

**ASE Technology Holding Co., Ltd.
and Subsidiaries**

**Consolidated Financial Statements for the
Three months Ended March 31, 2019 and 2018 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
ASE Technology Holding Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of ASE Technology Holding Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of March 31, 2019 and 2018, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews and the report of other auditors (please refer to the Other Matter paragraph), nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the share exchange was conducted on April 30, 2018 (date of incorporation) in accordance with the joint share exchange agreement at an exchange ratio of 1 ordinary share of Advanced Semiconductor Engineering, Inc. (ASE) for 0.5 ordinary share of the Company, and then the Company owned 100% shareholdings of ASE. The aforementioned share exchange transaction was an organization restructure under common control that the Company was essentially the continuation of ASE. The related assets and liabilities in the Company's consolidated financial statements before the date of incorporation were recognized based on the carrying amounts of those in ASE's consolidated financial statements. The consolidated financial statements of the Company for prior periods are prepared under the assumption that the Company owned 100% shareholdings of ASE at the very beginning.

Other Matter

We did not review the consolidated financial statements of Siliconware Precision Industries Co., Ltd. (SPIL), the Group's investment in which was accounted for (1) as a consolidated subsidiary as of and for the three months then ended March 31, 2019 and (2) as an investment accounted for using the equity method as of and for the three months then ended March 31, 2018, but such consolidated financial statements were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts included for SPIL, is based solely on the report of other auditors. The total assets of SPIL as of March 31, 2019 constituted 23% of the Group's consolidated total assets and the total revenues for the three months then ended March 31, 2019 of SPIL constituted 21% of the Group's consolidated total revenues. The accompanying consolidated financial statements of the Group included its investments accounted for using the equity method in SPIL constituting 13% of the Group's consolidated total assets as of March 31, 2018, and its share of profit or loss in SPIL constituting -12% of the Group's consolidated net profit for the three months then ended March 31, 2018.

The engagement partners on the reviews resulting in this independent auditors' review report are Jia-Ling Chiang and Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2019

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2019		December 31, 2018		March 31, 2018	
	(Reviewed)		(Audited)		(Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 59,316,576	11	\$ 51,518,436	10	\$ 43,146,012	12
Financial assets at fair value through profit or loss - current (Note 7)	7,821,532	2	7,262,227	1	6,319,393	2
Contract assets - current (Note 41)	4,114,276	1	4,488,500	1	2,093,529	1
Trade receivables, net (Note 10)	63,390,716	12	79,481,359	15	44,245,613	12
Other receivables	1,496,377	-	1,283,180	-	837,210	-
Current tax assets	480,861	-	524,263	-	305,440	-
Inventories (Note 11)	34,967,361	7	36,627,451	7	24,169,223	7
Inventories related to real estate business (Notes 12 and 36)	10,401,409	2	10,060,608	2	10,020,864	3
Other financial assets - current (Notes 13 and 36)	3,277,852	1	6,539,467	1	4,231,158	1
Other current assets	<u>3,565,861</u>	<u>1</u>	<u>3,773,384</u>	<u>1</u>	<u>2,633,341</u>	<u>1</u>
Total current assets	<u>188,832,821</u>	<u>37</u>	<u>201,558,875</u>	<u>38</u>	<u>138,001,783</u>	<u>39</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	899,182	-	636,231	-	194,091	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,783,789	-	1,597,323	-	1,801,104	-
Investments accounted for using the equity method (Note 14)	9,575,904	2	9,277,389	2	48,680,276	14
Property, plant and equipment (Notes 15, 26 and 37)	212,639,345	40	214,592,588	40	134,637,207	38
Right-of-use assets (Notes 3 and 16)	10,530,729	2	-	-	-	-
Investment properties (Notes 17, 26 and 36)	14,496,623	3	7,738,379	2	8,199,099	2
Goodwill (Notes 18 and 30)	49,324,496	9	49,318,641	9	9,900,462	3
Other intangible assets (Notes 19 and 26)	30,305,186	6	30,897,700	6	1,433,049	-
Deferred tax assets	4,959,503	1	5,108,357	1	4,242,865	1
Other financial assets - non-current (Notes 13 and 36)	1,026,557	-	1,044,294	-	179,028	-
Long-term prepayments for lease (Notes 20 and 36)	-	-	10,764,835	2	8,943,179	3
Other non-current assets	<u>947,793</u>	<u>-</u>	<u>836,591</u>	<u>-</u>	<u>668,271</u>	<u>-</u>
Total non-current assets	<u>336,489,107</u>	<u>63</u>	<u>331,812,328</u>	<u>62</u>	<u>218,878,631</u>	<u>61</u>
TOTAL	<u>\$ 525,321,928</u>	<u>100</u>	<u>\$ 533,371,203</u>	<u>100</u>	<u>\$ 356,880,414</u>	<u>100</u>

(Continued)

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	March 31, 2019		December 31, 2018		March 31, 2018	
	(Reviewed)		(Audited)		(Reviewed)	
	NT\$	%	NT\$	%	NT\$	%
CURRENT LIABILITIES						
Short-term borrowings (Note 21)	\$ 49,206,840	9	\$ 43,263,469	8	\$ 17,380,509	5
Financial liabilities at fair value through profit or loss - current (Note 7)	18,556	-	36,655	-	958,761	-
Financial liabilities for hedging - current (Note 34)	3,907,873	1	3,899,634	1	2,250,756	1
Trade payables	43,094,528	8	56,884,116	11	33,111,711	9
Other payables (Note 23)	28,795,220	6	31,003,882	6	20,768,807	6
Current tax liabilities	4,351,787	1	4,447,790	1	3,944,298	1
Lease liabilities - current (Note 16)	605,930	-	-	-	-	-
Current portion of long-term borrowings (Notes 21 and 36)	17,197,111	3	10,779,034	2	5,683,157	2
Other current liabilities	5,844,225	1	5,984,156	1	4,942,124	1
Total current liabilities	153,022,070	29	156,298,736	30	89,040,123	25
NON-CURRENT LIABILITIES						
Bonds payable (Note 22)	16,987,010	3	16,985,936	3	16,982,656	5
Long-term borrowings (Notes 21 and 36)	112,037,759	22	127,119,295	24	34,099,696	9
Deferred tax liabilities	5,781,949	1	5,806,713	1	5,680,273	2
Lease liabilities - non-current (Note 16)	5,357,791	1	-	-	-	-
Net defined benefit liabilities (Note 24)	5,100,803	1	5,118,677	1	3,897,768	1
Other non-current liabilities	1,137,912	-	1,371,302	-	1,152,527	-
Total non-current liabilities	146,403,224	28	156,401,923	29	61,812,920	17
Total liabilities	299,425,294	57	312,700,659	59	150,853,043	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Ordinary shares	43,216,294	8	43,201,486	8	87,373,067	25
Shares subscribed in advance	11,034	-	15,658	-	159,315	-
Total share capital	43,227,328	8	43,217,144	8	87,532,382	25
Capital surplus	143,515,159	27	143,275,213	27	39,905,181	11
Retained earnings						
Legal reserve	-	-	-	-	16,765,066	5
Special reserve	3,353,938	1	3,353,938	1	3,353,938	1
Unappropriated earnings	24,083,045	5	22,038,948	4	59,342,612	16
Total retained earnings	27,436,983	6	25,392,886	5	79,461,616	22
Other equity	(4,454,385)	(1)	(6,902,782)	(1)	(6,290,857)	(2)
Treasury shares	(1,959,107)	-	(1,959,107)	-	(7,363,815)	(2)
Equity attributable to owners of the Company	207,765,978	40	203,023,354	39	193,244,507	54
NON-CONTROLLING INTERESTS (Note 25)	18,130,656	3	17,647,190	2	12,782,864	4
Total equity	225,896,634	43	220,670,544	41	206,027,371	58
TOTAL	\$ 525,321,928	100	\$ 533,371,203	100	\$ 356,880,414	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 10, 2019)

(Concluded)

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2019		2018	
	NT\$	%	NT\$	%
OPERATING REVENUES (Note 41)	\$ 88,861,446	100	\$ 64,965,852	100
OPERATING COSTS (Notes 11 and 26)	<u>77,476,565</u>	<u>87</u>	<u>54,577,878</u>	<u>84</u>
GROSS PROFIT	<u>11,384,881</u>	<u>13</u>	<u>10,387,974</u>	<u>16</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	1,431,728	2	844,799	1
General and administrative expenses	3,704,661	4	2,452,258	4
Research and development expenses	<u>3,955,363</u>	<u>5</u>	<u>2,775,407</u>	<u>4</u>
Total operating expenses	<u>9,091,752</u>	<u>11</u>	<u>6,072,464</u>	<u>9</u>
PROFIT FROM OPERATIONS	<u>2,293,129</u>	<u>2</u>	<u>4,315,510</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 26)	308,270	-	233,360	-
Other gains, net (Note 26)	1,287,251	1	135,627	-
Finance costs (Note 26)	(1,099,590)	(1)	(464,459)	(1)
Share of the loss of associates and joint ventures	<u>(153,865)</u>	<u>-</u>	<u>(444,289)</u>	<u>-</u>
Total non-operating income and expenses	<u>342,066</u>	<u>-</u>	<u>(539,761)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	2,635,195	2	3,775,749	6
INCOME TAX EXPENSE (Note 27)	<u>404,891</u>	<u>-</u>	<u>1,420,012</u>	<u>2</u>
NET PROFIT FOR THE PERIOD	<u>2,230,304</u>	<u>2</u>	<u>2,355,737</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on equity investments at fair value through other comprehensive income	(2,847)	-	(34,888)	-
Share of other comprehensive income of associates and joint ventures	433,811	-	142,243	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	70,755	-
	<u>430,964</u>	<u>-</u>	<u>178,110</u>	<u>-</u>

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ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Year Ended December 31			
	2019		2018	
	NT\$	%	NT\$	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ 2,286,699	3	\$ 240,091	-
Unrealized loss on debt investments at fair value through other comprehensive income	(454)	-	(61,524)	-
Share of other comprehensive income of associates and joint ventures	20,108	-	99,398	-
	<u>2,306,353</u>	<u>3</u>	<u>277,965</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>2,737,317</u>	<u>3</u>	<u>456,075</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>\$ 4,967,621</u></u>	<u><u>5</u></u>	<u><u>\$ 2,811,812</u></u>	<u><u>4</u></u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,042,953	2	\$ 2,096,090	3
Non-controlling interests	<u>187,351</u>	<u>-</u>	<u>259,647</u>	<u>1</u>
	<u><u>\$ 2,230,304</u></u>	<u><u>2</u></u>	<u><u>\$ 2,355,737</u></u>	<u><u>4</u></u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,492,494	5	\$ 2,481,104	4
Non-controlling interests	<u>475,127</u>	<u>-</u>	<u>330,708</u>	<u>-</u>
	<u><u>\$ 4,967,621</u></u>	<u><u>5</u></u>	<u><u>\$ 2,811,812</u></u>	<u><u>4</u></u>
EARNINGS PER SHARE (4,239,599 thousand and 4,336,571 thousand shares were used in the computation of basic and diluted earnings per share, respectively, for the three months ended March 31, 2018, Note 28)				
Basic	<u>\$ 0.48</u>		<u>\$ 0.49</u>	
Diluted	<u>\$ 0.46</u>		<u>\$ 0.48</u>	

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

(With Deloitte & Touche review report dated May 10, 2019)

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ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company							Other Equity					Non-controlling Interests	Total Equity	
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total			
	Shares (In Thousands)	Amounts		Legal Reserve	Special Reserve	Unappropriated Earnings									Total
BALANCE AT JANUARY 1, 2018	8,738,079	\$ 87,380,787	\$ 40,622,877	\$ 16,765,066	\$ 3,353,938	\$ 56,287,526	\$ 76,406,530	\$ (6,732,760)	\$ 416,622	\$ -	\$ (6,316,138)	\$ (7,292,513)	\$ 190,801,543	\$ 13,199,937	\$ 204,001,480
Effect of retrospective applications	-	-	-	-	-	880,368	880,368	-	(416,622)	135,517	(281,105)	-	599,263	5,183	604,446
ADJUSTED BALANCE AT JANUARY 1, 2018	8,738,079	87,380,787	40,622,877	16,765,066	3,353,938	57,167,894	77,286,898	(6,732,760)	-	135,517	(6,597,243)	(7,292,513)	191,400,806	13,205,120	204,605,926
Change from investments in associates and joint ventures accounted for using the equity method	-	-	156,063	-	-	-	-	-	-	-	-	-	156,063	-	156,063
Net profit for the three months ended March 31, 2018	-	-	-	-	-	2,096,090	2,096,090	-	-	-	-	-	2,096,090	259,647	2,355,737
Other comprehensive income for the three months ended March 31, 2018, net of income tax	-	-	-	-	-	72,953	72,953	268,921	-	43,140	312,061	-	385,014	71,061	456,075
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	2,169,043	2,169,043	268,921	-	43,140	312,061	-	2,481,104	330,708	2,811,812
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	(71,302)	(71,302)	-	(71,302)
Changes in percentage of ownership interest in subsidiaries (Note 31)	-	-	(1,127,632)	-	-	-	-	-	-	-	-	-	(1,127,632)	(777,104)	(1,904,736)
Issue of ordinary shares under employee share options (Note 29)	15,159	151,595	253,873	-	-	-	-	-	-	-	-	-	405,468	-	405,468
Additional non-controlling interest arising on issue of employee share options by subsidiaries (Note 29)	-	-	-	-	-	-	-	-	-	-	-	-	-	24,140	24,140
Investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	5,675	5,675	-	-	(5,675)	(5,675)	-	-	-	-
BALANCE AT MARCH 31, 2018	8,753,238	\$ 87,532,382	\$ 39,905,181	\$ 16,765,066	\$ 3,353,938	\$ 59,342,612	\$ 79,461,616	\$ (6,463,839)	\$ -	\$ 172,982	\$ (6,290,857)	\$ (7,363,815)	\$ 193,244,507	\$ 12,782,864	\$ 206,027,371
BALANCE AT JANUARY 1, 2019	4,321,714	\$ 43,217,144	\$ 143,275,213	\$ -	\$ 3,353,938	\$ 22,038,948	\$ 25,392,886	\$ (5,887,675)	\$ -	\$ (1,015,107)	\$ (6,902,782)	\$ (1,959,107)	\$ 203,023,354	\$ 17,647,190	\$ 220,670,544
Change from investments in associates and joint ventures accounted for using the equity method	-	-	2,469	-	-	-	-	-	-	-	-	-	2,469	-	2,469
Net profit for the three months ended March 31, 2019	-	-	-	-	-	2,042,953	2,042,953	-	-	-	-	-	2,042,953	187,351	2,230,304
Other comprehensive income for the three months ended March 31, 2019, net of income tax	-	-	-	-	-	1,144	1,144	2,020,347	-	428,050	2,448,397	-	2,449,541	287,776	2,737,317
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	2,044,097	2,044,097	2,020,347	-	428,050	2,448,397	-	4,492,494	475,127	4,967,621
Differences between consideration and carrying amount arising from acquisition or disposal of subsidiaries (Note 31)	-	-	142	-	-	-	-	-	-	-	-	-	142	(8,335)	(8,193)
Issue of ordinary shares under employee share options (Note 29)	1,019	10,184	237,335	-	-	-	-	-	-	-	-	-	247,519	-	247,519
Additional non-controlling interest arising on issue of employee share options by subsidiaries (Note 29)	-	-	-	-	-	-	-	-	-	-	-	-	-	16,674	16,674
BALANCE AT MARCH 31, 2019	4,322,733	\$ 43,227,328	\$ 143,515,159	\$ -	\$ 3,353,938	\$ 24,083,045	\$ 27,436,983	\$ (3,867,328)	\$ -	\$ (587,057)	\$ (4,454,385)	\$ (1,959,107)	\$ 207,765,978	\$ 18,130,656	\$ 225,896,634

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

(With Deloitte & Touche review report dated May 10, 2019)

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,635,195	\$ 3,775,749
Adjustments for:		
Depreciation expense	11,733,953	7,117,237
Amortization expense	841,522	114,886
Net loss (gain) on fair value change of financial assets and liabilities at fair value through profit or loss	(1,556,333)	379,016
Finance costs	1,099,590	464,459
Interest income	(129,880)	(83,717)
Dividend income	(2,625)	(2,458)
Compensation cost of employee share options	222,120	46,319
Share of loss of associates and joint ventures	153,865	444,289
Loss on disposal of property, plant and equipment	54,154	33,969
Impairment loss recognized on financial assets	-	9,226
Reversal of impairment loss recognized on financial assets	(1,952)	-
Impairment loss recognized on non-financial assets	209,852	66,940
Net loss (gain) on foreign currency exchange	123,374	(733,239)
Others	(327,089)	(548,553)
Changes in operating assets and liabilities		
Financial assets mandatorily at fair value through profit or loss	862,773	(426,028)
Contract assets	374,224	(122,422)
Trade receivables	16,099,703	10,945,653
Other receivables	(230,288)	154,343
Inventories	1,168,019	(1,548,406)
Other current assets	(184,215)	(196,048)
Financial liabilities held for trading	(146,795)	(658,458)
Trade payables	(13,789,588)	(7,445,544)
Other payables	(2,014,209)	(1,589,049)
Other current liabilities	210,822	935,949
Other operating activities items	(5,300)	(70,365)
Cash generated from operations	17,400,892	11,063,748
Interest received	130,349	124,010
Dividend received	2,625	2,458
Interest paid	(1,223,770)	(596,542)
Income tax paid	(292,630)	(1,861,245)
Net cash generated from operating activities	<u>16,017,466</u>	<u>8,732,429</u>

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ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (189,465)	\$ -
Return of capital from financial assets at fair value through other comprehensive income	-	87,033
Payments for property, plant and equipment	(9,229,064)	(6,164,891)
Proceeds from disposal of property, plant and equipment	351,289	617,492
Payments for intangible assets	(354,344)	(142,030)
Proceeds from disposal of intangible assets	6,909	-
Payments for right-of-use assets	(312)	-
Payments for investment properties	-	(53,346)
Proceeds from disposal of investment properties	5	-
Decrease (increase) in other financial assets	3,276,574	(3,767,346)
Decrease (increase) in other non-current assets	10,361	(1,099,336)
Proceeds from financial liabilities for hedging	22	982,620
Net cash used in investing activities	<u>(6,128,025)</u>	<u>(9,539,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from short-term borrowings	5,778,681	832,971
Repayment of bonds payable	-	(6,185,600)
Proceeds from long-term borrowings	37,911,542	16,742,888
Repayment of long-term borrowings	(46,862,715)	(11,894,107)
Repayment of the principal portion of lease liabilities	(176,780)	(5,661)
Proceeds from exercise of employee share options	42,073	383,247
Payments for buy-back of ordinary shares	-	(71,302)
Decrease in non-controlling interests	(8,193)	(1,904,736)
Other financing activities items	(9,003)	13,074
Net cash used in financing activities	<u>(3,324,395)</u>	<u>(2,089,226)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS		
	<u>1,233,094</u>	<u>(35,453)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,798,140	(2,932,054)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>51,518,436</u>	<u>46,078,066</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 59,316,576</u>	<u>\$ 43,146,012</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 10, 2019)

(Concluded)

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

ASE Technology Holding Co., Ltd. (the “Company”) is a corporation incorporated in Nantze Export Processing Zone under the laws of Republic of China (“R.O.C.”) starting from April 30, 2018 (date of incorporation). The Company and its subsidiaries (collectively referred to as the “Group”) offer a comprehensive range of semiconductors packaging, testing, and electronic manufacturing services (“EMS”).

The board of directors of the Company’s subsidiaries, Advanced Semiconductor Engineering, Inc. (symbol “2311”, “ASE”) and Siliconware Precision Industries Co., Ltd. (symbol “2325”, “SPIL”), approved in June 2016 to enter into and execute a joint share exchange agreement to establish the Company and the Company acquired all issued and outstanding ordinary shares of ASE and SPIL in the way of share exchange. The share exchange was conducted at an exchange ratio of 1 ordinary share of ASE for 0.5 ordinary share of the Company, and at NT\$51.2 in cash per SPIL’s ordinary share. The share exchange transaction has been approved both at ASE’s and SPIL’s special shareholders’ meeting on February 12, 2018 and has been completed on April 30, 2018. As a result, ASE and SPIL became wholly-owned subsidiaries of the Company on April 30, 2018, and both of ASE’s and SPIL’s ordinary shares have been delisted while the ordinary shares of the Company were listed starting from the same date under the symbol “3711”. In addition, ASE’s ordinary shares that have been traded on the New York Stock Exchange (the “NYSE”) under the symbol “ASX” in the form of American Depositary Shares (“ADS”) starting from September 2000 were exchanged as the Company’s ADSs under the same symbol “ASX” starting from April 30, 2018.

For enhancing operational flexibility through organization restructure, the board of directors of ASE resolved in October 2018 to spin off its investment department which was responsible for managing the ordinary shares and assets of USI Inc. (“USIINC”) as well as relevant assets (including assets, liabilities and business) into a newly established company, USI Global Inc. (the “USI Global”). USI Global then issued new ordinary shares to the Company as a consideration. In November 2018, the spin off has been completed and the Company has obtained control over ASE and USI Global. In December 2018, the board of directors of the Company and USI Global further resolved to proceed with the merger which was completed in January 2019. After the merger, the Company is the surviving company while USI Global is the dissolving company. The aforementioned spin off and merger have no material effect on the Group’s financial position and financial performance.

The ordinary shares of the Company’s subsidiary, Universal Scientific Industrial (Shanghai) Co., Ltd. (“USISH”), have been listed on the Shanghai Stock Exchange (the “SSE”) under the symbol “601231” since February 2012.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollar (NT\$).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were authorized for issue by the board of directors on May 10, 2019.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS, AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (the “FSC”)

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies:

1) IFRS 16 “Leases”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations.

Definition of a lease

The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities.

Prior to the application of IFRS 16, payments under operating lease contracts, including property interest qualified as investment properties, were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights were recognized as long-term prepayments for lease. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

- a) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- b) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- c) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

For leases previously classified as finance leases under IAS 17, the carrying amounts of right-of-use assets and lease liabilities on January 1, 2019 are determined as at the carrying amounts of the respective leased assets and finance lease payables on December 31, 2018.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.35%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 2,386,102
Less: Recognition exemption for short-term leases	(108,946)
Less: Recognition exemption for leases of low-value assets	<u>(10,822)</u>
Undiscounted amounts on January 1, 2019	<u>\$ 2,266,334</u>
Discounted amounts using the incremental borrowing rate on January 1, 2019	\$ 2,006,553
Add: Finance lease liabilities (excluding the amounts applied for the exemption for short-term leases and leases of low-value assets) on December 31, 2018	248,808
Add: Adjustments as a result of a different treatment of extension	<u>3,829,368</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 6,084,729</u>

The Group as lessor

The application of IFRS 16 starting from January 1, 2019 is not expected to have a material impact on the accounting treatments of the Group as lessor.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
	NT\$	NT\$	NT\$
Other financial assets - current	\$ 6,539,467	\$ (31)	\$ 6,539,436
Other current assets	3,773,384	(385,014)	3,388,370
Long-term prepayments for lease	10,764,835	(10,764,835)	-
Property, plant and equipment	214,592,588	(277,079)	214,315,509
Right-of-use assets	-	10,720,769	10,720,769
Investment properties	7,738,379	6,599,225	14,337,604
Other financial assets - non-current	1,044,294	(2,745)	1,041,549
Other intangible assets	<u>30,897,700</u>	<u>(59,667)</u>	<u>30,838,033</u>
Total effect on assets	<u>\$ 275,350,647</u>	<u>\$ 5,830,623</u>	<u>\$ 281,181,270</u>
Obligation under leases - current	\$ -	\$ 489,984	\$ 489,984
Other current liabilities	5,984,156	(17,144)	5,967,012
Obligation under leases - non-current	-	5,594,745	5,594,745
Other current liabilities - non-current	<u>1,371,302</u>	<u>(236,962)</u>	<u>1,134,340</u>
Total effect on liabilities	<u>\$ 7,355,458</u>	<u>\$ 5,830,623</u>	<u>\$ 13,186,081</u>

2) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group applied the above amendments prospectively.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of Preparation

As disclosed in Note 1, the share exchange between the Company and ASE was an organization restructure under common control that the Company was essentially the continuation of ASE. The related assets and liabilities in the Company’s consolidated financial statements, before the date of incorporation, were recognized based on the carrying amounts of those in ASE’s consolidated financial statements. The consolidated financial statements of the Company for prior periods are prepared under the assumption that the Company owned 100% shareholdings of ASE at the very beginning.

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or a liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or a liability.

c. Basis of Consolidation

1) Principles for preparing consolidated financial statements

The basis for the consolidated financial statements applied in these interim consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2018.

2) Subsidiaries included in consolidated financial statements

The Company became the ultimate parent company of the Group after completing share exchange with ASE on April 30, 2018. In addition, the Company obtained control over SPIL on April 30, 2018, and therefore included SPIL and its subsidiaries in the Group’s consolidated financial statements on the same date.

Subsidiaries included in these interim consolidated financial statements were as follows:

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			March 31, 2019	December 31, 2018	March 31, 2018
ASE	Engaged in the packaging and testing of semiconductors	Kaohsiung, R.O.C.	100.0	100.0	100.0
A.S.E. Holding Limited	Holding company	Bermuda	100.0	100.0	100.0
J & R Holding Limited (“J&R Holding”)	Holding company	Bermuda	100.0	100.0	100.0
Innosource Limited	Holding company	British Virgin Islands	100.0	100.0	100.0
Omniquest Industrial Limited	Holding company	British Virgin Islands	100.0	100.0	100.0
ASE Marketing & Service Japan Co., Ltd.	Engaged in marketing and sales services	Japan	100.0	100.0	100.0
ASE Test, Inc.	Engaged in the testing of semiconductors	Kaohsiung, R.O.C.	100.0	100.0	100.0
Luchu Development Corporation	Engaged in the development of real estate properties	Taipei, R.O.C.	86.1	86.1	86.1
TLJ Intertech Inc.	Engaged in information software services	Taipei, R.O.C.	60.0	60.0	60.0
MingFung Information Service Corp., Ltd.	Engaged in information software services, and was established in May 2018.	Taipei, R.O.C.	100.0	100.0	-
Alto Enterprises Limited	Holding company	British Virgin Islands	100.0	100.0	100.0
Super Zone Holdings Limited	Holding company	Hong Kong	100.0	100.0	100.0
ASE (Kun Shan) Inc.	Engaged in the packaging and testing of semiconductors	Kun Shan, China	100.0	100.0	100.0
ASE Investment (Kun Shan) Limited	Holding company	Kun Shan, China	100.0	100.0	100.0
Advanced Semiconductor Engineering (China) Ltd.	Will engage in the packaging and testing of semiconductors	Shanghai, China	100.0	100.0	100.0
ASE Investment (Labuan) Inc.	Holding company	Malaysia	100.0	100.0	100.0
ASE Test Limited (“ASE Test”)	Holding company	Singapore	100.0	100.0	100.0
ASE (Korea) Inc.	Engaged in the packaging and testing of semiconductors	Korea	100.0	100.0	100.0
J&R Industrial Inc.	Engaged in leasing equipment and investing activity	Kaohsiung, R.O.C.	100.0	100.0	100.0
ASE Japan Co., Ltd.	Engaged in the packaging and testing of semiconductors	Japan	100.0	100.0	100.0
ASE (U.S.) Inc.	After-sales service and sales support	U.S.A.	100.0	100.0	100.0
Global Advanced Packaging Technology Limited	Holding company	British Cayman Islands	100.0	100.0	100.0
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	Shandong, China	100.0	100.0	100.0
Suzhou ASEN Semiconductors Co., Ltd. (“ASEN”)	Engaged in the packaging and testing of semiconductors	Suzhou, China	70.0	70.0	60.0
Anstock Limited	Engaged in financing activity	British Cayman Islands	100.0	100.0	100.0
Anstock II Limited	Engaged in financing activity	British Cayman Islands	100.0	100.0	100.0
ASE (Shanghai) Inc.	Engaged in the production of substrates	Shanghai, China	100.0	100.0	100.0
ASE Corporation	Holding company	British Cayman Islands	100.0	100.0	100.0
ASE Mauritius Inc.	Holding company	Mauritius	100.0	100.0	100.0
ASE Labuan Inc.	Holding company	Malaysia	100.0	100.0	100.0
Shanghai Ding Hui Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	Shanghai, China	100.0	100.0	100.0
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties	Shanghai, China	100.0	100.0	100.0
Advanced Semiconductor Engineering (HK) Limited	Engaged in the trading of substrates	Hong Kong	100.0	100.0	100.0
Shanghai Ding Wei Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Shanghai, China	100.0	100.0	100.0
Shanghai Ding Yu Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Shanghai, China	100.0	100.0	100.0
Shanghai Ding Fan Department Store Co., Ltd.	Will engaged in department store business	Shanghai, China	100.0	100.0	100.0
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and leasing of real estate properties	Kun Shan, China	100.0	100.0	100.0
Shanghai Ding Xu Property Management Co., Ltd.	Engaged in the management of real estate properties	Shanghai, China	100.0	100.0	100.0
ASE Electronics Inc.	Engaged in the production of substrates	Kaohsiung, R.O.C.	100.0	100.0	100.0
ASE Test Holdings, Ltd.	Holding company	British Cayman Islands	100.0	100.0	100.0
ASE Holdings (Singapore) Pte Ltd	Holding company	Singapore	100.0	100.0	100.0
ASE Singapore Pte. Ltd.	Engaged in the packaging and testing of semiconductors	Singapore	100.0	100.0	100.0

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			March 31, 2019	December 31, 2018	March 31, 2018
ISE Labs, Inc.	Engaged in the testing of semiconductors	U.S.A.	100.0	100.0	100.0
ASE Electronics (M) Sdn. Bhd.	Engaged in the packaging and testing of semiconductors	Malaysia	100.0	100.0	100.0
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	Shanghai, China	100.0	100.0	100.0
ASE Trading (Shanghai) Ltd.	Liquidated in December 2018	Shanghai, China	-	-	100.0
ISE Labs, China, Ltd.	Engaged in the testing of semiconductors, and was established in October 2018	Shanghai, China	100.0	100.0	-
Wuxi Tongzhi Microelectronics Co., Ltd.	Engaged in the packaging and testing of semiconductors	Wuxi, China	100.0	100.0	100.0
USI Global	Merged by the Company in January 2019	Nantou, R.O.C.	-	100.0	-
USIINC	Engaged in investing activities	Nantou, R.O.C.	100.0	100.0	99.2
Huntington Holdings International Co., Ltd.	Holding company	British Virgin Islands	100.0	100.0	99.2
Unitech Holdings International Co., Ltd.	Holding company	British Virgin Islands	100.0	100.0	99.2
Real Tech Holdings Limited	Holding company	British Virgin Islands	100.0	100.0	99.2
Universal ABIT Holding Co., Ltd.	In the process of liquidation	British Cayman Islands	100.0	100.0	99.2
Rising Capital Investment Limited	Holding company	British Virgin Islands	100.0	100.0	99.2
Rise Accord Limited	Holding company	British Virgin Islands	100.0	100.0	99.2
Universal Scientific Industrial (Kunshan) Co., Ltd.	Engaged in the manufacturing and sale of computer assistance system and related peripherals	Kun Shan, China	100.0	100.0	99.2
USI Enterprise Limited ("USIE")	Engaged in the service of investment advisory and warehousing management	Hong Kong	95.4	95.4	98.6
Universal Scientific Industrial (Shanghai) Co., Ltd. ("USISH")	Engaged in the designing, manufacturing and sale of electronic components	Shanghai, China	74.6	74.6	77.1
Universal Global Technology Co., Limited	Holding company	Hong Kong	74.6	74.6	77.1
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	Kun Shan, China	74.6	74.6	77.1
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	Shanghai, China	74.6	74.6	77.1
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	Shanghai, China	74.6	74.6	77.1
Universal Global Industrial Co., Limited	Engaged in manufacturing, trading and investing activity	Hong Kong	74.6	74.6	77.1
Universal Global Scientific Industrial Co., Ltd. ("UGTW")	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	Nantou, R.O.C.	74.6	74.6	77.1
USI America Inc.	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service	U.S.A.	74.6	74.6	77.1
Universal Scientific Industrial De Mexico S.A. De C.V.	Engaged in the assembling of motherboards and computer components	Mexico	74.6	74.6	77.1
USI Japan Co., Ltd.	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	Japan	74.6	74.6	77.1
USI Electronics (Shenzhen) Co., Ltd.	Engaged in the design, manufacturing and sale of motherboards and computer peripherals	Shenzhen, China	74.6	74.6	77.1
Universal Global Electronics Co., Ltd.	Engaged in accepting and outsourcing orders as well as sales of electronic components and service of technical advisory, and was established in February 2018	Hong Kong	74.6	74.6	77.1

(Continued)

Name of Investee	Main Businesses	Establishment and Operating Location	Percentage of Ownership (%)		
			March 31, 2019	December 31, 2018	March 31, 2018
Universal Scientific Industrial Co., Ltd. ("USI")	Engaged in the manufacturing, processing and sale of computers, computer peripherals and related accessories	Nantou, R.O.C.	74.6	74.4	76.8
SPIL	Engaged in the assembly, testing and turnkey services of integrated circuits	Taichung, R.O.C.	100.0	100.0	-
SPIL (B.V.I.) Holding Limited	Engaged in investing activities	British Virgin Islands	100.0	100.0	-
Siliconware Investment Co., Ltd.	Engaged in investing activities	Taipei, R.O.C.	100.0	100.0	-
Siliconware USA, Inc.	Engaged in marketing activities	U.S.A.	100.0	100.0	-
SPIL (Cayman) Holding Limited	Engaged in investing activities	British Cayman Islands	100.0	100.0	-
Siliconware Technology (Suzhou) Limited	Engaged in the packaging and testing of semiconductors	Suzhou, China	70.0	70.0	-
Siliconware Electronics (Fujian) Co., Limited	Engaged in the packaging and testing of semiconductors	Fujian, China	100.0	100.0	-

(Concluded)

d. Other significant accounting policies

Except the accounting policies of leases and others discussed in the following, the accounting policies applied in these interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2018. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2018.

1) Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Beginning January 1, 2019, investment properties include right-of-use assets and properties under construction if the definition of investment properties is met; before January 1, 2019, investment properties included properties under construction and properties held under finance leases if the definition of investment properties was met. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Beginning January 1, 2019, investment properties acquired through leases are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

For a transfer of classification from inventories to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the inception of an operating lease.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

2) Leases

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group elects to account for the lease and non-lease components as a single lease component.

a) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

b) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets. With respect to the recognition and measurement of right-of-use assets that meet the

definition of investment properties, refer to the aforementioned accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

2018

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

b) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Finance expenses implicit in lease payments for each period are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets; in which case, they are capitalized.

Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

3) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

4) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. During the interim period, the effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Group's management assessed that there is no critical accounting judgments or key sources of estimation uncertainty applied in the preparation of consolidated financial statements for the three months ended March 31, 2019 and 2018.

6. CASH AND CASH EQUIVALENTS

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Cash on hand	\$ 8,465	\$ 7,940	\$ 6,979
Checking accounts and demand deposits	41,461,027	32,329,820	36,392,053
Cash equivalents	<u>17,847,084</u>	<u>19,180,676</u>	<u>6,746,980</u>
	<u>\$ 59,316,576</u>	<u>\$ 51,518,436</u>	<u>\$ 43,146,012</u>

Cash equivalents include time deposits that are of a short maturity of three months or less from the date of acquisitions, and are highly liquid, readily convertible to known amounts in cash and the risk of changes in values is insignificant. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
	NT\$	NT\$	NT\$
<u>Financial assets</u> <u>mandatorily classified as at FVTPL</u>			
Derivative instruments (non-designated hedges)			
Swap contracts	\$ 1,373,768	\$ 1,557,714	\$ 24,307
Forward exchange contracts	11,593	32,070	97,858
Non-derivative financial assets			
Quoted ordinary shares	5,943,973	5,151,255	5,677,986
Open-end mutual funds	559,890	581,800	612,837
Private-placement funds	455,994	200,123	-
Unquoted preferred shares	275,000	275,000	-
Hybrid financial assets			
Private-placement convertible bonds	<u>100,496</u>	<u>100,496</u>	<u>100,496</u>
	<u>8,720,714</u>	<u>7,898,458</u>	<u>6,513,484</u>
Current	<u>7,821,532</u>	<u>7,262,227</u>	<u>6,319,393</u>
Non-current	<u>\$ 899,182</u>	<u>\$ 636,231</u>	<u>\$ 194,091</u>

Financial liabilities held for trading

Derivative instruments (non-designated hedging)			
Swap contracts	\$ 6,951	\$ 29,058	\$ 954,322
Forward exchange contracts	<u>11,605</u>	<u>7,597</u>	<u>4,439</u>
Current	<u>\$ 18,556</u>	<u>\$ 36,655</u>	<u>\$ 958,761</u>

Private-placement convertible bonds includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

At each balance sheet date, the outstanding swap contracts not accounted for hedge accounting were as follows:

Currency	Maturity Period	Notional Amount (In Thousands)
<u>March 31, 2019</u>		
Sell NT\$/Buy US\$	2019.04-2020.03	NT\$52,604,301/US\$1,772,400
Sell US\$/Buy CNY	2019.06	US\$51,965/CNY349,800
Sell US\$/Buy JPY	2019.05-2019.06	US\$54,807/JPY6,080,000
Sell US\$/Buy NT\$	2019.04	US\$188,100/NT\$5,788,122
<u>December 31, 2018</u>		
Sell NT\$/Buy US\$	2019.01-2019.12	NT\$49,570,469/US\$1,687,400
Sell US\$/Buy CNY	2019.01	US\$50,292/CNY349,800

(Continued)

Currency	Maturity Period	Notional Amount (In Thousands)
Sell US\$/Buy JPY	2019.01	US\$54,203/JPY6,090,000
Sell US\$/Buy NT\$	2019.01	US\$208,800/NT\$6,423,242

March 31, 2018

Sell HKD/Buy US\$	2018.04	HKD296,460/US\$37,800
Sell NT\$/Buy US\$	2018.04-2019.03	NT\$48,326,448/US\$1,647,400
Sell US\$/Buy CNY	2018.04	US\$55,175/CNY349,800
Sell US\$/Buy JPY	2018.04-2018.06	US\$74,090/JPY7,860,000
Sell US\$/Buy NT\$	2018.04	US\$233,900/NT\$6,803,286

(Concluded)

At each balance sheet date, the outstanding forward exchange contracts not accounted for hedge accounting were as follow:

Currency	Maturity Period	Notional Amount (In Thousands)
March 31, 2019		
Sell CNY/Buy US\$	2019.04	CNY23,533/US\$3,500
Sell NT\$/Buy US\$	2019.04	NT\$2,462,190/US\$80,000
Sell US\$/Buy CNY	2019.04-2019.06	US\$101,500/CNY681,687
Sell US\$/Buy JPY	2019.04-2019.06	US\$40,124/JPY4,449,275
Sell US\$/Buy MYR	2019.04-2019.07	US\$18,000/MYR73,625
Sell US\$/Buy NT\$	2019.04	US\$70,000/NT\$2,158,580
Sell US\$/Buy SGD	2019.04	US\$5,500/SGD7,450

December 31, 2018

Sell NT\$/Buy US\$	2019.01-2019.02	NT\$2,453,540/US\$80,000
Sell US\$/Buy CNY	2019.01	US\$29,000/CNY200,108
Sell US\$/Buy EUR	2019.01	US\$4,103/EUR3,600
Sell US\$/Buy JPY	2019.01-2019.02	US\$37,733/JPY4,231,754
Sell US\$/Buy MYR	2019.01-2019.02	US\$14,000/MYR58,430
Sell US\$/Buy SGD	2019.01-2019.02	US\$13,400/SGD18,391

March 31, 2018

Sell NT\$/Buy US\$	2018.04-2018.06	NT\$2,314,710/US\$80,000
Sell US\$/Buy CNY	2018.04-2018.07	US\$208,500/CNY1,330,594
Sell US\$/Buy EUR	2018.04	US\$21,901/EUR17,750
Sell US\$/Buy JPY	2018.04-2018.06	US\$75,964/JPY8,062,920
Sell US\$/Buy MYR	2018.04-2018.06	US\$19,000/MYR74,751
Sell US\$/Buy SGD	2018.04-2018.05	US\$9,200/SGD12,119

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Investments in equity instruments at FVTOCI	\$ 767,319	\$ 580,399	\$ 782,628
Investments in debt instruments at FVTOCI	<u>1,016,470</u>	<u>1,016,924</u>	<u>1,018,476</u>
	<u>\$ 1,783,789</u>	<u>\$ 1,597,323</u>	<u>\$ 1,801,104</u>

a. Investments in equity instruments at FVTOCI

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Unquoted ordinary shares	\$ 567,960	\$ 532,047	\$ 600,153
Unquoted preferred shares	163,626	8,683	56,970
Limited partnership	<u>35,733</u>	<u>39,669</u>	<u>125,505</u>
	<u>\$ 767,319</u>	<u>\$ 580,399</u>	<u>\$ 782,628</u>

b. Investments in debt instruments at FVTOCI

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Unsecured subordinate corporate bonds	<u>\$ 1,016,470</u>	<u>\$ 1,016,924</u>	<u>\$ 1,018,476</u>

In June 2016, the Group acquired 1,000 units of perpetual unsecured subordinate corporate bonds in the amount of NT\$1,000,000 thousand. The corporate bonds are all in denomination of NT\$1,000 thousand with annual interest rate at 3.5% and with effective interest rate at 3.2% as of March 31, 2019, December 31, 2018 and March 31, 2018.

9. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The Group's investment in unsecured subordinate corporate bonds is rated the equivalent of investment grade or higher and has low credit risk for the purpose of impairment assessment.

There was no significant increase in credit risk of such debt instrument since initial recognition leading to changes in interest rates and terms, and there was also no significant change in bond issuer's operation affecting the ability performing debt obligation. We evaluated that no expected credit losses existed. The Group reviews changes in bond yields and other public information periodically and makes an assessment whether there has been a significant increase in lifetime Expected Credit Loss ("ECL") since initial recognition.

10. TRADE RECEIVABLES, NET

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
	NT\$	NT\$	NT\$
At amortized cost			
Gross carrying amount	\$ 63,537,045	\$ 79,636,748	\$ 44,319,954
Less: Allowance for impairment loss	<u>146,329</u>	<u>155,389</u>	<u>74,341</u>
	<u>\$ 63,390,716</u>	<u>\$ 79,481,359</u>	<u>\$ 44,245,613</u>

The Group's average credit terms were 30 to 90 days. The Group evaluates the risk and probability of credit loss by reference to the Group's past experiences, financial condition of each customer, as well as general economic conditions, competitive advantage and future development of the industry in which the customer operates. The Group then reviews the recoverable amount of each individual trade receivable at each balance sheet date to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced. In addition, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at each balance sheet date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2019

	<u>Not Past Due</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Individually</u>	<u>Total</u>
	NT\$	1 to 30 days NT\$	31 to 90 Days NT\$	Over 91 Days NT\$	Impaired NT\$	NT\$
Expected credit loss rate	0%	0~10%	0~70%	1~100%	0~100%	-
Gross carrying amount	\$58,028,404	\$ 3,824,382	\$ 1,176,936	\$ 454,270	\$ 53,053	\$63,537,045
Loss allowance (Lifetime ECL)	<u>(9,967)</u>	<u>(425)</u>	<u>(27,974)</u>	<u>(55,116)</u>	<u>(52,847)</u>	<u>(146,329)</u>
Amortized cost	<u>\$58,018,437</u>	<u>\$ 3,823,957</u>	<u>\$ 1,148,962</u>	<u>\$ 399,154</u>	<u>\$ 206</u>	<u>\$63,390,716</u>

December 31, 2018

	<u>Not Past Due</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Individually</u>	<u>Total</u>
	NT\$	1 to 30 days NT\$	31 to 90 Days NT\$	Over 91 Days NT\$	Impaired NT\$	NT\$
Expected credit loss rate	0%	0~10%	0~50%	1~100%	0~100%	-
Gross carrying amount	\$ 71,819,583	\$ 6,537,819	\$ 778,799	\$ 405,707	\$ 94,840	\$ 79,636,748
Loss allowance (Lifetime ECL)	<u>(7,119)</u>	<u>(4,463)</u>	<u>(14,949)</u>	<u>(40,080)</u>	<u>(88,778)</u>	<u>(155,389)</u>
Amortized cost	<u>\$ 71,812,464</u>	<u>\$ 6,533,356</u>	<u>\$ 763,850</u>	<u>\$ 365,627</u>	<u>\$ 6,062</u>	<u>\$ 79,481,359</u>

March 31, 2018

	<u>Not Past Due</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Overdue</u>	<u>Individually</u>	<u>Total</u>
	<u>NT\$</u>	<u>1 to 30 days</u>	<u>31 to 90 Days</u>	<u>Over 91 Days</u>	<u>Impaired</u>	<u>NT\$</u>
		<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	
Expected credit loss rate	0%	0~10%	0~50%	1~100%	35~100%	-
Gross carrying amount	\$ 40,574,995	\$ 3,196,076	\$ 393,304	\$ 74,791	\$ 80,788	\$ 44,319,954
Loss allowance (Lifetime ECL)	<u>(9,201)</u>	<u>(334)</u>	<u>(15,522)</u>	<u>(19,618)</u>	<u>(29,666)</u>	<u>(74,341)</u>
Amortized cost	<u>\$ 40,565,794</u>	<u>\$ 3,195,742</u>	<u>\$ 377,782</u>	<u>\$ 55,173</u>	<u>\$ 51,122</u>	<u>\$ 44,245,613</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Month Ended	
	March 31	
	2019	2018
	NT\$	NT\$
Balance at January 1	\$ 155,389	\$ 64,901
Net remeasurement of loss allowance	(10,253)	9,226
Effects of foreign currency exchange differences	<u>1,193</u>	<u>214</u>
Balance at March 31	<u>\$ 146,329</u>	<u>\$ 74,341</u>

11. INVENTORIES

	March 31,	December 31,	March 31,
	2019	2018	2018
	NT\$	NT\$	NT\$
Finished goods	\$ 8,004,897	\$ 7,680,083	\$ 5,954,050
Work in process	3,545,673	3,195,478	3,048,289
Raw materials	20,820,856	23,250,801	13,656,807
Supplies	2,105,287	1,892,194	981,632
Raw materials and supplies in transit	<u>490,648</u>	<u>608,895</u>	<u>528,445</u>
	<u>\$ 34,967,361</u>	<u>\$ 36,627,451</u>	<u>\$ 24,169,223</u>

The cost of inventories recognized as operating costs for the three months ended March 31, 2019 and 2018 were NT\$77,224,496 thousand and NT\$54,326,524 thousand, respectively, which included write-down of inventories at NT\$147,352 thousand and NT\$66,940 thousand, respectively.

12. INVENTORIES RELATED TO REAL ESTATE BUSINESS

	March 31,	December 31,	March 31,
	2019	2018	2018
	NT\$	NT\$	NT\$
Land and buildings held for sale	\$ 21,205	\$ 20,734	\$ 26,245
Construction in progress	8,592,678	8,252,348	8,307,094
Land held for construction	<u>1,787,526</u>	<u>1,787,526</u>	<u>1,687,525</u>
	<u>\$ 10,401,409</u>	<u>\$ 10,060,608</u>	<u>\$ 10,020,864</u>

Construction in progress is mainly located on Hutai Road in Shanghai, China and Lidu Road in Kun Shan,

China. The capitalized borrowing costs for the three months ended March 31, 2019 and 2018 are disclosed in Note 26.

As of March 31, 2019, December 31, 2018 and March 31, 2018, inventories related to real estate business of NT\$10,401,409 thousand, NT\$10,060,608 thousand and NT\$10,015,586 thousand, respectively, are expected to be recovered longer than twelve months.

Refer to Note 36 for the carrying amount of inventories related to real estate business that had been pledged by the Group to secure bank borrowings.

13. OTHER FINANCIAL ASSETS

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
	NT\$	NT\$	NT\$
Time deposits with original maturity of over three months	\$ 3,134,610	\$ 6,320,669	\$ 499,049
Guarantee deposits	765,952	766,190	150,317
Pledged time deposits (Note 36)	402,420	496,847	60,871
Others (Notes 31 and 36)	<u>1,427</u>	<u>55</u>	<u>3,699,949</u>
	4,304,409	7,583,761	4,410,186
Current	<u>3,277,852</u>	<u>6,539,467</u>	<u>4,231,158</u>
Non-current	<u>\$ 1,026,557</u>	<u>\$ 1,044,294</u>	<u>\$ 179,028</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
	NT\$	NT\$	NT\$
Investments in associates	\$ 9,496,622	\$ 9,096,895	\$ 48,261,339
Investments in joint ventures	<u>79,282</u>	<u>180,494</u>	<u>418,937</u>
	<u>\$ 9,575,904</u>	<u>\$ 9,277,389</u>	<u>\$ 48,680,276</u>

a. Investments in associates

1) Investments in associates accounted for using the equity method consisted of the following:

Name of Associate	Main Business	Operating Location	Carrying Amount		
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
			NT\$	NT\$	NT\$
Material associate SPIL	Engaged in assembly, testing and turnkey services of integrated circuits	R.O.C.	\$ -	\$ -	\$ 45,222,329
Associates that are not individually material Deca Technologies Inc. ("DECA")	Holding company and the group engaged in manufacturing, development and marketing of wafer level packaging and interconnect technology	British Cayman Islands	821,536	866,312	1,519,732
Hung Ching Development & Construction Co. ("HC")	Engaged in the development, construction and leasing of real estate properties	R.O.C.	1,219,445	1,100,874	1,306,448

(Continued)

Name of Associate	Main Business	Operating Location	Carrying Amount		
			March 31, 2019	December 31, 2018	March 31, 2018
			NT\$	NT\$	NT\$
Hung Ching Kwan Co. ("HCK")	Engaged in the leasing of real estate properties	R.O.C.	\$ 293,278	\$ 295,772	\$ 306,387
Advanced Microelectronic Products Inc. ("AMPI")	Engaged in integrated circuit	R.O.C.	158,805	184,134	206,592
ChipMOS Technologies Inc. ("ChipMOS")	Engaged in the packaging and testing of semiconductors	R.O.C.	4,216,639	4,192,924	-
Yann Yuan Investment Co., Ltd. ("Yann Yuan")	Engaged in investing activities	R.O.C.	3,087,068	2,757,028	-
			<u>9,796,771</u>	<u>9,397,044</u>	<u>48,561,488</u>
	Less: Deferred gain on transfer of land		<u>300,149</u>	<u>300,149</u>	<u>300,149</u>
			<u>\$ 9,496,622</u>	<u>\$ 9,096,895</u>	<u>\$ 48,261,339</u>

(Concluded)

2) At each balance sheet date, the percentages of ownership held by the Group were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
SPIL	-	-	33.15%
DECA	22.04%	22.04%	22.04%
HC	26.22%	26.22%	26.22%
HCK	27.31%	27.31%	27.31%
AMPI	38.76%	38.76%	38.76%
ChipMOS	20.48%	20.47%	-
Yann Yuan	32.21%	32.21%	-

As disclosed in Note 1, the Company acquired all issued and outstanding ordinary shares of SPIL on April 30, 2018 (the acquisition date) in accordance with the joint share exchange agreement and had the control over SPIL. The investment in SPIL originally accounted for using the equity method was remeasured to the fair value at the acquisition date. The gain arising on remeasurement of NT\$7,571,882 thousand was recognized under the line item of other gains, net in the consolidated statements of comprehensive income in the second quarter of 2018.

Following the acquisition of 100% shareholdings of SPIL on April 30, 2018, the Company indirectly held ordinary shares of ChipMOS and Yann Yuan through SPIL. In June 2018, SPIL acquired additional 19,159 thousand ordinary shares of ChipMOS from open market with total cash consideration of NT\$451,563 thousand. As a result, the percentage of ownership in ChipMOS was increased from 18.23% to 20.47% and SPIL had significant influence over ChipMOS. As of December 31, 2018, the Group has completed the identification of the difference between the cost of the investment and the Group' share of the net fair value of ChipMOS' identifiable assets and liabilities. In March 2019, board of directors of ChipMOS resolved to cancel its issued employee restricted shares, which caused the percentage of ownership in ChipMOS increased from 20.47% to 20.48% and capital surplus increased by NT\$2,016 thousand.

The Group evaluated the recoverable amount of its investment in DECA by the present value of cash flow projection made by DECA's management with discount rate of 14.1%. The recoverable amount was lower than its carrying amount and, therefore, the Group recognized an impairment loss of NT\$521,010 thousand under the line item of other gains, net in the consolidated statements of comprehensive income in the fourth quarter of 2018.

- 3) Fair values (Level 1 inputs in terms of IFRS 13) of investments in associates with available published price quotation are summarized as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
SPIL	\$ -	\$ -	\$ 52,694,840
HC	\$ 1,605,937	\$ 1,537,307	\$ 2,007,421
AMPI	\$ 357,595	\$ 369,925	\$ 505,565
ChipMOS	\$ 3,901,452	\$ 3,886,561	\$ -

- 4) Summarized financial information in respect of the Group's material associate

The summarized financial information below represents amounts shown in SPIL's consolidated financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC, and adjusted by the Group for equity accounting purposes.

	March 31, 2018
	<u>NT\$</u>
Current assets	\$ 54,866,507
Non-current assets	100,606,883
Current liabilities	(39,756,286)
Non-current liabilities	(13,253,425)
Non-controlling interests	<u>(3,552,934)</u>
Equity	<u>\$ 98,910,745</u>
Proportion of the Group's ownership interest in SPIL	33.15%
Net assets attributable to the Group	\$ 32,788,912
Goodwill	<u>12,433,417</u>
Carrying amount	<u>\$ 45,222,329</u>
	For the Three Month Ended March 31, 2018
	<u>NT\$</u>
Operating revenue	\$ 18,912,711
Gross profit	<u>\$ 1,907,334</u>
Loss before income tax expense	<u>\$ (652,180)</u>
Net loss for the period	\$ (822,808)
Other comprehensive income for the period	<u>534,703</u>
Total comprehensive loss for the period	<u>\$ (288,105)</u>

- 5) Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
The Group's share of:		
Net loss for the period	\$ (52,625)	\$ (91,381)
Other comprehensive income for the period	<u>453,919</u>	<u>48,208</u>
Total comprehensive income (loss) for the period	<u>\$ 401,294</u>	<u>\$ (43,173)</u>

- 6) Except DECA, investments accounted for using the equity method and the share of profit or loss and other comprehensive income or loss as of and for the three months ended March 31, 2019 and 2018 were based on the associates' financial statements reviewed by auditors for the same periods. The Group's management believes that DECA's financial statements not reviewed by auditors would not have material impact on the Group's consolidated financial statements.

b. Investments in joint ventures

- 1) The joint venture that was not individually material and accounted for using the equity method was the Group's investment in ASE Embedded Electronics Inc. ("ASEEE"). As of March 31, 2019, December 31, 2018 and March 31, 2018, the percentage of ownership were all 51%. ASEEE are located in R.O.C. and engaged in the production of embedded substrate.
- 2) ASE's board of directors resolved in February 2019 to purchase ordinary shares newly issued by ASEEE at par value through its capital increase by cash. The total consideration will not be more than NT\$1,500,000 thousand, representing 150,000 thousand ordinary shares.
- 3) Aggregate information of joint venture that is not individually material

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
The Group's share of net loss and total comprehensive loss for the period	<u>\$ (101,240)</u>	<u>\$ (67,619)</u>

- 4) The investments accounted for using the equity method and the share of loss and other comprehensive loss as of and for the three months ended March 31, 2019 and 2018 were based on the joint venture's financial statements reviewed by auditors for the same period.

15. PROPERTY, PLANT AND EQUIPMENT

The carrying amounts of each class of property, plant and equipment were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Land	\$ 10,168,943	\$ 10,165,969	\$ 3,239,965
Buildings and improvements	78,590,410	78,963,937	57,657,256

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Machinery and equipment	\$ 105,702,671	\$ 108,087,970	\$ 63,758,758
Other equipment	6,207,212	6,463,160	1,574,405
Construction in progress and machinery in transit	<u>11,970,109</u>	<u>10,911,552</u>	<u>8,406,823</u>
	<u>\$ 212,639,345</u>	<u>\$ 214,592,588</u>	<u>\$ 134,637,207</u>

(Concluded)

For the three months ended March 31, 2019

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
<u>Cost</u>						
Balance at January 1, 2019	\$ 10,165,969	\$ 141,708,011	\$ 353,838,390	\$ 18,838,167	\$ 10,911,552	\$ 535,462,089
Adjustments on initial application of IFRS 16 (Note 3)	-	-	-	(458,045)	-	(458,045)
Adjusted balance at January 1, 2019	<u>10,165,969</u>	<u>141,708,011</u>	<u>353,838,390</u>	<u>18,380,122</u>	<u>10,911,552</u>	<u>535,004,044</u>
Additions	-	12,614	37,394	20,248	9,086,115	9,156,371
Disposals	-	(342,556)	(3,247,411)	(208,454)	(7,282)	(3,805,703)
Reclassification	-	1,005,795	6,528,052	576,476	(8,110,323)	-
Effect of foreign currency exchange differences	<u>2,974</u>	<u>836,015</u>	<u>1,350,982</u>	<u>140,861</u>	<u>90,047</u>	<u>2,420,879</u>
Balance at March 31, 2019	<u>\$ 10,168,943</u>	<u>\$ 143,219,879</u>	<u>\$ 358,507,407</u>	<u>\$ 18,909,253</u>	<u>\$ 11,970,109</u>	<u>\$ 542,775,591</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2019	\$ -	\$ 62,744,074	\$ 245,750,420	\$ 12,375,007	\$ -	\$ 320,869,501
Adjustments on initial application of IFRS 16 (Note 3)	-	-	-	(180,966)	-	(180,966)
Adjusted balance at January 1, 2019	<u>-</u>	<u>62,744,074</u>	<u>245,750,420</u>	<u>12,194,041</u>	<u>-</u>	<u>320,688,535</u>
Depreciation expense	-	1,733,608	8,960,115	622,387	-	11,316,110
Impairment losses recognized	-	46,647	3,972	11,881	-	62,500
Disposals	-	(279,860)	(2,920,375)	(208,345)	-	(3,408,580)
Reclassification	-	103	-	(103)	-	-
Effect of foreign currency exchange differences	<u>-</u>	<u>384,897</u>	<u>1,010,604</u>	<u>82,180</u>	<u>-</u>	<u>1,477,681</u>
Balance at March 31, 2019	<u>\$ -</u>	<u>\$ 64,629,469</u>	<u>\$ 252,804,736</u>	<u>\$ 12,702,041</u>	<u>\$ -</u>	<u>\$ 330,136,246</u>

For the three months ended March 31, 2018

	Land	Buildings and improvements	Machinery and equipment	Other equipment	Construction in progress and machinery in transit	Total
	NT\$	NT\$	NT\$	NT\$	NT\$	NT\$
<u>Cost</u>						
Balance at January 1, 2018	\$ 3,258,518	\$ 100,187,928	\$ 253,198,003	\$ 7,812,080	\$ 5,863,713	\$ 370,320,242
Additions	-	4,386	88,382	30,053	6,912,905	7,035,726
Disposals	-	(124,109)	(3,563,846)	(143,536)	(8,378)	(3,839,869)
Reclassification	-	562,087	3,639,294	109,339	(4,310,720)	-
Effect of foreign currency exchange differences	<u>(18,553)</u>	<u>245,674</u>	<u>9,600</u>	<u>35,210</u>	<u>(50,697)</u>	<u>221,234</u>
Balance at March 31, 2018	<u>\$ 3,239,965</u>	<u>\$ 100,875,966</u>	<u>\$ 253,371,433</u>	<u>\$ 7,843,146</u>	<u>\$ 8,406,823</u>	<u>\$ 373,737,333</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2018	\$ -	\$ 41,915,064	\$ 187,012,805	\$ 6,223,967	\$ -	\$ 235,151,836
Depreciation expense	-	1,285,953	5,580,324	153,596	-	7,019,873
Disposals	-	(122,519)	(2,945,351)	(140,647)	-	(3,208,517)
Effect of foreign currency exchange differences	<u>-</u>	<u>140,212</u>	<u>(35,103)</u>	<u>31,825</u>	<u>-</u>	<u>136,934</u>
Balance at March 31, 2018	<u>\$ -</u>	<u>\$ 43,218,710</u>	<u>\$ 189,612,675</u>	<u>\$ 6,268,741</u>	<u>\$ -</u>	<u>\$ 239,100,126</u>

Due to the Group's future operation plans, capacity evaluation and production demands in packaging segment, the Group believed that a portion of property, plant and equipment does not qualify for the production needs and, therefore, recognized an impairment loss of NT\$62,500 thousand under the line item of other gains, net in the consolidated statements of comprehensive income (Note 26) for the three months ended March 31, 2019. The recoverable amount of a portion of the impaired property, plant and equipment is determined by its fair value less costs of disposal, of which the fair value is based on the recent quoted prices of assets with similar age and obsolescence that provided by the vendors in secondary market. The recent quoted prices of assets are a Level 3 input because the secondary market is not very active.

Each class of property, plant and equipment was depreciated on a straight-line basis over the following useful lives:

Buildings and improvements	
Main plant buildings	10-55 years
Cleanrooms	10-20 years
Others	3-20 years
Machinery and equipment	2-10 years
Other equipment	2-20 years

The capitalized borrowing costs for the three months ended March 31, 2019 and 2018 are disclosed in Note 26.

16. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	March 31, 2019
	NT\$
<u>Carrying amounts</u>	
Land	\$ 7,034,669
Buildings and improvements	2,360,179
Machinery and equipment	1,090,507
Other equipment	<u>45,374</u>
	<u>\$ 10,530,729</u>
	For the Three Months Ended March 31, 2019
	NT\$
Additions to right-of-use assets	<u>\$ 23,092</u>
Depreciation charge for right-of-use assets	
Land	\$ 45,016
Buildings and improvements	76,915
Machinery and equipment	135,562
Other equipment	<u>5,088</u>
	<u>\$ 262,581</u>

The Group subleases its leasehold land located in Shanghai, China since 2017 under operating leases and the related right-of-use assets are classified as investment properties. The amounts disclosed above

with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities - 2019

	March 31, 2019
	<u>NT\$</u>
<u>Carrying amounts</u>	
Current	<u>\$ 605,930</u>
Non-current	<u>\$ 5,357,791</u>

The Group's lease liabilities are mainly from land and buildings and improvements. Range of discount rate for lease liabilities was as follows:

	<u>March 31, 2019</u>
Land (%)	0.54-4.90
Buildings and improvements (%)	0.54-8.62

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants and offices with remaining lease terms of 1-70 years and 1-32 years, respectively. For the leasehold land located in the R.O.C., the Group has extension options at the end of the lease terms. However, the government has the right to adjust the lease payments on the basis of changes in announced land value prices and also has the right to terminate the lease contract under certain circumstances. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

The Group also leases certain machinery and equipment for the use of product manufacturing and the remaining lease terms are 1-5 years. The Group has options to purchase the equipment for a nominal amount at the end of the lease terms.

d. Subleases

In addition to the sublease transactions described in Note 17, the Group did not have other sublease transactions.

e. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17.

2019

	For the Three Months Ended March 31, 2019
	<u>NT\$</u>
Expenses relating to short-term leases	<u>\$ 73,143</u>

**For the Three
Months Ended
March 31, 2019**
NT\$

Expenses relating to low-value assets leases	\$ <u>791</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>6,776</u>
Total cash outflow for leases	\$ <u>(261,991)</u>

The Group leases certain machinery and equipment which qualify as short-term leases and certain other equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31, 2018	March 31, 2018
	NT\$	NT\$
Less than 1 year	\$ 509,994	\$ 259,206
1 to 5 years	828,482	459,444
More than 5 years	<u>1,047,626</u>	<u>430,328</u>
	<u>\$ 2,386,102</u>	<u>\$ 1,148,978</u>

The minimum lease payments recognized in profit or loss for the three months ended March 31, 2018 were NT\$155,928 thousand.

17. INVESTMENT PROPERTIES

For the three months ended March 31, 2019

	Land	Buildings and improvements	Right-of-use assets	Total
	NT\$	NT\$	NT\$	NT\$
Cost				
Balance at January 1, 2019	\$ 35,965	\$ 8,409,790	\$ -	\$ 8,445,755
Adjustments on initial application of IFRS 16 (Note 3)	<u>-</u>	<u>-</u>	<u>6,891,947</u>	<u>6,891,947</u>
Adjusted balance at January 1, 2019	35,965	8,409,790	6,891,947	15,337,702
Disposals	-	(1,804)	-	(1,804)
Effects of foreign currency exchange differences	<u>-</u>	<u>179,847</u>	<u>155,492</u>	<u>335,339</u>
Balance at March 31, 2019	<u>\$ 35,965</u>	<u>\$ 8,587,833</u>	<u>\$ 7,047,439</u>	<u>\$ 15,671,237</u>

(Continued)

	<u>Land</u> NT\$	<u>Buildings and improvements</u> NT\$	<u>Right-of-use assets</u> NT\$	<u>Total</u> NT\$
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ -	\$ 707,376	\$ -	\$ 707,376
Adjustments on initial application of IFRS 16 (Note 3)	-	-	<u>292,722</u>	<u>292,722</u>
Adjusted balance at January 1, 2019		707,376	292,722	1,000,098
Depreciation expenses	-	98,258	57,004	155,262
Disposals	-	(1,227)	-	(1,227)
Effects of foreign currency exchange differences	-	<u>15,549</u>	<u>4,932</u>	<u>20,481</u>
Balance at March 31, 2019	<u>\$ -</u>	<u>\$ 819,956</u>	<u>\$ 354,658</u>	<u>\$ 1,174,614</u>
Carrying amount at March 31, 2019	<u>\$ 35,965</u>	<u>\$ 7,767,877</u>	<u>\$ 6,692,781</u>	<u>\$ 14,496,623</u> (Concluded)

For the three months ended March 31, 2018

	<u>Land</u> NT\$	<u>Buildings and improvements</u> NT\$	<u>Total</u> NT\$
<u>Cost</u>			
Balance at January 1, 2018	\$ 35,965	\$ 8,406,785	\$ 8,442,750
Additions	-	53,378	53,378
Effects of foreign currency exchange differences	-	<u>127,134</u>	<u>127,134</u>
Balance at March 31, 2018	<u>\$ 35,965</u>	<u>\$ 8,587,297</u>	<u>\$ 8,623,262</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2018	\$ -	\$ 323,314	\$ 323,314
Depreciation expenses	-	97,364	97,364
Effects of foreign currency exchange differences	-	<u>3,485</u>	<u>3,485</u>
Balance at March 31, 2018	<u>\$ -</u>	<u>\$ 424,163</u>	<u>\$ 424,163</u>
Carrying amount at March 31, 2018	<u>\$ 35,965</u>	<u>\$ 8,163,134</u>	<u>\$ 8,199,099</u>

Right-of-use assets included in investment properties are leasehold land located in Shanghai and subleased under operating leases.

The Group leased out the investment properties under operating lease with lease terms from 1 to 15 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

In addition to fixed lease payments, the lease contracts also indicate that the lessees should make variable payments which shall be determined at a specific percentage of the excess of respective lessee's monthly revenues over a specific amount.

The maturity analysis of lease payments receivable under operating leases of investment properties as of March 31, 2019 was as follows:

	March 31, 2019
	<u>NT\$</u>
Year 1	\$ 903,402
Year 2	757,222
Year 3	661,301
Year 4	565,500
Year 5	391,122
Year 6 onwards	<u>1,107,795</u>
	<u>\$ 4,386,342</u>

The future minimum lease payments of non-cancellable operating lease commitments as of December 31 and March 31, 2018 were as follows:

	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>
Not later than 1 year	\$ 916,891	\$ 807,212
Later than 1 year and not later than 5 years	2,391,843	2,304,372
Later than 5 years	<u>1,157,093</u>	<u>1,241,630</u>
	<u>\$ 4,465,827</u>	<u>\$ 4,353,214</u>

The investment properties were depreciated on a straight-line basis over the following useful lives:

Main buildings	10-40 years
Right-of-use Assets	4-35 years
Others	3-20 years

The fair value of the investment properties was measured using the market approach and the income approach based on level 3 inputs by independent professional appraisers. The significant unobservable inputs were discounted rates. The fair value of the investment properties was as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Fair value	<u>\$ 20,854,996</u>	<u>\$ 11,764,829</u>	<u>\$ 11,753,470</u>

Refer to Note 36 for the carrying amount of the investment properties that had been pledged by the Group to secure borrowings.

18. GOODWILL

	<u>Cost</u> NT\$	<u>Accumulated impairment</u> NT\$	<u>Carrying amount</u> NT\$
<u>For the three months ended March 31, 2019</u>			
Balance at January 1, 2019	\$ 51,732,754	\$ 2,414,113	\$ 49,318,641
Effect of foreign currency exchange differences	<u>5,855</u>	<u>-</u>	<u>5,855</u>
Balance at March 31, 2019	<u>\$ 51,738,609</u>	<u>\$ 2,414,113</u>	<u>\$ 49,324,496</u>
<u>For the three months ended March 31, 2018</u>			
Balance at January 1, 2018	\$ 12,348,607	\$ 2,414,113	\$ 9,934,494
Effect of foreign currency exchange differences	<u>(34,032)</u>	<u>-</u>	<u>(34,032)</u>
Balance at March 31, 2018	<u>\$ 12,314,575</u>	<u>\$ 2,414,113</u>	<u>\$ 9,900,462</u>

19. OTHER INTANGIBLE ASSETS

The carrying amounts of each class of other intangible assets were as follows:

	<u>March 31, 2019</u> NT\$	<u>December 31, 2018</u> NT\$	<u>March 31, 2018</u> NT\$
Customer relationships	\$ 10,096,719	\$ 10,366,797	\$ 93,698
Computer software	1,309,977	1,159,682	861,311
Patents and acquired specific technology	18,785,924	19,255,669	309,884
Others	<u>112,566</u>	<u>115,552</u>	<u>168,156</u>
	<u>\$ 30,305,186</u>	<u>\$ 30,897,700</u>	<u>\$ 1,433,049</u>

For the three months ended March 31, 2019

	<u>Customer relationships</u> NT\$	<u>Computer software</u> NT\$	<u>Patents and acquired specific technology</u> NT\$	<u>Others</u> NT\$	<u>Total</u> NT\$
<u>Cost</u>					
Balance at January 1, 2019	\$ 11,915,636	\$ 4,401,045	\$ 20,588,356	\$ 235,998	\$ 37,141,035
Adjustments on initial application of IFRS 16 (Note 3)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,341)</u>	<u>(152,341)</u>
Adjusted balance at January 1, 2019	11,915,636	4,401,045	20,588,356	83,657	36,988,694
Additions	-	257,246	-	56,992	314,238
Disposals	-	(1,066,094)	-	(6,315)	(1,072,409)
					(Continued)

	Customer relationships	Computer software	Patents and acquired specific technology	Others	Total
	NT\$	NT\$	NT\$	NT\$	NT\$
Effect of foreign currency exchange differences	\$ -	\$ 18,855	\$ 1,208	\$ 875	\$ 20,938
Balance at March 31, 2019	<u>\$ 11,915,636</u>	<u>\$ 3,611,052</u>	<u>\$ 20,589,564</u>	<u>\$ 135,209</u>	<u>\$ 36,251,461</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2019	\$ 1,548,839	\$ 3,241,363	\$ 1,332,687	\$ 120,446	\$ 6,243,335
Adjustments on initial application of IFRS 16 (Note 3)	-	-	-	(92,674)	(92,674)
Adjusted balance at January 1, 2019	1,548,839	3,241,363	1,332,687	27,772	6,150,661
Amortization expense	270,078	100,286	470,109	1,049	841,522
Disposals	-	(1,059,185)	-	(6,315)	(1,065,500)
Effect of foreign currency exchange differences	-	18,611	844	137	19,592
Balance at March 31, 2019	<u>\$ 1,818,917</u>	<u>\$ 2,301,075</u>	<u>\$ 1,803,640</u>	<u>\$ 22,643</u>	<u>\$ 5,946,275</u> (Concluded)

For the three months ended March 31, 2018

	Customer relationships	Computer software	Patents and acquired specific technology	Others	Total
	NT\$	NT\$	NT\$	NT\$	NT\$
<u>Cost</u>					
Balance at January 1, 2018	\$ 915,636	\$ 3,686,452	\$ 389,486	\$ 198,754	\$ 5,190,328
Additions	-	78,870	-	63,160	142,030
Disposals	-	(147)	-	-	(147)
Effect of foreign currency exchange differences	-	9,664	856	118	10,638
Balance at March 31, 2018	<u>\$ 915,636</u>	<u>\$ 3,774,839</u>	<u>\$ 390,342</u>	<u>\$ 262,032</u>	<u>\$ 5,342,849</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2018	\$ 801,860	\$ 2,822,121	\$ 70,084	\$ 89,398	\$ 3,783,463
Amortization expense	20,078	81,847	8,510	4,451	114,886
Disposals	-	(147)	-	-	(147)
Effect of foreign currency exchange differences	-	9,707	1,864	27	11,598
Balance at March 31, 2018	<u>\$ 821,938</u>	<u>\$ 2,913,528</u>	<u>\$ 80,458</u>	<u>\$ 93,876</u>	<u>\$ 3,909,800</u>

Each class of other intangible assets was amortized on the straight-line basis over the following useful lives:

Customer relationships	11 years
Computer software	2-10 years
Patents and acquired specific technology	5-15 years
Others	5-32 years

20. LONG-TERM PREPAYMENTS FOR LEASE

Long-term prepayments for lease mainly represented land use rights located in China with periods for use from 30 to 70 years and will expire through 2048 to 2089. Starting from 2019, upon initial application of IFRS 16, the Group reclassified the amount of NT\$6,599,225 thousand and NT\$4,165,610 thousand to investment properties and right-of-use assets, respectively.

21. BORROWINGS

a. Short-term borrowings

Short-term borrowings mainly represented unsecured revolving bank loans with annual interest rates at 0.70%-5.10%, 0.76%-5.10% and 0.80%-4.79% as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively.

b. Long-term borrowings

1) Bank loans

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Working capital bank loans			
Syndicated bank loans - repayable in April 2019 to May 2023, annual interest rates were 1.80%, 1.80% and 3.29% as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively	\$ 45,000,000	\$ 55,000,000	\$ 2,328,400
Others - repayable through May 2019 to November 2023, annual interest rates were 0.75%-3.73%, 0.75%-3.77% and 0.74%-2.61% as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively	68,886,703	75,533,354	29,399,369
Mortgage loans			
Repayable through July 2019 to June 2023, annual interest rates were 5.39%, 5.39% and 4.95%-5.39% as of March 31, 2019, December 31, 2018 and March 31, 2018	<u>4,493,769</u>	<u>4,393,826</u>	<u>4,957,406</u>
	118,380,472	134,927,180	36,685,175
Less: unamortized arrangement fee	<u>43,209</u>	<u>128,083</u>	<u>600</u>
	118,337,263	134,799,097	36,684,575
Less: current portion	<u>17,197,111</u>	<u>10,779,034</u>	<u>5,683,157</u>
	<u>\$ 101,140,152</u>	<u>\$ 124,020,063</u>	<u>\$ 31,001,418</u>

Pursuant to some of the above working capital bank loans agreements, the Company and its subsidiaries should maintain certain financial covenants including current ratio, leverage ratio, tangible net assets and interest coverage ratio. Such financial ratios are calculated based on each of their annual audited consolidated financial statements or semi-annual reviewed consolidated financial statements. The Company and its subsidiaries were in compliance with all of the financial covenants as of March 31, 2019, December 31, 2018 and March 31, 2018.

2) Long-term bills payable

	<u>March 31, 2019</u> NT\$	<u>December 31, 2018</u> NT\$	<u>March 31, 2018</u> NT\$
China Bills Finance Corporation, repayable through February 2021 to March 2021, annual interest rates were 1.02%-1.04%, 0.99% and 0.96% as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively	\$ 2,800,000	\$ 1,000,000	\$ 1,000,000
International Bills Finance Corporation, repayable in March 2021, annual interest rates were 1.02%-1.04%, 1.00% and 0.96% as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively	3,000,000	1,000,000	1,000,000
Ta Ching Bills Finance Corporation, repayable through January 2021 to March 2022, annual interest rates were 1.02%, 0.98% and 0.96% as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively	3,100,000	1,100,000	1,100,000
Mega Bills Finance Corporation, repayable in March 2022, annual interest rates was 1.03%	<u>2,000,000</u>	<u>-</u>	<u>-</u>
	10,900,000	3,100,000	3,100,000
Less: unamortized discounts	<u>2,393</u>	<u>768</u>	<u>1,722</u>
	<u>\$ 10,897,607</u>	<u>\$ 3,099,232</u>	<u>\$ 3,098,278</u>

22. BONDS PAYABLE

	<u>March 31, 2019</u> NT\$	<u>December 31, 2018</u> NT\$	<u>March 31, 2018</u> NT\$
Unsecured domestic bonds			
Repayable at maturity in January 2021 and interest due annually with annual interest rate at 1.30%	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000
Repayable at maturity in January 2023 and interest due annually with annual interest rate at 1.50%	2,000,000	2,000,000	2,000,000

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Repayable at maturity in January 2022 and interest due annually with annual interest rate at 1.25%	\$ 3,700,000	\$ 3,700,000	\$ 3,700,000
Repayable at maturity in January 2024 and interest due annually with annual interest rate at 1.45%	<u>4,300,000</u>	<u>4,300,000</u>	<u>4,300,000</u>
	17,000,000	17,000,000	17,000,000
Less: discounts on bonds payable	<u>12,990</u>	<u>14,064</u>	<u>17,344</u>
	<u>\$ 16,987,010</u>	<u>\$ 16,985,936</u>	<u>\$ 16,982,656</u>

(Concluded)

- a. In July 2015, ASE offered the fourth unsecured convertible overseas bonds (the “Currency Linked Bonds”) in US\$200,000 thousand. The Currency Linked Bonds are zero coupon bonds with a maturity of 2.75 years. The Currency Linked Bonds were expired in March 2018 and none has been exercised. ASE redeemed the Currency Linked Bonds in cash in an amount by converting the par value into New Taiwan dollar amount using a fixed exchange rate of US\$1 to NT\$30.928 and then back to U.S. dollar amount using the applicable prevailing rate at the time of redemption. At the same time, ASE reclassified NT\$214,022 thousand from capital surplus arising from equity component of convertible bonds to capital surplus arising from expired share options.
- b. In October 2014, SPIL offered the fourth unsecured convertible overseas bonds (the “SPIL Bonds”) in US\$400,000 thousand. The SPIL Bonds are zero coupon bonds with a maturity of 5 years. During May 1, 2018 to June 30, 2018, all outstanding SPIL Bonds of US\$148,000 thousand were converted into SPIL’s ordinary shares and then such ordinary shares were repurchased by the Company with a total consideration of NT\$5,216,985 thousand (NT\$51.2 per ordinary share, 0.3% securities transactions tax not yet deducted) pursuant to the supplemental indenture. In addition, capital surplus arising from the difference between consideration received and the carrying amount of the subsidiaries’ net assets during actual disposal or acquisition was decreased by NT\$388,491 thousand.

23. OTHER PAYABLES

	March 31, 2019	December 31, 2018	March 31, 2018
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
Accrued salary and bonus	\$ 8,654,324	\$ 10,591,202	\$ 5,931,025
Payables for property, plant and equipment	8,029,720	7,995,634	5,748,181
Accrued employees’ compensation and remuneration to directors	3,296,594	3,038,417	2,825,692
Accrued employee insurance	862,849	875,638	680,636
Accrued utilities	443,279	427,106	409,433
Payables for patents and acquired specific technology (Note 35)	19,263	57,590	90,953
Others	<u>7,489,191</u>	<u>8,018,295</u>	<u>5,082,887</u>
	<u>\$ 28,795,220</u>	<u>\$ 31,003,882</u>	<u>\$ 20,768,807</u>

24. RETIREMENT BENEFIT PLANS

The Group's retirement benefit plans consisted of defined contribution retirement plan and defined benefit retirement plan. Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the projected pension cost stated in 2018 and 2017 actuarial reports.

25. EQUITY

a. Share capital

Ordinary shares

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Numbers of shares authorized (in thousands)	5,000,000	5,000,000	10,000,000
Numbers of shares reserved (in thousands)			
Employee share options	400,000	400,000	800,000
Shares capital authorized	\$ 50,000,000	\$ 50,000,000	\$ 100,000,000
Shares capital reserved			
Employee share options	\$ 4,000,000	\$ 4,000,000	\$ 8,000,000
Number of shares issued and fully paid (in thousands)	4,322,733	4,321,714	8,753,238

As disclosed in Note 1, the Company acquired 100% shareholdings of ASE through share exchange at an exchange ratio of 1 ordinary share of ASE for 0.5 ordinary share of the Company. The holders of issued ordinary shares with a par value at \$10 per share are entitled the right to vote and receive dividends, except the shares held by the Group's subsidiaries which are not entitled the right to vote. Before the share exchange, 500,000 thousand ordinary shares included in ASE's authorized shares as of March 31, 2018 were not yet required to complete the share registration process.

American Depositary Receipts

ASE originally issued ADSs and each ADS represents 5 ordinary shares of ASE. On April 30, 2018, ASE's ADSs were fully exchanged to the Company's ADSs and each of the Company's ADS represents 2 ordinary shares of the Company. As of March 31, 2019, December 31, 2018 and March 31, 2018, 141,349 thousand, 140,042 thousand and 119,037 thousand ADSs were outstanding and represented approximately 282,697 thousand ordinary shares of the Company, 280,085 thousand ordinary shares of the Company and 595,185 thousand ordinary shares of ASE, respectively.

b. Capital surplus

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
	NT\$	NT\$	NT\$
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 12,952,589	\$ 12,906,401	\$ 21,700,595
Merger by share exchange	117,693,658	117,693,658	-
Conversion of bonds payable	-	-	1,930,066

(Continued)

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Difference between consideration and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 6,034,244	\$ 6,034,102	\$ 7,176,958
	<u>136,680,491</u>	<u>136,634,161</u>	<u>30,807,619</u>
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interest in subsidiaries (2)	3,725,885	3,725,885	4,955,812
Treasury share transactions	182,354	182,354	1,151,345
Exercised employee share options	1,395,174	1,366,480	1,209,421
Expired share options (Note 29)	645,978	645,978	437,476
Share of changes in capital surplus of associates	89,605	87,136	239,796
Dividends that the claim period has elapsed and unclaimed by shareholders	872	872	-
	<u>6,039,868</u>	<u>6,008,705</u>	<u>7,993,850</u>
<u>May not be used for any purpose</u>			
Employee share options	760,319	583,542	862,867
Others (3)	34,481	48,805	240,845
	<u>794,800</u>	<u>632,347</u>	<u>1,103,712</u>
	<u>\$ 143,515,159</u>	<u>\$ 143,275,213</u>	<u>\$ 39,905,181</u>
			(Concluded)

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for using the equity method.
- 3) Such capital surplus represents the excess of the carrying amount of related accounts over the par value due to employee share options exercised and the Company has not completed registration formalities.

As disclosed in Note 1, share exchange between the Company and ASE was deemed as an organization restructure under common control and the Company, in accordance with the Interpretation 2011-390 issued by the Accounting Research and Development Foundation, R.O.C., recorded the same amounts of equity which were related to ASE's assets and liabilities (the "continued equity") and then recognized capital surplus arising from merger by share exchange in the amount of the excess of ASE's total equity over the Company's share capital and the continued equity.

In addition, the Company's special shareholders' meeting held in June 2018 resolved to distribute cash in NT\$10,795,980 thousand from capital surplus arising from issuance of ordinary shares.

c. Retained earnings and dividend policy

The Articles of Incorporation of the Company (the “Articles”) provides that annual net income shall be distributed in the following order:

- 1) Replenishment of deficits;
- 2) 10.0% as legal reserve;
- 3) Special reserve appropriated or reversed in accordance with laws or regulations set forth by the authorities concerned;
- 4) Addition or deduction of realized gains or losses on equity instruments at fair value through other comprehensive income.

The Articles also provides the policy of the employees’ compensation and remuneration to directors, refer to employees’ compensation and the remuneration to directors in Note 26(g).

The Company is currently in the mature growth stage. To meet the capital needs for business development now and in the future and satisfy the shareholders’ demand for cash inflows, the Company shall use residual dividend policy to distribute dividends, of which the cash dividend is not lower than 30% of the total dividend distribution, with the remainder to be distributed in shares. A distribution plan is also to be made by the board of directors and passed for resolution in the shareholders’ meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company’s capital surplus. Legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s capital surplus, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs” should be appropriated to or reversed from a special reserve by the Company.

The appropriation of earnings for 2018 proposed by the Company’s board of directors in March 2019, was as follows:

	Appropriation of Earnings	Dividends Per Share
	NT\$	NT\$ (in dollars)
Legal reserve	\$ 2,203,895	
Special reserve	3,548,843	
Cash dividends	<u>10,806,454</u>	\$ 2.5
	<u>\$ 16,559,192</u>	

d. Others equity

1) Exchange differences on translating foreign operations

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Balance at January 1	\$ (5,887,675)	\$ (6,732,760)
Exchange differences arising on translating foreign operations	2,000,239	169,523
Share from associates and joint venture accounted for using the equity method	<u>20,108</u>	<u>99,398</u>
Balance at March 31	<u>\$ (3,867,328)</u>	<u>\$ (6,463,839)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Balance at January 1	\$ (1,015,107)	\$ 135,517
Unrealized loss recognized during the period		
Debt instruments	(454)	(61,524)
Equity instruments	(4,163)	(34,395)
Share from associates and joint venture accounted for using the equity method	432,667	139,059
Realized loss recognized during the period		
Share from associates and joint venture accounted for using the equity method	<u>-</u>	<u>(5,675)</u>
Balance at March 31	<u>\$ (587,057)</u>	<u>\$ 172,982</u>

e. Treasury shares (in thousand shares)

	Beginning Balance	Addition	Decrease	Ending Balance
<u>For the three months ended March 31, 2019</u>				
Shares held by subsidiaries	<u>72,941</u>	<u>-</u>	<u>-</u>	<u>72,941</u>
<u>For the three months ended March 31, 2018</u>				
Shares held by subsidiaries	145,883	-	-	145,883
Shares reserved for bonds conversion	120,000	-	-	120,000

(Continued)

	<u>Beginning Balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending Balance</u>
Shares repurchased from dissenting shareholders in accordance with Business Mergers and Acquisitions Act	-	1,852	-	1,852
	<u>265,883</u>	<u>1,852</u>	<u>-</u>	<u>267,735</u> (Concluded)

The Company's or ASE's shares held by its subsidiaries at each balance sheet date were as follows:

	<u>Shares Held by Subsidiaries (in thousand shares)</u>	<u>Carrying Amount NT\$</u>	<u>Fair Value NT\$</u>
<u>March 31, 2019</u>			
ASE Test	44,100	\$ 1,380,721	\$ 2,976,766
J&R Holding	23,352	381,709	1,576,252
ASE Test, Inc.	<u>5,489</u>	<u>196,677</u>	<u>370,534</u>
	<u>72,941</u>	<u>\$ 1,959,107</u>	<u>\$ 4,923,552</u>
<u>December 31, 2018</u>			
ASE Test	44,100	\$ 1,380,721	\$ 2,571,044
J&R Holding	23,352	381,709	1,361,415
ASE Test, Inc.	<u>5,489</u>	<u>196,677</u>	<u>320,031</u>
	<u>72,941</u>	<u>\$ 1,959,107</u>	<u>\$ 4,252,490</u>
<u>March 31, 2018</u>			
ASE Test	88,200	\$ 1,380,721	\$ 3,704,420
J&R Holding	46,704	381,709	1,961,558
ASE Test, Inc.	<u>10,979</u>	<u>196,677</u>	<u>461,109</u>
	<u>145,883</u>	<u>\$ 1,959,107</u>	<u>\$ 6,127,087</u>

Fair values of the Company's shares held by subsidiaries are based on the closing price from an available published price quotation, which is a Level 1 input in terms of IFRS 13, at the balance sheet dates.

In March 2018, ASE's board of directors approved, in accordance with Business Mergers and Acquisitions Act, to repurchase ASE's 1,852 thousand ordinary shares at NT\$38.5 per share held by the shareholders dissenting on the share exchange transaction which has been approved by both of ASE and SPIL's special shareholders' meetings on February 12, 2018. In addition, ASE's board of directors approved a capital reduction in April 2018 to cancel ASE's 121,852 thousand treasury shares and the record date was April 9, 2018. ASE has completed the registration formalities before April 30, 2018.

ASE issued ordinary shares in connection with its merger with its subsidiaries. The shares held by its subsidiaries were reclassified to treasury shares on the proportion owned by ASE. As disclosed in Note 1, ASE's ordinary shares held by subsidiaries were exchanged to the Company's ordinary shares on April 30, 2018 in accordance with the joint share exchange agreement.

The subsidiaries holding the aforementioned treasury shares retain shareholders' rights except the rights to participate in cash capital increase by cash and voting.

f. Non-controlling interests

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Balance at January 1	\$ 17,647,190	\$ 13,205,120
Share in profit for the period	187,351	259,647
Other comprehensive income (loss) in the period		
Exchange difference on translating foreign operations	286,460	70,568
Unrealized loss on equity instruments at FVTOCI	1,316	(493)
Remeasurement on defined benefit plans	-	986
Acquisition of non-controlling interests in subsidiaries	(8,335)	-
Subsidiaries' buy back of their own outstanding ordinary shares (Note 31)	-	(777,104)
Non-controlling interest relating to outstanding expired employee share options granted by subsidiaries	<u>16,674</u>	<u>24,140</u>
Balance at March 31	<u>\$ 18,130,656</u>	<u>\$ 12,782,864</u>

26. PROFIT BEFORE INCOME TAX

a. Other income

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Government subsidy	\$ 131,547	\$ 101,121
Interest income	129,880	83,717
Rental income	44,218	46,064
Dividends	<u>2,625</u>	<u>2,458</u>
	<u>\$ 308,270</u>	<u>\$ 233,360</u>

b. Other gains, net

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Net gains on financial assets mandatorily at FVTPL	\$ 1,685,029	\$ 560,773
Net losses arising on financial instruments held for trading	(128,696)	(939,789)
Net foreign exchange gains (losses)	(180,134)	502,291

(Continued)

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Impairment losses	\$ (62,500)	\$ -
Loss on disposal of property, plant and equipment	(54,154)	(33,969)
Others	<u>27,706</u>	<u>46,321</u>
	<u>\$ 1,287,251</u>	<u>\$ 135,627</u>

(Concluded)

c. Finance costs

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Interest on lease liabilities	\$ 34,874	\$ -
Interest on borrowings and bonds payable	<u>1,083,105</u>	<u>453,550</u>
Total interest expense for financial liabilities measured at amortized cost	1,117,979	453,550
Less: Amounts included in the cost of qualifying assets		
Inventories related to real estate business	(6,791)	(2,668)
Property, plant and equipment	(14,908)	(9,664)
Investment properties	<u>-</u>	<u>(32)</u>
	1,096,280	441,186
Other finance costs	<u>3,310</u>	<u>23,273</u>
	<u>\$ 1,099,590</u>	<u>\$ 464,459</u>

Information relating to the capitalized borrowing costs was as follows:

	For the Three Months Ended March 31	
	2019	2018
Annual interest capitalization rates		
Inventories related to real estate business (%)	4.35	4.35
Property, plant and equipment (%)	2.14-4.03	1.86-4.52
Investment properties (%)	-	1.86-2.04

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Property, plant and equipment	\$ 11,316,110	\$ 7,019,873
Right-of-use assets	262,581	-
Investment properties	155,262	97,364
Intangible assets	<u>841,522</u>	<u>114,886</u>
Total	<u>\$ 12,575,475</u>	<u>\$ 7,232,123</u>

(Continued)

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Summary of depreciation by function		
Operating costs	\$ 10,995,511	\$ 6,626,571
Operating expenses	<u>738,442</u>	<u>490,666</u>
	<u>\$ 11,733,953</u>	<u>\$ 7,117,237</u>
Summary of amortization by function		
Operating costs	\$ 506,248	\$ 36,402
Operating expenses	<u>335,274</u>	<u>78,484</u>
	<u>\$ 841,522</u>	<u>\$ 114,886</u>

(Concluded)

e. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Direct operating expenses of investment properties that generated rental income	<u>\$ 318,164</u>	<u>\$ 316,269</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Post-employment benefits		
Defined contribution plans	\$ 793,207	\$ 598,244
Defined benefit plans	<u>70,296</u>	<u>64,850</u>
	863,503	663,094
Equity-settled share-based payments	222,120	46,319
Other employee benefits	<u>16,159,431</u>	<u>12,145,653</u>
Total employee benefits expense	<u>\$ 17,245,054</u>	<u>\$ 12,855,066</u>
Summary of employee benefits expense by function		
Operating costs	\$ 11,618,154	\$ 9,028,109
Operating expenses	<u>5,626,900</u>	<u>3,826,957</u>
	<u>\$ 17,245,054</u>	<u>\$ 12,855,066</u>

g. Employees' compensation and the remuneration to directors

The Articles stipulates to distribute employees' compensation and remuneration to directors at the rates in 0.01%-1.00% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation and remuneration to directors. For the three months ended March 31, 2019, the employees' compensation and the remuneration to directors were NT\$ 3,382 thousand and NT\$2,537 thousand which accrued based on 0.20% and 0.15%, respectively, of net profit before income tax, employees' compensation and remuneration to directors.

If there is a change in the proposed amounts after the consolidated financial statement authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the following year.

In March 2019, the board of directors resolved the appropriations of employees' compensation and remuneration to directors in cash for 2018. The differences between the resolved amounts of the remuneration to directors and the accrued amounts reflected in the consolidated financial statements for the years ended December 31, 2018 were deemed changes in estimates. The difference was NT\$3 thousand and had been adjusted in net profit for the years ended December 31, 2019.

	For Year 2018	
	Employees' compensation	Remuneration to directors
	NT\$	NT\$
Resolved by the board of directors	<u>\$ 45,430</u>	<u>\$ 34,070</u>
Recognized in the consolidated financial statements	<u>\$ 45,430</u>	<u>\$ 34,073</u>

Information on the employees' compensation and the remuneration to directors resolved by the board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange (the "TSE").

27. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended	
	March 31	
	2019	2018
	NT\$	NT\$
Current income tax		
In respect of the current period	\$ 715,205	\$ 847,615
Income tax on unappropriated earnings	36,879	47,670
Changes in estimate for prior periods	<u>(512,055)</u>	<u>(3,267)</u>
	<u>240,029</u>	<u>892,018</u>
Deferred income tax		
In respect of the current period	123,895	(54,143)
Adjustments attributable to changes in tax rates	-	657,346
Changes in estimate for prior periods	195	(26)

(Continued)

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Effect of foreign currency exchange differences	\$ 40,772	\$ (75,183)
	<u>164,862</u>	<u>527,994</u>
Income tax expense recognized in profit or loss	<u>\$ 404,891</u>	<u>\$ 1,420,012</u>
		(Concluded)

The Income Tax Act in the R.O.C. was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings is reduced from 10% to 5%. The subsidiaries located in China applied tax rate of 25%. For other jurisdictions, the Group measures taxes by using the applicable tax rate for each individual jurisdiction.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Effect of change in tax rate	\$ _____-	\$ 70,755

c. Income tax assessments

The tax returns of the Company's R.O.C. subsidiaries through 2015 to 2017 have been examined by the tax authorities.

28. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net profit for the period

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Profit for the period attributable to owners of the Company	\$ 2,042,953	\$ 2,096,090
Effect of potentially dilutive ordinary shares		
From subsidiaries	(86,206)	(54,308)
From convertible bonds	<u>-</u>	<u>23,646</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 1,956,747</u>	<u>\$ 2,065,428</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended March 31	
	2019	2018
Weighted average number of ordinary shares in computation of basic earnings per share	4,249,573	4,239,599
Effect of potentially dilutive ordinary shares		
From employee share options	5,301	14,895
From employees' compensation	685	27,393
From convertible bonds	<u>-</u>	<u>54,684</u>
Weighted average number of ordinary shares in computation of diluted earnings per share	<u>4,255,559</u>	<u>4,336,571</u>

The share exchange between the Company and ASE was deemed as an organization restructure under common control, and the earnings per share of prior periods were calculated based on weighted average number of ordinary shares outstanding retrospectively adjusted in accordance with share exchange ratio stated in the joint share exchange agreement.

The Group is able to settle the employees' compensation by cash or shares. The Group assumed that the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of ordinary shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until shareholders approve the number of shares to be distributed to employees at their meeting in the following year.

29. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plans of the Company

The Company's Option Plan

In order to attract, retain and reward employees, the Company has its employee share option plan for full-time employees of the Group and registered 150,000 thousand share options in 2018. Each share option represents the right to purchase one ordinary share of the Company when exercised. Under the terms of the plan, share options are granted at an exercise price equal to or not less than the closing price of the ordinary shares listed on the TSE at the issue date. The right of those share options granted under the plan is valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date. For any subsequent changes in the Company's capital structure or when cash dividend per ordinary share exceeds 1.5% of the market price per ordinary share, the exercise price is accordingly adjusted.

ASE's Option Plans

ASE had five employee share option plans for the Group's full-time employees. Each share option represents the right to purchase one ordinary share of ASE when exercised. Under the terms of the plans, share options are granted at an exercise price equal to or not less than the closing price of the ordinary shares listed on the TSE at the grant date. The option rights of these plans are valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date. For any subsequent changes in ASE's capital structure, the exercise price was accordingly adjusted. As disclosed in Note 1, the Company assumed ASE's obligations of outstanding employee share option plans starting from April 30, 2018, and each share option represents the right to purchase 0.5 ordinary share of the Company with all other terms and conditions held constant.

Information about the share option plans that ASE granted for the three months ended March 31, 2018 was as follows:

	For the Three Months Ended March 31, 2018	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT\$)
Balance at January 1	135,961	\$ 30.2
Options forfeited	(1,558)	36.5
Options exercised	<u>(15,159)</u>	25.3
Balance at March 31	<u>119,244</u>	30.7
Options exercisable, end of period	<u>77,990</u>	27.7

Information about the share option plans that the Company granted and assumed for the three months ended March 31, 2019 was as follows:

	For the Three Months Ended March 31, 2019	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (NT\$)
Balance at January 1	183,814	\$ 58.1
Options forfeited	(933)	63.5
Options exercised	<u>(1,019)</u>	41.3
Balance at March 31	<u>181,862</u>	58.2
Options exercisable, end of period	<u>38,732</u>	59.8

The weighted average share price at the dates of exercise of share options for the three months ended March 31, 2019 and 2018 was NT\$60.8 and NT\$40.2, respectively.

Information about the Company's outstanding share options at each balance sheet date was as follows:

	Range of Exercise Price Per Share (NT\$)	Weighted Average Remaining Contractual Life (Years)
<u>March 31, 2019</u>		
ASE 4 th share options	\$ 40.8-45.2	1.2
ASE 5 th share options	73.0	6.4
The Company 1 st share options	56.4	9.7

(Continued)

	Range of Exercise Price Per Share (NT\$)	Weighted Average Remaining Contractual Life (Years)
December 31, 2018		
ASE 4 th share options	40.8-45.2	1.5
ASE 5 th share options	73.0	6.7
The Company 1 st share options	56.4	9.9
March 31, 2018		
ASE 4 th share options	20.4-22.6	2.2
ASE 5 th share options	36.5	7.4
		(Concluded)

USIE Option Plans

The terms of the plans issued by USIE were the same with those option plans previously granted by ASE.

Information about share options was as follows:

	For the Three Months Ended March 31			
	2019		2018	
	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US\$)	Number of Options (In Thousands)	Weighted Average Exercise Price Per Share (US\$)
Balance at January 1 and March 31	<u>16,711</u>	\$2.1	<u>25,556</u>	\$2.2
Options exercisable, end of period	<u>16,711</u>	2.1	<u>25,556</u>	2.2

Information about USIE's outstanding share options at each balance sheet date was as follows:

	Range of Exercise Price Per Share (US\$)	Weighted Average Remaining Contractual Life (Years)
March 31, 2019		
1 st share options	\$ 1.5	1.7
2 nd and 3 rd share options	2.4-2.9	1.9
December 31, 2018		
1 st share options	1.5	2.0
2 nd and 3 rd share options	2.4-2.9	2.1
March 31, 2018		
1 st share options	1.5	2.7
2 nd and 3 rd share options	2.4-2.9	2.6

USISH Option Plan

Each unit represents the right to purchase one ordinary share of USISH when exercised. The options are valid for 10 years, non-transferable and exercisable at certain percentages subsequent to the second anniversary of the grant date incorporated with certain performance conditions. For any subsequent changes in USISH's capital structure, the exercise price is accordingly adjusted.

Information about share options was as follows:

	For the Three Months Ended March 31			
	2019		2018	
	Number of Options (In Thousands)	Exercise Price Per Share (CNY)	Number of Options (In Thousands)	Exercise Price Per Share (CNY)
Balance at January 1	21,537	\$ 15.5	22,341	\$ 15.5
Options forfeited	<u>(50)</u>	15.5	<u>(155)</u>	15.5
Balance at March 31	<u>21,487</u>	15.5	<u>22,186</u>	15.5
Options exercisable, end of period	<u>12,855</u>	15.5	<u>8,834</u>	15.5

As of March 31, 2019, December 31, 2018 and March 31, 2018, the remaining contractual life of the share options was 6.7 years, 6.9 years and 7.7 years, respectively.

For the three months ended March 31, 2019 and 2018, employee benefit expense recognized on the aforementioned employee share option plans were NT\$222,120 thousand and NT\$46,319 thousand, respectively.

- b. Fair value of share options granted by the Company in 2018 were measured at the grant date by using the trinomial tree model, and the inputs to the model were as follows:

Share price at the grant date	NT\$58.80 per share
Exercise price	NT\$56.40 per share
Expected volatility	27.77%-28.86%
Expected lives	4.8 years-7.0 years
Expected dividend yield	-
Risk free interest rate	0.73%-0.80%

Expected volatility was based on the Company's historical share prices volatility.

30. BUSINESS COMBINATIONS

- a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
SFIL	Engaged in the assembly, testing and turnkey services of integrated circuits.	April 30, 2018	100	<u>\$ 168,440,585</u>

As disclosed in Note 1, the Company acquired 100% shareholdings of SPIL at NT\$51.2 in cash per SPIL's ordinary share in accordance with the joint share exchange agreements between ASE and SPIL.

b. Assets acquired and liabilities assumed at the date of acquisition

	NT\$
Assets	
Cash and cash equivalents	\$ 20,088,970
Trade and other receivables	15,840,649
Inventories	5,693,644
Property, plant and equipment	81,985,622
Intangible assets	31,354,386
Others	24,953,930
Liabilities	
Trade and other payables	(19,755,598)
Borrowings and bonds payables	(24,157,174)
Others	<u>(3,315,404)</u>
Fair value of identifiable net assets acquired	<u>\$ 132,689,025</u>

c. Goodwill recognized on acquisitions

	NT\$
Total consideration	\$ 168,440,585
Add: Non-controlling interests	3,582,866
Less: Fair value of identifiable net assets acquired	<u>(132,689,025)</u>
Goodwill recognized on acquisition	<u>\$ 39,334,426</u>

The fair value of non-controlling interests were determined using market approach based on the valuation multiples of comparable companies and the discount rate for lack of marketability. The significant unobservable inputs is the discount rate for lack of marketability of 25%.

The goodwill recognized in the acquisition of SPIL mainly represents the control premium included in the cost of the combination. In addition, the consideration paid for the combination effectively included amounts attributed to the benefits of expected synergies, revenue growth and future market development of SPIL. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The goodwill recognized on acquisition is not expected to be deductible for tax purpose.

d. Net cash outflow on acquisition of subsidiaries

	NT\$
Total consideration	\$ 168,440,585
Less: Payable for consideration representing the ordinary shares originally held by ASE	(53,109,760)
Less: Cash and cash equivalent acquired	<u>(20,088,970)</u>
	<u>\$ 95,241,855</u>

e. Impact of acquisitions on the results of the Group

As of December 31, 2018, the results of operations from SPIL since the acquisition date were included in the consolidated statements of comprehensive income and were as follows:

	NT\$
Operating revenue	<u>\$ 61,247,727</u>
Profit	<u>\$ 7,257,564</u>

Had these business combinations been in effect at the beginning of the annual reporting period and the investments in SPIL originally accounted for using the equity method, as disclosed in Note 15, been remeasured to their fair value on January 1, 2018, the Group's operating revenue for the three months ended March 31, 2018 would have been NT\$83,878,563 thousand, and profit for the three months ended March 31, 2018 would have been NT\$1,019,897 thousand. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the operating revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2018, nor is it intended to be a projection of future results.

In determining the pro-forma operating revenue and profit of the Company had SPIL been acquired at the beginning of the current reporting period, the management:

- 1) Calculated the depreciation of property, plant and equipment and the amortization of intangible assets acquired on the basis of the fair values at the initial accounting for the business combination rather than the carrying amounts recognized in the respective pre-acquisition financial statements; and
- 2) Calculated borrowing costs based on the funding status, credit ratings and debt/equity ratios of the Group after the business combination.

31. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

In January 2018, the shareholders' meeting of the USIE resolved to repurchase its own outstanding 3,738 thousand ordinary shares at US\$17.49 per share and, as a result, the Group's shareholdings of USIE increased from 96.9% to 98.6%. The transaction was accounted for as an equity transaction since the transaction did not change the Company's control over USIE and capital surplus was decreased by NT\$1,127,632 thousand in the first quarter of 2018. In February 2018, the board of directors of USIE resolved February 26, 2018 was the record date for capital reduction and then the repurchased ordinary shares were subsequently cancelled.

In March 2018, ASE's board of directors resolved to sign the shares transfer agreement by its subsidiary, J&R Holding, for acquiring shares of ASEN from NXP B.V. at US\$127,113 thousand (under the line item of other financial assets – current as of March 31, 2018). As a result, the percentage of ownership in ASEN was increased from 60% to 100%. The transaction was accounted for as an equity transaction since the transaction did not change the Company's control over ASEN and capital surplus was decreased by NT\$1,737,315 thousand in the third quarter of 2018.

In August 2018, J&R Holding's board of directors further resolved to sell 30% shareholdings of ASEN to Tsinghua Unigroup Ltd. at US\$95,335 thousand. As a result, the Group's shareholdings of ASEN was decreased from 100% to 70%. The transaction was accounted for as an equity transaction since the Group also did not cease to have control over ASEN and capital surplus was increased by NT\$1,114,504 thousand in the fourth quarter of 2018.

In July 2018, ASE and UGTW's board of directors have approved to acquire the outstanding ordinary shares of USIINC and USI at NT\$35 and NT\$18 per ordinary shares, respectively. ASE and UGTW also purchased the ordinary shares from dissenting shareholders in August 2018 and recognized an increase in capital surplus by NT\$9,530 thousand. UGTW and ASE have completed the acquisition of USI and USIINC's remaining outstanding ordinary shares in the first quarter of 2019 and in the third quarter of 2018, respectively, and recognized an increase in capital surplus by NT\$142 thousand in the first quarter of 2019 and a decrease by NT\$28,152 thousand in the third quarter of 2018, respectively.

32. CASH FLOW TRANSACTIONS

a. Non-cash investing activities

In addition to Notes 25 and 30, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2019 and 2018 were as follows:

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Payments for property, plant and equipment		
Purchase of property, plant and equipment	\$ 9,156,371	\$ 7,035,726
Increase in other non-current assets	121,687	263,741
Decrease in other payables	(34,086)	(1,124,912)
Capitalized borrowing costs	<u>(14,908)</u>	<u>(9,664)</u>
	<u>\$ 9,229,064</u>	<u>\$ 6,164,891</u>
Proceeds from disposal of property, plant and equipment		
Consideration from disposal of property, plant and equipment	\$ 342,969	\$ 597,383
Decrease in other receivables	<u>8,320</u>	<u>20,109</u>
	<u>\$ 351,289</u>	<u>\$ 617,492</u>
Payments for investment properties		
Purchase of investment properties	\$ -	\$ 53,378
Capitalized borrowing costs	<u>-</u>	<u>(32)</u>
	<u>\$ -</u>	<u>\$ 53,346</u>
Payments for other intangible assets		
Purchase of other intangible assets	\$ 314,238	\$ 142,030
Decrease in other payables	<u>40,106</u>	<u>-</u>
	<u>\$ 354,344</u>	<u>\$ 142,030</u>

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2019

	<u>Short-term borrowings</u>	<u>Bonds payable</u>	<u>Long-term borrowings</u>	<u>Lease liabilities</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$	NT\$
Balance at January 1, 2019	\$ 43,263,469	\$ 16,985,936	\$ 137,898,329	\$ -	\$ 198,147,734
Adjustments on initial application of IFRS 16 (Note 3)	-	-	-	6,084,729	6,084,729
Adjusted balance at January 1, 2019	43,263,469	16,985,936	137,898,329	6,084,729	204,232,463
Net financing cash flows	5,778,681	-	(8,951,173)	(176,780)	(3,349,272)
Non-cash changes					
Lease liabilities	-	-	-	24,410	24,410
Amortization of issuance cost	-	1,074	83,248	-	84,322
Effects of foreign currency exchange	164,690	-	204,466	31,362	400,518
Balance at March 31, 2019	<u>\$ 49,206,840</u>	<u>\$ 16,987,010</u>	<u>\$ 129,234,870</u>	<u>\$ 5,963,721</u>	<u>\$ 201,392,441</u>

For the three months ended March 31, 2018

	<u>Short-term borrowings</u>	<u>Bonds payable</u>	<u>Long-term borrowings</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
Balance at January 1, 2018	\$ 17,962,471	\$ 23,142,780	\$ 35,406,628	\$ 76,511,879
Financing cash flows	832,971	(6,185,600)	4,848,781	(503,848)
Non-cash changes				
Reclassification on application of IFRS 9	(1,301,994)	-	-	(1,301,994)
Amortization of issuance cost	-	25,476	(254)	25,222
Effects of foreign currency exchange	(112,939)	-	(472,302)	(585,241)
Balance at March 31, 2018	<u>\$ 17,380,509</u>	<u>\$ 16,982,656</u>	<u>\$ 39,782,853</u>	<u>\$ 74,146,018</u>

33. CAPITAL MANAGEMENT

The capital structure of the Group consists of debt and equity. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. Key management personnel of the Group periodically reviews the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

The Group is not subject to any externally imposed capital requirements except those discussed in Note 21.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

1) Fair value of financial instruments not measured at fair value but for which fair value is disclosed

Except bonds payable measured at amortized cost, the management considers that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values. The carrying amounts and fair value of bonds payable as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively, were as follows:

	Carrying Amount	Fair Value
	NT\$	NT\$
March 31, 2019	\$ 16,987,010	\$ 17,114,619
December 31, 2018	16,985,936	17,126,752
March 31, 2018	16,982,656	17,154,901

2) Fair value hierarchy

The aforementioned fair value hierarchy of bonds payable was Level 3 which was determined based on discounted cash flow analysis with the applicable yield curve for the duration. The significant unobservable inputs is discount rates that reflected the credit risk of various counterparties.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
	NT\$	NT\$	NT\$	NT\$
<u>March 31, 2019</u>				
Financial assets at FVTPL				
Derivative financial assets				
Swap contracts	\$ -	\$ 1,373,768	\$ -	\$ 1,373,768
Forward exchange contracts	-	11,593	-	11,593
Non-derivative financial assets				
Quoted ordinary shares	5,943,973	-	-	5,943,973
Open-end mutual funds	559,890	-	-	559,890
Private-placement funds	-	-	455,994	455,994
Unquoted preferred shares	-	-	275,000	275,000
Hybrid financial assets				
Private-placement convertible bonds	-	100,496	-	100,496
	<u>\$ 6,503,863</u>	<u>\$ 1,485,857</u>	<u>\$ 730,994</u>	<u>\$ 8,720,714</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unquoted shares	\$ -	\$ -	\$ 731,586	\$ 731,586
Limited partnership	-	-	35,733	35,733
Investments in debt instruments				
Unsecured subordinate corporate bonds	-	-	1,016,470	1,016,470
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783,789</u>	<u>\$ 1,783,789</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Swap contracts	\$ -	\$ 6,951	\$ -	\$ 6,951

(Continued)

	<u>Level 1</u> NT\$	<u>Level 2</u> NT\$	<u>Level 3</u> NT\$	<u>Total</u> NT\$
Forward exchange contracts	\$ -	\$ 11,605	\$ -	\$ 11,605
	<u>\$ -</u>	<u>\$ 18,556</u>	<u>\$ -</u>	<u>\$ 18,556</u>
<u>December 31, 2018</u>				
Financial assets at FVTPL				
Derivative financial assets				
Swap contracts	\$ -	\$ 1,557,714	\$ -	\$ 1,557,714
Forward exchange contracts	-	32,070	-	32,070
Non-derivative financial assets				
Quoted ordinary shares	5,151,255	-	-	5,151,255
Open-end mutual funds	581,800	-	-	581,800
Unquoted preferred shares	-	-	275,000	275,000
Private-placement funds	-	-	200,123	200,123
Hybrid financial assets				
Private-placement convertible bonds	<u>-</u>	<u>100,496</u>	<u>-</u>	<u>100,496</u>
	<u>\$ 5,733,055</u>	<u>\$ 1,690,280</u>	<u>\$ 475,123</u>	<u>\$ 7,898,458</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unquoted ordinary shares	\$ -	\$ -	\$ 540,730	\$ 540,730
Limited partnership	-	-	39,669	39,669
Investments in debt instruments				
Unsecured subordinate corporate bonds	<u>-</u>	<u>-</u>	<u>1,016,924</u>	<u>1,016,924</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,597,323</u>	<u>\$ 1,597,323</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Swap contracts	\$ -	\$ 29,058	\$ -	\$ 29,058
Forward exchange contracts	<u>-</u>	<u>7,597</u>	<u>-</u>	<u>7,597</u>
	<u>\$ -</u>	<u>\$ 36,655</u>	<u>\$ -</u>	<u>\$ 36,655</u>
<u>March 31, 2018</u>				
Financial assets at FVTPL				
Derivative financial assets				
Forward exchange contracts	\$ -	\$ 97,858	\$ -	\$ 97,858
Swap contracts	-	24,307	-	24,307

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	NT\$	NT\$	NT\$	NT\$
Non-derivative financial assets				
Quoted ordinary shares	\$ 5,677,986	\$ -	\$ -	\$ 5,677,986
Open-end mutual funds	612,837	-	-	612,837
Hybrid financial assets				
Private-placement convertible bonds	<u>-</u>	<u>100,496</u>	<u>-</u>	<u>100,496</u>
	<u>\$ 6,290,823</u>	<u>\$ 222,661</u>	<u>\$ -</u>	<u>\$ 6,513,484</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Unquoted shares	\$ -	\$ -	\$ 657,123	\$ 657,123
Limited partnership	-	-	125,505	125,505
Investments in debt instruments				
Unsecured subordinate corporate bonds	<u>-</u>	<u>-</u>	<u>1,018,476</u>	<u>1,018,476</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,801,104</u>	<u>\$ 1,801,104</u>
Financial liabilities at FVTPL				
Derivative financial liabilities				
Swap contracts	\$ -	\$ 954,322	\$ -	\$ 954,322
Forward exchange contracts	<u>-</u>	<u>4,439</u>	<u>-</u>	<u>4,439</u>
	<u>\$ -</u>	<u>\$ 958,761</u>	<u>\$ -</u>	<u>\$ 958,761</u>

(Concluded)

For the financial assets and liabilities that were measured at fair value on a recurring basis held for the three months ended March 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the three months ended March 31, 2019

<u>Financial Assets</u>	<u>Financial Assets at FVTPL</u>	<u>Financial Assets at FVTOCI</u>		<u>Total</u>
	<u>Equity Instruments</u>	<u>Equity Instruments</u>	<u>Debt Instruments</u>	
	NT\$	NT\$	NT\$	NT\$
Balance at January 1	\$ 475,123	\$ 580,399	\$ 1,016,924	\$ 2,072,446
Recognized in other comprehensive income (included in unrealized losses on financial assets at FVTOCI)	-	(2,545)	(454)	(2,999)
Purchases	<u>255,871</u>	<u>189,465</u>	<u>-</u>	<u>445,336</u>
Balance at December 31	<u>\$ 730,994</u>	<u>\$ 767,319</u>	<u>\$ 1,016,470</u>	<u>\$ 2,514,783</u>

For the three months ended March 31, 2018

	Financial Assets at FVTOCI	
	Equity instruments	Debt instruments
	NT\$	NT\$
Balance at January 1	\$ 908,549	\$ 1,080,000
Recognized in other comprehensive income (included in unrealized losses on financial assets at FVTOCI)	(38,888)	(61,524)
Disposals	<u>(87,033)</u>	<u>-</u>
Balance at March 31	<u>\$ 782,628</u>	<u>\$ 1,018,476</u>

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

- a) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - swap contracts and forward exchange contracts	Discounted cash flows - Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward exchange rates, discounted at rates that reflected the credit risk of various counterparties.
Private-placement convertible bonds	Discounted cash flows - Future cash flows are estimated based on observable stock prices at balance sheet dates and contract conversion prices, discounted at rates that reflected the credit risk of various counterparties.

- b) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair value of unquoted ordinary shares, unquoted preferred shares, limited partnership and private-placement funds were determined using market approach or asset-based approach. The significant unobservable inputs is the discount for lack of marketability of 20% to 30%. If the discount for lack of marketability to the valuation model was increased by 1% while all the other variables were held constant, the fair value of those investments would have decreased approximately by NT\$7,700 thousand, NT\$7,700 thousand, and NT\$5,800 thousand, respectively.

The fair values of the unsecured subordinate corporate bonds were determined using income approach based on a discounted cash flow analysis. The significant unobservable input is the discount rate that reflects the credit risk of the counterparty. If the discount rate was increased by 0.1% while all the other variables were held constant, the fair value of the bonds would have decreased approximately by NT\$6,000 thousand, NT\$7,000 thousand and NT\$7,000 thousand as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively.

c. Categories of financial instruments

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Financial assets			
<hr/>			
FVTPL			
Mandatorily at FVTPL	\$ 8,720,714	\$ 7,898,458	\$ 6,513,484
Measured at amortized cost (Note 1)	128,508,078	139,866,736	92,639,021
FVTOCI			
Equity instrument	767,319	580,399	782,628
Debt instrument	1,016,470	1,016,924	1,018,476
<hr/>			
Financial liabilities			
<hr/>			
FVTPL			
Held for trading	18,556	36,655	958,761
Financial liabilities for hedging	3,907,873	3,899,634	2,250,756
Measured at amortized cost (Note 2)	267,318,468	286,035,732	128,026,536

Note 1: The balances included financial assets measured at amortized cost which comprise cash and cash equivalents, trade and other receivables and other financial assets.

Note 2: The balances included financial liabilities measured at amortized cost which comprise short-term borrowings, trade and other payables, bonds payable and long-term borrowings.

d. Financial risk management objectives and policies

The derivative instruments used by the Group are to mitigate risks arising from ordinary business operations. All derivative transactions entered into by the Group are designated as either hedging or trading. Derivative transactions entered into for hedging purposes must hedge risk against fluctuations in foreign exchange rates and interest rates arising from operating activities. The currencies and the amount of derivative instruments held by the Group must match its hedged assets and liabilities denominated in foreign currencies.

The Group's risk management department monitors risks to mitigate risk exposures, reports unsettled position, transaction balances and related gains or losses to the Group's chief financial officer on monthly basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Gains or losses arising from fluctuations in foreign currency exchange rates of a variety of derivative financial instruments were approximately offset by those of hedged items. Interest rate risk was not significant due to the cost of capital was expected to be fixed.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency exchange rate risk

The Group had sales and purchases as well as financing activities denominated in foreign currency which exposed the Group to foreign currency exchange rate risk. The Group entered into a variety of derivative financial instruments to hedge foreign currency exchange rate risk to minimize the fluctuations of assets and liabilities denominated in foreign currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated upon consolidation) as well as derivative instruments which exposed the Group to foreign currency exchange rate risk at each balance sheet date are presented in Note 39.

The Group was principally subject to the impact to exchange rate fluctuation in US\$ and JPY against NT\$ or CNY. 1% is the sensitivity rate used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency exchange rates. The sensitivity analysis included financial assets and liabilities and inter-company receivables and payables within the Group. The changes in profit before income tax due to a 1% change in U.S. dollars and Japanese yen both against NT\$ and CNY would be NT\$44,000 thousand and NT\$8,000 thousand for the three months ended March 31, 2019 and 2018, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The abovementioned sensitivity analysis mainly focused on the foreign currency monetary items at each balance sheet date. As the period-end exposure did not reflect the exposure for the three months ended March 31, 2019 and 2018, the abovementioned sensitivity analysis was unrepresentative of those periods.

Hedge accounting

The Group's hedging strategy is to lift foreign currency borrowings to avoid 100% exchange rate exposure of its foreign currency equity instruments which is designated as fair value hedges. Hedge adjustments are made when the foreign currency equity instruments were evaluated based on the exchange rates on each balance sheet date, the foreign exchange gains (losses) will be totally offset.

The source of hedge ineffectiveness in these hedging relationships is the material difference between the notional amounts of foreign currency borrowings and foreign currency equity instruments. No other sources of ineffectiveness is expected to emerge from these hedging relationships

b) Interest rate risk

Except a portion of long-term borrowings and bonds payable at fixed interest rates, the Group was exposed to interest rate risk because group entities borrowed funds at floating interest rates. Changes in market interest rates will lead to variances in effective interest rates of borrowings from which the future cash flow fluctuations arise. The Group uses financing tool with low interest rate and favorable term so as to maintain low financing cost, adequate banking facilities, as well as to hedge interest rate risk.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at each balance sheet date were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Fair value interest rate risk			
Financial liabilities	\$ 22,365,459	\$ 17,485,561	\$ 17,509,348
Cash flow interest rate risk			
Financial assets	41,252,992	32,942,747	40,519,109
Financial liabilities	172,396,930	172,737,393	49,887,284

For assets and liabilities with floating interest rates, a 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel. If interest rates had been 100 basis points (1%) higher or lower and all other variables held constant, the Group's profit before income tax for the three months ended March 31, 2019 and 2018 would have decreased or increased approximately by NT\$328,000 thousand and NT\$24,000 thousand, respectively. Hedging contracts and hedged items have been taken into account while measuring the changes in profit before income tax. The abovementioned sensitivity analysis mainly focused on the interest rate items at the end of the reporting period. As the period-end exposure did not reflect the exposure for the three months ended March 31, 2019 and 2018, the abovementioned sensitivity analysis was unrepresentative of those periods.

c) Other price risk

The Group was exposed to equity or bond price risk through its investments in financial assets at FVTPL (except swap contracts and forward exchange contracts) and financial assets at FVTOCI. If equity and bond prices were 1% higher or lower, profit before income tax for the three months ended March 31, 2019 and 2018 would have increased or decreased approximately by NT\$74,000 thousand and NT\$64,000 thousand, respectively, and other comprehensive income before income tax for the three months ended March 31, 2019 and 2018 would have increased or decreased both approximately by NT\$18,000 thousand.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk arises from cash and cash equivalents, trade and other receivables and other financial assets. The Group's maximum exposure to credit risk was the carrying amounts of financial assets in the consolidated balance sheets.

As of March 31, 2019, December 31, 2018 and March 31, 2018, the Group's five largest customers accounted for 34%, 36% and 27% of trade receivables, respectively. The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by maintaining adequate working capital and banking facilities to fulfill the demand for cash flow used in the Group's operation and capital expenditure. The Group also monitors its compliance with all the loan covenants. Liquidity risk is not considered to be significant.

In the table below, financial liabilities with a repayment on demand clause were included in the earliest time band regardless of the probability of counter-parties choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amounts were derived from the interest rates at each balance sheet date.

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	More than 5 Years
	NT\$	NT\$	NT\$	NT\$	NT\$
<u>March 31, 2019</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 25,834,560	\$ 28,056,805	\$ 6,400,540	\$ 47,518	\$ 195,111
Floating interest rate liabilities	27,351,343	16,072,620	19,370,405	115,000,004	-
Fixed interest rate liabilities	<u>5,589,097</u>	<u>4,238,392</u>	<u>1,263,602</u>	<u>19,202,442</u>	<u>4,418,933</u>
	<u>\$ 58,775,000</u>	<u>\$ 48,367,817</u>	<u>\$ 27,034,547</u>	<u>\$ 134,249,964</u>	<u>\$ 4,614,044</u>
<u>December 31, 2018</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 33,156,044	\$ 34,493,000	\$ 6,899,093	\$ 57,375	\$ 196,523
Floating interest rate liabilities	15,762,004	7,127,606	25,510,718	131,014,040	-
Fixed interest rate liabilities	<u>7,677,097</u>	<u>4,811,536</u>	<u>242,461</u>	<u>13,621,814</u>	<u>4,367,546</u>
	<u>\$ 56,595,145</u>	<u>\$ 46,432,142</u>	<u>\$ 32,652,272</u>	<u>\$ 144,693,229</u>	<u>\$ 4,564,069</u>
<u>March 31, 2018</u>					
Non-derivative financial liabilities					
Non-interest bearing	\$ 25,602,608	\$ 15,684,592	\$ 4,580,543	\$ 1,781	\$ 172,321
Floating interest rate liabilities	7,060,691	1,797,924	5,638,923	34,172,388	936,002
Fixed interest rate liabilities	<u>6,998,627</u>	<u>987,621</u>	<u>1,865,167</u>	<u>13,725,396</u>	<u>4,367,546</u>
	<u>\$ 39,661,926</u>	<u>\$ 18,470,137</u>	<u>\$ 12,084,633</u>	<u>\$ 47,899,565</u>	<u>\$ 5,475,869</u>

The amounts included above for floating interest rate instruments for non-derivative financial liabilities was subject to change if changes in floating interest rates differ from those estimates of interest rates determined at each balance sheet date.

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. When the amounts payable or receivable are not fixed, the amounts disclosed have been determined by reference to the projected interest rates as illustrated by the yield curves at each balance sheet date.

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year
	NT\$	NT\$	NT\$
<u>March 31, 2019</u>			
Net settled			
Forward exchange contracts	<u>\$ 4,590</u>	<u>\$ -</u>	<u>\$ -</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 2,486,180	\$ 2,507,878	\$ 31,050
Outflows	<u>(2,487,581)</u>	<u>(2,512,166)</u>	<u>(30,820)</u>
	<u>(1,401)</u>	<u>(4,288)</u>	<u>230</u>

(Continued)

	On Demand or Less than 1 Month NT\$	1 to 3 Months NT\$	3 Months to 1 Year NT\$
Swap contracts			
Inflows	\$ 11,489,822	\$ 16,545,738	\$ 35,671,068
Outflows	<u>(11,134,867)</u>	<u>(15,978,200)</u>	<u>(34,579,201)</u>
	<u>354,955</u>	<u>567,538</u>	<u>1,091,867</u>
	<u>\$ 353,554</u>	<u>\$ 563,250</u>	<u>\$ 1,092,097</u>
<hr/> December 31, 2018 <hr/>			
Net settled			
Forward exchange contracts	<u>\$ 2,040</u>	<u>\$ 1,620</u>	<u>\$ -</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 2,580,194	\$ 466,489	\$ -
Outflows	<u>(2,556,607)</u>	<u>(460,725)</u>	<u>-</u>
	<u>23,587</u>	<u>5,764</u>	<u>-</u>
Swap contracts			
Inflows	14,136,620	9,214,500	38,160,316
Outflows	<u>(13,946,583)</u>	<u>(8,650,320)</u>	<u>(36,596,419)</u>
	<u>190,037</u>	<u>564,180</u>	<u>1,563,897</u>
	<u>\$ 213,624</u>	<u>\$ 569,944</u>	<u>\$ 1,563,897</u>
<hr/> March 31, 2018 <hr/>			
Net settled			
Forward exchange contracts	<u>\$ 3,330</u>	<u>\$ 10,360</u>	<u>\$ -</u>
Gross settled			
Forward exchange contracts			
Inflows	\$ 7,134,885	\$ 2,410,119	\$ 292,192
Outflows	<u>(7,056,956)</u>	<u>(2,389,501)</u>	<u>(291,050)</u>
	<u>77,929</u>	<u>20,618</u>	<u>1,142</u>
Swap contracts			
Inflows	14,436,628	11,352,231	33,831,652
Outflows	<u>(14,485,481)</u>	<u>(11,490,476)</u>	<u>(34,019,681)</u>
	<u>(48,853)</u>	<u>(138,245)</u>	<u>(188,029)</u>
	<u>\$ 29,076</u>	<u>\$ (117,627)</u>	<u>\$ (186,887)</u>
			(Concluded)

35. RELATED PARTY TRANSACTIONS

Balances and transactions within the Group had been eliminated upon consolidation. Details of transactions between the Group and other related parties were disclosed as follows:

a. Related parties

In addition to those disclosed in Note 14, the related parties were as follows:

Related Parties	Relationship with the Company
ASE Cultural and Educational Foundation	Substantial related party

- b. The Group contributed each NT\$100,000 thousand to ASE Cultural and Educational Foundation in the first quarter of 2019 and 2018, respectively, for environmental charity in promoting the related domestic environmental protection and public service activities (Note 37).
- c. In the third quarter of 2016, the Group acquired patents and specific technology from DECA at NT\$403,543 thousand which was primarily based on independent professional appraisal reports. As of March 31, 2019, December 31, 2018 and March 31, 2018, NT\$19,263 thousand, NT\$ 57,590 thousand and NT\$90,953 thousand have not been paid, respectively, and was accrued under the line item of other payables.
- d. As disclosed in Note 31, USIE repurchased its own 1,283 thousand ordinary shares from the Group's key management personnel in February 2018 with approximately NT\$ 653,244 thousand.
- e. Compensation to key management personnel

	For the Three Months Ended March 31	
	2019	2018
	NT\$	NT\$
Short-term employee benefits	\$ 244,393	\$ 192,749
Post-employment benefits	1,036	619
Share-based payments	<u>31,068</u>	<u>-</u>
	<u>\$ 276,497</u>	<u>\$ 193,368</u>

The compensation to the Company's key management personnel is according to personal performance and market trends.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and the tariff guarantees of imported raw materials:

	March 31, 2019	December 31, 2018	March 31, 2018
	NT\$	NT\$	NT\$
Inventories related to real estate business	\$ 5,042,486	\$ 4,796,126	\$ 4,916,780
Investment properties	6,752,388	6,680,017	7,142,096
Land use rights (under the line item of long-term prepayments for lease in 2017)	6,609,308	6,515,576	6,903,969
Other financial assets (including current and non-current)	<u>403,847</u>	<u>496,902</u>	<u>60,925</u>
	<u>\$ 18,808,029</u>	<u>\$ 18,488,621</u>	<u>\$ 19,023,770</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of each balance sheet date were as follows:

- 1) As of March 31, 2019, December 31, 2018, and March 31, 2018, unused letters of credit of the Group were approximately nil, NT\$335,000 thousand, NT\$634,000 thousand and nil, respectively.
- 2) As of March 31, 2019, December 31, 2018 and March 31, 2018, outstanding commitments to purchase property, plant and equipment of the Group were approximately NT\$19,820,538 thousand, NT\$17,039,458 thousand and NT\$8,941,904 thousand, respectively, of which NT\$2,811,391 thousand, NT\$2,339,308 thousand and NT\$651,001 thousand had been prepaid, respectively. As of March 31, 2019, December 31, 2018 and March 31, 2018, the commitment that the Group has contracted for the construction related to our real estate business were approximately NT\$976,220 thousand, NT\$885,052 thousand and NT\$1,012,071 thousand, respectively.
- 3) In consideration of corporate social responsibility for environmental protection, the Group's board of directors, in December 2013, approved contributions to be made in the next 30 years, at a total amount of NT\$3,000,000 thousand, at the minimum, to environmental protection efforts in Taiwan.

38. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company, resolved by its board of directors in March 2019, issued its first unsecured domestic bonds in and April 2019 in NT\$10,000,000 thousand with par value NT\$1,000 thousand. These bonds were divided into item A in the amount of NT\$6,500,000 thousand with maturity of 5 years and annual interest rate of 0.90%, and item B in the amount of NT\$3,500,000 thousand and maturity of 7 years with annual interest rate of 1.03%, respectively.

In April 2019, the Group's subsidiary, ASE Test, Inc., subscribed 100,000 thousand ordinary shares of AMPI from its private ordinary shares issuance with NT\$250,000 thousand in cash. The percentage of ownership in AMPI then increased to 50.97% and the Group has obtained control over AMPI.

In April 2019, ASE, the Group's subsidiary, signed a memorandum of understanding with TDK Corporation ("TDK") in relation to ASEEE that was incorporated by a joint venture agreement entered into by the Group and TDK. In addition to the reduction of one legal representative director of TDK, which resulted in the Group's obtaining control over ASEEE since April 2019, the memorandum of understanding set out that, after ASEEE compensates its accumulated deficits by capital reduction in an amount of NT\$1,147,595 thousand, ASE agrees to subscribe all ordinary shares newly issued by ASEEE through its capital increase by cash in amount of NT\$1,500,000 thousand, and then repurchase the whole ordinary shares of ASEEE held by TDK in the amount of US\$6,000 thousand.

Broadcom Corporation, Broadcom Singapore PTE, Ltd. and Broadcom Limited (collectively, "Broadcom"), have filed a request for arbitration, which we received in May 2019, with the American Arbitration Association in dispute over an indemnity clause within the Semiconductor Packaging Agreement (the "Agreement") entered into by Broadcom and SPIL in September 2012. The Agreement stipulates that in the event the packaging products provided by SPIL infringe upon third party patent rights and cause Broadcom to suffer losses, SPIL must indemnify Broadcom for loss suffered. Based on the Agreement, Broadcom has requested that SPIL indemnify Broadcom in the amount of US\$22,500 thousand in connection with the patent infringement between Broadcom and Tessera Technologies, Inc. Since the Group is still clarifying the calculation and details of the indemnity amount, final results of the indemnification could not be reliably measured as of the date that the consolidated financial statements were authorized for issuance. In addition, the Group's management assessed that the requested amount will not have a material effect on the consolidated financial statements.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
<u>March 31, 2019</u>			
Monetary financial assets			
US\$	\$ 3,645,594	US\$1=NT\$30.82	\$ 112,357,207
US\$	922,091	US\$1=CNY6.7335	28,418,845
JPY	4,877,458	JPY1=NT\$0.2783	1,357,397
JPY	6,368,651	JPY1=US\$0.0090	1,772,395
Monetary financial liabilities			
US\$	3,413,873	US\$1=NT\$30.82	105,215,566
US\$	983,995	US\$1=CNY6.7335	30,326,726
JPY	7,539,511	JPY1=NT\$0.2783	2,098,246
JPY	6,662,303	JPY1=US\$0.0090	1,854,119
<u>December 31, 2018</u>			
Monetary financial assets			
US\$	3,730,484	US\$1=NT\$30.715	114,581,814
US\$	1,299,391	US\$1=CNY6.8632	39,910,801
JPY	4,412,591	JPY1=NT\$0.2782	1,227,583
JPY	6,568,657	JPY1=US\$0.0091	1,827,400
Monetary financial liabilities			
US\$	3,361,523	US\$1=NT\$30.715	103,249,185
US\$	1,216,654	US\$1=CNY6.8632	37,369,521
JPY	7,401,621	JPY1=NT\$0.2782	2,059,131
JPY	7,035,704	JPY1=US\$0.0091	1,957,333
<u>March 31, 2018</u>			
Monetary financial assets			
US\$	2,866,218	US\$1=NT\$29.105	83,421,266
US\$	916,116	US\$1=CNY6.2881	26,663,545
JPY	7,800,362	JPY1=NT\$0.2741	2,138,079
JPY	8,384,071	JPY1=US\$0.0094	2,298,074
Monetary financial liabilities			
US\$	2,958,557	US\$1=NT\$29.105	86,108,813
US\$	862,488	US\$1=CNY6.2881	25,102,721
JPY	6,283,493	JPY1=NT\$0.2741	1,722,306
JPY	8,725,639	JPY1=US\$0.0094	2,391,698

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currencies	For the Three Months Ended March 31, 2019	Net Foreign Exchange Loss	For the Three Months Ended March 31, 2018	Net Foreign Exchange Gain (Loss)
	Exchange Rate		Exchange Rate	
US\$	US\$1=NT\$30.82	\$ (28,044)	US\$1=NT\$29.105	\$ (133,939)
NT\$		(92,373)		980,789
CNY	CNY1=NT\$4.5771	<u>(54,437)</u>	CNY1=NT\$4.6286	<u>(324,837)</u>
		<u>\$ (174,854)</u>		<u>\$ 522,013</u>

40. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Futures Bureau for the Group:

- a. Financial provided: Please see Table 1 attached;
- b. Endorsement/guarantee provided: Please see Table 2 attached;
- c. Marketable securities held (excluding investments in subsidiaries, associates and joint venture): Please see Table 3 attached;
- d. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Please see Table 4 attached;
- e. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: Please see Table 5 attached;
- f. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- g. Total purchase from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached;
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 7 attached;
- i. Information about the derivative financial instruments transaction: Please see Note 7;
- j. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 10 attached;
- k. Names, locations, and related information of investees over which the Group exercises significant influence (excluding information on investment in Mainland China): Please see Table 8 attached;
- l. Information on investment in Mainland China
 - 1) The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 9 attached;

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please see Table 6 attached;
 - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Please see Table 6 attached;
 - The amount of property transactions and the amount of the resultant gains or losses: No significant transactions;
 - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None;
 - The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Please see Table 1 attached;
 - Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

41. OPERATING SEGMENTS INFORMATION

The Group has the following reportable segments: Packaging, Testing and EMS. The Group packages bare semiconductors into finished semiconductors with enhanced electrical and thermal characteristics; provides testing services, including front-end engineering testing, wafer probing and final testing services; engages in the designing, assembling, manufacturing and sale of electronic components and telecommunications equipment motherboards. Information about other business activities and operating segments that are not reportable are combined and disclosed in "Others." The Group engages in other activities such as substrate production as well as sale and leasing of real estate properties.

The accounting policies for segments are the same as those described in Note 4. The measurement basis for resources allocation and performance evaluation is based on profit before income tax.

Segment information for the three months ended March 31, 2019 and 2018 was as follows:

Segment revenues and operating results

	<u>Packaging</u> NT\$	<u>Testing</u> NT\$	<u>EMS</u> NT\$	<u>Others</u> NT\$	<u>Adjustment and Elimination</u> NT\$	<u>Total</u> NT\$
<u>For the three months ended March 31, 2019</u>						
Revenue from external customers	\$ 43,857,338	\$ 8,950,781	\$ 34,946,981	\$ 1,106,346	\$ -	\$ 88,861,446
Inter-segment revenues (Note 1)	\$ 659,491	\$ 39,918	\$ 15,865,721	\$ 1,694,369	\$ (18,259,499)	\$ -
Segment profit before income tax	\$ (412,382)	\$ 1,898,371	\$ 1,200,198	\$ (50,992)	\$ -	\$ 2,635,195
<u>For the three months ended March 31, 2018</u>						
Revenue from external customers	\$ 29,368,030	\$ 5,678,631	\$ 28,686,172	\$ 1,233,019	\$ -	\$ 64,965,852
Inter-segment revenues (Note 1)	\$ 987,928	\$ 55,983	\$ 12,577,945	\$ 1,924,191	\$ (15,546,047)	\$ -
Segment profit before income tax	\$ 1,840,200	\$ 974,930	\$ 996,940	\$ (36,321)	\$ -	\$ 3,775,749

Note 1: Inter-segment revenues were eliminated upon consolidation.

Note 2: Refer to the table above for information about disaggregation of revenue.

Contract assets – current

	<u>Packaging</u>	<u>Testing</u>	<u>EMS</u>	<u>Others</u>	<u>Adjustment</u> <u>and</u> <u>Elimination</u>	<u>Total</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>	<u>NT\$</u>
As of March 31, 2019	<u>\$ 3,259,922</u>	<u>\$ 854,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,114,276</u>
As of December 31, 2019	<u>\$ 3,488,372</u>	<u>\$ 1,000,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,488,500</u>
As of March 31, 2018	<u>\$ 1,759,476</u>	<u>\$ 334,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,093,529</u>

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Amounts In Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	ASE	The Company	Other receivables from related parties	Yes	\$ 42,700,000	\$ 42,700,000	\$ 31,700,000	0.83-0.92	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 44,600,892	\$ 44,600,892
2	ASE Test, Inc.	The Company	Other receivables from related parties	Yes	11,400,000	9,000,000	8,700,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	12,190,591	12,190,591
3	J&R Industrial Inc.	ASE	Other receivables from related parties	Yes	400,000	400,000	400,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	403,580	403,580
4	ASE Electronics Inc.	The Company	Other receivables from related parties	Yes	700,000	700,000	700,000	0.74	The need for short-term financing	-	Operating capital	-	-	-	1,400,150	1,400,150
5	A.S.E. Holding Limited	ASE	Other receivables from related parties	Yes	1,846,200	770,500	770,500	3.61-3.64	The need for short-term financing	-	Operating capital	-	-	-	6,645,986	6,645,986
6	J & R Holding Limited	ASE	Other receivables from related parties	Yes	12,308,000	11,156,840	11,156,840	3.61-3.92	The need for short-term financing	-	Operating capital	-	-	-	23,759,351	23,759,351
		Global Advanced Packaging Technology Limited	Other receivables from related parties	Yes	1,140,340	1,140,340	523,940	2.89-2.91	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Omniquest Industrial Limited	Long-term receivables from related parties	Yes	1,232,800	1,232,800	30,820	2.89-2.91	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Anstock Limited	Other receivables from related parties	Yes	425,435	258,606	130,447	1.84-3.66	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Innosource Limited	Other receivables from related parties	Yes	3,082	3,082	3,082	2.89-2.91	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		ASE Investment (Labuan) Inc.	Long-term receivables from related parties	Yes	1,232,800	1,232,800	30,820	2.89-2.91	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
7	Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Other receivables from related parties	Yes	331,150	164,776	164,776	3.65-4.19	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
8	ASE Test Limited	ASE	Other receivables from related parties	Yes	5,485,960	5,485,960	5,485,960	3.61-3.64	The need for short-term financing	-	Operating capital	-	-	-	14,335,738	14,335,738
		A.S.E. Holding Limited	Other receivables from related parties	Yes	1,076,950	-	-	2.89-2.91	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		J & R Holding Limited	Other receivables from related parties Long-term receivables from related parties	Yes	8,259,760	8,259,760	7,828,280	2.89-2.91	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
9	ISE Labs, Inc.	J & R Holding Limited	Other receivables from related parties Long-term receivables from related parties	Yes	1,479,360	1,479,360	1,479,360	2.88-3.22	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
10	ASE (Korea) Inc.	ASE	Other receivables from related parties	Yes	3,688,200	3,082,000	3,082,000	4.49-4.51	The need for short-term financing	-	Operating capital	-	-	-	6,716,661	6,716,661
11	ASE Japan Co., Ltd.	J & R Holding Limited	Other receivables from related parties	Yes	1,767,500	1,739,375	1,739,375	0.46	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
12	ASE Singapore Pte. Ltd.	J & R Holding Limited	Long-term receivables from related parties	Yes	462,300	462,300	462,300	3.00-3.21	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897

(Continued)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
13	ASE (Kun Shan) Inc.	ASE Investment (Kun Shan) Limited	Other receivables from related parties	Yes	\$ 2,070	\$ 2,060	\$ 2,060	4.35	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 20,776,598	\$ 31,164,897
		ASE Assembly & Test (Shanghai) Limited	Other receivables from related parties	Yes	689,895	686,565	686,565	3.92	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
14	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Other receivables from related parties	Yes	366,168	366,168	366,168	4.35	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Shanghai Ding Qi Property Management Co., Ltd.	Other receivables from related parties	Yes	45,993	45,771	45,771	4.35	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Shanghai Ding Yu Property Management Co., Ltd.	Other receivables from related parties	Yes	459,930	457,710	457,710	4.35	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Shanghai Ding Wei Real Development Co., Ltd.	Other receivables from related parties	Yes	1,839,720	1,830,840	1,830,840	4.35	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		Shanghai Ding Fan Department Store Co., Ltd.	Other receivables from related parties	Yes	2,300	2,289	2,289	4.35	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
15	Advanced Semiconductor Engineering (China) Ltd.	ASE Assembly & Test (Shanghai) Limited	Other receivables from related parties	Yes	1,047,880	1,047,880	847,550	2.74~3.20	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
		ASE WeiHai Inc.	Other receivables from related parties	Yes	614,700	431,480	431,480	2.76	The need for short-term financing	-	Operating capital	-	-	-	20,776,598	31,164,897
16	USI Enterprise Limited	ASE	Other receivables from related parties	Yes	7,396,800	7,396,800	7,396,800	3.61~3.64	The need for short-term financing	-	Operating capital	-	-	-	19,250,994	19,250,994
		USIINC	Other receivables from related parties	Yes	2,095,760	2,095,760	1,849,200	3.61~3.64	The need for short-term financing	-	Operating capital	-	-	-	19,250,994	19,250,994
		J&R Holding Limited	Other receivables from related parties	Yes	4,769,350	3,698,400	3,698,400	2.89~2.91	The need for short-term financing	-	Operating capital	-	-	-	19,250,994	19,250,994
17	Huntington Holdings International Co.Ltd.	ASE	Other receivables from related parties	Yes	830,790	678,040	678,040	3.61~3.64	The need for short-term financing	-	Operating capital	-	-	-	19,766,366	19,766,366
18	Real Tech Holdings Limited	ASE	Other receivables from related parties	Yes	1,695,100	1,695,100	1,695,100	3.61~3.64	The need for short-term financing	-	Operating capital	-	-	-	19,280,975	19,280,975
19	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	3,909,405	3,890,535	1,373,130	1.75	The need for short-term financing	-	Operating capital	-	-	-	8,798,883	17,597,766
		Universal Global Technology Co., Limited	Other receivables from related parties	Yes	919,860	915,420	-	-	The need for short-term financing	-	Operating capital	-	-	-	8,798,883	17,597,766
		Universal Global Electronics (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	459,930	457,710	-	-	The need for short-term financing	-	Operating capital	-	-	-	8,798,883	17,597,766
		Universal Global Technology (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	459,930	457,710	411,939	1.75	The need for short-term financing	-	Operating capital	-	-	-	8,798,883	17,597,766
20	USI Electronics (Shenzhen) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	2,207,664	2,197,008	2,197,008	1.75	The need for short-term financing	-	Operating capital	-	-	-	2,754,407	5,508,814
		Universal Global Technology Co., Limited	Other receivables from related parties	Yes	1,747,734	1,739,298	1,232,796	2.00	The need for short-term financing	-	Operating capital	-	-	-	2,754,407	5,508,814
		Universal Global Technology (Kunshan) Co., Ltd.	Other receivables from related parties	Yes	459,930	457,710	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,754,407	5,508,814
21	Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Electronics (Shanghai) Co., Ltd.	Other receivables from related parties	Yes	137,979	137,313	-	-	The need for short-term financing	-	Operating capital	-	-	-	940,558	1,881,117

(Continued)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actual Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
22	Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial De Mexico S.A.De C.V.	Other receivables from related parties	Yes	\$ 1,017,060	\$ 1,017,060	\$ 1,017,060	3.21~3.24	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 1,223,651	\$ 2,447,302
23	Universal Global Technology Co., Limited	Universal Global Electronics Co., Ltd.	Other receivables from related parties	Yes	369,840	369,840	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,070,943	6,141,886
		Universal Scientific Industrial De Mexico S.A.De C.V.	Other receivables from related parties	Yes	2,157,400	2,157,400	770,500	3.21~3.24	The need for short-term financing	-	Operating capital	-	-	-	3,070,943	6,141,886
24	Universal Scientific Industrial Co., Ltd.	Universal Scientific Industrial De Mexico S.A.De C.V.	Other receivables from related parties	Yes	431,480	431,480	431,480	3.21~3.24	The need for short-term financing	-	Operating capital	-	-	-	514,873	1,029,746

(Concluded)

Note 1: Except Universal Scientific Industrial (Shanghai) Co., Ltd., USI Electronics (Shenzhen) Co., Ltd., Universal Global Technology (Kunshan) Co., Ltd., Universal Global Scientific Industrial Co., Ltd., Universal Scientific Industrial Co., Ltd., and Universal Global Technology Co., Limited, whose limit amount of lending to a company shall not exceed 20% of the net worth of the company, the rest of subsidiaries' limit amount of lending to a company shall not exceed 40% of the net worth of the company.

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary provided that the total amount of such financing facility shall not exceed 40% of the net worth of the lending company. Foreign subsidiaries whose voting shares are 100% owned directly or indirectly, by the Company as a lender, the total amount lending to a company shall not exceed 15% and 10% of the net worth of the Company.

Note3: All the transactions had been eliminated when preparing consolidated financial statements.

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement /Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period (Note 2)	Ending Balance (Note 3)	Amount Actually Drawn (Note 3)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statement (%)	Maximum Endorsement /Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
	Name	Name	Nature of Relationship										
1	ASE	The Company	100% voting shares directly owned by the Company	\$ 156,103,122	\$ 55,075,819	\$ 45,062,033	\$ 45,062,033	\$ -	40.41	\$ 167,253,345	No	Yes	No

Note 1: The ceilings on the amounts for any single entity is permitted to make in endorsements/guarantees shall not exceed 140% of total equity of shareholders according to “The Process of make in endorsements/guarantees” of the Company.

Note 2: The ceilings on the aggregate amounts are permitted to make in endorsements/guarantees shall not exceed 150% of total equity of shareholders according to “The Process of make in endorsements/guarantees” of the Company.

Note 3: Amount includes principal and interest.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2019				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
ASE	Stock							
	H&D Venture Capital Investment Corporation	-	Financial assets at FVTOCI - non current	968,276	\$ 10,485	13	\$ 10,485	
	MiTAC Information Technology Corp	-	Financial assets at FVTOCI - non current	2,521	13	-	13	
	Asia Pacific Emerging Industry Venture Capital Co, Ltd.	-	Financial assets at FVTOCI - non current	6,000,000	37,444	7	37,444	
	StarChips Technology Inc.	-	Financial assets at FVTOCI - non current	333,334	-	6	-	
	Bond							
	AMPI Third Private of Domestic Unsecured Convertible Bonds	-	Financial assets at fair value through profit or loss - current	1,000	100,496	-	100,496	
	Limited Liability Partnership							
	Ripley Cable Holdings I, L.P.	-	Financial assets at FVTOCI - non current	-	8,225	4	8,225	
ASE Test, Inc.	Stock							
	The Company	Ultimate parent company	Financial assets at FVTOCI - non current	5,489,388	370,534	-	370,534	
	Powertec Energy Corporation	-	Financial assets at FVTOCI - non current	33,560,184	214,974	3	214,974	
	MiTAC Information Technology Corp.	-	Financial assets at FVTOCI - non current	680,017	3,438	-	3,438	
	Dr. eNose Biotechnology Corporation	-	Financial assets at FVTOCI - non current	1,000,000	30,790	2	30,790	
	HSBC Holdings Ltd	-	Financial assets at fair value through profit or loss - current	400,000	100,349	-	100,349	
	Tencent Holdings Ltd	-	Financial assets at fair value through profit or loss - current	194,000	274,953	-	274,953	
	Industrial and Commercial Bank of China Limited	-	Financial assets at fair value through profit or loss - current	11,000,000	248,320	-	248,320	
	Ping An Insurance (Group) Company of China, Ltd.	-	Financial assets at fair value through profit or loss - current	1,000,000	345,095	-	345,095	
	China Construction Bank Corporation	-	Financial assets at fair value through profit or loss - current	10,402,000	274,841	-	274,841	
	AIA Group Limited	-	Financial assets at fair value through profit or loss - current	300,000	92,045	-	92,045	
	China Merchants Bank Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,200,000	329,509	-	329,509	
	China Life Insurance Company Limited	-	Financial assets at fair value through profit or loss - current	1,000,000	82,839	-	82,839	
	BYD Company Limited	-	Financial assets at fair value through profit or loss - current	162,000	30,083	-	30,083	
	Geely Automobile Holdings Ltd.	-	Financial assets at fair value through profit or loss - current	400,000	23,556	-	23,556	
	AAC Technologies Holdings Inc.	-	Financial assets at fair value through profit or loss - current	480,000	87,534	-	87,534	
	BOC Hong Kong (Holdings) Ltd.	-	Financial assets at fair value through profit or loss - current	1,900,000	242,431	-	242,431	
	Sunny Optical Technology (Group) Co. Ltd.	-	Financial assets at fair value through profit or loss - current	300,000	110,419	-	110,419	
	China Overseas Land & Investment Ltd.	-	Financial assets at fair value through profit or loss - current	500,000	58,497	-	58,497	
	China Mobile Ltd.	-	Financial assets at fair value through profit or loss - current	600,000	188,448	-	188,448	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2019				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
	CK Hutchison Holdings Limited	-	Financial assets at fair value through profit or loss - current	200,000	\$ 64,740	-	\$ 64,740	
	Agricultural Bank of China Limited	-	Financial assets at fair value through profit or loss - current	16,300,000	231,658	-	231,658	
	Bank of China Ltd.	-	Financial assets at fair value through profit or loss - current	16,700,000	233,409	-	233,409	
	China Vanke Co., Ltd.	-	Financial assets at fair value through profit or loss - current	400,000	51,823	-	51,823	
	CSPC Pharmaceutical Group Limited	-	Financial assets at fair value through profit or loss - current	1,400,000	80,247	-	80,247	
	Country Garden Holdings Co. Ltd.	-	Financial assets at fair value through profit or loss - current	1,400,000	67,386	-	67,386	
	Country Garden Services Holdings Company Limited	-	Financial assets at fair value through profit or loss - current	160,920	9,237	-	9,237	
	CITIC Securities Company Limited	-	Financial assets at fair value through profit or loss - current	200,000	14,353	-	14,353	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	999,915	174,739	-	174,739	
	Preferred share HanTech Venture Capital Corporation	-	Financial assets at fair value through profit or loss - non current	25,000,000	275,000	25	275,000	
	Corporate bond Nan Shan Life Insurance Co., Ltd. 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2016	-	Financial assets at FVTOCI - non current	1,000	1,016,470	-	1,016,470	
J&R Industrial Inc.	Fund Taishin Ta Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	32,254,983	458,127	-	458,127	
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,755,144	70,439	-	70,439	
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,616,592	31,324	-	31,324	
Luchu Development Corporation	Stock Powerchip Technology Corporation	-	Financial assets at FVTOCI - non current	1,813,855	58,664	-	58,664	
A.S.E. Holding Limited	Stock Global Strategic Investment Inc.	-	Financial assets at FVTOCI - non current	490,000	US\$ 426 thousand	3	US\$ 426 thousand	
	SiPhoton, Inc.	-	Financial assets at FVTOCI - non current	544,800	-	4	-	
	Global Strategic Investment, Inc. (Samoa)	-	Financial assets at FVTOCI - non current	869,891	US\$ 277 thousand	2	US\$ 277 thousand	
J & R Holding Limited	Stock The Company	Ultimate parent company	Financial assets at FVTOCI - non current	23,351,881	US\$ 51,144 thousand	1	US\$ 51,144 thousand	
	Limited Liability Partnership Crimson Velocity Fund, L.P.	-	Financial assets at FVTOCI - non current	-	US\$ 324 thousand	-	US\$ 324 thousand	
	H&QAP Greater China Growth Fund, L.P.	-	Financial assets at FVTOCI - non current	-	US\$ 569 thousand	8	US\$ 569 thousand	
ASE Test Limited	Stock The Company	Ultimate parent company	Financial assets at FVTOCI - non current	44,100,236 (Note)	US\$ 96,586 thousand	1	US\$ 96,586 thousand	
	Preferred share Silicon Valley X-Ray, Inc.	-	Financial assets at FVTOCI - non current	7,565,555	US\$ 5,000 thousand	13	US\$ 5,000 thousand	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2019				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
USIINC	Stock							
	Universal Venture Capital Investment Corporation	-	Financial assets at FVTOCI - non current	6,200,000	\$ 33,205	5	\$ 33,205	
	Gapertise Inc.	-	Financial assets at FVTOCI - non current	275,000	-	4	-	
	WellySun Inc.	-	Financial assets at FVTOCI - non current	108,000	1,198	-	1,198	
	Plasmag Technology Inc.	-	Financial assets at FVTOCI - non current	733,000	-	2	-	
Huntington Holdings International Co., Ltd.	Stock							
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	5,548,800	US\$ 212 thousand	-	US\$ 212 thousand	
	Cadence Design SYS Inc.	-	Financial assets at fair value through profit or loss - current	9,633	US\$ 612 thousand	-	US\$ 612 thousand	
	Solid Gain Investments Ltd.	-	Financial assets at FVTOCI - non current	1,291,400	US\$ 419 thousand	20	US\$ 419 thousand	
	Preferred Stock							
	Techgains I Corporation	-	Financial assets at FVTOCI - non current	518,316	US\$ 170 thousand	10	US\$ 170 thousand	
	Techgains II Corporation	-	Financial assets at FVTOCI - non current	653,998	US\$ 105 thousand	4	US\$ 105 thousand	
Unitech Holdings International Co., Ltd.	Stock							
	Superactive Group Company Limited	-	Financial assets at fair value through profit or loss - current	5,613,600	US\$ 215 thousand	-	US\$ 215 thousand	
	WacomCo., Ltd.	-	Financial assets at fair value through profit or loss - non-current	1,200,000	US\$ 5,049 thousand	1	US\$ 5,049 thousand	
	Sequans Communications SA	-	Financial assets at fair value through profit or loss - non-current	370,554	US\$ 408 thousand	-	US\$ 408 thousand	
	Asia Global Venture Co., Ltd.	-	Financial assets at FVTOCI - non current	1,000,000	US\$ 550 thousand	10	US\$ 550 thousand	
	Preferred Stock							
	MoBagel, Inc.	-	Financial assets at FVTOCI - non current	117,000	US\$ 34 thousand	1	US\$ 34 thousand	
USI Enterprise Limited	Beneficiary Certificate							
	All-Stars Investment Private Partners Fund L.P.	-	Financial assets at fair value through profit or loss - non-current	8,635,704	US\$ 8,613 thousand	2	US\$ 8,613 thousand	
USISH	Stock							
	Industrial and Commercial Bank of China Limited	-	Financial assets at fair value through profit or loss - current	14,000,000	CNY 69,053 thousand	-	CNY 69,053 thousand	
	China Construction Bank Corporation	-	Financial assets at fair value through profit or loss - current	8,686,000	CNY 50,144 thousand	-	CNY 50,144 thousand	
Universal Global Technology Co., Limited	Stock							
	China Construction Bank Corporation	-	Financial assets at fair value through profit or loss - current	5,000,000	US\$ 4,287 thousand	-	US\$ 4,287 thousand	
	AIA Group Limited	-	Financial assets at fair value through profit or loss - current	100,000	US\$ 996 thousand	-	US\$ 996 thousand	
	China Merchants Bank Co., Ltd.	-	Financial assets at fair value through profit or loss - current	790,000	US\$ 3,839 thousand	-	US\$ 3,839 thousand	
	China Life Insurance Company Limited	-	Financial assets at fair value through profit or loss - current	1,200,000	US\$ 3,226 thousand	-	US\$ 3,226 thousand	
	Tencent Holdings Ltd.	-	Financial assets at fair value through profit or loss - current	184,000	US\$ 8,462 thousand	-	US\$ 8,462 thousand	
	BOC Hong Kong (Holdings) Limited	-	Financial assets at fair value through profit or loss - current	400,000	US\$ 1,656 thousand	-	US\$ 1,656 thousand	
	Industrial and Commercial Bank of China Limited	-	Financial assets at fair value through profit or loss - current	1,000,000	US\$ 733 thousand	-	US\$ 733 thousand	
	Bank of China Limited	-	Financial assets at fair value through profit or loss - current	4,000,000	US\$ 1,814 thousand	-	US\$ 1,814 thousand	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	March 31, 2019				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
	Agricultural Bank of China Limited	-	Financial assets at fair value through profit or loss - current	4,000,000	US\$ 1,845 thousand	-	US\$ 1,845 thousand	
	Ping An Insurance (Group) Company of China, Ltd.	-	Financial assets at fair value through profit or loss - current	920,000	US\$ 10,302 thousand	-	US\$ 10,302 thousand	
	CSPC Pharmaceutical Group Limited	-	Financial assets at fair value through profit or loss - current	1,362,000	US\$ 2,533 thousand	-	US\$ 2,533 thousand	
	Country Garden Holdings Co. Ltd.	-	Financial assets at fair value through profit or loss - current	1,000,000	US\$ 1,562 thousand	-	US\$ 1,562 thousand	
	PAX Global Technology Limited	-	Financial assets at fair value through profit or loss - current	1,000	US\$ - thousand	-	US\$ - thousand	
	Hi Sun Technology (China) Limited	-	Financial assets at fair value through profit or loss - current	3,000	US\$ 1 thousand	-	US\$ 1 thousand	
	Alibaba Group Holding Ltd.	-	Financial assets at fair value through profit or loss - current	52,000	US\$ 9,487 thousand	-	US\$ 9,487 thousand	
	AAC Technologies Holdings Inc.	-	Financial assets at fair value through profit or loss - current	200,000	US\$ 1,183 thousand	-	US\$ 1,183 thousand	
	Country Garden Services Holdings Company Limited	-	Financial assets at fair value through profit or loss - current	114,942	US\$ 214 thousand	-	US\$ 214 thousand	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	999,968	US\$ 5,670 thousand	-	US\$ 5,670 thousand	
Universal Global Electronics Co., Ltd.	Stock PHI FUND, L.P.	-	Financial assets at fair value through profit or loss - non current	6,250,000	US\$ 6,183 thousand	39	US\$ 6,183 thousand	
UGTW	Stock TriKnight Capital Corporation	-	Financial assets at FVTOCI - non current or loss - non current	21,000,000	\$ 126,179	5	\$ 126,179	

(Concluded)

Note: The Company's stocks held by ASE Test Limited, 44,100,236 shares, are all trusted without power to decide the allocation of the trust assets.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2019

(Amounts In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount (Note 1)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount (Note 1)
Universal Global Technology Co., Limited	Stock Universal Global Electronics Co., Ltd.	Investments accounted for using the equity method	(Note 2)	-	9,000,000	US\$ 8,680 thousand	10,000,000	US\$ 10,000 thousand	-	US\$ -	US\$ -	US\$ -	19,000,000	US\$ 18,656 thousand

Note 1: The balance of investment accounted for using the equity method including share of profits/losses of investees and other adjustment related to equity.

Note 2: Cash capital increase.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2019

(Amounts In Thousands of New Taiwan Dollars)

Company Name	Types of Property	Transaction Date	Transaction Date (Tax excluded)	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Siliconware Electronics (Fujian) Co., Limited	Facility engineering	January 1, 2019 - March 31, 2019	\$ 760,074	Based on the terms agreed upon by both parties	China MCC20 Group Corp. Ltd.	None	-	-	-	\$ -	Request for quotation, price comparison and price negotiation	For operating purpose	None

TABLE 6

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Amounts In Thousands of New Taiwan Dollars)**

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
ASE	ASE (Shanghai) Inc.	Subsidiary	Purchases	\$ 310,125	4	Net 60 days from the end of the month of when invoice is issued	\$ -	-	\$ (360,601)	(4)	Note
	ASE Electronics Inc.	Subsidiary	Purchases	401,813	5	Net 60 days from the end of the month of when invoice is issued	-	-	(548,741)	(6)	Note
	Universal Scientific Industrial Co., Ltd.	Consolidated subsidiary	Sales	(580,121)	(3)	Net 60 days from the end of the month of when invoice is issued	-	-	653,831	4	Note
Advanced Semiconductor Engineering (HK) Limited	ASE (Shanghai) Inc.	Parent company	Purchases	339,041	100	Net 90 days from the end of the month of when invoice is issued	-	-	(342,401)	(100)	Note
Universal Scientific Industrial Co., Ltd.	ASE	Consolidated subsidiary	Purchases	580,121	16	Net 60 days from the end of the month of when invoice is issued	-	-	(653,831)	(24)	Note
ASE (Shanghai) Inc.	ASE	Parent company	Sales	(310,125)	(34)	Net 60 days from the end of the month of when invoice is issued	-	-	360,601	39	Note
	Advanced Semiconductor Engineering (HK) Limited	Subsidiary	Sales	(339,041)	(37)	Net 90 days from the end of the month of when invoice is issued	-	-	342,401	37	Note
ASE Electronics Inc.	ASE	Parent company	Sales	(401,813)	(47)	Net 60 days from the end of the month of when invoice is issued	-	-	548,741	57	Note
Universal Global Scientific Industrial Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	6,164,113	84	T/T 75 days	-	-	(5,749,229)	(77)	Note
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary	Purchases	603,833	12	T/T 75 days	-	-	(478,575)	(10)	Note
			Sales	(3,047,256)	(57)	T/T 75 days	-	-	2,688,467	54	Note
	Universal Scientific Industrial DE MEXICO S.A.DE C.V.	Consolidated subsidiary	Sales	(166,003)	(3)	T/T 75 days	-	-	140,580	3	Note
Universal Global Industrial Co., Limited	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary	Sales	(6,164,113)	(82)	T/T 75 days	-	-	5,749,194	79	Note
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Purchases	3,047,256	41	T/T 75 days	-	-	(2,688,087)	(37)	Note
			Sales	(603,833)	(8)	T/T 75 days	-	-	478,538	7	Note
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Purchases	3,532,182	47	T/T 75 days	-	-	(3,089,223)	(43)	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Purchases	320,886	4	T/T 75 days	-	-	(287,619)	(4)	Note

(Continued)

Buyer	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Universal Scientific Industrial DE MEXICO S. A. DE C. V.	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary	Purchases	\$ 166,003	8	T/T 75 days	\$ -	-	\$ (140,580)	(11)	Note
Universal Global Technology Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary	Sales	(769,387)	(53)	T/T 75 days	-	-	1,042,362	53	Note
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(679,054)	(47)	T/T 75 days	-	-	925,365	47	Note
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Technology Co., Limited	Consolidated subsidiary	Purchases	769,387	20	T/T 75 days	-	-	(1,042,362)	(21)	Note
	Universal Global Industrial Co., Limited	Consolidated subsidiary	Sales	(3,532,182)	(71)	T/T 75 days	-	-	3,099,830	72	Note
Universal Global Technology (Shanghai) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company	Sales	(145,202)	(1)	T/T 75 days	-	-	124,033	4	Note
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Industrial Co., Limited	Subsidiary	Sales	(320,886)	(4)	T/T 75 days	-	-	287,619	6	Note
	Universal Global Technology Co., Limited	Subsidiary	Purchases	679,054	11	T/T 75 days	-	-	(925,365)	(24)	Note
	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary	Purchases	145,202	2	T/T 75 days	-	-	(124,033)	(3)	Note

Note: All the transactions had been eliminated when preparing consolidated financial statements.

(Concluded)

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2019

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Relationships	Ending Balance (Note 1)	Turnover Rate (Note 2)	Overdue (Note 1)		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Actions Taken		
ASE	Universal Scientific Industrial Co., Ltd. The Company	Consolidated subsidiary	\$ 653,831 (Note 5)	3	\$ 55,586	Continued collection	\$ 145,279	\$ -
		The ultimate parent of the company	31,700,030 (Notes 3,5)	-	-	-	10,030	-
ASE Electronics Inc.	ASE The Company	Parent company	549,391 (Note 5)	3	-	-	192,343	-
		The ultimate parent of the company	700,000 (Notes 3,5)	-	-	-	-	-
ISE Labs, Inc.	J & R Holding Limited	Parent company	1,480,429 (Notes 3,5)	-	-	-	-	-
Anstock Limited	ASE Assembly & Test (Shanghai) Limited	Consolidated subsidiary	164,910 (Notes 3,5)	-	-	-	-	-
A.S.E. Holding Limited	ASE	Parent company	770,500 (Notes 3,5)	-	-	-	-	-
ASE Test, Inc.	ASE The Company	Parent company	2,420,812 (Notes 4,5)	-	-	-	-	-
		The ultimate parent of the company	8,700,000 (Notes 3,5)	-	-	-	150,000	-
ASE Test Limited	ASE J & R Holding Limited	Parent company	5,485,960 (Notes 3,5)	-	-	-	-	-
		Parent company	8,114,181 (Notes 3,5)	-	-	-	-	-
ASE Singapore Pte. Ltd.	J & R Holding Limited	Parent company	463,568 (Notes 3,5)	-	-	-	-	-
ASE (Korea) Inc.	ASE	Parent company	3,082,000 (Notes 3,5)	-	-	-	-	-
J & R Holding Limited	ASE Global Advanced Packaging Technology Limited Anstock Limited	Parent company	11,156,840 (Notes 3,5)	-	-	-	92,460	-
		Subsidiary	563,333 (Notes 3,5)	-	-	-	-	-
		Subsidiary	130,857 (Notes 3,5)	-	-	-	-	-
J&R Industrial Inc.	ASE	Parent company	400,000 (Notes 3,5)	-	-	-	-	-
ASE Japan Co., Ltd.	J & R Holding Limited	Parent company	1,740,068 (Notes 3,5)	-	-	-	-	-
ASE (Shanghai) Inc.	ASE Advanced Semiconductor Engineering (HK) Limited	Parent company	360,601 (Note 5)	3	123	Continued collection	40,941	-
		Subsidiary	342,401 (Note 5)	4	-	-	-	-
ASE (Kun Shan) Inc.	ASE Assembly & Test (Shanghai) Limited	Parent company	693,723 (Notes 3,5)	-	693,660	Continued collection	-	-
Advanced Semiconductor Engineering (China) Ltd.	ASE Assembly & Test (Shanghai) Limited ASE WeiHai Inc.	Consolidated subsidiary	849,426 (Notes 3,5)	-	-	-	1,171	-
		Consolidated subsidiary	434,037 (Notes 3,5)	-	-	-	3,118	-
Shanghai Ding Hui Real Estate Development Co., Ltd.	Shanghai Ding Wei Real Estate Development Co., Ltd. Kun Shan Ding Hong Real Estate Development Co., Ltd. Shanghai Ding Yu Real Estate Development Co., Ltd.	Subsidiary	1,861,423 (Notes 3,5)	-	-	-	-	-
		Subsidiary	370,826 (Notes 3,5)	-	-	-	-	-
		Subsidiary	469,207 (Notes 3,5)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationships	Ending Balance (Note 1)		Turnover Rate (Note 2)	Overdue (Note 1)		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Actions Taken		
Huntington Holdings International Co. Ltd.	ASE	Consolidated subsidiary	\$	678,040 (Notes 3,5)	-	\$ -	-	\$ -	\$ -
Real Tech Holdings Limited	ASE	Consolidated subsidiary		1,695,100 (Notes 3,5)	-	-	-	-	-
USI Enterprise Limited	ASE	Parent company		7,396,800 (Notes 3,5)	-	-	-	-	-
	J & R Holding Limited	Consolidated subsidiary		3,715,684 (Notes 3,5)	-	-	-	-	-
	USI Inc.	Parent company		1,869,360 (Notes 3,5)	-	-	-	-	-
Universal Scientific Industrial Co., Ltd	Universal Scientific Industrial De Mexico S.A. De C.V.	Consolidated subsidiary		431,480 (Notes 3,5)	-	-	-	-	-
Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial Co., Ltd.	Subsidiary		149,609 (Note 5)	2	60,649	Continued collection	60,777	-
	Universal Scientific Industrial De Mexico S.A. De C.V.	Consolidated subsidiary		1,018,513 (Notes 3,5)	-	-	-	240	-
USI Electronics (Shenzhen) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary		2,689,553 (Note 5)	4	-	-	184,921	-
	Universal Scientific Industrial De Mexico S.A. De C.V.	Consolidated subsidiary		140,580 (Note 5)	5	15,167	Continued collection	4,989	-
	Universal Global Technology Co., Limited	Parent company		1,239,306 (Notes 3,5)	-	-	-	-	-
	Universal Global Technology (Shanghai) Co., Ltd.	Consolidated subsidiary		2,221,739 (Notes 3,5)	-	-	-	-	-
Universal Global Industrial Co., Limited	Universal Global Scientific Industrial Co., Ltd.	Consolidated subsidiary		5,771,119 (Note 5)	4	553,788	Continued collection	616,402	-
	USI Electronics (Shenzhen) Co., Ltd.	Consolidated subsidiary		479,599 (Note 5)	4	-	-	183,368	-
Universal Global Technology Co., Limited	Universal Scientific Industrial De Mexico S.A. De C.V.	Subsidiary		770,500 (Note 5)	-	-	-	-	-
	Universal Global Technology (Kunshan) Co., Ltd.	Consolidated subsidiary		1,042,362 (Note 5)	3	-	-	264,018	-
	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company		925,365 (Note 5)	3	-	-	259,909	-
Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Industrial Co., Limited	Consolidated subsidiary		3,101,290 (Note 5)	5	-	-	430,593	-
Universal Global Technology (Shanghai) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Parent company		124,033 (Note 5)	4	-	-	124,033	-
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Industrial Co., Limited	Subsidiary		294,964 (Note 5)	6	-	-	41,234	-
	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary		429,711 (Notes 3,5)	-	-	-	416,017	-
	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary		1,396,354 (Notes 3,5)	-	-	-	-	-
SPIL	Siliconware Technology (Suzhou) Limited	Subsidiary		239,053 (Note 5)	6	41,659	Continued collection	-	-

(Concluded)

Note 1: Include trade receivables and other receivables

Note 2: Exclude other receivables

Note 3: Intercompany Loan, please refer to Table 1

Note 4: Turnkey transaction

Note 5: All the transactions had been eliminated when preparing consolidated financial statements.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

**NAMES, LOCATION, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2019			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				March 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
The Company	ASE	Taiwan	Engaged in the packaging and testing of semiconductors	\$ 174,352,839	\$ 174,352,839	5,528,783,764	100	\$ 106,550,939	\$ 2,323,228	\$ 2,344,282	Subsidiary
	SPIL	Taiwan	Engaged in assembly, testing and turnkey services of integrated circuits	173,657,530	173,657,530	3,391,748,878	100	161,099,420	900,563	(557,385)	Subsidiary
	USI Global Inc.	Taiwan	Investment activities	-	31,080,000	-	-	-	351,819	351,819	Subsidiary
	USI Inc.	Taiwan	Investment activities	33,362,556.26	-	1,757,334,372	100	33,730,226	738,686	366,975	Subsidiary
ASE	A.S.E. Holding Limited	Bermuda	Investment activities	US\$ 283,966 thousand	US\$ 283,966 thousand	243,966	100	16,614,964	(3,673)	(Note 2)	Subsidiary
	J & R Holding Limited	Bermuda	Investment activities	US\$ 479,693 thousand	US\$ 479,693 thousand	435,128	100	60,083,658	210,071	(Note 2)	Subsidiary
	ASE Marketing & Service Japan Co., Ltd.	Japan	Engaged in marketing and customer service of packaging and testing of semiconductors	JPY 60,000 thousand	JPY 60,000 thousand	1,200	100	36,698	765	(Note 2)	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 250,504 thousand	US\$ 250,504 thousand	250,504,067	71	11,909,642	(72,556)	(Note 2)	Subsidiary
	Innosource Limited	British Virgin Islands	Investment activities	US\$ 86,000 thousand	US\$ 86,000 thousand	86,000,000	100	4,622,873	(15,551)	(Note 2)	Subsidiary
	HCK	Taiwan	Engaged in the leasing of real estate properties	\$ 390,470	\$ 390,470	35,497,273	27	293,278	(9,132)	(Note 2)	Associate
	HC	Taiwan	Engaged in the development, construction and leasing of real estate properties	2,845,913	2,845,913	68,629,782	26	1,219,445	26,430	(Note 2)	Associate
	ASE Test, Inc.	Taiwan	Engaged in the testing of semiconductors	20,698,867	20,698,867	1,131,452,502	100	30,476,478	774,653	(Note 2)	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	1,366,238	1,366,238	131,961,457	67	1,412,678	(493)	(Note 2)	Subsidiary
	ASEEE	Taiwan	Engaged in the production of embedded substrate	765,000	765,000	76,500,000	51	79,282	(198,509)	(Note 2)	Associate
	Deca Technologies Inc.	British Cayman Islands	Holding company and the group engaged in manufacturing, development and marketing of wafer level packaging and interconnect technology	US\$ 59,882 thousand	US\$ 59,882 thousand	98,489,803	22	821,536	(198,946)	(Note 2)	Associate
	AMPI	Taiwan	Engaged in integrated circuit	\$ 178,861	\$ 178,861	33,308,452	10	18,391	(54,672)	(Note 2)	Associate
ASE Test, Inc.	Alto Enterprises Limited	British Virgin Islands	Investment activities	US\$ 188,000 thousand	US\$ 188,000 thousand	188,000,000	100	4,585,429	(1,930)	(Note 2)	Subsidiary
	Super Zone Holdings Limited	Hong Kong	Investment activities	US\$ 100,000 thousand	US\$ 100,000 thousand	100,000,000	100	3,128,105	(19,312)	(Note 2)	Subsidiary
	Luchu Development Corporation	Taiwan	Engaged in the development of real estate properties	\$ 372,504	\$ 372,504	37,250,448	19	398,691	(493)	(Note 2)	Subsidiary
	TLJ Intertech Inc.	Taiwan	Engaged in information software services	89,998	89,998	2,119,080	60	54,709	(591)	(Note 2)	Subsidiary
	MF	Taiwan	Engaged in information software services	30,000	30,000	3,000,000	100	30,209	397	(Note 2)	Subsidiary
	AMPI	Taiwan	Engaged in integrated circuit	225,000	225,000	90,000,000	28	140,414	(54,672)	(Note 2)	Associate
A.S.E. Holding Limited	ASE Test Limited	Singapore	Investment activities	US\$ 84,889 thousand	US\$ 84,889 thousand	11,148,000	10	US\$ 127,061 thousand	US\$ 9,498 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 168,643 thousand	US\$ 168,643 thousand	168,642,842	70	US\$ 385,533 thousand	(US\$ 1,709 thousand)	(Note 2)	Subsidiary
J & R Holding Limited	ASE Test Limited	Singapore	Investment activities	US\$ 964,524 thousand	US\$ 964,524 thousand	98,276,087	90	US\$ 1,236,330 thousand	US\$ 9,498 thousand	(Note 2)	Subsidiary
	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 30,200 thousand	US\$ 30,200 thousand	30,200,000	8	US\$ 46,905 thousand	(US\$ 2,358 thousand)	(Note 2)	Subsidiary
	J&R Industrial Inc.	Taiwan	Engaged in leasing equipment	US\$ 51,344 thousand	US\$ 51,344 thousand	170,000,006	100	US\$ 32,737 thousand	US\$ 35 thousand	(Note 2)	Subsidiary
	ASE Japan Co., Ltd.	Japan	Engaged in the packaging and testing of semiconductors	US\$ 25,606 thousand	US\$ 25,606 thousand	7,200	100	US\$ 75,340 thousand	(US\$ 2,290 thousand)	(Note 2)	Subsidiary
	ASE (U.S.) Inc.	U.S.A	After-sales service and sales support	US\$ 4,600 thousand	US\$ 4,600 thousand	1,000	100	US\$ 15,845 thousand	US\$ 242 thousand	(Note 2)	Subsidiary
	Global Advanced Packaging Technology Limited	British Cayman Islands	Investment activities	US\$ 190,000 thousand	US\$ 190,000 thousand	190,000,000	100	US\$ 508,400 thousand	US\$ 2,913 thousand	(Note 2)	Subsidiary
	Anstock Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 1,154 thousand	US\$ 36 thousand	(Note 2)	Subsidiary
	Anstock II Limited	British Cayman Islands	Investment activities	US\$ 10 thousand	US\$ 10 thousand	10,000	100	US\$ 173 thousand	(US\$ 2 thousand)	(Note 2)	Subsidiary
ASE Investment (Labuan) Inc.	ASE (Korea) Inc.	Korea	Engaged in the manufacturing of substrates and components of telecomm	US\$ 160,000 thousand	US\$ 160,000 thousand	20,741,363	100	US\$ 550,852 thousand	(US\$ 1,764 thousand)	(Note 2)	Subsidiary
ASE Test Limited	ASE Holdings (Singapore) Pte Ltd	Singapore	Investment activities	US\$ 65,520 thousand	US\$ 65,520 thousand	71,428,902	100	US\$ 185,648 thousand	US\$ 2,020 thousand	(Note 2)	Subsidiary
	ASE Test Holdings, Ltd.	British Cayman Islands	Investment activities	US\$ 222,399 thousand	US\$ 222,399 thousand	5	100	US\$ 104,236 thousand	US\$ 209 thousand	(Note 2)	Subsidiary
	ASE Investment (Labuan) Inc.	Malaysia	Investment activities	US\$ 72,304 thousand	US\$ 72,304 thousand	72,304,040	30	US\$ 165,228 thousand	(US\$ 1,709 thousand)	(Note 2)	Subsidiary
	ASE Singapore Pte. Ltd.	Singapore	Engaged in the testing of semiconductors	US\$ 55,815 thousand	US\$ 55,815 thousand	30,100,000	100	US\$ 163,462 thousand	US\$ 4,682 thousand	(Note 2)	Subsidiary
ASE Test Holdings, Ltd.	ISE Labs, Inc.	U.S.A	Engaged in the testing of semiconductors	US\$ 221,145 thousand	US\$ 221,145 thousand	26,250,000	100	US\$ 104,235 thousand	US\$ 209 thousand	(Note 2)	Subsidiary
ASE Holdings (Singapore) Pte Ltd.	ASE Electronics (M) Sdn. Bhd.	Malaysia	Engaged in the packaging and testing of integrated circuits	US\$ 60,000 thousand	US\$ 60,000 thousand	159,715,000	100	US\$ 185,648 thousand	US\$ 2,020 thousand	(Note 2)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2019			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee (Note 1)	Note
				March 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
Omniquest Industrial Limited	ASE Corporation	British Cayman Islands	Investment activities	US\$ 352,784 thousand	US\$ 352,784 thousand	352,784,067	100	US\$ 551,423 thousand	(US\$ 2,351 thousand)	(Note 2)	Subsidiary
ASE Corporation	ASE Mauritius Inc.	Mauritius	Investment activities	US\$ 217,800 thousand	US\$ 217,800 thousand	217,800,000	100	US\$ 437,269 thousand	(US\$ 964 thousand)	(Note 2)	Subsidiary
	ASE Labuan Inc.	Malaysia	Investment activities	US\$ 126,184 thousand	US\$ 126,184 thousand	126,184,067	100	US\$ 114,137 thousand	(US\$ 1,381 thousand)	(Note 2)	Subsidiary
ASE Labuan Inc.	ASE Electronics Inc.	Taiwan	Engaged in the production of substrates	US\$ 125,813 thousand	US\$ 125,813 thousand	398,981,900	100	US\$ 113,575 thousand	(US\$ 1,381 thousand)	(Note 2)	Subsidiary
Innosource Limited	Omniquest Industrial Limited	British Virgin Islands	Investment activities	US\$ 74,000 thousand	US\$ 74,000 thousand	74,000,000	21	US\$ 114,976 thousand	(US\$ 2,358 thousand)	(Note 2)	Subsidiary
ASE (Shanghai) Inc.	Advanced Semiconductor Engineering (HK) Limited	Hong Kong	Engaged in the trading of substrates	US\$ 1,000 thousand	US\$ 1,000 thousand	-	100	US\$ 9,569 thousand	US\$ 19 thousand	(Note 2)	Subsidiary
USI Global Inc.	USI Inc.	Taiwan	Investment activities	\$ -	\$ 32,912,748	-	-	\$ -	\$ 738,686	(Note 2)	Subsidiary
USI Inc.	Huntington Holdings International Co. Ltd.	British Virgin Islands	Holding company	8,370,606	8,370,606	255,856,840	100	49,415,916	788,944	(Note 2)	Subsidiary
Huntington Holdings International Co. Ltd.	Unitech Holdings International Co. Ltd.	British Virgin Islands	Holding company	US\$ 3,000 thousand	US\$ 3,000 thousand	3,000,000	100	US\$ 8,565 thousand	US\$ 159 thousand	(Note 2)	Subsidiary
	Real Tech Holdings Limited	British Virgin Islands	Holding company	US\$ 149,151 thousand	US\$ 149,151 thousand	149,151,000	100	US\$ 1,563,999 thousand	US\$ 26,861 thousand	(Note 2)	Subsidiary
	Universal ABIT Holding Co., Ltd.	British Cayman Islands	Holding company	US\$ 28,125 thousand	US\$ 28,125 thousand	90,000,000	100	US\$ 13 thousand	US\$ - thousand	(Note 2)	Subsidiary
	Rising Capital Investment Limited	British Virgin Islands	Holding company	US\$ 6,000 thousand	US\$ 6,000 thousand	6,000,000	100	US\$ 1,151 thousand	US\$ 2 thousand	(Note 2)	Subsidiary
	Rise Accord Limited	British Virgin Islands	Holding company	US\$ 2,000 thousand	US\$ 2,000 thousand	20,000	100	US\$ 61 thousand	US\$ - thousand	(Note 2)	Subsidiary
Real Tech Holdings Limited	USI Enterprise Limited	Hong Kong	Engaged in the services of investment advisory and warehousing management	US\$ 210,900 thousand	US\$ 210,900 thousand	210,900,000	95	US\$ 1,490,047 thousand	US\$ 28,016 thousand	(Note 2)	Subsidiary
Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Hong Kong	Holding company	CNY 1,149,624 thousand	CNY 1,149,624 thousand	1,330,965,535	100	CNY 3,354,618 thousand	CNY 135,332 thousand	(Note 2)	Subsidiary
Universal Global Technology Co., Limited	Universal Global Industrial Co., Limited	Hong Kong	Engaged in trading and investing activity	US\$ 11,000 thousand	US\$ 11,000 thousand	85,800,000	100	US\$ 12,064 thousand	US\$ 111 thousand	(Note 2)	Subsidiary
	Universal Global Electronics Co., Ltd.	Hong Kong	Engaging in ordering and outsourcing, selling electronic products, and providing technical consulting services	US\$ 19,000 thousand	US\$ 9,000 thousand	19,000,000	100	US\$ 18,656 thousand	(US\$ 25 thousand)	(Note 2)	Subsidiary
	Universal Global Scientific Industrial Co., Ltd.	Taiwan	Engaged in the manufacturing of components of telecomm and cars and provision of related R&D services	US\$ 62,235 thousand	US\$ 62,235 thousand	198,000,000	100	US\$ 198,516 thousand	US\$ 6,663 thousand	(Note 2)	Subsidiary
	USI Japan Co., Ltd	Japan	Engaged in the manufacturing and sale of computer peripherals, integrated chip and other related accessories	US\$ 885 thousand	US\$ 885 thousand	6,400	100	US\$ 984 thousand	US\$ 23 thousand	(Note 2)	Subsidiary
	Universal Scientific Industrial De Mexico S.A. De C.V.	Mexico	Engaged in the assembling of motherboards and computer components	US\$ 23,963 thousand	US\$ 23,963 thousand	281,085,325	100	US\$ 43,940 thousand	(US\$ 1,841 thousand)	(Note 2)	Subsidiary
Universal Global Industrial Co., Limited	USI America Inc.	U.S.A	Engaged in the manufacturing and processing of motherboards and wireless network communication and provision of related technical service	US\$ 9,500 thousand	US\$ 9,500 thousand	250,000	100	US\$ 6,348 thousand	US\$ 2 thousand	(Note 2)	Subsidiary
	Universal Scientific Industrial De Mexico S.A. De C.V.	Mexico	Engaged in the assembling of motherboards and computer components	US\$ - thousand	US\$ - thousand	1	-	US\$ - thousand	(US\$ 1,841 thousand)	(Note 2)	Subsidiary
	Universal Global Scientific Industrial Co., Ltd.	Taiwan	Engaged in the manufacturing, processing and sale of computers, computer peripherals	\$ 1,791,208	\$ 1,791,208	139,972,740	100	\$ 2,574,364	\$ 39,920	(Note 2)	Subsidiary
SPIL	SPIL (B.V.I.) Holding Limited	British Virgin Islands	Investment activities	US\$ 179,400 thousand	US\$ 179,400 thousand	179,400,000	100	13,552,013	(262,919)	(Note 2)	Subsidiary
	Siliconware Investment Co., Ltd.	Taiwan	Investment activities	\$ 2,401,000	2,401,000	75,390,600	100	3,087,437	(976)	(Note 2)	Subsidiary
	ChipMOS Technologies Inc.	Taiwan	Engaged in the packaging and testing of semiconductors	2,418,928	2,418,928	148,910,390	20	4,216,639	193,720	(Note 2)	Associate
	Vertical Circuits, Inc.	U.S.A	Engaged in the packaging of semiconductors	US\$ 5,000 thousand	US\$ 5,000 thousand	15,710,000	31	-	-	(Note 2)	Associate
Siliconware Investment Co., Ltd.	Yann Yuan Investment Co., Ltd.	Taiwan	Investment activities	\$ 2,400,000	2,400,000	48,000,000	32	3,087,068	(2,963)	(Note 2)	Associate
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	U.S.A	Communications and relationship maintenance with companies headquartered in North America	US\$ 1,250 thousand	US\$ 1,250 thousand	1,250,000	100	213,535	(25,917)	(Note 2)	Subsidiary
	SPIL (Cayman) Holding Limited	British Cayman Islands	Investment activities	US\$ 181,200 thousand	US\$ 181,200 thousand	181,200,000	100	13,421,160	(237,011)	(Note 2)	Subsidiary

(Concluded)

Note 1: The share of profits/losses of investee includes the effect of unrealized gross profit on intercompany transaction.

Note 2: The share of profits/losses of investee company is not reflected herein as such amount is already included in the share of profits/losses of the investor company.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2019

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Business Activities	Paid-in Capital	Investment Method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the period ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income of investee for the period ended March 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the period ended March 31, 2019	Book value of investments in Mainland China as of March 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2019
					Remitted to Mainland China	Remitted back to Taiwan						
ASE (Shanghai) Inc.	Engaged in the production of substrates	\$ 4,349,312 (US\$ 148,496 thousand) (Note 8)	Note 1 (1)	\$ 4,782,216 (US\$ 149,800 thousand) (Note 8)	\$ -	\$ -	\$ 4,782,216 (US\$ 149,800 thousand)	\$ (4,658) (US\$ -152 thousand) (Note 4)	100	\$ (4,658) (US\$ -152 thousand) (Note 4)	\$ 12,541,334 (US\$ 406,922 thousand)	None
ASE (Kun Shan) Inc.	Engaged in the packaging and testing of semiconductors	8,945,404 (US\$ 288,000 thousand) (Note 10)	Note 1 (2)	8,350,204 (US\$ 268,000 thousand) (Note 9)	-	-	8,350,204 (US\$ 268,000 thousand)	(90,940) (US\$ -2,956 thousand) (Note 3)	100	(90,940) (US\$ -2,956 thousand) (Note 3)	7,026,919 (US\$ 227,999 thousand)	None
ASE Assembly & Test (Shanghai) Limited	Engaged in the packaging and testing of semiconductors	6,501,336 (US\$ 203,580 thousand)	Note 1 (3)	5,792,530 (US\$ 180,000 thousand)	-	-	5,792,530 (US\$ 180,000 thousand)	93,656 (US\$ 3,043 thousand) (Note 3)	100	93,656 (US\$ 3,043 thousand) (Note 3)	15,806,801 (US\$ 512,875 thousand)	None
Suzhou ASEN Semiconductors Co., Ltd.	Engaged in the packaging and testing of semiconductors	1,568,467 (US\$ 48,672 thousand)	Note 1 (4)	711,180 (US\$ 21,600 thousand)	-	-	711,180 (US\$ 21,600 thousand)	79,507 (US\$ 2,583 thousand) (Note 4)	70	55,655 (US\$ 1,808 thousand) (Note 4)	4,025,592 (US\$ 130,616 thousand)	None
ASE WeiHai Inc.	Engaged in the packaging and testing of semiconductors	5,115,481 (US\$ 172,200 thousand)	Note 1 (5)	1,295,307 (US\$ 40,000 thousand)	-	-	1,295,307 (US\$ 40,000 thousand)	88,736 (US\$ 2,883 thousand) (Note 4)	100	88,736 (US\$ 2,883 thousand) (Note 4)	3,418,352 (US\$ 110,913 thousand)	None
Shanghai Ding Hui Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	16,345,070 (CNY 3,600,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(101,248) (CNY -22,199 thousand) (Note 4)	100	(101,408) (CNY -22,235 thousand) (Note 4)	22,191,240 (CNY 4,848,303 thousand)	None
Shanghai Ding Wei Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	8,061,489 (CNY 1,798,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(110,006) (CNY -24,118 thousand) (Note 4)	100	(110,006) (CNY -24,118 thousand) (Note 4)	7,169,335 (CNY 1,566,344 thousand)	None
Shanghai Ding Yu Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	4,936,538 (CNY 1,100,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(6,021) (CNY -1,319 thousand) (Note 4)	100	(6,021) (CNY -1,319 thousand) (Note 4)	4,976,368 (CNY 1,087,228 thousand)	None
Kun Shan Ding Hong Real Estate Development Co., Ltd.	Engaged in the development, construction and sale of real estate properties	3,139,662 (CNY 670,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(2,356) (CNY -516 thousand) (Note 4)	100	(2,356) (CNY -516 thousand) (Note 4)	3,164,412 (CNY 691,355 thousand)	None
Advanced Semiconductor Engineering (China) Ltd.	Engage in the packaging and testing of semiconductors	3,149,000 (US\$ 100,000 thousand)	Note 1 (6)	3,149,000 (US\$ 100,000 thousand)	-	-	3,149,000 (US\$ 100,000 thousand)	(19,312) (US\$ -628 thousand) (Note 3)	100	(19,312) (US\$ -628 thousand) (Note 3)	3,127,988 (US\$ 101,492 thousand)	None
ASE Investment (Kun Shan) Limited	Holding company	4,312,518 (US\$ 142,000 thousand) (Note 10)	Note 1 (7)	3,717,318 (US\$ 122,000 thousand) (Note 9)	-	-	3,717,318 (US\$ 122,000 thousand)	(44,856) (US\$ -1,458 thousand) (Note 3)	100	(44,856) (US\$ -1,458 thousand) (Note 3)	3,462,359 (US\$ 112,341 thousand)	None
Wuxi Tongzhi Microelectronics Co., Ltd.	Engage in the packaging and testing of semiconductors	356,682 (CNY 73,461 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	3,763 (CNY 825 thousand) (Note 3)	100	3,763 (CNY 825 thousand) (Note 3)	383,346 (CNY 83,753 thousand)	None

(Continued)

Investee Company	Main Business Activities	Paid-in Capital	Investment Method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the period ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income of investee for the period ended March 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the period ended March 31, 2019	Book value of investments in Mainland China as of March 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2019
					Remitted to Mainland China	Remitted back to Taiwan						
Shanghai Ding Qi Property Management Co., Ltd.	Engaged in the management of real estate properties	5,078 (CNY 1,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	10,883 (CNY 2,382 thousand) (Note 4)	100	10,883 (CNY 2,382 thousand) (Note 4)	(24,479) (CNY -5,348 thousand)	None
Shanghai Ding Fan Department Store Co., Ltd.	Engaged in selling General merchandise	9,487 (CNY 2,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(338) (CNY -74 thousand) (Note 4)	100	(338) (CNY -74 thousand) (Note 4)	6,798 (CNY 1,485 thousand)	None
Shanghai Ding Xu Property Management Co., Ltd.	Engaged in the management of real estate properties	22,860 (CNY 5,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	1,280 (CNY 280 thousand) (Note 4)	100	1,280 (CNY 280 thousand) (Note 4)	26,263 (CNY 5,738 thousand)	None
ISE labs, China. Ltd.	Engage in the packaging and testing of semiconductors	222,231 (CNY 50,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	(5,129) (CNY -1,123 thousand) (Note 3)	100	(5,129) (CNY -1,123 thousand) (Note 3)	219,811 (CNY 48,024 thousand)	None
USI Electronics (Shenzhen) Co., Ltd	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	2,270,625 (US\$ 75,000 thousand)	Note 1 (8)	1,180,746	-	-	1,180,746	403,377 (CNY 88,423 thousand) (Note 5)	75	255,929 (US\$ 8,317 thousand) (Note 5)	10,201,027 (US\$ 330,987 thousand)	\$ 1,646,488 (US\$ 56,043 thousand)
Universal Scientific Industrial (Shanghai) Co., Ltd.	Engaged in the designing, manufacturing and sale of electronic components	10,649,110 (CNY 2,175,924 thousand)	Note 1 (8)	1,668,233	-	-	1,668,233	1,010,361 (US\$ 32,836 thousand) (Note 5)	75	754,396 (US\$ 24,517 thousand) (Note 5)	32,848,868 (US\$ 1,065,830 thousand)	349,290 (US\$ 10,955 thousand)
Universal Scientific Industrial (Kunshan) Co., Ltd.	Engaged in the manufacturing and sale of computer assistance system and related peripherals	383,201 (US\$ 12,000 thousand)	Note 1 (8)	383,201	-	-	383,201	(620) (US\$ -20 thousand) (Note 5)	100	(620) (US\$ -20 thousand) (Note 5)	377,507 (US\$ 12,249 thousand)	None
Universal Global Technology (Kunshan) Co., Ltd.	Engaged in the designing and manufacturing of electronic components	1,202,223 (CNY 250,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	201,381 (CNY 44,144 thousand) (Note 5)	75	149,763 (CNY 32,830 thousand) (Note 5)	3,509,218 (CNY 766,688 thousand)	None
Universal Global Technology (Shanghai) Co., Ltd.	Engaged in the processing and sales of computer and communication peripherals as well as business in import and export of goods and technology	6,652,140 (CNY 1,330,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	186,268 (CNY 40,831 thousand) (Note 5)	75	136,844 (CNY 29,998 thousand) (Note 5)	3,956,194 (CNY 864,342 thousand)	None
Universal Global Electronics (Shanghai) Co., Ltd.	Engaged in the sale of electronic components and telecommunications equipment	240,850 (CNY 50,000 thousand)	(Note 2)	- (Note 2)	-	-	- (Note 2)	1,766 (CNY 387 thousand) (Note 5)	75	1,318 (CNY 289 thousand) (Note 5)	195,878 (CNY 42,795 thousand)	None
Siliconware Technology (Suzhou) Limited (Note 13)	Engage in the packaging and testing of semiconductors	5,608,532 (US\$ 159,577 thousand) (Note 11)	Note 1 (9)	4,677,513 (US\$ 130,000 thousand)	-	-	4,677,513 (US\$ 130,000 thousand)	(316,270) (Note 12)	70	(220,594) (Note 12)	7,604,089	None
Siliconware Electronics (Fujian) Co., Limited (Note 13)	Engage in the packaging and testing of semiconductors	2,741,950 (US\$ 90,000 thousand)	Note 1 (9)	2,741,950 (US\$ 90,000 thousand)	-	-	2,741,950 (US\$ 90,000 thousand)	(47,187) (Note 12)	100	(47,187) (Note 12)	2,654,744	None

(Continued)

Investee Company	Accumulated Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 15,203,097 (US\$ 471,400 thousand)	\$ 23,178,952 (US\$ 730,997 thousand) (Note 8)	\$ - (Note 6)
ASE Test, Inc.	8,878,838 (US\$ 288,000 thousand)	8,878,838 (US\$ 288,000 thousand)	18,285,887 (Note 7)
USI Inc.	3,232,180	32,402,340 (US\$1,027,236 thousand)	- (Note 6)
SPIL	\$ 6,757,300 (US\$ 220,000 thousand)	\$ 7,665,758 (US\$249,577 thousand) (Note 11)	- (Note 6)

Note 1: Investments through a holding company registered in a third region. The holding companies are as follow:

- (1) ASE Mauritius Inc., ASE Corporation, Omniquest Industrial Limited, Innosource Limited and J&R Holding Limited.
- (2) ASE Mauritius Inc., Alto Enterprises Limited, Innosource Limited, ASE Corporation, Omniquest Industrial Limited and J&R Holding Limited.
- (3) Global Advanced Packaging Technology Limited and J&R Holding Limited.
- (4) J&R Holding Limited.
- (5) ASE (Korea) Inc., ASE Test Limited, ASE Investment (Labuan) Inc., ASE Holding Ltd. and J&R Holding Limited.
- (6) Super Zone Holdings Limited.
- (7) Alto Enterprises Limited.
- (8) Real Tech Holdings Limited and Huntington Holdings International Co. Ltd..
- (9) SPIL (Cayman) Holding Limited.

Note 2: Invested by companies in mainland China.

Note 3: The basis for investment income (loss) recognition is from the financial statements reviewed and attested by R.O.C. parent company's CPA.

Note 4: The basis for investment income (loss) recognition is from the financial statements reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 5: The basis for investment income (loss) recognition is from the financial statements reviewed and attested by other CPA in the same accounting firm with R.O.C. parent company's CPA.

Note 6: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, R.O.C amended 'Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area' dated on August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 7: The upper limit on investment of ASE Test, Inc. is calculated as follow: $\$30,476,478 \times 60\% = 18,285,887$.

Note 8: There is US\$259,597 thousand difference between MOEA approved investment amount and accumulated outflow of investment from Taiwan. It includes:

- (1) US\$100,000 thousand was directly remitted by the subsidiary, ASE (Korea) Inc.;
- (2) US\$25,000 thousand was by means of Debt for Equity Swap;
- (3) Increasing US\$707 thousand and US\$6,777 thousand of net investment which was recognized by MOEA due to transferring of equity were respectively from transferring ASE (Shanghai) Inc.'s equity from ASE Assembly & Test (Shanghai) Limited and ASE Module (Shanghai) Inc. to ASE Mauritius Inc. and from the absorbing of ASE Module (Shanghai) Inc. by ASE (Shanghai) Inc.;
- (4) US\$127,113 thousand for acquiring 40% shareholdings of ASEN from NXP B.V. by the subsidiary, J&R Holding Limited, was approved by MOEA on May 30, 2018 and remitted in July 2018.

Note 9: It was the same fund that ASE Test, Inc. indirectly invested to ASE Investment (Kun Shan) Limited through another company in 3rd area and then invested to ASE (Kun Shan) Inc.

Note 10: ASE Assembly & Test (Shanghai) Limited invested US\$20,000 thousand to ASE Investment (Kun Shan) Limited and then re-invested to ASE (Kun Shan) Inc.

Note 11: There is US\$29,577 thousand difference between MOEA approved investment amount and accumulated outflow of investment from Taiwan. It includes capital increased by earnings.

Note 12: The basis for investment income (loss) recognition is from the financial statements reviewed and attested by other CPA.

ASE TECHNOLOGY HOLDING CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions (Note)			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Account	Amount (Note)	Terms	
0	The Company	ASE	Parent company to subsidiary	Other payables	\$ 31,700,030		6
		ASE Test, Inc.	Parent company to subsidiary	Other payables	8,700,000		2
		ASE Electronics Inc.	Parent company to subsidiary	Other payables	700,000		-
1	ASE	ASE Test, Inc.	Subsidiary to subsidiary	Other payables	2,420,777		-
		Universal Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Trade receivables	653,831		-
			Subsidiary to subsidiary	Operating revenues	580,121	The transaction has the same terms with other companies	1
		ASE (Shanghai) Inc.	Subsidiary to subsidiary	Trade payables	358,606		-
			Subsidiary to subsidiary	Operating costs	310,125	The transaction has the same terms with other companies	-
		ASE (U.S.) Inc.	Subsidiary to subsidiary	Operating expenses	232,077	It is calculated by fixed ratio based on actual expenses.	-
		ASE Electronics Inc.	Subsidiary to subsidiary	Trade payables	520,847		-
			Subsidiary to subsidiary	Operating costs	401,813	The transaction has the same terms with other companies	-
		J & R Holding Limited	Subsidiary to subsidiary	Other payables	11,156,840		2
			Subsidiary to subsidiary	Interest expenses	111,384		-
		ASE Test Limited	Subsidiary to subsidiary	Other payables	5,485,960		1
		J&R Industrial Inc.	Subsidiary to subsidiary	Other payables	400,000		-
		ASE (Korea) Inc.	Subsidiary to subsidiary	Other payables	3,082,000		1
		Huntington Holdings International Co. Ltd.	Subsidiary to subsidiary	Other payables	678,040		-
		USI Enterprise Limited	Subsidiary to subsidiary	Other payables	7,396,800		1
Real Tech Holdings Limited	Subsidiary to subsidiary	Other payables	1,695,100		-		
A.S.E. Holding Limited	Subsidiary to subsidiary	Other payables	770,500		-		
2	ASE (Shanghai) Inc.	Advanced Semiconductor Engineering (HK) Limited	Subsidiary to subsidiary	Trade receivables	342,401		-
			Subsidiary to subsidiary	Operating revenues	339,041	The transaction has the same terms with other companies	-
3	Shanghai Ding Hui Real Estate Development Co., Ltd.	Kun Shan Ding Hong Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	370,826		-
		Shanghai Ding Yu Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	469,207		-
		Shanghai Ding Wei Real Estate Development Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,861,423		-
4	J & R Holding Limited	Global Advanced Packaging Technology Limited	Subsidiary to subsidiary	Other receivables	563,333		-
		Anstock Limited	Subsidiary to subsidiary	Other receivables	130,857		-
		ASE Test Limited	Subsidiary to subsidiary	Other payables	583,439		-
			Subsidiary to subsidiary	Other liabilities	7,530,742		1
		ISE Labs, Inc.	Subsidiary to subsidiary	Other payables	925,140		-
			Subsidiary to subsidiary	Other liabilities	555,289		-
		ASE Japan Co., Ltd.	Subsidiary to subsidiary	Other payables	1,740,068		-
		USI Enterprise Limited	Subsidiary to subsidiary	Other payables	3,715,684		1
ASE Singapore Pte.Ltd.	Subsidiary to subsidiary	Other liabilities	463,568		-		
5	ASE WeiHai Inc.	Advanced Semiconductor Engineering (China) Ltd.	Subsidiary to subsidiary	Other payables	434,037		-

(Continued)

No.	Company Name	Related Party	Nature of Relationships	Intercompany Transactions (Note)			Percentage of Consolidated Net Revenue or Total Assets
				Financial Statement Account	Amount (Note)	Terms	
6	ASE Assembly & Test (Shanghai) Limited	Anstock Limited	Subsidiary to subsidiary	Other payables	\$ 164,910		-
		Advanced Semiconductor Engineering (China) Ltd.	Subsidiary to subsidiary	Other payables	417,946		-
			Subsidiary to subsidiary	Other liabilities	431,480		-
		ASE (KunShan) Inc.	Subsidiary to subsidiary	Other payables	693,723		-
7	USI Inc.	USI Enterprise Limited	Subsidiary to subsidiary	Other payables	1,849,200		-
8	Universal Scientific Industrial (Shanghai) Co., Ltd.	Universal Global Technology Co., Limited	Subsidiary to subsidiary	Trade payables	925,365	The transaction has the same terms with other companies	-
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	320,886		-
			Subsidiary to subsidiary	Trade receivables	287,619		-
		Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Other receivables	415,983		-
		Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	1,385,050		-
		Subsidiary to subsidiary	Trade payables	124,033	-		
9	Universal Global Industrial Co., Limited	USI Electronics (Shenzhen) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	603,833	The transaction has the same terms with other companies	1
			Subsidiary to subsidiary	Trade receivables	478,538		-
			Subsidiary to subsidiary	Trade payables	2,688,087	1	
		Universal Global Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Operating revenues	6,164,113	The transaction has the same terms with other companies	7
			Subsidiary to subsidiary	Trade receivables	5,749,194		1
	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Trade payables	3,089,223	1		
10	Universal Global Technology Co., Limited	Universal Global Technology (Kunshan) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	769,387	The transaction has the same terms with other companies	1
			Subsidiary to subsidiary	Trade receivables	1,042,362		-
		USI Electronics (Shenzhen) Co., Ltd.	Subsidiary to subsidiary	Other payables	1,239,306	-	
		Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	679,054	The transaction has the same terms with other companies	1
		Universal Scientific Industrial De Mexico S.A. De C.V.	Subsidiary to subsidiary	Other receivables	770,500		-
11	Universal Global Scientific Industrial Co., Ltd.	Universal Scientific Industrial Co., Ltd.	Subsidiary to subsidiary	Trade receivables	149,105		-
		Universal Scientific Industrial De Mexico S.A. De C.V.	Subsidiary to subsidiary	Other receivables	1,018,513		-
12	USI Electronics (Shenzhen) Co., Ltd.	Universal Global Technology (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Other receivables	2,221,739	The transaction has the same terms with other companies	-
		Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	3,047,256		The transaction has the same terms with other companies
		Universal Scientific Industrial De Mexico S.A. De C.V.	Subsidiary to subsidiary	Operating revenues	166,003	-	
			Subsidiary to subsidiary	Trade receivables	140,580	-	
13	Universal Global Technology (Kunshan) Co., Ltd.	Universal Global Industrial Co., Limited	Subsidiary to subsidiary	Operating revenues	3,532,182	The transaction has the same terms with other companies	4
14	Universal Global Technology (Shanghai) Co., Ltd.	Universal Scientific Industrial (Shanghai) Co., Ltd.	Subsidiary to subsidiary	Operating revenues	145,202	The transaction has the same terms with other companies	-
15	Universal Scientific Industrial Co., Ltd.	Universal Scientific Industrial De Mexico S.A. De C.V.	Subsidiary to subsidiary	Other receivables	431,480		-
16	SPIL	Siliconware Technology (Suzhou) Limited	Subsidiary to subsidiary	Other receivables	236,807		-
			Subsidiary to subsidiary	Sales of property, plant and equipment	167,818		-

(Concluded)

Note: All the transactions had been eliminated when preparing consolidated financial statements.