

WPG HOLDINGS LIMITED

2017 ANNUAL SHAREHOLDERS' MEETING

MEETING MINUTES

(Translation)

Date: June 19, 2017

WPG HOLDINGS LIMITED
2017 Annual Shareholders' Meeting Minutes

Time & Date: 9:00 a.m., June 19, 2017

Place: B1, 76, Chenggong Road, Nangang District, Taipei City, Taiwan

Quorum: The Shareholders present in person or by proxy collectively held 1,528,299,861 Shares, including 932,037,336 Shares voted via electronic transmission, representing 87.56% of the total 1,745,420,665 issued and outstanding Shares.

Directors Present: Simon Huang, K.D. Tseng, T.L. Lin, Mike Chang, K.Y. Chen, Frank Yeh, Fullerton Technology Co. (Representative : Richard Wu), Rong-Ruey Duh (Independent Director), Jack J. T. Huang (Independent Director), Yung-Hong Yu (Independent Director). 10 members of the Board of Directors (Including 3 Independent Directors) are present.

Chairman: Simon Huang, the Chairman of the Board of Directors

Recorder: Vicky Kuo

I. Chairman's Address (omitted)

II. Reports

1. The Business Report of 2016. (see Attachment I)
2. Audit Committee's review report. (see Attachment II)
3. Report on 2016 employees' compensation and directors' compensation.
4. The first issue of Domestic Unsecured Convertible Bonds. (see Attachment III)

III. Resolutions

1. To accept 2016 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

- (1) WPG HOLDINGS LIMITED 2016 Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Audrey Tseng

and Lin, Chun-Yao, of PricewaterhouseCoopers, Taiwan.
 (2) 2016 Business Report, Independent Auditors' Report, and the above-mentioned Financial Statements are attached hereto as Attachments I, IV and V.

Voting Results:

Shares present at the time of voting: 1,527,529,918 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,347,667,146 votes (752,516,430 votes)	88.23%
Votes against:	802,263 votes (802,263 votes)	0.05%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	179,060,509 votes (178,718,643 votes)	11.72%

* including votes casted electronically (number in brackets)

RESOLVED, that the 2016 Business Report and Financial Statements be and hereby were accepted as proposed.

- To approve the Proposal for Distribution of 2016 Profits (Proposed by the Board of Directors)

Explanation:

- The Board has adopted a Proposal for Distribution of 2016 Profits in accordance with the Company Act and Articles of Incorporation. Please refer to the 2016 PROFIT DISTRIBUTION TABLE below.

**WPG HOLDINGS LIMITED
2016 PROFIT DISTRIBUTION TABLE**

(Unit: NTD\$)

Beginning retained earnings	5,487,128,189
ADD : 2016 Net profit after tax	5,312,875,252
LESS : Adjustment for the retained	(65,915,041)

earnings in 2016 (Note1)	
LESS : 10% legal reserve (Note2)	(531,287,525)
Distributable net profit	10,202,800,875
Distributable items:	
Cash Dividends to Common Share (NT\$2.4 Holders per share)	4,178,311,349
Unappropriated retained earnings(Note3)	6,024,489,526

Note1 : Refer to the actuarial losses on defined benefit plans, amounted to NT\$65,915,041.

Note2 : NT\$5,312,875,252 * 10% = NT\$531,287,525.

Note3 : The priority of earning distribution for the current year, as Article 66-9 of Income Tax Act is applied, shall be distributing the earnings in 2016. As Article 66-6 of Income Tax Act is applied, the priority shall be distributing the earnings of the year 1998 and of each ensuing year thereafter.

- (2) From the Company's accumulated undistributed retained earnings in 2016, NT\$4,178,311,349 is proposed to be distributed as dividend. The cash dividend per share reached NT\$2.4 (rounded down to the basic unit of currency "Yuan", and the total amount of the fractional sums should be listed as other income in our business's ledger). Upon the approval of the Shareholders Meeting, it is proposed to distribute such amount as cash dividend, and to authorize the Board of Directors to resolve the ex-dividend date and other relevant matters.
- (3) After the dividends distribution proposals have been resolved at the shareholders' meeting, the chairman may be authorized to make other arrangements for the ex-dividend date, ex-rights date, and other relevant issues. (Please refer to the circular letter No. 10002407180 issued by Ministry of Economic Affairs, R.O.C. of April 7, 2011)
- (4) Adoption of the proposal for authorizing plenary authority to the chairman approved by shareholders' meeting held in accordance with the company acts or relevant laws and regulations to deal with changes in dividend payout ratio, that have been impacted by the number of outstanding shares, which is caused by the changes in the company's capital stock.

Voting Results:

Shares present at the time of voting: 1,527,735,153 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,353,091,708 votes	88.57%

	(758,647,992 votes)	
Votes against:	7,263 votes (7,263 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	174,636,182 votes (173,382,081 votes)	11.43%

* including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby were accepted as proposed.

IV. Discussion Matters

1. Amendments to the operational procedures for acquisition and disposal of assets.
(Proposed by the Board of Directors)

Explanation:

In coordinating with the amendments to the laws and the demand for actual operation, the proposed amendments of operational procedures for acquisition and disposal of assets are for discussion in the shareholders' meeting of the company. The detailed contents are provided in the comparison table for the amendments before and after revision. (see Attachment VI)

Voting Results:

Shares present at the time of voting: 1,527,750,153 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,322,999,747 votes (728,556,031 votes)	86.60%
Votes against:	7,264 votes (7,264 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	204,743,142 votes (203,474,041 votes)	13.40%

* including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby were accepted as proposed.

V. Election

1. 5th Board of Directors Election (Proposed by the Board of Directors)

Explanation:

- (1) The term of the Directors of the 4th Board will be end on June 17, 2017. Accordingly, the company proposes to duly elect the Directors of the 5th Board members including 11 directors, 3 of which will be independent directors, at this year's Annual Meeting of Shareholders.
- (2) The new directors of the 5th Board will immediately take up the post upon being elected in the general shareholder's meeting on 2017. The three-year term will be from June 19, 2017 to June 18, 2020. The term of the 4th Board Directors will end after the completion of the election held at the 2017 shareholders' meeting.
- (3) According to Articles of Incorporation, directors shall be elected from the nomination list prepared by the company. The list setting forth the education, experiment and additional resources of nominated directors is attached herewith.

(Non-Independent Director, in the order of the number of strokes in name)

Name	Education and professional qualification	Experience	Shares
LIN,TSAY-LIN	Department of Electronics and Engineering, National Taipei University of Technology	Chairman of WPG Investment Co., Ltd General Manager, World Peace Industrial Group	24,951,707
HUANG,WEI-HSIANG	Department of Engineering Science, National Cheng-Kung University	Chairman of WPG Chairman of Genuine C&C Inc.	46,512,508
CHEN, KOU-YUAN	Department of Electro physics, National Chiao-Tung University	Chairman, Silicon Application Corporation (SAC) Director, Apollo Electronics Limited Director, Jia-Yang Biotechnology Co., Ltd Director, Leadsun New Star Corp.	5,015,933
CHANG,JUNG-KANG	Department of Electronics and Engineering, National Taipei University of Technology	Chairman, World Peace Industrial Group (WPI Group) Director (Representative of legal entity), Genuine C&C Inc. Supervisor, Taipei Electronic Components Suppliers' Association (TECSA) General Manager of Far-east Region, Chips & Technologies Executive Manager, Texas Instruments (TI)	27,358,674

Name	Education and professional qualification	Experience	Shares
TSUNG ,KUO-TUNG	Department of Electronics Engineering, National Taiwan Ocean University	Chairman, Yosun Group Vice Chairman, WPG Holdings Limited Chairman, Taipei Electronic Components Suppliers' Association (TECSA)	10,494,000
YEH,FU-HAI	Department of Electronics Engineering, Feng-Chia University	CEO, WPG Holdings Limited CEO, Asian Information Technology (AIT) Independent Director, BenQ Materials Chairman, eChannelOpen Inc. General Manager, Arrow Electronics Chairman, Shuang-Meng Tech. Inc. Vice Presiden, Acer	1,300,584
Fullerton Technology Co. (Representative : WU, CHANG-CHING)	Department of Electronic Engineering, Feng-Chia University	Chairman & General Manager, Fullerton Technology Co. ,Ltd Representative to the Board, Imagemore Co. ,Ltd Representative to the Board, Leader Entertainment Co. ,Ltd Representative to the Board, Spire Technology Limited Representative to the Board, D-cinema Technology Co., Ltd. Chairman, Bestek Corp.	45,135,951
SHAW,SHUNG-HO	Master Degree of Business Administration, National Cheng-Chi University	Senior Partner, AsiaVest Partners Chairman, Liang Xin Finance Co., Ltd	406,618

(Independent Director, in the order of the number of strokes in name)

Name	Education and professional qualification	Experience	Shares
Yung-Hong Yu	PH.D., Sun Yat-Sen University, China MBA, Colorado State University	President, AID Management Consulting Independent Director, Fullerton Technology Co. Enterprise Tutor, Wuhan University, Shenzhen High-Tech Park General Manager, AI Management Consulting Ltd. Governor, IMA Executive Director, Ernst & Young Business Advisory Service	0
Rong-Ruey Duh	Ph.D., Accounting in Minnesota Universities MBA, National Cheng-Chi University	Professor, Department of Accounting, National Taiwan University. Chairman, Accounting Research and Development Foundation. Director General, Taiwan Accounting Association	0
Jack, J. T. Huang	S.J.D. Harvard University LL.M. Northwestern University	Partner, Jones Day Taipei Partner-in-Charge, Jones Day Taipei Independent Director, Taiwan Mobile Independent Director, WPG Holdings Limited	0

	LL.B., National Taiwan University Bar Admissions : Taiwan and New York	Independent Director, SYSTEX Corporation Representative to the Board, Yulon Motor	
--	--	--	--

ELECTION RESULT:

Title	Nominees		Votes Received
	Shareholder No.	Name	
Director	1	HUANG,WEI-HSIANG	1,157,775,858
Director	134074	TSUNG ,KUO-TUNG	1,070,805,555
Director	2	LIN,TSAY-LIN	1,063,408,570
Director	5	CHANG,JUNG-KANG	1,048,976,559
Director	14	YEH,FU-HAI	1,027,425,369
Director	3	CHEN, KOU-YUAN	1,015,505,615
Director	4	Fullerton Technology Co. (Representative : WU, CHANG-CHING)	1,003,312,728
Director	11	SHAW,SHUNG-HO	989,825,193
Independent Director	7	Jack, J. T. Huang	855,745,614
Independent Director	73824	Rong-Ruey Duh	846,933,075
Independent Director	73828	Yung-Hong Yu	842,545,213

VI. Other Matters

1. To release the prohibition on directors from participation in competitive business.
(Proposed by the Board of Directors)

Explanation:

- (1) In accordance with the regulations stipulated in Article 209 of the Company Act, a director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent. After the election, the new directors could make a proposal for release the prohibition from participation in competitive business at the shareholders meeting
- (2) For the new directors and the representatives thereof, it is proposed to release their non-competition restrictions, the list is attached herewith.

Elected Position	Name	Part-time Position	Position	Position
Director	LIN,TSAY-LIN	Trigold Holdings Limited (Tentative)	Director (Representative)	Elected

Director	CHEN,KOU-YUAN	Trigold Holdings Limited (Tentative)	Director (Representative)	Elected
		LeadSun New Star Corp.	Director	Elected and Assuming Post
Director	HUANG,WEI-HSIANG	Trigold Holdings Limited (Tentative)	Director (Representative)	Elected
Director	TSUNG,KUO-TUNG	Trigold Holdings Limited (Tentative)	Director (Representative)	Elected
		JUN YUE INVESTMENT CO., LTD.	Director (Representative)	Elected and Assuming Post
		Ability I Venture Capital Corporation	Director (Representative)	Elected and Assuming Post
		Ability Venture management CO.,LTD.	Director	Elected and Assuming Post

Voting Results:

For release of prohibition on Director LIN, TSAY-LIN from participation in competitive business:

Shares present at the time of voting: 1,502,798,446 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,196,917,187 votes (627,425,178 votes)	79.65%
Votes against:	968,259 votes (968,259 votes)	0.06%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	304,913,000 votes (303,643,899 votes)	20.29%

* including votes casted electronically (number in brackets)

For release of prohibition on Director CHEN, KOU-YUAN from participation in competitive business:

Shares present at the time of voting: 1,522,734,220 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,216,852,961 votes (627,425,178 votes)	79.91%
Votes against:	968,477 votes (968,477 votes)	0.06%

Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	304,912,782 votes (303,643,681 votes)	20.02%

* including votes casted electronically (number in brackets)

For release of prohibition on Director HUANG, WEI-HSIANG from participation in competitive business:

Shares present at the time of voting: 1,481,237,645 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,171,613,372 votes (623,682,164 votes)	79.10%
Votes against:	4,711,477 votes (4,711,477 votes)	0.32%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	304,912,796 votes (303,643,695 votes)	20.59%

* including votes casted electronically (number in brackets)

For release of prohibition on Director TSUNG, KUO-TUNG from participation in competitive business:

Shares present at the time of voting: 1,517,256,153 Shares

Voting Results*		% of the total Shares present
Votes in favor:	1,211,374,881 votes (627,425,165 votes)	79.84%
Votes against:	968,478 votes (968,478 votes)	0.06%
Votes invalid:	0 votes (0 votes)	0.00%
Votes abstained:	304,912,794 votes (303,643,693 votes)	20.10%

* including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby were accepted as proposed.

VII. Questions and Motion: None.

VIII. Adjournment

(This 2017 AGM Minutes set forth the main points of the meeting. For actual record of meeting procedure and contents, the video recording of the meeting shall prevail.)

Attachment I

Business Report

Benefited from the correct product layout, growing productivity as well as the continuity of operation expansion, we continue to be distributor of electronics components in 2016 and outrun our competitors in the ranking, become the most dominating professional distributor of semiconductor components in the world. Our franchised product lines for the reputable brands include leading semiconductor company—Intel, TI, SAMSUNG, NXP, TOSHIBA and others, is more than 250 semi-conductor brands. The current sales offices are mainly in Taiwan, China, Hong Kong and Southern Asia, with an increasing extension to over 120 locations in East Northern Asia, The Association of Southeast Asian Nations (ASEAN), India, and North America. Among the 120 locations, annual revenue of North America has broken 250 million dollars, beginning to make a profit. Regarding the growth of worldwide semiconductor industry in 2017, these three areas including mobile communication, automotive electronics, and industrial electronics are going to be the towers of the strength in the market. WPG Holdings is still good at understanding the market growth opportunities after many years of active allocation and hard work. In the market with growing application environment, we continue to provide value-added supply chain management services, competitive components, products and turnkey solution to help our clients develop and invest in future markets, and to create a win-win situation with our suppliers and clients.

1. The Review of 2016

Our consolidated revenue and Net cash inflow from operating in 2016 both hit the record high and reached NT\$536.91 billion (US\$16.7 billion) and NT\$7.6 billion respectively. Operating income hit the second highest and was around NT\$7.97 billion and net profit after tax reached NT\$5.31 billion. Basic EPS was NT\$3.18. Return on Working Capital (ROWC), the key performance indicator, was 8.44%, and ROE was 10.77%.

Over the past one year, those 3C products like 3G and 4G high-end mobile phones, affordable smartphones, wireless broadband and cloud servers became the main products for shipping in 2016. Non-3C products such as automotive electronics, industrial electronics and power saving performed sustained sales growth. The number of employees was about 5,400, among them were Field Application Engineer (FAE) team members, occupied 15%. They offered up to 404 "online program" items like product marketing, operations and supply chain support in other areas. Global supply chain supported approximately 505 VMI logistics projects, carrying out the One-Stop service, providing customers with higher added

value services.

Our **corporate governance** was ranked among the top 20% of public companies for two consecutive years, and selected as the stocks of " TWSE **Corporate Governance 100 Index** ". In 2016 we have moved up 79 places to 1735 on the Forbes Global 2000, and ranked up to the second place among the Top 600 Service Enterprises on the Common Wealth Magazine Top 2000 Survey. We also received the '2016 Award of Excellence for Electronic Component Distributors: Top 10 Overseas Authorized Distributor' from Electronics Supply and Manufacturing China (ESM China) in a row. Those achievements prove that our provision of value-added services in semiconductor supply chain has been deeply appreciated by our clients, suppliers, and investor.

2. The Outlook for 2017

In 2017 the WPG Holding Group will continue to renew the organization, **product-line** combinations and management system by increasing per capita output, controlling operating assets and raising after-tax profit as the main strategic objectives to maximize the output and efficiency. Our main strategy of this year is illustrated as the following:

- **Financial Indicator** : We will strive for increasing the net profit after tax and efficiently controlling the operating expenses. We will set the Return on Working Capital (ROWC) as the Group's key financial indicator, actively improve the operating efficiency of **product-line** and strengthen the management of the accounts receivable and collateral. We also ensure the asset quality and liquidity, strong capital structure and profitability to improve return on equity and dividend payment.
- **Actively Allocate and Expand The Market** : In response to the trend of upstream factory integration, we will actively inspect the related product lines and the change of customer domain in order to expand the market influence. Focusing on the target market, we will strive for information collection, analysis and coordination. Through integrating the Group's strengths, we will develop various solutions for resource utilizing or product line and business cooperation. The efficiency of front-end business could optimize the whole business process through systematization and the risk management setting. We will improve the quality of our customer service, expand market influence and increase the penetration rate in the global market. Focusing on Taiwan's target clients, we will optimize management capacity and keep pursuing the goal of output. We strictly

control the process of overseas business development and resource allocation, and aim at providing services for global clients.

- **Enhancing Portfolio Management** : The WPG networking platform will formally launch in 2017 Q3. We will build a customer platform with three areas, including networking program, electronic business, and a forum. To attract cooperators and participants cooperating on the platform, activate the group program, and maximize the efficiency and the opportunity of market match, we will build information flow of the platform with application program and platformize the program. When running the platform, we will focus on the high growth industries, such as internet of things, internet of vehicles, robot, and VR. We will also build money flow and logistic flow of the platform through personalized electronic business and platformize the service, solving the minute pain point for customers. With forum operation techniques and knowledge sharing communities, we could build customer loyalty and habits. We will keep promoting the brand to enhance customer perceived value, work hard at the brand image in the market, promote in-depth exchanges, and create the customer long-term value.
- **Operation Risk Management** : In 2016 the modified version of “WPG Holdings Risk Management Policies and Guidelines” had the approval, confirming the risk management organization, authority, and function. We established the risk management group which holds the quarterly meeting to report the risk management. In June of the same year, “The Risk Management Operating Procedures of WPG Holdings Limited” had the approval, specifying the content of WPG holdings risk management to execute the risk management activities effectively. We have established a dedicated risk management department since 2017 and keep deepening the risk management affairs. The key affairs include the establishment of human resources management indicators and mechanism, optimization of legal process, enhancement of legal risk consciousness, integration and strengthen of credit management function, and management of trade compliance.
- **Cultivation of Talent and Employee Relations** : The cultivation of high-end talent will continue the direction of platform strategic discussion and operating strategy of data analytics in 2016. In 2017, we will make an allocation based on the practical action and the strategy, vitalize academic-industry cooperation, and help the executives establish more proactive and innovative mindset and knowledge. The main strategy of the cores training will be the enhancement of decision making ability, including facilitating decision making process with big data

analytics and conceiving operating strategy toward the executives. Furthermore, we will assist colleagues of each unit in achieving performance goals and raising the output value and build a working atmosphere that brings colleagues and teams toward high enthusiasm, high morale positive development.

■ Integration Information Processes and Platform : Continuing the mis2.0 three-year work plan (Mobility 、 Intelligence 、 Simplicity) proposed in 2016, mis2.0 is proposed with Outside-In customer-oriented view, building the new platform for supply chain through enterprise digitization. For logistics boundary spanning management, we will continue the three-year work plan proposed in 2015 and conceive strategy objectives for the next three years : enhance overall efficiency, achieve quality target and improve customers satisfaction degree. We are looking forward to improve service quality and efficiency, and meet the needs of the overall operations of the company.

■ Corporate Governance and Corporate Social Responsibility(CSR) : As the degree of information transparency increases, WPG Holdings was ranked the top 20% in the corporate governance assessment. We will maintain the same goal in 2017. We will keep implementing the function of board of directors, audit committee, compensation committee, and the new business strategy committee, and authentically execute annual work plan. In 2017 the Corporate Social Responsibility and Sustainability Report (CSR) of WPG Holdings will concentrate on compiling “2016 WPG Holdings Corporate Social Responsibility and Sustainability Report”, building and promoting the strategic objectives for the next three years, and developing and promoting the training of “supply chain management” and academic-industry cooperation.

In the future, the company will have been serving as the global leader. WPG will create a common business ecosystem and enhance overall industry efficiency through the establishment of O2O+ and the long tail market platform. Through intelligentization of Industry 4.0 process, we can execute clicks-and-mortar strategies, analyze customer demands through data analysis, integrate upstream and downstream factories, activate supply chain management, create the innovative business model with supply chain finance, and then provide customers higher value-added services.

The Company's management team and colleagues express our deep gratitude to

all the members of our shareholders for your support and encouragement. For the coming year, we look forward to your guidance and advice. We will always hold our consistent business philosophy and service. The vision of WPG is “industry first, channel benchmark” by comprehensively promoting the core value of “team, integrity, professionalism and effectiveness”, and creates win-win outcomes among suppliers, customers and shareholders. We will demonstrate exceptional business results and share them with you.

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

Attachment II

AUDIT COMMITTEE'S REVIEW REPORT

The Board of Directors has prepared the Company's 2016 Business Report , Financial Statements , and proposal for allocation of profits. The aforementioned 2016 Business Report , Financial Statements , and proposal for allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee members of WPG HOLDINGS LIMITED. According to Article 14-4 、 14-5 of the Securities and Exchange Act and Article 219 of the Company Act , we hereby submit this report.

WPG HOLDINGS LIMITED AUDIT COMMITTEE

Independent Director DUH, RONG-RUEY

Independent Director HUANG, JIH-TSAN

Independent Director YU, YUNG HONG

APRIL 25 , 2017

Attachment III

The first issue of Domestic Unsecured Convertible Bonds

1. The Board resolved on issuing the convertible bonds domestically to raise working capital on May 13th, 2014. The issuance has been approved in Letter Jing Guan Zheng Fa Zi No. 1030025140 by Financial Supervisory Commission on July 9th, 2014 and Letter Zheng Gui Zhai Zi No. 1030400476 by Taipei Exchange on July 22nd, 2014.
2. The convertible bonds have been issued for capital raising on July 25th, 2014. The total of NT\$6 billion unsecured convertible bonds has been launched of the par value of NT\$100,000. The coupon interest rate is 0% and the bonds have 3 years to maturity.
3. NT\$2,982,000 bonds have not been converted to common stock by March 28th, 2017.

Attachment IV

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

Opinion

We have audited the accompanying balance sheets of WPG Holdings Limited (the “Company”) as at December 31, 2016 and 2015, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment assessment of investments accounted for under equity method

Description

Please refer to Note 4(9) for accounting policy on investments accounted for under equity method,

Note 5(2) for uncertainty of accounting estimates and assumptions in relation to impairment assessment of investments accounted for under equity method, and Note 6(3) for details of investments accounted for under equity method.

In 2010, the Company acquired 100% shareholding of Yosun Industrial Corp. (referred herein as “Yosun Industrial”) amounting to \$12,939,060 thousand, and was recognized as investments accounted for under equity method. The Company uses the estimated future cash flows of each cash-generating unit and proper discount rate to assesses whether the investment may be impaired. Given that the assumptions used in the calculation of recoverable amount requires significant management judgement with respect to the discount rate and the underlying cash flows, we consider impairment assessment of the investment a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Assessing the process in which management evaluate the estimated future cash flows of each cash generating unit, and reconciling the input data used in the valuation model to the approved operational plan by management.
2. Evaluating the reasonableness of the estimated growth rate, gross rate, discount rate and other significant assumptions used in the valuation model, by:
 - (1) Comparing estimated growth rate and gross rate with historical data and our knowledge of the business and industry;
 - (2) Comparing discount rate assumptions with respect to cash generating units’ capital cost and similar return on assets; and
 - (3) Checking the setting of valuation model’s calculation formula.
3. Comparing the recoverable value and book value of each cash-generating unit.

Impairment assessment of investments accounted for under equity method

Description

Please refer to Note 4(9) for accounting policy on investments accounted for under equity method, and Note 6(3) for details of investments accounted for under equity method.

As at December 31, 2016, the balance of the Company’s investments in its subsidiaries, World Peace

Industrial Co., Ltd. (referred herein as “World Peace Industrial”), Yosun Industrial, Silicon Application Corp. (referred herein as “Silicon Application”) and Asian Information Technology Inc. (referred herein as “Asian Information Technology”) amounted to \$20,412,332 thousand, \$17,121,577 thousand, \$6,347,038 thousand and \$5,993,227 thousand, respectively, and the investment income amounted to \$2,185,322 thousand, 1,136,892 thousand, \$585,802 thousand and \$1,351,453 thousand, respectively for the year then ended. As the balance of investments accounted for under equity method constituted 88% of the Company’s total assets, and investment income constituted 97% of the Company’s profit before tax, we consider the assessment of investments accounted under using equity method, valuation of allowance for uncollectible accounts receivable, and recognition of purchase discounts and allowances of these subsidiaries as key audit matters as summarized below:

Valuation of allowance for uncollectible accounts receivable - World Peace Industrial, Yosun Industrial, Silicon Application and Asian Information Technology (collectively referred herein as the “Subsidiaries”)

Description

Please refer to Note 4(9) of consolidated financial statements for accounting policy on accounts receivable, Note 5(2) of consolidated financial statements for uncertainty of accounting estimates and assumptions in relation to provision for uncollectible accounts receivable, and Notes 6(5)(16) of consolidated financial statements for details of accounts receivable and overdue receivables.

The Subsidiaries assess the collectibility of accounts receivable based on historical experience with its customers. As the estimation of allowance for uncollectible accounts is subject to management’s judgment in estimating future recovery, such as management’s assessment of customer’s credit risk, we consider the valuation of allowance for uncollectible accounts receivable a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtaining an understanding of, and evaluating the formal approval process for the customer’s credit limit application.
2. Checking whether the provision policy on allowance for uncollectible accounts was consistently applied for comparative periods, and assessing the reasonableness of provision policy.
3. Comparing the classification of accounts receivable aging with current year and prior year, and checking subsequent collections after balance sheet date to confirm recovery of outstanding receivables.
4. For those accounts receivable specifically identified by management to have been impaired, evaluating propriety of impairment assessment against related supporting documents.

Recognition of purchase discounts and allowances - subsidiaries

Description

Please refer to Note 4(12) of the consolidated financial statements for accounting policy on recognition of purchase discounts and allowances.

The Subsidiaries are engaged in operating sales channel for various electronic components. In line with industry practice, the Subsidiaries have entered into purchase discounts and allowances agreements with suppliers for various kinds and quantities of inventories. The Subsidiaries calculate and recognize the amount of purchase discounts and allowances in accordance with the agreement. The Subsidiaries negotiate the amount with the supplier, and after receiving credit note from supplier, the Subsidiaries pay the net amount.

The discounts and allowances from supplier are calculated either automatically by the system or manually. The Subsidiaries have to gather a lot of information to input in the system, such as the items subject to discount and corresponding discount rate, etc. Given that the Subsidiaries have a large volume of purchases, and has entered into various purchase discounts and allowances agreements with terms and conditions that vary with each agreement, we consider the recognition of purchase discounts and allowances a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Understanding the process in recognizing purchase discounts and allowances, evaluating related internal control procedures and testing its effectiveness, checking the basic information set up in the computer system with respect to discount and allowance calculation randomly, and selecting samples to determine whether purchase discounts and allowances recognized were reviewed by an authorized supervisor.
2. Selecting samples of purchase discounts and allowances, obtaining confirmed documents and approved credit note from supplier for selected commodity's part number, and checking whether the part number and discount and allowance amount in obtained vouchers were consistent with the amounts recognized.
3. Performing confirmation of selected material accounts payable, checking whether there is a difference between the amount of purchase discounts and allowances recognized based on credit note from supplier with the amount confirmed by the supplier, and investigating differences, if any. Selecting samples of outstanding accounts payable and checking whether subsequent payments were made after the balance sheet date.

Responsibilities of management and those charged with governance for financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the financial statements to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tseng, Audrey

Lin, Chun-Yao

for and on behalf of PricewaterhouseCoopers, Taiwan
March 28, 2017

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

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

WPG HOLDINGS LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2016		December 31, 2015	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 33,676	-	\$ 28,481	-
1180	Accounts receivable - related parties, net	7	9,165	-	66,760	-
1200	Other receivables		55	-	814	-
1210	Other receivables - related parties	7	295,002	1	327,771	1
1410	Prepayments		12,785	-	14,695	-
1470	Other current assets		499	-	4,022	-
11XX	Total current assets		<u>351,182</u>	<u>1</u>	<u>442,543</u>	<u>1</u>
Non-current assets						
1543	Financial assets carried at cost – non-current	6(2)	310,032	1	243,164	-
1550	Investments accounted for under equity method	6(3) and 8	54,845,435	97	56,377,857	98
1600	Property, plant and equipment	6(4)	25,097	-	27,233	-
1760	Investment property, net	6(5) and 8	726,089	1	731,429	1
1780	Intangible assets	6(6)	18,969	-	11,858	-
1840	Deferred income tax assets	6(22)	15,930	-	4,226	-
1900	Other non-current assets		10	-	10,615	-
15XX	Total non-current assets		<u>55,941,562</u>	<u>99</u>	<u>57,406,382</u>	<u>99</u>
1XXX	Total assets		<u>\$ 56,292,744</u>	<u>100</u>	<u>\$ 57,848,925</u>	<u>100</u>

(Continued)

WPG HOLDINGS LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2016		December 31, 2015		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	6(8)	\$ 660,000	1	\$ 1,866,000	3
2110	Commercial papers payable	6(9)	899,333	2	899,665	2
2150	Notes payable		1,547	-	-	-
2200	Other payables		221,418	-	218,501	-
2220	Other payables - related parties	7	125,811	-	12,652	-
2230	Current income tax liabilities		448,830	1	556,672	1
2300	Other current liabilities	6(10)(11)	3,603,259	7	50,023	-
21XX	Total current liabilities		<u>5,960,198</u>	<u>11</u>	<u>3,603,513</u>	<u>6</u>
Non-current liabilities						
2530	Bonds payable	6(10)	-	-	5,875,383	10
2540	Long-term borrowings	6(11) and 8	453,118	1	499,583	1
2570	Deferred income tax liabilities	6(22)	45,124	-	67,257	-
2600	Other non-current liabilities	6(12)	36,423	-	32,769	-
25XX	Total non-current liabilities		<u>534,665</u>	<u>1</u>	<u>6,474,992</u>	<u>11</u>
2XXX	Total liabilities		<u>6,494,863</u>	<u>12</u>	<u>10,078,505</u>	<u>17</u>
Equity						
Capital						
3110	Share capital - common stock	6(13)	17,238,954	30	16,557,092	29
3130	Certificates of bond-to-stock conversion	6(10)	2,938	-	-	-
Capital surplus						
3200	Capital surplus	6(14)	16,901,053	30	15,187,178	26
Retained earnings						
3310	Legal reserve	6(15)	4,012,785	7	3,470,739	6
3350	Unappropriated earnings		10,734,088	19	10,002,877	17
Other equity interest						
3400	Other equity interest		908,063	2	2,553,776	5
3500	Treasury stocks	6(13)	-	-	(1,242)	-
3XXX	Total equity		<u>49,797,881</u>	<u>88</u>	<u>47,770,420</u>	<u>83</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 56,292,744</u>	<u>100</u>	<u>\$ 57,848,925</u>	<u>100</u>

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

WPG HOLDINGS LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	Items	Notes	2016		2015	
			Amount	%	Amount	%
4000	Operating revenues	6(16) and 7	\$ 6,062,201	100	\$ 6,383,519	100
5000	Operating costs	6(6)(20)(21) and 7	(542,386)	(9)	(557,452)	(9)
5900	Gross profit		<u>5,519,815</u>	<u>91</u>	<u>5,826,067</u>	<u>91</u>
	Non-operating income and expenses					
7010	Other income	6(5)(17)	21,157	-	21,213	1
7020	Other gains or losses	6(18)	(17,753)	-	869	-
7050	Financial costs	6(19)	(106,812)	(2)	(115,899)	(2)
7000	Total non-operating income and expenses		<u>(103,408)</u>	<u>(2)</u>	<u>(93,817)</u>	<u>(1)</u>
7900	Income before income tax		5,416,407	89	5,732,250	90
7950	Income tax expense	6(22)	(103,532)	(1)	(311,781)	(5)
8200	Profit for the year		<u>\$ 5,312,875</u>	<u>88</u>	<u>\$ 5,420,469</u>	<u>85</u>
	Other comprehensive income / (loss), net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Loss on remeasurement of defined benefit plan	6(12)	(\$ 4,057)	-	(\$ 5,722)	-
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive loss that will not be reclassified to profit or loss		(62,549)	(1)	(131,906)	(2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	<u>690</u>	<u>-</u>	<u>973</u>	<u>-</u>
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		<u>(65,916)</u>	<u>(1)</u>	<u>(136,655)</u>	<u>(2)</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(265,863)	(4)	78,033	1
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will be reclassified to profit or loss		(1,425,047)	(24)	1,505,248	23
8399	Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(22)	<u>45,197</u>	<u>-</u>	<u>(13,266)</u>	<u>-</u>
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>(1,645,713)</u>	<u>(28)</u>	<u>1,570,015</u>	<u>24</u>
8300	Other comprehensive (loss) income, net		<u>(\$ 1,711,629)</u>	<u>(29)</u>	<u>\$ 1,433,360</u>	<u>22</u>
8500	Total comprehensive income		<u>\$ 3,601,246</u>	<u>59</u>	<u>\$ 6,853,829</u>	<u>107</u>
	Earnings per share (In dollars)					
9750	Basic earnings per share	6(23)	<u>\$ 3.18</u>		<u>\$ 3.27</u>	
9850	Diluted earnings per share	6(23)	<u>\$ 2.96</u>		<u>\$ 3.04</u>	

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

WPG HOLDINGS LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Share Capital			Retained Earnings			Other Equity			Total equity
		Common stock	Certificates of bond conversion	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	
2015											
Balance at January 1, 2015		\$ 16,557,092	\$ -	\$ 15,185,802	\$ 2,890,021	\$ 1,937,752	\$ 7,501,303	\$ 908,749	\$ 75,012	\$ -	\$ 45,055,731
Appropriations of 2014 net income (Note 1)	6(15)										
Legal reserve		-	-	-	580,718	-	(580,718)	-	-	-	-
Reversal of special reserve		-	-	-	-	(1,937,752)	1,937,752	-	-	-	-
Cash dividends		-	-	-	-	-	(4,139,274)	-	-	-	(4,139,274)
Change in capital reserve	6(14)	-	-	1,376	-	-	-	-	-	-	1,376
Treasury stocks received through acquisition of subsidiary	6(13)	-	-	-	-	-	-	-	-	(1,589)	(1,589)
Changes in market price of treasury stock received through acquisition of subsidiary	6(13)	-	-	-	-	-	-	-	-	347	347
Net income		-	-	-	-	-	5,420,469	-	-	-	5,420,469
Other comprehensive income		-	-	-	-	-	(136,655)	1,666,001	(95,986)	-	1,433,360
Balance at December 31, 2015		<u>\$ 16,557,092</u>	<u>\$ -</u>	<u>\$ 15,187,178</u>	<u>\$ 3,470,739</u>	<u>\$ -</u>	<u>\$ 10,002,877</u>	<u>\$ 2,574,750</u>	<u>(\$ 20,974)</u>	<u>(\$ 1,242)</u>	<u>\$ 47,770,420</u>
2016											
Balance at January 1, 2016		\$ 16,557,092	\$ -	\$ 15,187,178	\$ 3,470,739	\$ -	\$ 10,002,877	\$ 2,574,750	(\$ 20,974)	(\$ 1,242)	\$ 47,770,420
Appropriations of 2015 net income (Note 2)	6(15)										
Legal reserve		-	-	-	542,046	-	(542,046)	-	-	-	-
Cash dividends		-	-	-	-	-	(3,973,702)	-	-	-	(3,973,702)
Change in capital reserve	6(14)	-	-	158	-	-	-	-	-	-	158
Disposal of company's share by subsidiaries recognized as treasury share transactions	6(14)	-	-	(5)	-	-	-	-	-	1,242	1,237
Exercise of convertible bonds	6(10)(13)	681,862	2,938	1,713,722	-	-	-	-	-	-	2,398,522
Net income		-	-	-	-	-	5,312,875	-	-	-	5,312,875
Other comprehensive loss		-	-	-	-	-	(65,916)	(1,656,599)	10,886	-	(1,711,629)
Balance at December 31, 2016		<u>\$ 17,238,954</u>	<u>\$ 2,938</u>	<u>\$ 16,901,053</u>	<u>\$ 4,012,785</u>	<u>\$ -</u>	<u>\$ 10,734,088</u>	<u>\$ 918,151</u>	<u>(\$ 10,088)</u>	<u>\$ -</u>	<u>\$ 49,797,881</u>

Note 1: The directors' and supervisors' remuneration in the amount of \$33,323 and employees' compensation in the amount of \$20,892 have been deducted in the income statement for 2014.

Note 2: The directors' and supervisors' remuneration in the amount of \$30,000 and employees' compensation in the amount of \$12,238 have been deducted in the income statement for 2015 and the difference in employees' compensation by \$8,654 was adjusted in the income statement for the year ended December 31, 2016.

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

WPG HOLDINGS LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2016	2015
<u>Cash flows from operating activities</u>			
Income before income tax		\$ 5,416,407	\$ 5,732,250
Adjustments to reconcile net income to net cash provided by operating activities:			
Income and expenses			
Depreciation	6(20)	24,116	24,028
Amortization	6(20)	8,959	10,976
Gain on disposal of investments	6(18)	-	(14,483)
Impairment loss	6(18)	7,985	5,200
Interest expense	6(19)	29,754	33,438
Interest income	6(17)	(157)	(377)
Share of profit of associates and joint ventures accounted for under the equity method		(5,466,609)	(5,815,228)
Amortisation of bond discount	6(19)	72,461	79,243
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts receivable - related parties, net		57,595	(10,745)
Other receivables		759	(759)
Other receivables - related parties		586,483	470,369
Prepayments		1,910	(4,339)
Other current assets		3,523	1,815
Changes in operating liabilities			
Notes payable		1,547	-
Other payables		5,708	29,709
Other payables - related parties		3,159	7,392
Other current liabilities		(555)	45,792
Other non-current liabilities		(403)	1,398
Cash inflow generated from operations		752,642	595,679
Interest received		157	377
Dividends received		5,251,968	4,157,693
Interest paid		(30,201)	(32,970)
Income tax paid		(753,038)	(626,311)
Net cash provided by operating activities		<u>5,221,528</u>	<u>4,094,468</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets carried at cost		(74,853)	(128,364)
Acquisition of investments accounted for under the equity method		(5,000)	(1,120,876)
Acquisition of property, plant and equipment	6(24)	(17,093)	(4,895)
Acquisition of intangible assets	6(24)	(17,961)	(10,186)
Decrease in refundable deposits		3,105	509
Decrease (increase) in prepayments for equipment		7,500	(7,500)
Net cash used in investing activities		<u>(104,302)</u>	<u>(1,271,312)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings		12,425,000	13,226,000
Decrease in short-term borrowings		(13,631,000)	(12,019,000)
(Decrease) increase in commercial papers payable		(332)	149,836
Increase in other payables - related parties		150,000	-
Decrease in other payables - related parties		(40,000)	-
Decrease in long-term borrowings (including current portion of long-term borrowings)		(41,997)	(45,417)
Distribution of cash dividends	6(15)	(3,973,702)	(4,139,274)
Net cash used in financing activities		<u>(5,112,031)</u>	<u>(2,827,855)</u>
Net increase (decrease) in cash and cash equivalents		5,195	(4,699)
Cash and cash equivalents at beginning of year		<u>28,481</u>	<u>33,180</u>
Cash and cash equivalents at end of year		<u>\$ 33,676</u>	<u>\$ 28,481</u>

Attachment V

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

Opinion

We have audited the accompanying consolidated balance sheets of WPG Holdings Limited and its subsidiaries (the “Group”) as at December 31, 2016 and 2015, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment assessment of goodwill

Description

Please refer to Note 4(18) for accounting policy on goodwill impairment, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Notes 6(14)(15) for details of goodwill impairment.

The Group acquired shares of stock of target companies by cash or through exchange of shares of stock. The purchase price is allocated to the net identifiable assets acquired at fair value in accordance with the accounting policies on business combinations. The Group uses the estimated future cash flows of each cash-generating unit and proper discount rate to determine recoverable amount of goodwill, and assesses whether goodwill may be impaired. Given that the assumptions used in the calculation of recoverable amount requires significant management judgement with respect to the discount rate and the underlying cash flows, we consider impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

4. Assessing the process in which management evaluate the estimated future cash flows of each cash generating unit, and reconciling the input data used in the valuation model to the approved operational plan by management.
5. Evaluating the reasonableness of the estimated growth rate, gross rate, discount rate and other significant assumptions used in the valuation model, by:
 - (4) Comparing estimated growth rate and gross rate with historical data and our knowledge of the business and industry;
 - (5) Comparing discount rate assumptions with respect to cash generating units' capital cost and similar return on assets; and
 - (6) Checking the setting of valuation model's calculation formula.
6. Comparing the recoverable value and book value of each cash-generating unit.

Valuation of allowance for uncollectible accounts receivable

Description

Please refer to Note 4(9) for accounting policy on accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to provision for uncollectible accounts receivable, and Notes 6(5)(16) for details of accounts receivable and overdue receivables.

The Group assesses the collectibility of accounts receivable based on historical experience with its customers. As the estimation of allowance for uncollectible accounts is subject to management's

judgment in estimating future recovery, such as management's assessment of customer's credit risk, we consider the valuation of allowance for uncollectible accounts receivable a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

5. Obtaining an understanding of, and evaluating the formal approval process for the customer's credit limit application.
6. Checking whether the provision policy on allowance for uncollectible accounts was consistently applied for comparative periods, and assessing the reasonableness of provision policy.
7. Comparing the classification of accounts receivable aging with current year and prior year, and checking subsequent collections after balance sheet date to confirm recovery of outstanding receivables.
8. For those accounts receivable specifically identified by management to have been impaired, evaluating propriety of impairment assessment against related supporting documents.

Recognition of purchase discounts and allowances

Description

Please refer to Note 4(12) for accounting policy on recognition of purchase discounts and allowances. The Group is engaged in operating sales channel for various electronic components. In line with industry practice, the Group has entered into purchase discounts and allowances agreements with suppliers for various kinds and quantities of inventories. The Group calculates and recognizes the amount of purchase discounts and allowances in accordance with the agreement. The Group negotiates the amount with the supplier, and after receiving credit note from supplier, the Group pays the net amount.

The discounts and allowances from supplier are calculated either automatically by the system or manually. The Group has to gather a lot of information to input in the system, such as the items subject to discount and corresponding discount rate, etc. Given that the Group has a large volume of purchases, and has entered into various purchase discounts and allowances agreements with terms and conditions that vary with each argument, we consider the recognition of purchase discounts and allowances a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Understanding the process in recognizing purchase discounts and allowances, evaluating related internal control procedures and testing its effectiveness, checking the basic information set up in the

computer system with respect to discount and allowance calculation randomly, and selecting samples to determine whether purchase discounts and allowances recognized were reviewed by an authorized supervisor.

2. Selecting samples of purchase discounts and allowances, obtaining confirmed documents and approved credit note from supplier for selected commodity's part number, and checking whether the part number and discount and allowance amount in obtained vouchers were consistent with the amounts recognized.
3. Performing confirmation of selected material accounts payable, checking whether there is a difference between the amount of purchase discounts and allowances recognized based on credit note from supplier with the amount confirmed by the supplier, and investigating differences, if any. Selecting samples of outstanding accounts payable and checking whether subsequent payments were made after the balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of WPG Holdings Limited as at and for the years ended December 31, 2016 and 2015.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

7. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tseng, Audrey

Lin, Chun-Yao

for and on behalf of PricewaterhouseCoopers, Taiwan

March 28, 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 generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the review of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and review report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

<u>ASSETS</u>	<u>Notes</u>	<u>December 31, 2016</u>		<u>December 31, 2015</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Current Assets</u>					
Cash and cash equivalents	6(1)	\$ 8,456,912	5	\$ 9,446,642	5
Financial assets at fair value through profit or loss - current	6(2)	38,458	-	62,266	-
Available-for-sale financial assets - current	6(3)	23,107	-	35,786	-
Notes receivable, net	6(4)	7,573,363	4	6,511,976	4
Accounts receivable, net	6(5)	84,973,871	47	85,440,433	48
Accounts receivable - related parties, net	7(2)	229,918	-	319,058	-
Other receivables	6(7)	11,199,852	6	9,178,333	5
Other receivables - related parties	7(2)	23,419	-	95,876	-
Current income tax assets		213,314	-	1,033	-
Inventories	6(8)	49,927,165	28	50,295,037	28
Prepayments		1,260,716	1	2,801,241	1
Other current assets	8	<u>1,350,639</u>	<u>1</u>	<u>1,299,731</u>	<u>1</u>
		<u>165,270,734</u>	<u>92</u>	<u>165,487,412</u>	<u>92</u>
<u>Non-current Assets</u>					
Available-for-sale financial assets - non-current	6(9) and 8	331,974	-	335,296	-
Financial assets carried at cost - non-current	6(10)	508,479	-	468,031	-
Investments in debt instrument without active market - non-current		-	-	5,000	-
Investments accounted for under the equity method	6(11)	1,132,325	1	555,054	1
Property, plant and equipment	6(12) and 8	4,278,658	3	4,656,320	3
Investment property, net	6(13) and 8	1,217,131	1	1,141,609	1
Intangible assets	6(14)	5,599,944	3	5,671,154	3
Deferred income tax assets	6(32)	347,333	-	335,020	-
Other non-current assets	6(16) and 8	<u>328,368</u>	<u>-</u>	<u>396,969</u>	<u>-</u>
		<u>13,744,212</u>	<u>8</u>	<u>13,564,453</u>	<u>8</u>
<u>TOTAL ASSETS</u>		<u>\$ 179,014,946</u>	<u>100</u>	<u>\$ 179,051,865</u>	<u>100</u>

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	Notes	December 31, 2016		December 31, 2015	
		Amount	%	Amount	%
Current Liabilities					
Short-term borrowings	6(17)	\$ 52,854,073	29	\$ 54,575,352	30
Short-term notes and bills payable	6(18)	4,202,919	2	3,708,197	2
Financial liabilities at fair value through profit or loss	6(2)				
- current		5,686	-	26,719	-
Notes payable		415,080	-	727,694	-
Accounts payable		47,829,951	27	44,513,040	25
Accounts payable - related parties	7(2)	12,679	-	2,121	-
Other payables		4,542,499	3	5,055,168	3
Current income tax liabilities		670,663	-	889,808	1
Other current liabilities	6(19)(20)	<u>11,753,868</u>	<u>7</u>	<u>2,087,756</u>	<u>1</u>
		<u>122,287,418</u>	<u>68</u>	<u>111,585,855</u>	<u>62</u>
Non-current Liabilities					
Bonds payable	6(19)	-	-	5,875,383	3
Long-term borrowings	6(20)	5,196,441	3	12,126,659	7
Deferred income tax liabilities	6(32)	432,481	-	442,058	-
Other non-current liabilities		<u>781,157</u>	<u>1</u>	<u>704,152</u>	<u>1</u>
		<u>6,410,079</u>	<u>4</u>	<u>19,148,252</u>	<u>11</u>
Total Liabilities		<u>128,697,497</u>	<u>72</u>	<u>130,734,107</u>	<u>73</u>
Equity Attributable to Owners of Parent					
Capital	1 and 6(22)				
Common stock		17,238,954	10	16,557,092	9
Certificate of bond conversion		2,938	-	-	-
Capital reserve	6(23)				
Capital reserve		16,901,053	9	15,187,178	8
Retained earnings	6(24)				
Legal reserve		4,012,785	2	3,470,739	2
Undistributed earnings	6(32)	10,734,088	6	10,002,877	6
Other equity interest	6(25)	908,063	1	2,553,776	2
Treasury share	6(22)	-	-	(1,242)	-
Total equity attributable to owners of parent		49,797,881	28	47,770,420	27
Non-controlling interests		<u>519,568</u>	<u>-</u>	<u>547,338</u>	<u>-</u>
Total equity		<u>50,317,449</u>	<u>28</u>	<u>48,317,758</u>	<u>27</u>
Significant contingent liabilities and unrecognised contract commitments	9				
Significant events after the balance sheet date	11				
TOTAL LIABILITIES AND EQUITY		<u>\$ 179,014,946</u>	<u>100</u>	<u>\$ 179,051,865</u>	<u>100</u>

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2016		2015	
		Amount	%	Amount	%
Operating revenues	6(26) and 7(2)	\$ 536,918,813	100	\$ 515,536,489	100
Operating costs	6(8) and 7(2)	(514,322,994)	(96)	(494,086,240)	(96)
Gross profit		<u>22,595,819</u>	<u>4</u>	<u>21,450,249</u>	<u>4</u>
Operating expenses	6(30)(31) and 7(2)				
Selling and marketing		(8,256,394)	(2)	(8,110,873)	(2)
General and administrative		(6,363,532)	(1)	(4,865,261)	(1)
Total operating expenses		(14,619,926)	(3)	(12,976,134)	(3)
Operating income		<u>7,975,893</u>	<u>1</u>	<u>8,474,115</u>	<u>1</u>
Non-operating income and expenses					
Other income	6(27)	363,975	-	274,780	-
Other gains or losses	6(28)	(161,360)	-	(152,836)	-
Financial costs	6(29)	(1,554,035)	-	(1,467,904)	-
Share of profit of associates and joint ventures accounted for under equity method		<u>63,751</u>	<u>-</u>	<u>25,288</u>	<u>-</u>
Total non-operating income and expenses		(1,287,669)	-	(1,320,672)	-
Income before income tax		6,688,224	1	7,153,443	1
Income tax expense	6(32)	(1,337,626)	-	(1,717,511)	-
Consolidated net income		<u>\$ 5,350,598</u>	<u>1</u>	<u>\$ 5,435,932</u>	<u>1</u>
Other comprehensive income (loss), net					
Components that will not be reclassified to profit or loss					
Remeasurement arising on defined benefit plans	6(21)	(\$ 82,437)	-	(\$ 166,704)	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method - Components that will not be reclassified to profit or loss		(109)	-	-	-
Income tax relating to components that will not be reclassified to profit or loss	6(32)	<u>14,015</u>	<u>-</u>	<u>28,340</u>	<u>-</u>
Total components that will not be reclassified to profit or loss		(68,531)	-	(138,364)	-

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2016		2015	
		Amount	%	Amount	%
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		(\$ 1,701,788)	-	\$ 1,720,216	-
Unrealised gain (loss) on available-for-sale financial assets	6(25)	10,886	-	(95,986)	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(9,440)	-	(911)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(32)	45,869	-	(12,285)	-
Total components of other comprehensive income (loss) that will be reclassified to profit or loss		(1,654,473)	-	1,611,034	-
Total other comprehensive income (loss), net		(\$ 1,723,004)	-	\$ 1,472,670	-
Total comprehensive income		\$ 3,627,594	1	\$ 6,908,602	1
Consolidated net income attributable to:					
Owners of parent		\$ 5,312,875	1	\$ 5,420,469	1
Non-controlling interests		37,723	-	15,463	-
		\$ 5,350,598	1	\$ 5,435,932	1
Comprehensive income attributable to:					
Owners of parent		\$ 3,601,246	1	\$ 6,853,829	1
Non-controlling interests		26,348	-	54,773	-
		\$ 3,627,594	1	\$ 6,908,602	1
Earnings per share (in dollars)					
Basic earnings per share	6(33)	\$	3.18	\$	3.27
Diluted earnings per share	6(33)	\$	2.96	\$	3.04

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Attributable to owners of the Company											Non-controlling interest	Total equity
		Share capital			Retained earnings				Other equity interest		Treasury stocks	Total		
		Common stock	Certificates of bond conversion	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealized gain or loss on available-for-sale financial assets					
2015														
Balance at January 1, 2015		\$ 16,557,092	\$ -	\$ 15,185,802	\$ 2,890,021	\$ 1,937,752	\$ 7,501,303	\$ 908,749	\$ 75,012	\$ -	\$ 45,055,731	\$ 61,951	\$ 45,117,682	
Distribution of retained earnings for 2014	6(24)													
Legal reserve		-	-	-	580,718	-	(580,718)	-	-	-	-	-	-	
Special reserve		-	-	-	-	(1,937,752)	1,937,752	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(4,139,274)	-	-	-	(4,139,274)	-	(4,139,274)	
Changes in capital reserve	6(23)	-	-	1,376	-	-	-	-	-	-	1,376	-	1,376	
Treasury stocks received through acquisition of subsidiary	6(22)	-	-	-	-	-	-	-	-	(1,589)	(1,589)	-	(1,589)	
Market fluctuation of treasury stocks received through acquisition of subsidiary	6(22)	-	-	-	-	-	-	-	-	347	347	-	347	
Total consolidated profit		-	-	-	-	-	5,420,469	-	-	-	5,420,469	15,463	5,435,932	
Net other comprehensive income (loss)	6(25)	-	-	-	-	-	(136,655)	1,666,001	(95,986)	-	1,433,360	39,310	1,472,670	
Effect of changes in consolidated entities		-	-	-	-	-	-	-	-	-	-	422,196	422,196	
Effect of non-controlling interests		-	-	-	-	-	-	-	-	-	-	8,418	8,418	
Balance at December 31, 2015		<u>\$ 16,557,092</u>	<u>\$ -</u>	<u>\$ 15,187,178</u>	<u>\$ 3,470,739</u>	<u>\$ -</u>	<u>\$ 10,002,877</u>	<u>\$ 2,574,750</u>	<u>(\$ 20,974)</u>	<u>(\$ 1,242)</u>	<u>\$ 47,770,420</u>	<u>\$ 547,338</u>	<u>\$ 48,317,758</u>	
2016														
Balance at January 1, 2016		\$ 16,557,092	\$ -	\$ 15,187,178	\$ 3,470,739	\$ -	\$ 10,002,877	\$ 2,574,750	(\$ 20,974)	(\$ 1,242)	\$ 47,770,420	\$ 547,338	\$ 48,317,758	
Distribution of retained earnings for 2015	6(24)													
Legal reserve		-	-	-	542,046	-	(542,046)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(3,973,702)	-	-	-	(3,973,702)	-	(3,973,702)	
Changes in capital reserve	6(23)	-	-	158	-	-	-	-	-	-	158	-	158	
Disposal of company's share by subsidiaries recognized as treasury share transactions		-	-	(5)	-	-	-	-	-	1,242	1,237	-	1,237	
Exercise of convertible bonds		681,862	2,938	1,713,722	-	-	-	-	-	-	2,398,522	-	2,398,522	
Total consolidated profit		-	-	-	-	-	5,312,875	-	-	-	5,312,875	37,723	5,350,598	
Net other comprehensive income (loss)	6(25)	-	-	-	-	-	(65,916)	(1,656,599)	10,886	-	(1,711,629)	(11,375)	(1,723,004)	
Effect of changes in consolidated entities		-	-	-	-	-	-	-	-	-	-	(37,521)	(37,521)	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	(16,597)	(16,597)	
Balance at December 31, 2016		<u>\$ 17,238,954</u>	<u>\$ 2,938</u>	<u>\$ 16,901,053</u>	<u>\$ 4,012,785</u>	<u>\$ -</u>	<u>\$ 10,734,088</u>	<u>\$ 918,151</u>	<u>(\$ 10,088)</u>	<u>\$ -</u>	<u>\$ 49,797,881</u>	<u>\$ 519,568</u>	<u>\$ 50,317,449</u>	

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2016	2015
<u>Cash flows from operating activities</u>			
Income before income tax		\$ 6,688,224	\$ 7,153,443
Adjustments to reconcile consolidated net income to net cash provided by (used in) operating activities:			
Income and expenses			
Depreciation	6(30)	237,547	238,957
Amortisation	6(30)	36,978	95,734
Bad debts expense		2,824,552	684,795
Interest expense	6(29)	1,272,903	1,203,659
Net gain on financial assets or liabilities at fair value through profit or loss	6(28)	(6,527)	(5,763)
Interest income	6(27)	(33,221)	(34,576)
Dividend income	6(27)	(43,262)	(48,036)
Share of profit of associates and joint ventures accounted for under equity method		(63,751)	(25,288)
Loss (gain) on disposal of property, plant and equipment and investment property	6(28)	18,567	(13,413)
Gain on disposal of investments	6(28)	(16,017)	(60,764)
Impairment loss		120,099	51,995
Amortisation of bond discount	6(19)(29)	72,461	79,243
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		9,302	11,725
Notes receivable, net		(1,061,387)	(3,283,813)
Accounts receivable, net		(2,562,373)	(6,474,518)
Accounts receivable - related parties, net		89,140	(49,517)
Other receivables		(2,032,530)	(6,734,994)
Other receivables - related parties		91,840	73,543
Inventories		310,728	(2,116,463)
Prepayments		1,539,898	(613,527)
Other current assets		44,216	35,279
Changes in liabilities relating to operating activities			
Notes payable		(312,614)	288,782
Accounts payable		3,469,500	2,933,016
Accounts payable - related parties		10,320	63
Other payables		(429,362)	32,042
Other current liabilities		48,719	114,720
Cash inflow generated from (used in) operations		10,323,950	(6,463,676)
Interest paid		(1,343,353)	(1,242,268)
Income tax paid		(1,505,631)	(1,689,704)
Interest received		34,054	68,496
Dividends received		97,680	54,063
Net cash provided by (used in) operating activities		7,606,700	(9,273,089)
Acquisition of financial assets carried at cost - non-current		(\$ 120,423)	(\$ 138,364)
Acquisition of available-for-sale financial assets - non-current		-	(33,762)
Proceeds from disposal of available-for-sale financial assets - current		14,786	59,248

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Proceeds from disposal of available-for-sale financial assets - non-current	-	28,970
Proceeds from capital reduction of financial assets at cost - non-current	-	29,201
Proceeds from capital reduction of available-for-sale financial assets	9,182	-
Proceeds from disposal of financial assets carried at cost - non-current	30,825	21,813
Increase in other financial assets	(108,627)	(667,542)
Acquisition of investments accounted for under equity method	(610,051)	(3,000)
Proceeds from disposal of investments accounted for under equity method	-	51,610
Proceeds from disposal of property, plant and equipment	6,270	31,343
Acquisition of property, plant and equipment and intangible assets	6(36) (150,623)	(180,196)
Disposal of subsidiaries	6(36) (34,111)	(1,553)
Decrease in refundable deposits	61,946	26,001
Net cash flow from acquisition of subsidiaries	6(35) -	(51,299)
Proceeds from repayments of investments in debt instrument without active market	5,000	-
Proceeds from capital reduction of investments accounted for under equity method	50,389	-
Decrease in other non-current assets	11,491	36,199
Net cash used in investing activities	<u>(833,946)</u>	<u>(791,331)</u>
Cash flows from financing activities		
Increase in short-term borrowings	611,741,862	863,208,233
Decrease in short-term borrowings	(613,422,676)	(853,826,871)
Increase in long-term borrowings (including current portion of long-term liabilities)	49,163,886	25,902,997
Decrease in long-term borrowings (including current portion of long-term liabilities)	(49,962,134)	(24,135,401)
(Decrease) increase in non-controlling interests	(16,597)	8,418
Increase in short-term notes and bills payable	48,565,320	27,927,443
Decrease in short-term notes and bills payable	(48,070,598)	(28,307,012)
Decrease in other non-current liabilities	(5,432)	(11,601)
Shareholders' cash dividends paid	6(24) (3,973,702)	(4,139,274)
Net cash (used in) provided by financing activities	<u>(5,980,071)</u>	<u>6,626,932</u>
Effect of exchange rate changes on cash and cash equivalents	(1,782,413)	1,699,271
Net decrease in cash and cash equivalents	(989,730)	(1,738,217)
Cash and cash equivalents at beginning of year	<u>9,446,642</u>	<u>11,184,859</u>
Cash and cash equivalents at end of year	<u>\$ 8,456,912</u>	<u>\$ 9,446,642</u>

Attachment VI

Comparison Table for the “Procedures for Acquisition or Disposal of Assets” Before and After Revision

Original Article	Amended Article	Note
<p>ARTICLE 5</p> <p>The procedures for appraisal of acquisition or disposal of assets of this Company shall be as follows:</p> <p>1. In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report from a professional appraiser prior to the transaction and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>(2) Where the discrepancy between</p>	<p>ARTICLE 5</p> <p>The procedures for appraisal of acquisition or disposal of assets of this Company shall be as follows:</p> <p>1. In acquiring or disposing of real property or other fixed assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government <u>institution</u> agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report from a professional appraiser prior to the transaction and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</p> <p>(2) Where the discrepancy between the</p>	<p>Amendments are proposed for discussion in accordance with laws and regulations.</p>

Original Article	Amended Article	Note
<p>the appraisal results of professional appraisers and the transaction amount is more than 20 percent, except the circumstances where the valuation of acquiring asset is higher than the transaction amount or the appraisers and the transaction amount is more than 20 percent, except the circumstances where the valuation of acquiring asset is higher than the transaction amount or the</p> <p>(3) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. Where the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount, except the circumstances where the valuation of acquiring asset is higher than the transaction amount or the valuation of disposing asset is lower than transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly</p>	<p>appraisal results of professional appraisers and the transaction amount is more than 20 percent, except the circumstances where the valuation of acquiring asset is higher than the transaction amount or the appraisers and the transaction amount is more than 20 percent, except the circumstances where the valuation of acquiring asset is higher than the transaction amount or the</p> <p>(3) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. Where the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount, except the circumstances where the valuation of acquiring asset is higher than the transaction amount or the valuation of disposing asset is lower than transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price.</p> <p>(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly</p>	

Original Article	Amended Article	Note
<p>announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. Where the Company acquires or disposes of securities and the transaction amount is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. If the CPA requires an expert's opinion, it must be sought in accordance with the Statement on Auditing Standards No. 20 announced by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>3. In acquiring or disposing of memberships or other intangible assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, shall engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price prior to the transaction. The accountant must conduct it in accordance with the Statement on Auditing Standards No.</p>	<p>announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>2. Where the Company acquires or disposes of securities and the transaction amount is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price. If the CPA requires an expert's opinion, it must be sought in accordance with the Statement on Auditing Standards No. 20 announced by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>3. In acquiring or disposing of memberships or other intangible assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, shall engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price prior to the transaction. The accountant must conduct it in accordance with the Statement on Auditing Standards No.</p>	

Original Article	Amended Article	Note
<p>20.</p> <p>4. Acquisition or disposal of assets from or to a related party where the transaction amount reaches 10 percent or more of the company's total assets, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5. The calculations in the above four transactions must comply with Article 30-2 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". The one-year timeframe counts back from the day the transaction occurred. Transactions which have already been supported by expert's valuation or CPA's opinions can be excluded.</p> <p>6. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>7. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's</p>	<p>20.</p> <p>4. Acquisition or disposal of assets from or to a related party where the transaction amount reaches 10 percent or more of the company's total assets, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>5. The calculations in the above four transactions must comply with Article 30-2 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies". The one-year timeframe counts back from the day the transaction occurred. Transactions which have already been supported by expert's valuation or CPA's opinions can be excluded.</p> <p>6. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>7. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's</p>	

Original Article	Amended Article	Note
<p>opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	<p>opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p>	
<p>Article13 Procedure for Public Disclosure of Information</p> <p>1. Where this Company acquires or disposes of assets, and where it is required to be reported to the competent authority or announced, this Company shall handle in accordance with the relevant regulations. Where a Subsidiary of this Company is not a domestic public company, and where there are matters required to be announced or reported, this Company shall announce or report such on its behalf.</p> <p>2. When this Company is required to announce certain items, and at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the competent authority within two days from the day of</p>	<p>Article13 Procedure for Public Disclosure of Information</p> <p>1. Where this Company acquires or disposes of assets, and where it is required to be reported to the competent authority or announced, this Company shall handle in accordance with the relevant regulations. Where a Subsidiary of this Company is not a domestic public company, and where there are matters required to be announced or reported, this Company shall announce or report such on its behalf.</p> <p>2. When this Company is required to announce certain items <u>shall be handled in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" formulated by the competent securities authority or the relevant law.</u>, and at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.</p> <p>3. (Deleted)</p>	<p>Amendments are proposed for discussion in accordance with laws and regulations.</p>

Original Article	Amended Article	Note
<p>occurrence of the fact:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) The original content of the announcement and report has been modified.</p>		