



Transcend Information, Inc.

2016 ANNUAL REGULAR SHAREHOLDERS' MEETING MINUTES

(This English version is a translation based on the original Chinese version.)

Where any discrepancy arises between the two versions, the Chinese version shall prevail.)

Time: 9:00 a.m., June 14, 2016

Place: Transcend Information, Inc. (No. 70, XingZhong Rd., NeiHu Dist., Taipei 114, Taiwan)

Total share represented by shareholders present in person or by proxy are 380,665,652 shares (including 375,876,368 shares casted electronically), which is 88.37% of the total 430,761,675 outstanding shares.

Attended Directors: Shu,Chung-Wan, the chairman of Board of Directors; Chiu, Chih-Heng, the director

Attended Independent Directors: Wang, Yi-Hsin, the convener of Audit Committee

Attendees: Lin, Chun-Yao, the independent auditors of the Pricewaterhouse Coopers

Li, Dan, the lawyer of World Patent & Trademark Office

Chairman: Shu,Chung-Wan



Recorder: Lu, Chih-Yuan



Call meeting to order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Remarks: (Omitted)

I. Discussion Items

Discussion Item (1)

Subject: Amend the Articles of Incorporation. (Proposed by the Board of Directors)

Explanatory Notes:

- a. To comply with Article 170 of the Company Act.
- b. To comply with Article 235, 235-1 and 240 of the Company Act.
- c. The date of the annual meeting of the shareholders is confirmed and the company hereby proposes to amend Article 24 of the Articles of Incorporation.
- d. Please refer to Attachment I, Comparison table for the Articles of Incorporation.
- e. It is submitted for approval.

Resolution:

Votes in favor: 315,749,553 votes (including 311,144,252 votes casted electronically), 82.95% of the total represented share present;

Votes against: 313,355 votes (including 313,355 votes casted electronically);

Votes invalid: 0 votes (including 0 votes casted electronically);

Abstention and no votes: 64,602,744 votes (including 64,418,761 votes casted electronically)

Resolved, the above proposal was approved as proposed.

II. Report Items

- (1) The operating result of 2015(Please refer to Attachment II)
- (2) Audit Committee's review report(Please refer to Attachment III)
- (3) 2015 remuneration report of employees and directors

Explanatory Notes:

The remuneration of 2015 profit to employees would be NTD 35,703,755 (distributed by cash); and that to directors would be NTD 5,040,000. The estimated remuneration to employees is NTD 34,908,959 and the different amount should be NTD 794,796; the estimated remuneration to directors is NTD 6,328,785 and the different amount should be NTD 1,288,785. The difference will be recognized as expense in the statement of income in 2016.

- (4) The status of endorsements and guarantees

Explanatory Notes:

The Company provided a guarantee for Transcend Japan Inc. amounting to JPY 2,000,000 thousand, and the actual amount of guarantee draw down is JPY 1,500,000 thousand by the end of 2015. Pursuant to the Company's "Procedures for Endorsement and Guarantee", the limit of guarantee was NTD 8,200,832 thousand (approximate JPY 28,400,000 thousand).

III. Proposed Items

- (1) Adoption of 2015 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanatory Notes:

- a. The separate financial statement and consolidated financial statement of the Company for the year

of 2015 have been audited by independent auditors, Mr. Chun - Yao, Lin and Mr. Chien - Hung Chou, of the Pricewaterhouse Coopers. The Business Report, Independent Auditors' Report and Financial Statements are hereby also attached. (Please refer to Attachment II、IV and V)

- b. It is submitted for ratification.

Resolution:

Votes in favor: 316,080,688 votes (including 311,475,387 votes casted electronically), 83.03% of the total represented share present;

Votes against: 2,140 votes (including 2,140 votes casted electronically);

Votes invalid: 0 votes (including 0 votes casted electronically);

Abstention and no votes: 64,582,824 votes (including 64,398,841 votes casted electronically)

Resolved, the above proposal was approved as proposed.

- (2) Adoption of the proposal for distribution of 2015 earnings (Proposed by the Board of Directors)

Explanatory Notes:

- a. For appropriations of 2015 earnings, the Company will distribute cash dividend of NTD 2,929,179,390 from the available retained earnings of 2015 after setting aside legal reserve and special reserve.
- b. Please refer to page 4 for the chart of 2015 earnings distribution.
- c. Cash dividends will be distributed proportionately according to shareholders' shares ownership registered in the Common Stockholders' Roster as of the date of record.
- d. To avoid the change in the total amount of common shares outstanding resulting from buyback of company shares, or transfer or cancellation of treasury stock, it is proposed that the Chairman of the Board be authorized to adjust the cash to be distributed to each common share.
- e. It is submitted for ratification.

Resolution:

Votes in favor: 316,083,688 votes (including 311,478,387 votes casted electronically), 83.03% of the total represented share present;

Votes against: 2,140 votes (including 2,140 votes casted electronically);

Votes invalid: 0 votes (including 0 votes casted electronically);

Abstention and no votes: 64,579,824 votes (including 64,395,841 votes casted electronically)

Resolved, the above proposal was approved as proposed.

Transcend Information, Inc.
The Chart of 2015 Earnings Distribution
For the year ended December 31, 2015
(Expresses in of New Taiwan dollars)

Item	Amount	Remarks
Unappropriated retained earnings at beginning	4,770,705,070	
Add: Adjustment on unappropriated earnings for 2015	(2,282,862)	
Adjusted unappropriated retained earnings	4,768,422,208	
Add: Net income for 2015	3,221,902,194	
Less: Legal reserve (10%)	322,190,219	
Less: Special reserve	21,690,772	
Retained earnings available for appropriation as of December 31, 2015	7,646,443,411	
Less: Items of distribution - Cash dividend to shareholders	2,929,179,390	Cash dividend (NTD \$6.8 per share)
Unappropriated retained earnings at end	4,717,264,021	

Chairperson:
Shu, Chung-Wan

Managerial Officers:
Shu, Chung-Cheng

Accounting Officers:
Lu, Chih-Yuan

IV. Special Motions

There is no special motion, the meeting was adjourned.

V. Meeting Adjourned

TRANSCEND INFORMATION INC.

COMPARISON TABLE FOR THE “ARTICLES OF INCORPORATION”

Proposed Amendment	Currently in Effect	Explanation
<p>Section III - Shareholders’ meetings Article 9 :</p> <p>Shareholders’ meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings.</p> <p><u>Regular meetings shall be convened at least once a year, and within 6 months after the close of each fiscal year.</u></p> <p>Special meetings shall be convened in accordance with applicable laws and regulations whenever necessary.</p> <p>Written notices shall be sent to all shareholders, at least 30 days in advance; and at least 15 days in advance, in case of special meetings.</p>	<p>Section III - Shareholders’ meetings Article 9 :</p> <p>Shareholders’ meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings.</p> <p><u>Regular meetings shall be convened within 6 months</u> after the close of each fiscal year. Special meetings may be convened in accordance with applicable laws and regulations whenever necessary. Written notices shall be sent to all shareholders for the convening of shareholders’ meetings, at least 30 days in advance, in case of regular meetings; and at least 15 days in advance, in case of special meetings.</p>	<p>To comply with Article 170 of the Company Act.</p>
<p>Section VI - Accounting Article 22 :</p> <p>If the Company has earnings after the annual final accounting, it <u>shall pay remuneration to employees at the minimum of 1% of the profit, and pay remuneration to directors at the maximum of 0.2% of the profit.</u></p> <p><u>However, the Company's accumulated losses shall have been covered.</u></p> <p><u>Employees’ remuneration could be paid by cash or stock, and in the event of stock payment, employees shall mean the Company’s employees and</u></p>	<p>Section VI - Accounting Article 22 :</p> <p>If the Company has earnings after the annual final accounting, it shall be allocated in the following order:</p> <ol style="list-style-type: none"> 1. To pay taxes. 2. To cover accumulated losses, if any. 3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company’s authorized capital. 4. To set aside special reserve in accordance with the regulations 	<p>For the trend for expenditure of employee bonus shares, employees are not the subject of earnings distribution.</p> <p>To comply with Article 235, 235-1 and 240 of the Company Act, an fixed amount or ratio of distributable profit by the current year as employees' and directors’ compensation shall be definitely specified in the Articles of Incorporation.</p> <p>To comply with Rule No. 10402427800 issued by the MEA, the Company shall definitely specify a maximum ratio of distributable profit</p>

Proposed Amendment	Currently in Effect	Explanation
<p><u>employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.</u></p>	<p>5. To reserve certain amount, on the premise that there is no effect on the Company's normal operations and no violation of regulations, for maintaining stability of dividends.</p> <p><u>6. To pay remuneration to directors and supervisors at 0.2% of the balance after withholding the amounts under subparagraphs 1 to 5.</u></p> <p><u>7. To pay bonus to employees at 1% minimum of the balance after withholding the amounts under subparagraphs 1 to 5. (The employees to receive stock bonus may include Transcend's employees and employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.)</u></p> <p>8. For any remainder, the board of directors shall propose allocation ratios and propose them at the shareholders' meeting.</p> <p>Regarding the special reserve under subparagraphs 4, the Company shall set aside special reserve, equal to the debit balance which happen at the current year on other equity items (including Unrealized loss on financial instrument, cumulative translation adjustment, and unrecognized pension cost, which can be combined if there are unrealized gain.), from the current earnings after tax and unappropriated</p>	<p>by the current year as directors' compensation.</p> <p>The Policy about employees' and directors' compensation is defined in Article 22; the original Paragraph 1 to 5 and 8 of Article 22 are defined in Article 22-1; original Article 22-1 is defined in Article 22-2</p>

Proposed Amendment	Currently in Effect	Explanation
	retained earnings prior year. If the debit balance is cumulative before, the Company shall set aside special reserve not to distribute it from the unappropriated retained earnings prior year. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.	
<p>Article 22-1</p> <p>If the Company has earnings after the annual final accounting, it shall be allocated in the following order:</p> <ol style="list-style-type: none"> 1. To pay taxes. 2. To cover accumulated losses, if any. 3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital. 4. To set aside special reserve in accordance with the regulations 5. To reserve certain amount, on the premise that there is no effect on the Company's normal operations and no violation of regulations, for maintaining stability of dividends. 6. For any remainder, the board of directors shall propose allocation ratios and propose them at the shareholders' meeting. <p>Regarding the special reserve under subparagraphs 4, the Company shall set aside special reserve, equal to the</p>	Original Paragraph 1 to 5 and 8 of Article 22.	<p>For the trend for expenditure of employee bonus shares, employees are not the subject of earnings distribution. To comply with Article 235, 235-1 and 240 of the Company Act, an fixed amount or ratio of distributable profit by the current year as employees' and directors' compensation shall be definitely specified in the Articles of Incorporation.</p> <p>To comply with Rule No. 10402427800 issued by the MEA, the Company shall definitely specify a maximum ratio of distributable profit by the current year as directors' compensation.</p> <p>The Policy about employees' and directors' compensation is defined in Article 22; the original Paragraph 1 to 5 and 8 of Article 22 are defined in Article 22-1; original Article 22-1 is defined in Article 22-2</p>

Proposed Amendment	Currently in Effect	Explanation
<p>debit balance which happens at the current year on other equity items (including Unrealized loss on financial instrument, cumulative translation adjustment, and unrecognized pension cost, which can be combined if there are unrealized gain.), from the current earnings after tax and unappropriated retained earnings prior year. If the debit balance is cumulative before, the Company shall set aside special reserve not to distribute it from the unappropriated retained earnings prior year. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.</p>		
<p>Article 22-2 The Company distributes dividends taking into consideration the Company's economic environment and growth phases, future demands of funds, long-term financial planning, and the cash flows that the stockholders desire. Cash dividends shall account for at least 5% of the total dividend distributed.</p>	<p>Original Article 22-1.</p>	<p>For the trend for expenditure of employee bonus shares, employees are not the subject of earnings distribution. To comply with Article 235, 235-1 and 240 of the Company Act, an fixed amount or ratio of distributable profit by the current year as employees' and directors' compensation shall be definitely specified in the Articles of Incorporation. To comply with Rule No. 10402427800 issued by the MEA, the Company shall definitely specify a maximum ratio of distributable profit by the current year as directors' compensation.</p>

Proposed Amendment	Currently in Effect	Explanation
		The Policy about employees' and directors' compensation is defined in Article 22; the original Paragraph 1 to 5 and 8 of Article 22 are defined in Article 22-1; original Article 22-1 is defined in Article 22-2
<p>Article 24</p> <p>These Articles of Incorporation were adopted on August 23, 1989.</p> <p>The first amendment was made on January 28, 1991.</p> <p>The second amendment was made on May 25, 1992.</p> <p>The third amendment was made on September 1, 1992.</p> <p>The fourth amendment was made on July 30, 1994.</p> <p>The fifth amendment was made on June 8, 1995.</p> <p>The sixth amendment was made on July 8, 1997.</p> <p>The seventh amendment was made on August 15, 1997.</p> <p>The eighth amendment was made on September 12, 1997.</p> <p>The ninth amendment was made on June 20, 1998.</p> <p>The 10th amendment was made on September 15, 1998.</p> <p>The 11th amendment was made on June 12, 1999.</p> <p>The 12th amendment was made on April 15, 2000.</p> <p>The 13th amendment was made on</p>	<p>Article 24</p> <p>These Articles of Incorporation were adopted on August 23, 1989.</p> <p>The first amendment was made on January 28, 1991.</p> <p>The second amendment was made on May 25, 1992.</p> <p>The third amendment was made on September 1, 1992.</p> <p>The fourth amendment was made on July 30, 1994.</p> <p>The fifth amendment was made on June 8, 1995.</p> <p>The sixth amendment was made on July 8, 1997.</p> <p>The seventh amendment was made on August 15, 1997.</p> <p>The eighth amendment was made on September 12, 1997.</p> <p>The ninth amendment was made on June 20, 1998.</p> <p>The 10th amendment was made on September 15, 1998.</p> <p>The 11th amendment was made on June 12, 1999.</p> <p>The 12th amendment was made on April 15, 2000.</p> <p>The 13th amendment was made on</p>	<p>Article 9, 22 and 22-1 of the Articles of Incorporation were amended and Article 22-2 of the Articles of Incorporation was added by the resolution of 5th Board of Directors Meeting in 2015.</p>

Proposed Amendment	Currently in Effect	Explanation
<p>April 9, 2001.</p> <p>The 14th amendment was made on June 10, 2002.</p> <p>The 15th amendment was made on June 3, 2003.</p> <p>The 16th amendment was made on June 11, 2004.</p> <p>The 17th amendment was made on June 13, 2005.</p> <p>The 18th amendment was made on June 14, 2006.</p> <p>The 19th amendment was made on June 11, 2007.</p> <p>The 20th amendment was made on June 13, 2008.</p> <p>The 21th amendment was made on June 16, 2009.</p> <p>The 22th amendment was made on June 17, 2010.</p> <p>The 23th amendment was made on June 10, 2011.</p> <p>The 24th amendment was made on January 5, 2012.</p> <p>The 25th amendment was made on June 13, 2013.</p> <p>The 26th amendment was made on June 12, 2014.</p> <p><u>The 27th amendment was made on June 14, 2016.</u></p>	<p>April 9, 2001.</p> <p>The 14th amendment was made on June 10, 2002.</p> <p>The 15th amendment was made on June 3, 2003.</p> <p>The 16th amendment was made on June 11, 2004.</p> <p>The 17th amendment was made on June 13, 2005.</p> <p>The 18th amendment was made on June 14, 2006.</p> <p>The 19th amendment was made on June 11, 2007.</p> <p>The 20th amendment was made on June 13, 2008.</p> <p>The 21th amendment was made on June 16, 2009.</p> <p>The 22th amendment was made on June 17, 2010.</p> <p>The 23th amendment was made on June 10, 2011.</p> <p>The 24th amendment was made on January 5, 2012.</p> <p>The 25th amendment was made on June 13, 2013.</p> <p>The 26th amendment was made on June 12, 2014.</p>	

**TRANSCEND INFORMATION INC.
BUSINESS REPORT**

2015 was a year with significant challenges for memory module industry. As Flash and DRAM market supply exceeded demand, the prices of Flash and DRAM steadily decreased, therefore driving down profit margin of the end-user products. Transcend, as a leading manufacturer of storage and industrial-grade products, has executed our business strategy of deriving a greater portion of revenue from high-margin projects, especially in industrial and embedded applications, and developing new products to fulfill the demands of various applications needs. Despite that memory market was shrinking in 2015, Transcend's profit remained at the leading position in Taiwan. Hereby, we would like to thank our valued shareholders, clients, suppliers and employees for your continued supports of Transcend.

Transcend's consolidated revenue totaled NT\$24.9 billion in 2015. Consolidated gross profit totaled NT\$4.7 billion. Gross profit rate is 18.9 percent. Operating income totaled 3.05 billion. Income before tax totaled 3.71 billion. Net income totaled 3.22 billion. EPS is NT\$ 7.48 calculated at the weighted average of outstanding share capital amounting to 4.3 billion.

With our excellent brand operation, Transcend has been awarded by its innovative products and superior product quality. For the ninth year in a row, Transcend Information appears on Interbrand's Best Taiwan Global Brands ranking. Our cutting-edge products have won Taiwan Excellence Award for eleventh consecutive year. Moreover, Transcend's DrivePro 520 Dual Lens Car Video Recorder and JetDrive Lite Expansion Cards received the prestigious "Good Design Award 2015" for the top design quality.

As a leading brand in the market, Transcend has managed to satisfy the fast-changing industrial environment and demands of customers. This year, the solid state drives (SSD) market is expected to grow due to their advantages over traditional hard disk drives. Since the price of SSD dropped to a sweet spot that stimulate surging demands, Transcend's sales revenue of SSD has reached record high. Meanwhile, by broadening industrial product portfolio and offering customized solutions, Transcend has generated steady profit growth with consistent increase of market share of industrial and embedded applications. In addition to industrial products, we also invest in strategic products such as body cameras and car video recorders to expand the memory applications in the multimedia market.

Transcend focuses not only on sales performance, but also on corporate social responsibility. Through a concerted effort to strengthen information disclosure, Transcend ranked in the top 20% of listed company on “Corporate Governance Evaluation” conducted by the Securities and Futures Institute (SFI) in 2014. Besides, we have sponsored sport activities in high school and universities, including the High School Basketball League (HBL) and the Black Panther High School Baseball Tournament, for over five years. We also kicked off a long-term Basball Mentoring Program aimed at underprivileged school children last year, expecting to serve as a platform for young promising athletes to fulfill their baseball dreams. Last year was the second year we received the “Sports Activists Award” from the Sports Affairs Council as our continuing contribution to promote sports in Taiwan.

Looking to 2016, memory market will still struggle with the oversupply problem and falling DRAM and NAND Flash prices. Besides, the rising China supply chain competing in the market may also be an influential factor to the future memory industry. Thus, the ability to quickly respond to the market's changing needs is the key to remain a company’s revenue and profit.

In addition to implementing effective inventory management and purchasing strategy, Transcend will continue to invest in research and development, as well as provide integrated service to our clients through our 13 branches worldwide. Owing to the drastic drops in SSD pricing and its rising popularity, we think we have a good opportunity for profitable growth during the year to come. Also, we will continue to innovate with strategy product lines in consumer market to fulfill a broad range of multimedia applications.

Here again we sincerely thank all of our shareholders, for your continued support and for the confidence that you have placed in us. We will make every effort to keep Transcend operational excellence and look forward to sharing our progress with you.

Chairman : Shu, Chung-Wan General Manager : Shu, Chung-Cheng Accounting Supervisor : Lu, Chih-Yuan

Audit Report of Audit Committee

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements and Earnings Distribution Proposal. Transcend Corporation's Financial Statements have been audited and certified by Mr. Chun-Yao, Lin and Mr. Chien - Hung Chou, the CPA of the Pricewaterhouse Coopers. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of Transcend Corporation. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

The audit Committee of Transcend Corporation

Chairman of the audit Committee: Wang, Yi-Shin



March 10, 2016

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Transcend Information, Inc.

We have audited the accompanying separate balance sheets of Transcend Information, Inc. as of December 31, 2015 and 2014 and the related separate statements of comprehensive income, of changes in equity, and of cash flows for the years ended December 31, 2015 and 2014. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the separate financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Transcend Information, Inc. as of December 31, 2015, and December 31, 2014, and financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

March 10, 2016

Taipei, Taiwan

Republic of China

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

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

TRANSCEND INFORMATION, INC.
SEPARATE BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)

Assets	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 10,867,629	45	\$ 10,807,417	40
Current financial assets at fair value				
through profit or loss	15,768	-	53,545	-
Current bond investments without active				
market	607,917	3	585,525	2
Notes receivable, net	959	-	-	-
Accounts receivable, net	2,000,096	8	1,709,341	6
Accounts receivable due from related				
parties, net	914,017	4	1,178,290	5
Other receivables	128,738	1	254,029	1
Inventories, net	4,219,148	18	6,041,633	22
Other current assets	15,568	-	14,175	-
Current Assets	18,769,840	79	20,643,955	76
Non-current assets				
Available-for-sale financial				
assets-non-current	184,304	1	232,639	1
Investments accounted for using equity				
method	2,928,897	12	4,087,977	15
Property, plant and equipment	1,718,153	7	1,798,337	7
Investment property, net	213,296	1	214,878	1
Deferred tax assets	42,780	-	64,006	-
Other non-current assets	46,592	-	88,941	-
Non-current Assets	5,133,950	21	6,486,778	24
Total Assets	\$ 23,903,790	100	\$ 27,130,733	100

(Continued)

TRANSCEND INFORMATION, INC.
SEPARATE BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 492,375	2	\$ 506,400	2
Financial liabilities at fair value through profit or loss - current	13	-	-	-
Notes payable	-	-	7	-
Accounts payable	1,495,689	6	3,090,479	12
Accounts payable to related parties	566,463	3	1,679,508	6
Other payables	298,512	1	350,741	1
Other payables to related parties	86	-	988	-
Current tax liabilities	269,336	1	271,173	1
Other current liabilities	2,134	-	3,442	-
Current Liabilities	<u>3,124,608</u>	<u>13</u>	<u>5,902,738</u>	<u>22</u>
Non-current liabilities				
Deferred tax liabilities	259,110	1	485,121	2
Other non-current liabilities	17,991	-	24,269	-
Non-current Liabilities	<u>277,101</u>	<u>1</u>	<u>509,390</u>	<u>2</u>
Total Liabilities	<u>3,401,709</u>	<u>14</u>	<u>6,412,128</u>	<u>24</u>
Share capital				
Common stock	4,307,617	18	4,307,617	16
Capital surplus				
Capital surplus	4,799,075	20	4,799,075	18
Retained earnings				
Legal reserve	3,426,756	14	3,053,235	11
Unappropriated retained earnings	7,990,324	34	8,504,167	31
Other equity interest				
Other equity interest	(21,691)	-	54,511	-
Total Equity	<u>20,502,081</u>	<u>86</u>	<u>20,718,605</u>	<u>76</u>
Commitments and contingent liabilities				
Significant subsequent event				
Total Liabilities and Equity	<u>\$ 23,903,790</u>	<u>100</u>	<u>\$ 27,130,733</u>	<u>100</u>

TRANSCEND INFORMATION, INC.
SEPARATE STATEMENTS OF INCOME

(Expressed in thousands of New Taiwan Dollars, except Earnings Per Share)

Items	For the years ended December 31,			
	2015		2014	
	AMOUNT	%	AMOUNT	%
Operating Revenue	\$ 24,021,076	100	\$ 26,325,967	100
Operating Costs	(20,267,171)	(84)	(21,777,028)	(83)
Gross Profit	<u>3,753,905</u>	<u>16</u>	<u>4,548,939</u>	<u>17</u>
Unrealized gain from intercompany transaction	(34,559)	-	(70,857)	-
Realized gain from intercompany transaction	<u>70,857</u>	<u>-</u>	<u>87,889</u>	<u>-</u>
Gross Profit, net	<u>3,790,203</u>	<u>16</u>	<u>4,565,971</u>	<u>17</u>
Operating Expenses				
Sales and marketing expenses	(572,201)	(2)	(629,163)	(2)
General and administrative expenses	(198,052)	(1)	(205,987)	(1)
Research and development expenses	(134,062)	(1)	(174,011)	(1)
Total operating expenses	<u>(904,315)</u>	<u>(4)</u>	<u>(1,009,161)</u>	<u>(4)</u>
Operating Profit	<u>2,885,888</u>	<u>12</u>	<u>3,556,810</u>	<u>13</u>
Non-operating Income and Expenses				
Other income	144,734	-	172,465	1
Other gains and losses	502,588	2	430,406	2
Finance costs	(1,657)	-	(6,248)	-
Share of gain of associates and joint ventures accounted for under equity method	<u>(2,415)</u>	<u>-</u>	<u>151,325</u>	<u>-</u>
Total non-operating income and expenses	<u>643,250</u>	<u>2</u>	<u>747,948</u>	<u>3</u>
Profit before Income Tax	<u>3,529,138</u>	<u>14</u>	<u>4,304,758</u>	<u>16</u>
Income tax expense	(307,236)	(1)	(569,553)	(2)
Profit for the Year	<u>\$ 3,221,902</u>	<u>13</u>	<u>\$ 3,735,205</u>	<u>14</u>
Other Comprehensive Income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Losses on remeasurements of defined benefit plans	(\$ 2,283)	-	(\$ 86)	-
Components of other comprehensive income that will be reclassified to profit or loss				
Cumulative translation differences for foreign operations	(33,575)	-	92,968	-
Unrealized loss on available-for-sale financial assets	(48,335)	-	(\$ 31,783)	-
Income tax on other comprehensive income	<u>5,708</u>	<u>-</u>	<u>(15,805)</u>	<u>-</u>
Total Comprehensive Income	<u>\$ 3,143,417</u>	<u>13</u>	<u>\$ 3,780,499</u>	<u>14</u>
Earnings Per Share				
Basic earnings per share	<u>\$ 7.48</u>		<u>\$ 8.67</u>	
Diluted earnings per share	<u>\$ 7.47</u>		<u>\$ 8.66</u>	

TRANSCEND INFORMATION, INC.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan Dollars)

	Capital Reserves			Retained Earnings		Other equity interest			Total equity
	Common stock	Additional paid-in capital	Capital surplus, donated assets received	Capital surplus, net assets from merger	Legal reserve	Unappropriated retained earnings	Currency translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	
<u>For the year ended December 31, 2014</u>									
Balance at January 1, 2014	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 2,733,339	\$ 7,975,047	\$ 27,764	(\$ 18,633)	\$ 19,824,209
Appropriations of 2013 earnings: (Note 1)									
Legal reserve	-	-	-	-	319,896	(319,896)	-	-	-
Cash dividends	-	-	-	-	-	(2,886,103)	-	-	(2,886,103)
Net income for the year	-	-	-	-	-	3,735,205	-	-	3,735,205
Other comprehensive income for the year	-	-	-	-	-	(86)	77,163	(31,783)	45,294
Balance at December 31, 2014	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,053,235</u>	<u>\$ 8,504,167</u>	<u>\$ 104,927</u>	<u>(\$ 50,416)</u>	<u>\$ 20,718,605</u>
<u>For the year ended December 31, 2015</u>									
Balance at January 1, 2015	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 3,053,235	\$ 8,504,167	\$ 104,927	(\$ 50,416)	\$ 20,718,605
Appropriations of 2014 earnings: (Note 2)									
Legal reserve	-	-	-	-	373,521	(373,521)	-	-	-
Cash dividends	-	-	-	-	-	(3,359,941)	-	-	(3,359,941)
Net income for the year	-	-	-	-	-	3,221,902	-	-	3,221,902
Other comprehensive income (loss) for the year	-	-	-	-	-	(2,283)	(27,867)	(48,335)	(78,485)
Balance at December 31, 2015	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,426,756</u>	<u>\$ 7,990,324</u>	<u>\$ 77,060</u>	<u>(\$ 98,751)</u>	<u>\$ 20,502,081</u>

Note 1: Directors' remuneration amounting to \$5,192 and employees' remuneration (bonus) amounting to \$25,962 had been deducted from the separate statement of income in 2013.

Note 2: Directors' remuneration amounting to \$6,049 and employees' remuneration (bonus) amounting to \$30,243 had been deducted from the separate statement of income in 2014.

TRANSCEND INFORMATION, INC.
SEPARATE STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan Dollars)

	Year ended December 31	
	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax for the year	\$ 3,529,138	\$ 4,304,758
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Income and expenses having no effect on cash flows		
Unrealized gain from intercompany transaction	34,559	70,857
Realized gain from intercompany transaction	(70,857)	(87,889)
Net gains on financial assets at fair value through profit or loss	37,777	(53,545)
Gain on disposal of financial assets	(343)	(10,804)
Share of gain of associates and joint ventures accounted for using equity method	2,415	(151,325)
Provision for bad debt expense	3,550	12,463
Depreciation expense	133,619	126,323
Net loss on financial liabilities at fair value through profit or loss	13	-
Interest expense	1,657	-
Interest income	(136,145)	(164,053)
Dividend income	(11,016)	(13,781)
Gain on disposal of property, plant and equipment	-	(525)
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes and accounts receivable	(40,750)	(137,464)
Other receivables	118,351	(11,555)
Inventories	1,822,485	(1,328,465)
Other current assets	(1,393)	(1,048)
Net changes in liabilities relating to operating activities		
Notes and accounts payable	(2,707,842)	863,255
Other payables	(52,229)	73,637
Other payables to related parties	(902)	988
Other current liabilities	(1,308)	(1,173)
Other non-current liabilities	759	22,888
Cash generated from operations	2,661,538	3,513,542
Cash dividends received	1,170,843	13,781
Interest received	143,085	159,087
Interest paid	(1,657)	(6,248)
Income tax paid	(508,078)	(448,865)
Net cash provided by operating activities	<u>3,465,731</u>	<u>3,231,297</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of bond investments without active markets	(751,339)	(765,473)
Disposal of bond investments without active markets	729,290	265,265
Acquisition of property, plant and equipment (including investment property)	(51,853)	(64,341)
Proceeds from disposal of property, plant and equipment	-	695
Increase in investments accounted for using equity method	-	(103,008)
(Increase) decrease in other non-current assets	42,349	(70,564)
Net cash used in investing activities	<u>(31,553)</u>	<u>(737,426)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term borrowings	(14,025)	211,260
Payment of cash dividends (including cash distribution of capital reserve)	(3,359,941)	(2,886,103)
Net cash used in financing activities	<u>(3,373,966)</u>	<u>(2,674,843)</u>
(Decrease) increase in cash and cash equivalents	60,212	(180,972)
Cash and cash equivalents at beginning of year	10,807,417	10,988,389
Cash and cash equivalents at end of year	<u>\$ 10,867,629</u>	<u>\$ 10,807,417</u>

Attachment V

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR15000292

To the Board of Directors and Stockholders of Transcend Information, Inc.

We have audited the accompanying consolidated balance sheets of Transcend Information, Inc. and its subsidiaries as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, of changes in equity, and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Transcend Information, Inc. and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Transcend Information, Inc. (not presented herein) as of and for the years ended December 31, 2015 and 2014, and have expressed an unqualified opinion on such financial statements.

March 10, 2016

Taipei, Taiwan

Republic of China

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan Dollars)

Assets	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current assets				
Cash and cash equivalents	\$ 11,195,368	46	\$ 11,565,344	44
Current financial assets at fair value				
through profit or loss	15,768	-	53,545	-
Current bond investments without active				
market	897,180	4	637,025	3
Notes receivable, net	959	-	-	-
Accounts receivable, net	3,203,340	13	2,993,131	11
Accounts receivable- related parties, net	9,347	-	-	-
Other receivables	129,031	1	283,316	1
Inventories, net	4,513,756	19	6,364,987	24
Other current assets	52,486	-	44,515	-
Current Assets	20,017,235	83	21,941,863	83
Non-current assets				
Available-for-sale financial				
assets-non-current	184,304	1	232,639	1
Investments accounted for using equity				
method	317,555	1	332,593	1
Property, plant and equipment, net	2,995,091	13	3,160,974	12
Investment property, net	290,581	1	298,614	1
Deferred tax assets	72,777	-	92,319	1
Other non-current assets	185,706	1	234,238	1
Non-current Assets	4,046,014	17	4,351,377	17
Total Assets	\$ 24,063,249	100	\$ 26,293,240	100

(Continued)

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity	December 31, 2015		December 31, 2014	
	AMOUNT	%	AMOUNT	%
Current liabilities				
Short-term borrowings	\$ 901,425	4	\$ 903,300	4
Financial liabilities at fair value through profit or loss - current	13	-	-	-
Notes payable	-	-	8	-
Accounts payable	1,589,112	7	3,202,531	12
Accounts payable to related parties	58,560	-	74,185	-
Other payables	366,932	2	475,052	2
Current tax liabilities	280,861	1	319,927	1
Other current liabilities	36,092	-	60,063	-
Current Liabilities	3,232,995	14	5,035,066	19
Non-current liabilities				
Deferred tax liabilities	259,348	1	485,378	2
Other non-current liabilities	68,825	-	54,191	-
Non-current Liabilities	328,173	1	539,569	2
Total Liabilities	3,561,168	15	5,574,635	21
Share capital				
Common stock	4,307,617	18	4,307,617	16
Capital surplus				
Capital surplus	4,799,075	20	4,799,075	18
Retained earnings				
Legal reserve	3,426,756	14	3,053,235	12
Unappropriated retained earnings	7,990,324	33	8,504,167	32
Other equity interest				
Other equity interest	(21,691)	-	54,511	1
Total equity attributable to owners of parent	20,502,081	85	20,718,605	79
Total Equity	20,502,081	85	20,718,605	79
Significant contingent liabilities and unrecognized contract commitments				
Significant subsequent event				
Total Liabilities and Equity	\$ 24,063,249	100	\$ 26,293,240	100

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of New Taiwan Dollars, except Earnings Per Share)

Items	Year ended December 31			
	2015		2014 (Adjusted)	
	AMOUNT	%	AMOUNT	%
Operating Revenue	\$ 24,913,287	100	\$ 27,219,495	100
Operating Costs	(20,211,736)	(81)	(21,678,630)	(80)
Gross Profit	<u>4,701,551</u>	<u>19</u>	<u>5,540,865</u>	<u>20</u>
Operating Expenses				
Sales and marketing expenses	(1,096,006)	(4)	(1,180,034)	(4)
General and administrative expenses	(419,887)	(2)	(439,532)	(1)
Research and development expenses	(134,062)	(1)	(174,011)	(1)
Total operating expenses	<u>(1,649,955)</u>	<u>(7)</u>	<u>(1,793,577)</u>	<u>(6)</u>
Operating Profit	<u>3,051,596</u>	<u>12</u>	<u>3,747,288</u>	<u>14</u>
Non-operating Income and Expenses				
Other income	162,637	1	193,524	1
Other gains and losses	517,669	2	460,021	1
Finance costs	(3,636)	-	(8,209)	-
Share of (loss) gain of associates and joint ventures accounted for under equity method	(15,038)	-	8,330	-
Total non-operating income and expenses	<u>661,632</u>	<u>3</u>	<u>653,666</u>	<u>2</u>
Profit before Income Tax	<u>3,713,228</u>	<u>15</u>	<u>4,400,954</u>	<u>16</u>
Income tax expense	(491,326)	(2)	(665,749)	(2)
Profit for the Year	<u>\$ 3,221,902</u>	<u>13</u>	<u>\$ 3,735,205</u>	<u>14</u>
Other Comprehensive Income				
Components of other comprehensive income that will not be reclassified to profit or loss				
Losses on remeasurements of defined benefit plans	(\$ 2,283)	-	(\$ 86)	-
Components of other comprehensive income that will be reclassified to profit or loss				
Cumulative translation differences for foreign operations	(33,575)	-	92,968	-
Unrealized loss on available-for-sale financial assets	(48,335)	-	(31,783)	-
Income tax on other comprehensive income	5,708	-	(15,805)	-
Total Comprehensive Income	<u>\$ 3,143,417</u>	<u>13</u>	<u>\$ 3,780,499</u>	<u>14</u>
Net Profit attributable to:				
Owners of parent	<u>\$ 3,221,902</u>	<u>13</u>	<u>\$ 3,735,205</u>	<u>14</u>
Comprehensive Income attributable to:				
Owners of parent	<u>\$ 3,143,417</u>	<u>13</u>	<u>\$ 3,780,499</u>	<u>14</u>
Earnings Per Share				
Basic earnings per share	<u>\$ 7.48</u>		<u>\$ 8.67</u>	
Diluted earnings per share	<u>\$ 7.47</u>		<u>\$ 8.66</u>	

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent								Total equity
	Capital Reserves				Retained Earnings		Other equity interest		
	Common stock	Additional paid-in capital	Capital surplus, donated assets received	Capital surplus, net assets from merger	Legal reserve	Unappropriated retained earnings	Currency translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	
<u>Year ended December 31, 2014</u>									
Balance at January 1, 2014	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 2,733,339	\$ 7,975,047	\$ 27,764	(\$ 18,633)	\$ 19,824,209
Appropriation of 2013 earnings									
Legal reserve	-	-	-	-	319,896	(319,896)	-	-	-
Cash dividends	-	-	-	-	-	(2,886,103)	-	-	(2,886,103)
Net income for the year	-	-	-	-	-	3,735,205	-	-	3,735,205
Other comprehensive income (loss) for the year	-	-	-	-	-	(86)	77,163	(31,783)	45,294
Balance at December 31, 2014	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,053,235</u>	<u>\$ 8,504,167</u>	<u>\$ 104,927</u>	<u>(\$ 50,416)</u>	<u>\$ 20,718,605</u>
<u>Year ended December 31, 2015</u>									
Balance at January 1, 2015	\$ 4,307,617	\$ 4,759,841	\$ 4,106	\$ 35,128	\$ 3,053,235	\$ 8,504,167	\$ 104,927	(\$ 50,416)	\$ 20,718,605
Appropriations of 2014 earnings									
Legal reserve	-	-	-	-	373,521	(373,521)	-	-	-
Cash dividends	-	-	-	-	-	(3,359,941)	-	-	(3,359,941)
Net income for the year	-	-	-	-	-	3,221,902	-	-	3,221,902
Other comprehensive loss for the year	-	-	-	-	-	(2,283)	(27,867)	(48,335)	(78,485)
Balance at December 31, 2015	<u>\$ 4,307,617</u>	<u>\$ 4,759,841</u>	<u>\$ 4,106</u>	<u>\$ 35,128</u>	<u>\$ 3,426,756</u>	<u>\$ 7,990,324</u>	<u>\$ 77,060</u>	<u>(\$ 98,751)</u>	<u>\$ 20,502,081</u>

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan Dollars)

	Year ended December 31	
	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated profit before tax for the year	\$ 3,713,228	\$ 4,400,954
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Income and expenses having no effect on cash flows		
Net loss (gain) on financial assets at fair value through profit or loss	37,778	(53,545)
Gain on disposal of financial assets	(4,888)	(13,023)
Share of loss (gain) of associates and joint ventures accounted for using equity method	15,038	(8,330)
Provision for bad debt expense	2,549	13,200
Net loss on financial liabilities at fair value through profit or loss	13	-
Depreciation	243,897	236,547
Interest income	(143,861)	(176,359)
Interest expense	3,636	8,209
Dividend income	(11,016)	(13,781)
Loss on disposal of property, plant and equipment	960	1,800
Changes in assets/liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Notes receivable	(959)	4,158
Accounts receivable	(213,426)	(274,609)
Accounts receivable - related parties	(9,347)	-
Other receivables	118,240	(23,247)
Inventories	1,851,231	(1,289,048)
Other current assets	(7,971)	(8,204)
Net changes in liabilities relating to operating activities		
Notes payable	(8)	(1,207)
Accounts payable	(1,613,419)	532,947
Accounts payable - related parties	(15,625)	28,384
Other payables	(108,120)	81,242
Other current liabilities	(23,971)	10,050
Other non-current liabilities	12,351	4,756
Cash generated from operations	3,846,310	3,460,894
Cash dividends received	11,016	13,781
Interest received	179,906	170,818
Interest paid	(3,636)	(8,209)
Income tax paid	(731,172)	(525,162)
Net cash provided by operating activities	3,302,424	3,112,122
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of bond investments without active markets	1,463,601	364,425
Acquisition of bond investments without active markets	(1,722,585)	(862,978)
Acquisition of property, plant and equipment (including investment property)	(87,083)	(23,399)
Proceeds from disposal of property, plant and equipment	381	9,939
Increase in investments accounted for using equity method	-	(103,008)
Decrease (increase) in other non-current assets	48,532	(70,658)
Net cash used in investing activities	(297,154)	(685,679)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(Decrease) increase in short-term borrowings	(14,025)	343,560
Payment of cash dividends	(3,359,941)	(2,886,103)
Net cash used in financing activities	(3,373,966)	(2,542,543)
Effect of foreign exchange rate changes	(1,280)	41,939
Decrease in cash and cash equivalents	(369,976)	(74,161)
Cash and cash equivalents at beginning of year	11,565,344	11,639,505
Cash and cash equivalents at end of year	\$ 11,195,368	\$ 11,565,344