiwan	Manufacturing and selling industrial computers and computer peripherals	464,099	464,099	8,359,000	8.71	505,347	287,435	-	Note 2
HCVC	UPI	Taiwan	Designing, developing and selling integrated circuits	215,000	215,000	8,601,500	9.54	64,299	(11,549)	-	Note 2
HCVC	JPX	Taiwan	Designing and selling computer peripheral spare parts	4,800	4,800	480,000	6.86	1,178	(4,682)	-	Note 2
HCVC	SWI	Taiwan	Developing, selling and consulting about information system software	14	14	1,000	0.01	14	(4,343)	-	Note 2
HCVC	IUT	Taiwan	Developing, manufacturing and selling ink-jet print heads and ink-jet digital image output technology	9	9	1,000	0.01	9	(14,546)	-	Note 2
HCVC	ONYX	Taiwan	Designing, manufacturing and selling medical computers	11,325	13,748	191,650	1.05	8,567	57,569	-	Note 2
HMI	EMC	Taiwan	Designing, manufacturing and selling computer peripheral spare parts	26,375	26,375	2,623,888	8.44	39,778	37,132	-	Note 2
HMI	ASMEDIA	Taiwan	Designing, developing and manufacturing high-speed analog circuit	15,327	15,327	2,281,028	4.01	55,366	99,759	-	Note 2
HMI	AAEON	Taiwan	Manufacturing and selling industrial computers and computer peripherals	464,099	464,099	8,359,000	8.71	505,347	287,435	-	Note 2
HMI	UPI	Taiwan	Designing, developing and selling integrated circuits	64,500	64,500	4,500,000	4.99	33,639	(11,549)	-	Note 2
HMI	JPX	Taiwan	Designing and selling computer peripheral spare parts	4,800	4,800	480,000	6.86	1,178	(4,682)	-	Note 2
HMI	ONYX	Taiwan	Designing, manufacturing and selling medical computers	13,748	13,748	232,650	1.28	10,400	57,569	-	Note 2
AGA	AGAHL	Samoa Islands	Investing in computer peripherals business	32,976	32,976	1,000,000	100.00	4,807	(444)	-	Note 2
AGA	AGAHK	Hong Kong	Investing in computer peripherals business	71,794	71,794	18,820,000	100.00	-	(3)	-	Note 2
AAEON	AAEONEI	U.S.A	Selling industrial computers and computer peripherals	149,058	158,025	490,000	100.00	167,091	(10,527)	-	Note 2
AAEON	AAEONDI	British Virgin Islands	Investing in industrial computers and computer peripherals business	17,030	18,375	559,822	100.00	44,139	826	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing in industrial computers and interface cards business	267,912	291,468	8,807,097	100.00	261,145	3,049	-	Note 2
AAEON	AAEONEU	Netherlands	Selling industrial computers and computer peripherals	3,472	3,390	-	100.00	43,841	6,164	-	Note 2
AAEON	AAEONI	Taiwan	Investing in industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	131,305	6,681	-	Note 2
AAEON	ONYX	Taiwan	Designing, manufacturing and selling medical computers	44,662	44,662	8,924,253	49.07	390,010	57,569	-	Note 2
AAEON	LITEMAX	Taiwan	Selling computer peripherals	70,218	70,218	5,015,050	14.69	78,042	40,469	-	Note 2
AAEONDI	AAEONSG	Singapore	Selling industrial computers and computer peripherals	9,698	9,782	438,840	94.20	44,512	914	-	Note 2
AAEONEU	AAEONG	Germany	Selling industrial computers and computer peripherals	10,416	10,170	-	100.00	14,654	976	-	Note 2
ONYX	ONYXHU	U.S.A	Selling medical computers and peripherals	60,840	64,500	200,000	100.00	62,558	6,215	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing medical computers and peripherals	3,472	3,390	100,000	100.00	8,961	782	-	Note 2
UPI	UBIQ	Taiwan	Designing, developing and selling integrated circuits	190,784	190,784	20,000,000	100.00	192,579	(11,218)	-	Note 2
UPI	UPIHK	Hong Kong	Investing in integrated circuits technical support consulting service business	110,904	97,088	3,600,000	100.00	3,057	(13,779)	-	Note 2
UBIQ	JPDJP	Japan	Designing and developing integrated circuits	18,005	18,005	1,400	100.00	25,473	3,781	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing in internet service business	19,935	19,935	-	100.00	209	(217)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Operation and Maintenance service for information hardware	18,065	18,065	-	100.00	2,634	306	-	Note 2
ASUSCLOUD	ASUSLC	Taiwan	Selling internet information service	5,000	5,000	500,000	50.00	3,131	(1,703)	-	Note 2
AIL	DDL	British Virgin Islands	Investing in computer peripherals business	347,457	368,360	11,422,000	100.00	349,213	1,660	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing in 3C business	913,604	968,564	30,033,000	100.00	35,802,297	287,044	-	Note 2
AIL	UHL	Cayman Islands	Investing in automotive electronics and computer peripherals business	197,730	209,625	6,500,000	100.00	86,279	7,305	-	Note 2
AIL	POTIXC	Cayman Islands	Designing and training WEB application software	30,420	32,250	5,000,000	22.22	23,658	8,268	-	Note 2
CHANNEL	ASTP	Singapore	Investing in 3C business	912,676	967,581	44,419,424	100.00	41,323,716	97,295	-	Note 2
CHANNEL	ACAE	United Arab Emirates	3C products marketing support and repair in Middle East	849	900	1	20.00	2,455	1,668	-	Note 2
CHANNEL	ACEG	Egypt	3C products marketing support in Egypt	1	1	-	0.07	1	(85)	-	Note 2
CHANNEL	ASID	Indonesia	Repairing 3C products in Asia-pacific and America	456	484	15,000	1.00	392	352	-	Note 2
CHANNEL	ACTH	Thailand	3C products marketing support in Thailand	-	-	1	-	-	1,206	-	Note 2
ASTP	ACG	Germany	Selling 3C products and marketing support in Germany	2,881	3,055	-	100.00	127,001	4,890	-	Note 2
ASTP	ACF	France	3C products marketing support in France	1,517	1,608	5,300	100.00	35,019	2,818	-	Note 2
ASTP	ACUK	U.K.	3C products marketing support in United Kingdom	2,745	2,910	50,000	100.00	35,172	3,019	-	Note 2

				Original Investment Amount		Balance as of June 30, 2017					
Investor Company	Investee Company	Location	Main Businesses	June 30, 2017	December 31, 2016	Shares	Percentage of Ownership	Carrying Value	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
ASTP	ACHK	Hong Kong	3C products marketing support and repair in Hong Kong	1,957	2,075	500,000	100.00	8,184	876	-	Note 2
ASTP	ACKR	South Korea	3C products marketing support and repair in South Korea	38,138	40,432	358,433	100.00	63,593	1,344	-	Note 2
ASTP	ACSG	Singapore	Repairing 3C products in Singapore	385	409	20,002	100.00	4,836	3,041	-	Note 2
ASTP	ACPL	Poland	3C products marketing support in Poland	493	523	1,000	100.00	47,732	1,129	-	Note 2
ASTP	ACIN	India	3C products marketing support and repair in India	251,496	266,626	20,134,400	100.00	245,054	21,720	-	Note 2
ASTP	ACNL	Netherlands	Selling 3C products	17,710	18,775	375,000	100.00	383,638	(36,509)	-	Note 2
ASTP	ACVN	Vietnam	Repairing 3C products in Vietnam	2,434	2,580	-	100.00	12,939	1,617	-	Note 2
ASTP	ACIT	Italy	3C products marketing support in Italy	558,097	591,671	-	100.00	17,610	3,244	-	Note 2
ASTP	ACAE	United Arab Emirates	3C products marketing support and repair in Middle East	3,346	3,548	4	80.00	9,818	1,668	-	Note 2
ASTP	ACIB	Spain	3C products marketing support in Spain	18	19	3,000	100.00	32,693	870	-	Note 2
ASTP	ACJP	Japan	Selling 3C products in Japan	74,457	78,936	20,500	100.00	115,341	32,271	-	Note 2
ASTP	ACCZ	Czech Republic	3C products marketing support in Czech Republic	2,521	2,672	-	100.00	13,607	523	-	Note 2
ASTP	ACEG	Egypt	3C products marketing support in Egypt	760	806	-	99.93	1,718	(85)	-	Note 2
ASTP	ACCZS	Czech Republic	Repairing 3C products in Europe	8,691	9,213	-	99.59	75,516	1,724	-	Note 2
ASTP	ASAU	Australia	Repairing 3C products in Australia	29,364	31,131	950,000	100.00	35,877	(10,552)	-	Note 2
ASTP	ACAU	Australia	3C products marketing support in Australia	10,976	11,636	350,000	100.00	40,046	3,486	-	Note 2
ASTP	ACBZ	Brazil	Selling 3C products in Brazil	5,995,809	6,356,503	549,442,769	100.00	4,941,412	423,145	-	Note 2
ASTP	ASIN	India	Selling 3C products in India	206,171	218,574	33,499,999	100.00	70,800	74,230	-	Note 2
ASTP	ACIL	Israel	3C products marketing support in Israel	395	419	50,000	100.00	1,822	539	-	Note 2
ASTP	ACPE	Peru	3C products marketing support in Peru	12	13	990	99.00	1,508	269	-	Note 2
ASTP	ASID	Indonesia	Repairing 3C products in Asia-pacific and America	45,174	47,891	1,485,000	99.00	38,763	352	-	Note 2
ASTP	ACMH	Mexico	Selling 3C products in Mexico	114,484	121,371	50,608	99.00	-	(64,241)	-	Note 2 and 3
ASTP	ACMX	Mexico	3C products marketing support in Mexico	305	323	130	99.00	5,418	1,649	-	Note 2
ASTP	ACCO	Colombia	3C products marketing support in Columbia	913	968	74,489	100.00	958	285	-	Note 2
ASTP	ACTH	Thailand	3C products marketing support in Thailand	14,370	15,235	19,998	100.00	15,359	1,206	-	Note 2
ASTP	ACZA	South Africa	3C products marketing support and repair in Africa	2	-	1,000	100.00	788	(3,546)	-	Note 2
ACNL	ACHU	Hungary	3C products marketing support and repair in Hungary	1,736	1,695	-	100.00	7,570	488	-	Note 2
ACNL	ACPT	Portugal	3C products marketing support in Portugal	1,042	1,017	30,000	100.00	9,039	258	-	Note 2
ACNL	ACCH	Switzerland	3C products marketing support in Switzerland	7,935	7,747	3,400	100.00	21,921	598	-	Note 2
ACNL	ACN	Sweden	3C products marketing support in North Europe	1,106	1,080	3,000	100.00	51,961	3,182	-	Note 2
ACNL	ACBZ	Brazil	Selling 3C products in Brazil	314	307	26,231	-	16	423,145	-	Note 2
ACNL	ASIN	India	Selling 3C products in India	-	-	1	-	-	74,230	-	Note 2
ACNL	ACPE	Peru	3C products marketing support in Peru	-	-	10	1.00	15	269	-	Note 2
ACNL	ACMH	Mexico	Selling 3C products in Mexico	1,049	1,024	512	1.00	-	(64,241)	-	Note 2 and 3
ACNL	ACTH	Thailand	3C products marketing support in Thailand	-	-	1	-	-	1,206	-	Note 2
ACMH	ACMX	Mexico	3C products marketing support in Mexico	4	5	2	1.00	55	1,649	-	Note 2
UHL	UEI	Taiwan	Manufacturing and selling automotive electronics and computer peripherals	196,139	207,939	21,300,000	100.00	86,218	7,304	-	Note 2
AHL	NEXTS	Cayman Islands	Investing in cloud computing service business	87,886	87,886	8,560,974	43.48	82,571	(6,294)	-	Note 2

Note 1：Original investment amount excludes other interest originated from shareholders' stock trust which was distributed to employees.

Note 2：According to regulation, the share of profits/losses of the investee company is not reflected herein.

Note 3：Credit balance of investments accounted for using equity method is transferred to other liabilities - non-current.

Note 4：Amount denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2017 to June 30, 2017, otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017

Table 9

(Amounts in thousands of new Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Losses) of the Investee Company	Percentage of Ownership	Investment Income (Loss) Recognized in Current Period (Note 2 c)	Carrying Amount as of June 30, 2017 (Note 2 c and 3)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling 3C products in China	246,402	b	246,402	-	-	246,402	(199,750)	100.00	(199,750)	-	-	ASTP Invesed
ACS	3C products repairing support	60,840	b	60,840	-	-	60,840	1,881	100.00	1,881	64,235	-	ASTP Invesed
ACSZ	Researching and developing 3C products	1,490,580	b	1,490,580	-	-	1,490,580	73,147	100.00	73,147	2,567,515	-	ASTP Invesed
ACCQ	Selling 3C products in China	2,098,980	b	2,098,980	-	-	2,098,980	(212,627)	100.00	(212,627)	4,157,210	-	ASTP Invesed
ACISZ	Leasing real estate	499,342	c	-	-	-	-	(1,580)	100.00	(1,580)	456,988	-	-
ASKEYSH	Developing and selling communication products	91,260	b	91,260	-	-	91,260	(8,017)	100.00	(8,017)	4,162	-	MIC Invested
ASKEYJS	Manufacturing and selling communication products	2,737,800	b	2,737,800	-	-	2,737,800	(67,738)	100.00	(67,738)	3,629,821	-	MAGICOM Invested
ASKEYMWJ	Manufacturing and selling communication products	91,260	b	91,260	-	-	91,260	556	100.00	556	91,251	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling industrial computers and interface cards	264,358	b	264,358	-	-	264,358	3,251	100.00	3,251	269,886	-	AAEONTCL Invested
ONYXSH	Selling medical computers and peripherals	36,504	a	21,294	15,210	-	36,504	(6,775)	100.00	(6,775)	4,830	-	-
EMES	Developing, selling and consulting about information system software	9,126	a	9,126	-	-	9,126	374	100.00	374	9,746	-	-
UPISZ	Integrated circuits marketing support and technical service	8,366	b	8,366	-	-	8,366	257	100.00	257	2,192	-	UPIHK Invested
ASUSCLOUDTJ	Selling internet service	18,647	b	18,647	-	-	18,647	(128)	100.00	(128)	126	-	ASUSCLOUDSG Invested
9SKY HANGZHOU	Manufacturing and serving data storage media	91,260	c	5,215	-	-	5,215	-	5.71	-	-	-	-
9SKY SHANGHAI	Manufacturing and serving data storage media	30,420	c	1,388	-	-	1,388	-	5.71	-	-	-	-
EOSTEK SHENZHEN	Smart TV and projector platform service	212,940	c	54,513	-	-	54,513	-	19.85	-	-	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	4,523,528 USD 148,702	5,935,016 USD 195,102	104,301,214
ASKEY	3,315,780 USD 109,000	3,315,780 USD 109,000	3,709,701
AAEON	264,358 USD 8,690	264,358 USD 8,690	1,944,925
SWI	9,126 USD 300	10,343 USD 340	104,152
UPI	8,366 USD 275	8,366 USD 275	404,413
ASUSCLOUD	18,647 USD 613	18,647 USD 613	55,446
ONYX	36,504 USD 1,200	36,504 USD 1,200	487,848

Note 1：The methods for engaging in investment in Mainland China include the following:

a. Direct investment in Mainland China.

b. Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

c. Other methods.

Note 2：The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.

b. The financial statements was audited and certificated by independent auditors of the parent company in Taiwan.

c. Others.

Note 3：Credit balance of investments accounted for under equity method of ACSH is transferred to other liabilities - non-current.

Note 4：AGASZ completed the liquidation procedures and cancelled business registration in the first quarter of 2017.

Note 5：Amount denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2017 to June 30, 2017, otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period.