

ADVANCED SEMICONDUCTOR ENGINEERING INC  
Form 6-K  
August 15, 2017

**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

August 15, 2017

Commission  
File Number  
001-16125

**Advanced  
Semiconductor  
Engineering,  
Inc.**

( Exact name of  
Registrant as  
specified in its  
charter)

**26 Chin Third  
Road**

**Nantze Export  
Processing  
Zone**

**Kaoshiung,  
Taiwan**

**Republic of  
China**

(Address of  
principal  
executive  
offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F      Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes      No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Not applicable

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ADVANCED SEMICONDUCTOR  
ENGINEERING, INC.**

Date: August 15, 2017 By: /s/ Joseph Tung  
Name: Joseph Tung  
Title: Chief Financial Officer

**Minutes**

**Of**

**2017 Annual Shareholders' Meeting**

**Of**

**Advanced Semiconductor Engineering, Inc.**

**(Translation)**

**1**

**Time : 10:00AM, Wednesday, June 28, 2017**

**2 Venue : Zhuang Jing Auditorium, 600 Jiachang Rd., Nantz Processing Export Zone, Nantz District, Kaohsiung City**

**3 Attendee (1) Representative of Juristic-person Director, ASE Enterprises Ltd. : Tien Wu, Joseph Tung, Raymond Lo and Jeffrey Chen**

**(2) Independent Directors : Mei-Yueh Ho**

**(3) Lawyer : Alex Chiang and T.C. Chang ; CPA : Jane Chen**

**(4) Total shares represented by shareholders and proxy present 6,961,641,456 shares(including exercised by way of electronic transmission 4,350,368,268 shares) is 85.79% of total outstanding shares of ASE 8,114,595,090 shares (excluding the shareholders who had no voting right stipulated in Company Law)**

**4**

**Chairperson's Remarks : (To be omitted)**

**5**

**Status Report**

(1) ASE 2016 Business Report (See Attachment 1)

(2) Report by Audit Committee on review of the 2016 Financial Statements. (See Attachment 2)

(3) Report of ASE's aggregate amount of endorsements, guarantees, and loans extended to others as of December 31, 2016.

(4) Report on the 2016 distribution of employees' compensation and remuneration to directors.

(5) Report on the BOD's implementation of the privately placed foreign convertible corporate bonds passed in the 2016 shareholders' general meeting.

(6) Report on the Company's unsecured corporate bonds issued domestically.

**6**

**Matters for Ratification**

**Case 1 (proposed by the Board of Directors)**

Proposal: Ratification of ASE's 2016 business report and final financial statements. Please ratify.

- 1 The Company's 2016 financial statements have been audited and certified by Deloitte & Touche.

Explanation:

- 2 Please ratify the 2016 Business Report (see Attachment 1) and Financial Statements (see Attachment 3).

Voting results: Ratify 5,941,239,858 shares (including exercised by way of electronic transmission 3,332,266,960 shares); Oppose 220,855 shares (including exercised by way of electronic transmission 220,855 shares); Abstain from voting 1,020,045,421 shares (including exercised by way of electronic transmission 1,017,880,453 shares). Resolved, that the above proposal be and hereby was approved as proposed.

## Case 2 (proposed by the Board of Directors)

Proposal: Please ratify ASE's 2016 proposal for earnings distribution.

Explanation: 1. The Board of Directors has drafted ASE's 2016 proposal for surplus distribution as shown in the table below in accordance with ASE's Articles of Incorporation for your ratification.

Advanced Semiconductor Engineering, Inc.

### 2016 earnings distribution proposal

Item	Unit: NT\$ Amount
Earnings carried over from the previous year	25,756,319,964
Subtract: Retained earnings adjusted retroactively in accordance with IFRS.	281,357,000
Subtract: Retained earnings adjustments recognized under Equity Method.	5,884,153
Subtract: Actuarial losses allocated to retained earnings	402,184,136
Add: Current year gross profit	21,680,339,074
Subtract: Provision for 10% statutory surplus reserve	2,168,033,907
Current year earnings to be distributed	44,579,199,842
Items for distribution:	
Dividends (Note 1)	11,415,197,564
Current year retained earnings	33,164,002,278

Chairman: Jason C.S. Chang Manager: Richard H.P. Chang Accountant Manager: Hong-Ming Kuo

Note 1: A total of NT\$11,415,197,564 is distributed as dividends, i.e. NT\$1.4 per share, all of which will be distributed in cash. The above distribution of

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dividends to shareholders and the cash distribution rates are calculated based on the number (8,153,712,546) of shares recorded in the Register of Shareholders as of March 28, 2017 after treasury stocks that were already bought back by ASE were subtracted. If at a later date ASE's ECB holders exercise the right of conversion, or new shares are issued to employees against Employee Stock Option warrants, or new shares are issued by ASE for cash increase, or there is a buyback of ASE's stock, or transfer or cancellation of ASE's treasury stocks, such event affecting the cash distribution rate of the shareholders' bonus, and thus requiring adjustment of distribution of dividends, the management will request that the Shareholders' Meeting authorize the Chairman to handle the situation in his discretion and make adjustments accordingly.

Note 2: In response to the introduction of an integrated income tax system, earnings of the most recent year will be distributed at this time.

2. Basis date for dividend distribution: The board is authorized to set the date after it is passed at the Shareholder's Meeting.

Voting results: Ratify 5,970,263,208 shares (including exercised by way of electronic transmission 3,361,149,392 shares); Oppose 537,429 shares (including exercised by way of electronic transmission 537,429 shares); Abstain from voting 990,837,932 shares (including exercised by way of electronic transmission 988,681,447 shares). Resolved, that the above proposal be and hereby was approved as proposed.

## 7 Matters for Discussion

### Case 1 (proposed by the Board of Directors)

Proposal: Please discuss the revised version of the Procedure for Regulations Governing the Acquisition or Disposal of Assets.

1. In response to the amendment of the Criteria for Handling Acquisition and Disposal of Assets by Public Companies released by the Financial Supervisory Commission on February 9, 2017, the Company's board of directors approved the amendment of part of the Company's Regulations Governing the Acquisition or Disposal of Assets by a resolution on March 30, 2017.

Explanation:

2. Your approval of the comparison of Revised Articles of the Regulations Governing the Acquisition or Disposal of Assets before and after revisions as shown in attachment 4 is requested.



Voting results: Ratify 5,965,592,570 shares (including exercised by way of electronic transmission 3,356,619,672 shares); Oppose 407,378 shares (including exercised by way of electronic transmission Resolution: 266,460 shares); Abstain from voting 995,641,508 shares (including exercised by way of electronic transmission 993,482,136 shares). Resolved, that the above proposal be and hereby was approved as proposed.

**8 Other Proposals and Extempore Motions None.**

**9**

**Meeting Ends Wednesday, June 28, 2017 at 10:33 a.m.**

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## Attachment 1

### Advanced Semiconductor Engineering, Inc.

#### Business Report

The first half of 2016 remained weak as expected, with developed economies possessing inadequate momentum for recovery. As a result growth of emerging markets had slowed significantly. Fortunately the second half of the year showed positive signs and outlook appeared to be more positive. The semiconductor industry attained double-digit growth rate during the third quarter in large part because of consumption of its inventory. It looks set to have finally emerged from doldrums. According to statistics by Gartner<sup>1</sup>, sales for the semiconductor industry in 2016 were USD 339.7 billion, a growth of 1.5% over 2015. Gartner also projected global semiconductor sales in 2017 at USD 364.1 billion, a growth of 7.2% over 2016.

According to the report of the IEK ITIS Project, the IC packaging and testing industry in Taiwan produced output of NT\$ 463.8 billion in 2016, a growth of about 5.1% from 2015. Output of the packaging industry amounted to NT\$ 323.8 billion, a growth of 4.5% from 2015. Output of the testing industry amounted to NT\$140.0 billion, a growth of 6.5% compared to 2015. The following is our report on the Company's operation for the past year:

#### "2016 Operating Results"

1. Implementation of the 2016 business plan

ASE's consolidated revenue for 2016 totaled NT\$ 274.9 billion, a decrease of about NT\$8.4 billion, or a decline of about 3% from 2015. With respect to the company's semiconductor packaging and testing operations. Consolidated operating revenue for 2016 was NT\$173.9 billion (including inter-division revenue of NT\$14.4 billion). This was an increase of about NT\$11.5 billion over that in 2015 (growth of about 7%). The main reasons for the increase are increasing trend of outsourcing of semiconductor packaging services and improvement in the company's productivity. Furthermore with respect to the Group's OEM services, consolidated revenue for 2016 was NT\$163.1 billion (including inter-division revenue of NT\$47.7 billion). This was a decline of about NT\$33.6 billion, or 17.1%. Nevertheless, gross profit margin for electronics OEM services grew from 7.5% in 2015 to 9.8% in 2016.

2. Budget Implementation

ASE did not release any financial forecast in 2016.

3. Analysis of financial gains and losses and profitability

The company's 2016 consolidated financial statements show that its paid-up capital was NT\$79.6 billion, while total owner's equity amounted to NT\$157.4 billion, constituting 44% of total assets (NT\$357.9 billion); Long-term funds to fixed assets was 169% while current ratio was 136.7%. As such the company's financial ratios for the current year were comparable to those for the previous year. Gross profit margin of the Group at 19.4% was better than that in 2015 (17.7%). Net operating profit was NT\$26.7 billion, an increase of NT\$1.8 billion in 2015, showing a growth of about 7.2%. Net profit attributed to the company's owner was NT\$21.7 billion, an increase of NT\$2.5 billion in the previous year, or a growth of about 13%. Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) as shown in the consolidated financial statements rose about 4.3% over those in 2015. As such the company's profitability in 2016 was better than that in 2015.

## 4.

## R&amp;D Overview

With the proliferation of PC and mobile devices, system-on-chip has entered a phase of maturity in line with Moore's Law which has been the driving force for efficiency in global micro-electronics and semiconductor industries. As the effect of Internet-of-Things (IoT) becomes ubiquitous in algorithms, the industry chain has been sparing no effort in moving towards higher value systems. This has in turn highlighted the importance of system innovation and integration for heterogeneous chips. As a result strengthening of functional integration and 'micronization' technology are being developed in tandem in order to create smart, networked environment and devices that are more effective, thereby enabling users to enjoy smarter, more convenient lifestyle. Key technological platforms being built by the company on a sustained basis are as follows: Packaging/module of advance systems and packaging of flip-chip bumps/brazing wire and mid- to low-pin counts etc., with key products and technologies successfully developed in 2016 being classified as follows: (1) Flip-chip packaging: Verification of 10nm copper production technology process, flip-chip packaging applications for 14/16nm copper production process/ultra-low dielectric chip, double-side packaging glue protection technology; (2) Wire-bond assembly: Ball-grid array packaging for silver-alloy wires and composite flip-chip, applications for embedded PCB, copper/gold brazing wire for ultra-fine pitch and stubs technology, with verification of applications extended to 20/28nm technology. (3) wafer assembly: Advanced fan-out wafer-level packaging (FOWLP) aWLP-11 (InFO-like structure), introduction of new 2.5 through silicon via (TSV) and stacking products, packaging of micro-mechanical and electrical exposed die and balling, integrated packaging of passive components such as TSV glass base board/stacked brazing wires, fine pitch tin-silver/copper pillar electroplated wafer bumping and 15-micron TSV filling technology. (4) Advanced packaging and module: High-density SiP packaging 4G communication module, compartmental shielding technology, selective sectional packaging and gluing technology and double-sided sectional packaging and gluing technology.

**"Overview of 2017 Business Plan"**

## 1.

## Operating policy

(1) Providing customers with "best-quality" services; (2) creating long-term and steady profits for the company and customers; (3) working together with partners for a promising future; (4) training employees to become outstanding professionals in their respective fields; (5) treating all employees "fairly and reasonably"; (6) providing employees with a "harmonious, pleasant, and open" workplace; and (7) remaining flexible wherever possible during operation.

## 2.

## Projected sales volume and basis

In the light of current industry dynamics, future market demand and ASE's production capacity, the projected sales volume for 2017 is as follows:

Item	Projected Sales
------	-----------------

Packaging Approx. 18.5 billion

Testing Approx. 2.3 billion

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3. Important production and sales policies

Looking back on 2016, the growth rate for the company's packaging and testing revenue is 3.9%, about 2 times that of the semiconductor industry. The main reasons for such growth are as follows: In addition to increasing trend of outsourcing packaging services and growth in the company's productivity, the company's R&D efforts in flip-chip packaging, wafer bumping and wafers are also important reasons for growth. We believe that they will experience high growth in 2017. At the same time the company will continue to expand into technologies such as FOWLP, copper pillar bps packaging and embedded PCB etc. while also expanding its production capacity for panel-level FOWLP such as to shift advanced packaging technology from wafer-level to panel-level. The trend for low and high efficiency as well as high level of integration is an unchanged principle. We believe that the market will continue to improve in 2017. As such the company will devote greater attention to overall profitability and invest more funds into technology R&D and improvements. Furthermore, system in package (SiP) remains to be a major issue deserving our attention. The company will continue to provide diversified options for SiP products, markets and customers. It is only through sustained R&D and innovation can the company obtains first-mover advantage in a competitive market.

### **Future Development Strategy**

In the long term, the main driving forces for global semiconductor industry are population, lifestyle and new efficiency. Although Taiwan's GDP constitutes only 0.7% of global GDP, it has captured as much as 56.6% of total packaging and testing market and Taiwan's semiconductor industry makes up 22% of the global industry. It is therefore obvious that Taiwan's semiconductor industry has obtained the trust of global partners. The industry has also created new values as well as new business model. The company continues to focus on technological innovation, and increase its investments in R&D and capital expenses. It aims to create sufficient room for profit growth through enhancing innovation and overall economic scale in order for it to continue to grow. The greatest consideration for the company's merger with Siliconware Precision Industries was "innovation". In addition, purposeful division of labor allows each of us to devote our efforts to our specialization, thus improving overall efficiency. The semiconductor industry is a globally-competitive industry. Therefore it is imperative to achieve virtuous cycle for the industry is to consolidate resources to increase efficiency as well as reduce cost before giving back the benefits to customers, while also reducing repetitive investments such that greater resources can be directed to development and innovative R&D, with customers receiving better technology and services as a result.

### **Impact of Competitive, Regulatory and Operating Environments**

For 2017 the majority of research and forecasting institutions hold a cautious outlook. America's political direction after its presidential election will no doubt be a key factor for global economic growth. If the U.S. is able to successfully reinvigorate its domestic demand, other nations will surely also benefit as a result. In the case of China it



is expected that its government will continue to implement overall adjustment and control policies. As a result China's economic structure should move towards set targets. However a trend of low growth looks inevitable. Apart from the above, the global economy looks to face uncertainties such as interest rate increase by the U.S., risk of debt default by emerging markets and emergence of trade protectionism etc. Changes in Taiwan's laws and regulations to improvement in labor conditions

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and emergence of greater awareness for environmental protection have caused the company to spend greater effort in achieving a balance between business performance and an enterprise with no social burden. The coming years appear to remain challenging. Despite this the company will continue to renew itself to keep up with the times.

Chairman: Jason C.S. Chang President: Richard H.P. Chang Accounting Manager: Hong-Ming Kuo

*1. Source: Forecast Analysis: Electronics and Semiconductors, Worldwide, 4Q16 Update, Published: 13 January 2017, Analyst(s): Ganesh Ramamoorthy, Jon Erensen, Andrew Norwood, Adriana Blanco, Amy Teng, Ben Lee, Joseph Unsworth, Masatsune Yamaji*

*The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Annual Report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.*

**Attachment 2**

**Audit Committee Report**

The Board of Directors has prepared and submitted the 2016 business report, financial statements, and earnings distribution proposal, of which the financial statements have been audited by Deloitte. These have been reviewed by the Audit Committee as correctly portraying ASE's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for shareholder's examination.

Advanced Semiconductor Engineering, Inc.

Audit Committee convener : Shen-Fu You

March 30, 2017



**Attachment 3**

**Advanced Semiconductor Engineering, Inc. and Subsidiaries**

**Consolidated Financial Statements as of December 31, 2015 and 2016 and for the Years Ended December 31, 2014, 2015 and 2016 and  
Reports of Independent Registered Public  
Accounting Firms**

**ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Amounts in Thousands)**

ASSETS	December 31,	December 31,	US\$
	2015 (Adjusted) NT\$	2016 NT\$	
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$55,251,181	\$38,392,524	\$1,184,954
Financial assets at fair value through profit or loss - current	3,833,701	3,069,812	94,747
Available-for-sale financial assets - current	30,344	266,696	8,231
Trade receivables, net	44,931,487	51,145,557	1,578,567
Other receivables	429,541	665,480	20,540
Current tax assets	168,717	471,752	14,560
Inventories	23,258,279	21,438,062	661,669
Inventories related to real estate business	25,713,538	24,187,515	746,528
Other financial assets - current	301,999	558,686	17,243
Other current assets	2,814,053	2,593,575	80,049
<b>Total current assets</b>	<b>156,732,840</b>	<b>142,789,659</b>	<b>4,407,088</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets - non-current	924,362	1,028,338	31,739
Investments accounted for using the equity method	37,122,244	49,832,993	1,538,055
Property, plant and equipment	149,997,075	143,880,241	4,440,748
Goodwill	10,506,519	10,558,878	325,891
Other intangible assets	1,382,093	1,560,989	48,179
Deferred tax assets	5,156,515	4,536,924	140,029
Other financial assets - non-current	345,672	1,320,381	40,753
Long-term prepayments for lease	2,556,156	2,237,033	69,044
Other non-current assets	263,416	205,740	6,350
<b>Total non-current assets</b>	<b>208,254,052</b>	<b>215,161,517</b>	<b>6,640,788</b>
<b>TOTAL</b>	<b>\$364,986,892</b>	<b>\$357,951,176</b>	<b>\$11,047,876</b>

(Continued)



**ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****(Amounts in Thousands)**

LIABILITIES AND EQUITY	December 31, 2015 (Adjusted) NT\$	<b>December 31,</b> <b>2016</b> <b>NT\$</b>	US\$
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	\$32,635,321	\$20,955,522	\$646,775
Short-term bills payable	4,348,054	—	—
Financial liabilities at fair value through profit or loss - current	3,005,726	1,763,660	54,434
Trade payables	34,138,564	35,803,984	1,105,061
Other payables	19,194,818	21,522,034	664,260
Current tax liabilities	6,746,022	6,846,350	211,307
Advance real estate receipts	2,703,706	60,550	1,869
Current portion of bonds payable	14,685,866	9,658,346	298,097
Current portion of long-term borrowings	2,057,465	6,567,565	202,703
Other current liabilities	3,180,767	3,791,563	117,024
<b>Total current liabilities</b>	<b>122,696,309</b>	<b>106,969,574</b>	<b>3,301,530</b>
<b>NON-CURRENT LIABILITIES</b>			
Bonds payable	23,740,384	27,341,557	843,875
Long-term borrowings	42,493,668	46,547,998	1,436,667
Deferred tax liabilities	4,987,549	4,856,549	149,893
Net defined benefit liabilities	4,072,493	4,172,253	128,773
Other non-current liabilities	1,071,509	1,201,480	37,083
<b>Total non-current liabilities</b>	<b>76,365,603</b>	<b>84,119,837</b>	<b>2,596,291</b>
<b>Total liabilities</b>	<b>199,061,912</b>	<b>191,089,411</b>	<b>5,897,821</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	79,185,660	79,568,040	2,455,804
Capital surplus	23,758,550	22,266,500	687,238
Retained earnings			
Legal reserve	12,649,145	14,597,032	450,526
Special reserve	3,353,938	3,353,938	103,517
Unappropriated earnings	37,696,865	44,225,737	1,364,992
<b>Total retained earnings</b>	<b>53,699,948</b>	<b>62,176,707</b>	<b>1,919,035</b>



Other equity	5,080,790	(1,840,937 )	(56,819 )
Treasury shares	(7,292,513 )	(7,292,513 )	(225,078 )
Equity attributable to owners of the Company	154,432,435	154,877,797	4,780,180
NON-CONTROLLING INTERESTS	11,492,545	11,983,968	369,875
Total equity	165,924,980	166,861,765	5,150,055
TOTAL	\$364,986,892	\$357,951,176	\$11,047,876

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

**ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(Amounts in Thousands Except Earnings Per Share)**

	For the Years Ended December 31			
	<b>2014</b>	<b>2015</b>	2016	
	NT\$	(Adjusted) NT\$	NT\$	US\$
OPERATING REVENUES	\$256,591,447	\$283,302,536	\$274,884,107	\$8,484,077
OPERATING COSTS	203,002,918	233,167,308	221,689,888	6,842,280
GROSS PROFIT	53,588,529	50,135,228	53,194,219	1,641,797
OPERATING EXPENSES				
Selling and marketing expenses	3,438,166	3,588,472	3,432,487	105,941
General and administrative expenses	10,214,810	10,724,568	11,662,082	359,941
Research and development expenses	10,289,684	10,937,566	11,391,147	351,578
Total operating expenses	23,942,660	25,250,606	26,485,716	817,460
OTHER OPERATING INCOME AND EXPENSES, NET	228,615	(251,529 )	(800,280 )	(24,700 )
PROFIT FROM OPERATIONS	29,874,484	24,633,093	25,908,223	799,637
NON-OPERATING INCOME AND EXPENSES				
Other income	529,251	815,778	589,236	18,186
Other gains and losses	607,299	1,748,795	2,276,544	70,264
Finance costs	(2,354,097 )	(2,312,143 )	(2,261,075 )	(69,786 )
Share of the profit or loss of associates and joint ventures	(121,882 )	126,265	1,512,213	46,673
Total non-operating income and expenses	(1,339,429 )	378,695	2,116,918	65,337
PROFIT BEFORE INCOME TAX	28,535,055	25,011,788	28,025,141	864,974
INCOME TAX EXPENSE	5,665,954	4,311,073	5,390,844	166,384

PROFIT FOR THE YEAR	22,869,101	20,700,715	22,634,297	698,590
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligation	(28,145 )	(62,911 )	(417,181 )	(12,876 )
Share of other comprehensive loss of associates and joint ventures	(1,031 )	(37,748 )	(49,794 )	(1,537 )

(Continued)

**ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands Except Earnings Per Share)

	<b>For the Years Ended December 31</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	
	<b>NT\$</b>	<b>(Adjusted) NT\$</b>	<b>NT\$</b>	<b>US\$</b>
Income tax relating to items that will not be reclassified subsequently	\$23,885 (5,291 )	\$11,002 (89,657 )	\$73,637 (393,338 )	\$2,273 (12,140 )
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	5,405,008	(63,509 )	(6,445,643 )	(198,940)
Unrealized gain (loss) on available-for-sale financial assets	(133,714 )	10,451	(248,599 )	(7,673 )
Cash flow hedges	3,279	—	—	—
Share of other comprehensive income (loss) of associates and joint ventures	235,156 5,509,729	(4,832 ) (57,890 )	(871,679 ) (7,565,921 )	(26,904 ) (233,517)
Other comprehensive income (loss) for the year, net of income tax	5,504,438	(147,547 )	(7,959,259 )	(245,657)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>\$28,373,539</b>	<b>\$20,553,168</b>	<b>\$14,675,038</b>	<b>\$452,933</b>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>				
Owners of the Company	\$22,228,602	\$19,732,148	\$21,361,606	\$659,309
Non-controlling interests	640,499	968,567	1,272,691	39,281
	<b>\$22,869,101</b>	<b>\$20,700,715</b>	<b>\$22,634,297</b>	<b>\$698,590</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>				
Owners of the Company	\$27,394,362	\$19,659,081	\$13,994,159	\$431,917
Non-controlling interests	979,177	894,087	680,879	21,015
	<b>\$28,373,539</b>	<b>\$20,553,168</b>	<b>\$14,675,038</b>	<b>\$452,932</b>
<b>EARNINGS PER SHARE</b>				
Basic	\$2.89	\$2.58	\$2.79	\$0.09

Diluted	\$2.79	\$2.48	\$2.33	\$0.07
EARNINGS PER AMERICAN DEPOSITARY SHARE (“ADS”)				
Basic	\$14.46	\$12.89	\$13.94	\$0.43
Diluted	\$13.93	\$12.38	\$11.67	\$0.36

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

**ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Amounts in Thousands)

	Equity Attributable to Owners of the Company							Other I
	Share Capital		Retained Earnings			Unappropriated Earnings	Total	
	Shares (In Thousands)	Amounts	Capital Surplus	Legal Reserve	Special Reserve			
BALANCE AT JANUARY 1, 2014	7,787,827	\$78,180,258	\$7,921,375	\$8,720,971	\$3,663,930	\$25,190,778	\$37,575,679	\$(525,5
Change in capital surplus from investments in associates accounted for using the equity method	—	—	26,884	—	—	—	—	—
Net profit for the year ended December 31, 2014	—	—	—	—	—	22,228,602	22,228,602	—
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	—	—	—	—	—	(4,434 )	(4,434 )	5,066,
Total comprehensive income for the year ended December 31, 2014	—	—	—	—	—	22,224,168	22,224,168	5,066,

Appropriation of 2013 earnings									
Legal reserve	—	—	—	1,568,907	—	(1,568,907 )	—	—	—
Special reserve	—	—	—	—	(309,992 )	309,992	—	—	—
Cash dividends distributed by the Company	—	—	—	—	—	(10,156,005)	(10,156,005)	—	—
	—	—	—	1,568,907	(309,992 )	(11,414,920)	(10,156,005)	—	—
Issue of dividends received by subsidiaries from the Company	—	—	188,790	—	—	—	—	—	—
Partial disposal of interests in subsidiaries and additional acquisition of partially-owned subsidiaries	—	—	6,876,866	—	—	—	—	—	—
Issue of ordinary shares under employee share options	73,898	534,921	1,000,065	—	—	—	—	—	—
Cash dividends distributed by subsidiaries	—	—	—	—	—	—	—	—	—
BALANCE AT DECEMBER 31, 2014	7,861,725	78,715,179	16,013,980	10,289,878	3,353,938	36,000,026	49,643,842	4,540,	—
Equity component of convertible bonds issued by the Company	—	—	214,022	—	—	—	—	—	—
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	—	—	150	—	—	—	—	—	—
Net profit for the year ended December	—	—	—	—	—	19,732,148	19,732,148	—	—

31,2015 (Adjusted) Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	—	—	—	—	—	(86,217 )	(86,217 )	(48,19
Total comprehensive income (loss) for the year ended December 31, 2015	—	—	—	—	—	19,645,931	19,645,931	(48,19
Appropriation of 2014 earnings								
Legal reserve	—	—	—	2,359,267	—	(2,359,267 )	—	—
Cash dividends distributed by the Company	—	—	—	—	—	(15,589,825)	(15,589,825)	—
	—	—	—	2,359,267	—	(17,949,092)	(15,589,825)	—
Acquisition of treasury shares	—	—	—	—	—	—	—	—
Issue of dividends received by subsidiaries from the Company	—	—	292,351	—	—	—	—	—
Partial disposal of interests in subsidiaries and additional acquisition of partially-owned subsidiaries	—	—	7,197,510	—	—	—	—	—



(Continued)

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## ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Equity Attributable to Owners of the Company							Other E
	Share Capital		Retained Earnings				Total	
	Shares (In Thousands)	Amounts	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		
Changes in percentage of ownership interest in subsidiaries	—	\$—	\$(563,815)	\$—	\$—	\$—	\$—	\$—
Issue of ordinary shares under employee share options	48,703	470,481	604,352	—	—	—	—	—
Cash dividends distributed by subsidiaries	—	—	—	—	—	—	—	—
Additional non-controlling interest arising on issue of employee share options by subsidiaries	—	—	—	—	—	—	—	—
<b>ADJUSTED BALANCE AT DECEMBER 31, 2015</b>	<b>7,910,428</b>	<b>79,185,660</b>	<b>23,758,550</b>	<b>12,649,145</b>	<b>3,353,938</b>	<b>37,696,865</b>	<b>53,699,948</b>	<b>4,492</b>
Change in capital surplus from investments in associates and joint ventures	—	—	51,959	—	—	—	—	—

accounted for using the equity method									
Net profit for the year ended December 31, 2016	—	—	—	—	—	21,361,606	21,361,606	—	
Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax	—	—	—	—	—	(402,184 )	(402,184 )	(6,130 )	
Total comprehensive income (loss) for the year ended December 31, 2016	—	—	—	—	—	20,959,422	20,959,422	(6,130 )	
Appropriation of 2015 earnings									
Legal reserve	—	—	—	1,947,887	—	(1,947,887 )	—	—	
Cash dividends distributed by the Company	—	—	—	—	—	(12,476,779)	(12,476,779)	—	
Issue of dividends received by subsidiaries from the Company	—	—	—	1,947,887	—	(14,424,666)	(12,476,779)	—	
Actual disposal or acquisition of interest in subsidiaries	—	—	233,013	—	—	—	—	—	
Changes in percentage of ownership interest in subsidiaries	—	—	(20,552 )	—	—	(5,884 )	(5,884 )	—	
Issue of ordinary shares under employee share options	—	—	(1,912,887 )	—	—	—	—	—	
Non-controlling interest arising	35,756	382,380	600,737	—	—	—	—	—	

from acquisition of subsidiaries									
Cash dividends distributed by subsidiaries	—	—	—	—	—	—	—	—	—
Additional non-controlling interest arising on issue of employee share options by subsidiaries	—	—	(444,320 )	—	—	—	—	—	—
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>7,946,184</b>	<b>\$79,568,040</b>	<b>\$22,266,500</b>	<b>\$14,597,032</b>	<b>\$3,353,938</b>	<b>\$44,225,737</b>	<b>\$(62,176,707)</b>	<b>\$(1,643,000)</b>	<b>\$1,643,000</b>
<b>US DOLLARS BALANCE AT DECEMBER 31, 2016</b>	<b>7,946,184</b>	<b>\$2,455,804</b>	<b>\$687,238</b>	<b>\$450,526</b>	<b>\$103,517</b>	<b>\$1,364,992</b>	<b>\$(1,919,035)</b>	<b>\$(50,700)</b>	<b>\$50,700</b>

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

## ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	For the Years Ended December 31			
	2014 NT\$	2015 (Adjusted) NT\$	2016 NT\$	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	\$28,535,055	\$25,011,788	\$28,025,141	\$864,974
Adjustments for:				
Depreciation expense	25,805,042	28,938,770	28,961,614	893,877
Amortization expense	545,734	579,894	460,690	14,219
Net gains on fair value change of financial assets and liabilities at fair value through profit or loss	(1,838,840 )	(2,472,835 )	(447,559 )	(13,814 )
Interest expense	2,324,426	2,268,786	2,261,075	69,786
Interest income	(243,474 )	(242,084 )	(230,067 )	(7,101 )
Dividend income	(101,252 )	(396,973 )	(26,411 )	(815 )
Compensation cost of employee share options	110,157	133,496	470,788	14,530
Share of loss (profit) of associates and joint ventures	121,882	(126,265 )	(1,512,213 )	(46,673 )
Impairment loss recognized on financial assets	28,421	8,232	91,886	2,836
Reversal of impairment loss on financial assets	—	—	(28,022 )	(865 )
Impairment loss recognized on non-financial assets	899,480	610,140	1,340,011	41,359
Reversal of compensation cost for the settlement of legal claims	(91,305 )	—	—	—
Net loss (gain) on foreign currency	1,404,234	1,358,777	(407,160 )	(12,567 )
Others	404,443	1,411,599	1,031,422	31,834
Changes in operating assets and liabilities				
Financial assets held for trading	823,313	4,162,522	1,052,111	32,473
Trade receivables	(9,703,070 )	7,982,736	(6,184,873 )	(190,891 )
Other receivables	(8,625 )	55,112	(211,755 )	(6,536 )
Inventories	(8,208,824 )	(5,128,726 )	3,156,759	97,431
Other current assets	102,353	407,017	(24,517 )	(757 )
Financial liabilities held for trading	(835,779 )	(1,725,606 )	(2,952,116 )	(91,115 )
Trade payables	6,422,305	(1,272,717 )	1,665,420	51,402

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Other payables	3,045,452	(814,809 )	1,380,205	42,599
Advance real estate receipts	—	2,223,381	(2,643,156 )	(81,579 )
Other current liabilities	703,764	321,931	295,557	9,122
Other operating activities items	(187,727 )	(247,024 )	(407,143 )	(12,566 )
	50,057,165	63,047,142	55,117,687	1,701,163
Interest received	233,457	253,289	228,509	7,053
Dividend received	101,252	499,918	4,043,644	124,804
Interest paid	(2,065,244 )	(2,067,955 )	(2,043,870 )	(63,082 )
Income tax paid	(2,463,153 )	(4,184,089 )	(5,238,103 )	(161,670 )
Net cash generated from operating activities	45,863,477	57,548,305	52,107,867	1,608,268
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of financial assets designated as at fair value through profit or loss	(108,958,658)	(100,842,813)	(64,853,336)	(2,001,646)
Proceeds on sale of financial assets designated as at fair value through profit or loss	109,825,159	102,139,161	66,472,870	2,051,632
Purchase of available-for-sale financial assets	(3,565,428 )	(1,273,510 )	(1,590,928 )	(49,103 )

(Continued)

**ADVANCED SEMICONDUCTOR ENGINEERING, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(Amounts in Thousands)**

	<b>For the Years Ended December 31</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	
	NT\$	(Adjusted) NT\$	NT\$	US\$
Proceeds on sale of available-for-sale financial assets	\$4,388,130	\$2,761,145	\$867,336	\$26,770
Cash received from return of capital by available-for-sale financial assets	20,411	44,511	28,927	893
Acquisition of associates and joint ventures	(100,000 )	(35,673,097)	(16,041,463)	(495,106 )
Net cash outflow on acquisition of subsidiaries	—	—	(73,437 )	(2,267 )
Payments for property, plant and equipment	(39,598,964)	(30,280,124)	(26,714,163)	(824,511 )
Proceeds from disposal of property, plant and equipment	421,207	243,031	670,200	20,685
Payments for intangible assets	(396,466 )	(491,135 )	(513,893 )	(15,861 )
Proceeds from disposal of intangible assets	—	—	25,646	792
Decrease (increase) in other financial assets	(372,569 )	358,266	(1,231,186 )	(38,000 )
Increase in other non-current assets	(480,711 )	(336,864 )	(206,031 )	(6,359 )
Net cash used in investing activities	(38,817,889)	(63,351,429)	(43,159,458)	(1,332,081)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net repayment of short-term borrowings	(3,442,162 )	(8,532,792 )	(10,640,229)	(328,402 )
Net proceeds from (repayment of) short-term bills payable	—	4,348,054	(4,348,054 )	(134,199 )
Proceeds from issue of bonds	8,888,562	6,136,425	9,000,000	277,778
Repayment of bonds payable	(729,790 )	—	(10,365,135)	(319,912 )
Proceeds from long-term borrowings	32,030,868	39,887,570	62,282,917	1,922,312
Repayment of long-term borrowings	(40,978,403)	(22,926,660)	(52,924,902)	(1,633,485)
Dividends paid	(9,967,215 )	(15,297,474)	(12,243,766)	(377,894 )
Proceeds from exercise of employee share options	1,498,343	1,285,102	995,832	30,736
Payments for acquisition of treasury shares	—	(5,333,406 )	—	—
Proceeds from partial disposal of interests in subsidiaries	9,991,439	8,910,346	—	—

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Decrease in non-controlling interests	(85,766 )	(232,148 )	(3,063,623 )	(94,556 )
Other financing activities items	(2,879 )	391,322	219,940	6,788
Net cash generated from (used in) financing activities	(2,797,003 )	8,636,339	(21,087,020)	(650,834 )
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCY	2,419,454	723,556	(4,720,046 )	(145,682 )
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,668,039	3,556,771	(16,858,657)	(520,329 )
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	45,026,371	51,694,410	55,251,181	1,705,283
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$51,694,410	\$55,251,181	\$38,392,524	\$1,184,954

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



**Advanced Semiconductor Engineering, Inc. and Subsidiaries**

**Financial Statements for the  
Years Ended December 31, 2016 and 2015 and  
Independent Auditors' Report**

**ADVANCED SEMICONDUCTOR ENGINEERING, INC.****PARENT COMPANY ONLY BALANCE SHEETS****(In Thousands of New Taiwan Dollars)**

ASSETS	December 31, 2016		December 31, 2015 (Adjusted)	
	NT\$	%	NT\$	%
<b>CURRENT ASSETS</b>				
Cash	\$3,159,351	1	\$8,533,346	3
Financial assets at fair value through profit or loss - current	600,946	—	1,503,196	1
Trade receivables, net	17,825,948	6	14,030,441	5
Trade receivables from related parties	1,760,150	1	2,281,805	1
Other receivables	1,445,567	—	1,367,621	—
Other receivables from related parties	61,419	—	161,080	—
Inventories	4,666,009	2	3,769,108	1
Other current assets	416,799	—	485,422	—
Total current assets	29,936,189	10	32,132,019	11
<b>NON-CURRENT ASSETS</b>				
Available-for-sale financial assets - non-current	285,359	—	473,107	—
Investments accounted for using the equity method	201,327,705	64	189,712,813	62
Property, plant and equipment	78,375,027	25	80,375,695	26
Goodwill	958,620	—	958,620	1
Other intangible assets	1,020,259	1	655,689	—
Deferred tax assets	812,546	—	906,821	—
Other financial assets - non-current	222,074	—	209,817	—
Long-term prepayments for lease	13,155	—	80,887	—
Other non-current assets	83,983	—	156,113	—
Total non-current assets	283,098,728	90	273,529,562	89
<b>TOTAL</b>	<b>\$313,034,917</b>	<b>100</b>	<b>\$305,661,581</b>	<b>100</b>

(Continued)

**ADVANCED SEMICONDUCTOR ENGINEERING, INC.****PARENT COMPANY ONLY BALANCE SHEETS****(In Thousands of New Taiwan Dollars)**

LIABILITIES AND EQUITY	December 31, 2016		December 31, 2015 (Adjusted)	
	NT\$	%	NT\$	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$4,192,500	1	\$11,231,973	4
Short-term bills payable	—	—	4,348,054	1
Financial liabilities at fair value through profit or loss - current	1,550,677	—	2,669,605	1
Trade payables	7,994,777	3	6,801,383	2
Trade payables to related parties	1,027,410	—	910,211	1
Other payables	11,045,976	4	10,565,591	3
Other payables to related parties	46,303,141	15	40,191,954	13
Current tax liabilities	1,582,327	1	1,685,349	1
Current portion of bonds payable	—	—	12,162,192	4
Current portion of long-term borrowings	5,285,722	2	—	—
Other current liabilities	699,394	—	738,805	—
Total current liabilities	79,681,924	26	91,305,117	30
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable	27,341,557	9	13,938,894	5
Long-term borrowings	41,896,587	13	37,424,607	12
Deferred tax liabilities	3,740,806	1	3,774,152	1
Long-term payables to related parties	40,313	—	—	—
Net defined benefit liabilities	2,516,119	1	2,287,072	1
Other non-current liabilities	462,405	—	297,092	—
Total non-current liabilities	75,997,787	24	57,721,817	19
Total liabilities	155,679,711	50	149,026,934	49
<b>EQUITY</b>				
Share capital				
Ordinary shares	79,364,735	25		