

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2011 AND 2010

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Report of Independent Accountants Translated from Chinese

To the Board of Directors and Stockholders of
WPG Holdings Limited

We have audited the accompanying consolidated balance sheets of WPG Holdings Limited and its subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, of changes in shareholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Rules Governing Examination 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 WPG Holdings Limited and its subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan

March 27, 2012

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

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and cash equivalents (Note 4(1))	\$ 7,785,974	7	\$ 7,572,979	8
Financial assets at fair value through profit or loss - current (Note 4(2))	134,526	-	154,451	-
Available-for-sale financial assets - current (Note 4(3))	19,442	-	31,647	-
Financial assets carried at cost - current (Note 4(15))	12,871	-	9,647	-
Notes receivable, net (Note 4(4))	1,696,082	2	1,461,015	2
Accounts receivable, net (Note 5)	45,469,533	42	34,742,872	37
Other receivables (Notes 4(5) and 4(18))	3,577,826	3	3,876,658	4
Other financial assets - current (Notes 4(6) and 6)	3,156,385	3	4,668,106	5
Inventories, net (Note 4(7))	34,032,124	31	29,646,179	32
Deferred income tax assets - current (Note 4(18))	171,216	-	165,933	-
Other current assets (Note 4(8))	<u>1,899,720</u>	<u>2</u>	<u>1,025,826</u>	<u>1</u>
	<u>97,955,699</u>	<u>90</u>	<u>83,355,313</u>	<u>89</u>
<u>Funds and Investments</u>				
Available-for-sale financial assets - non-current (Note 4(9))	182,545	-	201,412	-
Held-to-maturity financial assets - non-current	5,000	-	5,000	-
Financial assets carried at cost - non-current (Notes 4(10) (15) 6 and 7)	440,575	1	303,829	1
Long-term investments accounted for under the equity method (Note 4(11))	423,657	-	890,632	1
Other financial assets - non-current (Notes 4(12) and 6)	<u>-</u>	<u>-</u>	<u>34,328</u>	<u>-</u>
	<u>1,051,777</u>	<u>1</u>	<u>1,435,201</u>	<u>2</u>
<u>Property, Plant and Equipment, net</u> (Notes 4(13) and 6)				
Cost				
Land	2,469,062	2	1,799,553	2
Buildings	1,533,080	2	1,283,930	1
Machinery and equipment	83,549	-	103,269	-
Transportation equipment	26,701	-	29,981	-
Office equipment	476,229	1	575,238	1
Leasehold improvements	279,643	-	222,338	-
Other equipment	<u>132,426</u>	<u>-</u>	<u>113,011</u>	<u>-</u>
	5,000,690	5	4,127,320	4
Less: Accumulated depreciation	(955,755)	(1)	(1,008,657)	(1)
Accumulated impairment	(24,363)	-	(54,995)	-
Prepayments for equipment	<u>2,177</u>	<u>-</u>	<u>9,402</u>	<u>-</u>
	<u>4,022,749</u>	<u>4</u>	<u>3,073,070</u>	<u>3</u>
<u>Intangible Assets</u>				
Goodwill (Note 10)	5,119,712	5	5,004,942	6
Deferred pension cost (Note 4(21))	14,922	-	12,647	-
Other intangible assets (Note 4(15))	<u>215,872</u>	<u>-</u>	<u>178,711</u>	<u>-</u>
	<u>5,350,506</u>	<u>5</u>	<u>5,196,300</u>	<u>6</u>
<u>Other Assets</u>				
Rental facilities, net (Notes 4(14) and 6)	109,235	-	118,234	-
Deposit-out	495,242	-	212,976	-
Other assets - others	<u>36,245</u>	<u>-</u>	<u>36,009</u>	<u>-</u>
	<u>640,722</u>	<u>-</u>	<u>367,219</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 109,021,453</u>	<u>100</u>	<u>\$ 93,427,103</u>	<u>100</u>

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2011		2010	
	Amount	%	Amount	%
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>				
<u>Current Liabilities</u>				
Short-term loans (Note 4(16))	\$ 27,235,857	25	\$ 20,352,354	22
Commercial papers payable (Note 4(17))	3,213,292	3	1,965,695	2
Financial liabilities at fair value through profit or loss - current (Note 4(2))	1,346	-	1,232	-
Notes payable	224,517	-	211,053	-
Accounts payable	28,326,675	26	25,103,014	27
Income tax payable (Note 4(18))	566,961	1	815,406	1
Accrued expenses	3,628,085	3	3,931,754	4
Other payables	1,266,777	1	1,525,018	2
Current portion of long-term liabilities (Note 4(19))	1,491,129	1	2,766,490	3
Other current liabilities	725,053	1	395,997	-
	66,679,692	61	57,068,013	61
<u>Long-term Liabilities</u>				
Long-term loans (Note 4(20))	3,977,619	4	1,823,070	2
<u>Other Liabilities</u>				
Accrued pension liabilities (Note 4(21))	289,122	-	282,255	1
Deferred income tax liabilities - non-current (Note 4(18))	165,329	-	248,771	-
Other liabilities - others (Note 4(11))	96,445	-	95,384	-
	550,896	-	626,410	1
<u>Total Liabilities</u>	71,208,207	65	59,517,493	64
<u>Stockholders' Equity</u>				
Capital				
Common stock (Note 1)	15,838,501	15	14,530,735	16
Capital reserve (Note 4(23))				
Common stock share premium	13,270,105	12	15,231,754	16
Treasury stock transactions	45,083	-	45,083	-
Long-term investments	4,020	-	3,266	-
Retained earnings (Note 4(24))				
Legal reserve	1,459,776	1	963,280	1
Special reserve	2,728,889	2	305,983	-
Undistributed earnings	5,251,868	5	5,488,408	6
Other adjustments to stockholders' equity				
Cumulative translation adjustments	(1,514,883)	(1)	(2,779,825)	(3)
Net loss not recognized as pension cost	(2,106)	-	(7,878)	-
Unrealized gain or loss on financial instruments	31,582	-	58,814	-
	37,112,835	34	33,839,620	36
Minority interest	700,411	1	69,990	-
<u>Total Stockholders' Equity</u>	37,813,246	35	33,909,610	36
Commitments and contingent liabilities (Note 7)				
Subsequent events (Note 9)				
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	\$ 109,021,453	100	\$ 93,427,103	100

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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

	2011		2010	
	Amount	%	Amount	%
Operating revenues (Note 5)				
Sales revenue	\$ 338,321,476	102	\$ 260,833,726	102
Sales returns	(2,799,436)	(1)	(1,562,964)	(1)
Sales allowances	(3,337,221)	(1)	(2,112,789)	(1)
Net sales revenue	332,184,819	100	257,157,973	100
Commission revenue	137,772	-	59,221	-
Total operating revenues	332,322,591	100	257,217,194	100
Operating costs				
Cost of goods sold (Note 4(7))	(314,293,769)	(95)	(242,610,675)	(94)
Gross profit	18,028,822	5	14,606,519	6
Operating expenses (Note 4(26))				
Selling and marketing	(8,263,321)	(2)	(5,827,300)	(3)
General and administrative	(3,103,651)	(1)	(2,737,503)	(1)
Total operating expenses	(11,366,972)	(3)	(8,564,803)	(4)
Operating income	6,661,850	2	6,041,716	2
Non-operating income				
Interest income	45,488	-	21,679	-
Investment income accounted for under the equity method (Note 4(11))	42,613	-	61,957	-
Dividend income	8,142	-	5,911	-
Gain on disposal of property, plant and equipment	34,160	-	-	-
Gain on disposal of investments	55,396	-	64,011	-
Foreign exchange gain, net	127,112	-	18,498	-
Rent revenue	50,938	-	13,603	-
Gain on valuation of financial assets (Note 4(2))	-	-	47,196	-
Gain on valuation of financial liabilities (Note 4(2))	6,524	-	-	-
Other non-operating income	186,221	-	217,953	-
Total non-operating income	556,594	-	450,808	-
Non-operating expenses				
Interest expense	(678,250)	-	(363,030)	-
Loss on disposal of property, plant and equipment	-	-	(5,100)	-
Impairment loss (Notes 4(10) and 4(15))	(34,032)	-	(9,826)	-
Loss on valuation of financial assets (Note 4(2))	(29,510)	-	-	-
Loss on valuation of financial liabilities (Note 4(2))	-	-	(12,475)	-
Other losses (Note 4(5))	(210,045)	-	(80,752)	-
Total non-operating expenses	(951,837)	-	(471,183)	-
Income before income tax	6,266,607	2	6,021,341	2
Income tax expense (Note 4(18))	(1,182,575)	-	(1,071,924)	-
Consolidated net income	\$ 5,084,032	2	\$ 4,949,417	2
Attributable to:				
Equity holders of the Company	\$ 5,080,433	2	\$ 4,964,962	2
Minority interest	3,599	-	(15,545)	-
	\$ 5,084,032	2	\$ 4,949,417	2
	<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
Basic earnings per share (In dollars) (Note 4(25))				
Net income from operations	\$ 3.95	\$ 3.21	\$ 5.01	\$ 4.13
Minority interest	-	-	(0.01)	(0.01)
Net income	\$ 3.95	\$ 3.21	\$ 5.00	\$ 4.12
Diluted earnings per share (In dollars) (Note 4(25))				
Net income from operations	\$ 3.95	\$ 3.20	\$ 5.01	\$ 4.12
Minority interest	-	-	(0.01)	(0.01)
Net income	\$ 3.95	\$ 3.20	\$ 5.00	\$ 4.11

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Retained Earnings</u>				<u>Other Adjustments to Stockholders' Equity</u>					
	<u>Common stock</u>	<u>Capital reserve</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Undistributed earnings</u>	<u>Cumulative translation adjustments</u>	<u>Net loss not recognized as pension cost</u>	<u>Unrealized gain or loss on financial instruments</u>	<u>Minority interest</u>	<u>Total</u>
<u>2010</u>										
Balance at January 1, 2010	\$ 8,944,123	\$ 6,310,087	\$ 616,015	\$ -	\$ 4,576,271	(\$ 427,732)	(\$ 5,630)	\$ 127,379	\$ 103,670	\$ 20,244,183
Common stock issued for acquisition of a subsidiary	3,970,255	8,968,805	-	-	-	-	-	-	-	12,939,060
Exercise of employee stock options	6,031	(603)	-	-	-	-	-	-	-	5,428
Effect on restructuring of subsidiary	-	14,151	-	-	-	-	-	-	-	14,151
Appropriations of 2009 net income (Note 1):										
Legal reserve	-	-	347,265	-	(347,265)	-	-	-	-	-
Special reserve	-	-	-	305,983	(305,983)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,789,251)	-	-	-	-	(1,789,251)
Stock dividends	1,610,326	-	-	-	(1,610,326)	-	-	-	-	-
Changes in minority interest	-	-	-	-	-	-	-	(18,135)	(18,135)	(18,135)
Consolidated net income for 2010	-	-	-	-	4,964,962	-	-	(15,545)	-	4,949,417
Capital reserve adjustments	-	(12,337)	-	-	-	-	-	-	-	(12,337)
Unrealized loss on financial instruments	-	-	-	-	-	-	-	(68,565)	-	(68,565)
Translation adjustments	-	-	-	-	-	(2,352,093)	-	-	-	(2,352,093)
Net loss not recognized as pension cost	-	-	-	-	-	-	(2,248)	-	-	(2,248)
Balance at December 31, 2010	<u>\$ 14,530,735</u>	<u>\$ 15,280,103</u>	<u>\$ 963,280</u>	<u>\$ 305,983</u>	<u>\$ 5,488,408</u>	<u>(\$ 2,779,825)</u>	<u>(\$ 7,878)</u>	<u>\$ 58,814</u>	<u>\$ 69,990</u>	<u>\$ 33,909,610</u>
<u>2011</u>										
Balance at January 1, 2011	\$ 14,530,735	\$ 15,280,103	\$ 963,280	\$ 305,983	\$ 5,488,408	(\$ 2,779,825)	(\$ 7,878)	\$ 58,814	\$ 69,990	\$ 33,909,610
Appropriations of 2010 net income (Note 2):										
Legal reserve	-	-	496,496	-	(496,496)	-	-	-	-	-
Special reserve	-	-	-	2,422,906	(2,422,906)	-	-	-	-	-
Cash dividends	-	-	-	-	(2,397,571)	-	-	-	-	(2,397,571)
Capitalization from capital reserve	1,307,766	(1,307,766)	-	-	-	-	-	-	-	-
Cash paid from capital reserve	-	(653,883)	-	-	-	-	-	-	-	(653,883)
Changes in minority interest	-	-	-	-	-	-	-	-	626,822	626,822
Consolidated net income for 2011	-	-	-	-	5,080,433	-	-	-	3,599	5,084,032
Unrealized loss on financial instruments	-	-	-	-	-	-	-	(27,232)	-	(27,232)
Translation adjustments	-	-	-	-	-	1,264,942	-	-	-	1,264,942
Capital reserve adjustments	-	754	-	-	-	-	-	-	-	754
Net loss not recognized as pension cost	-	-	-	-	-	-	5,772	-	-	5,772
Balance at December 31, 2011	<u>\$ 15,838,501</u>	<u>\$ 13,319,208</u>	<u>\$ 1,459,776</u>	<u>\$ 2,728,889</u>	<u>\$ 5,251,868</u>	<u>(\$ 1,514,883)</u>	<u>(\$ 2,106)</u>	<u>\$ 31,582</u>	<u>\$ 700,411</u>	<u>\$ 37,813,246</u>

Note 1: The directors' and supervisors' remuneration in the amount of \$27,000 and employees' bonus in the amount of \$20,000 have been deducted in the income statement for 2009.

Note 2: The directors' and supervisors' remuneration in the amount of \$33,000 and employees' bonus in the amount of \$35,000 have been deducted in the income statement for 2010.

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2011	2010
<u>Cash flows from operating activities</u>		
Consolidated net income	\$ 5,084,032	\$ 4,949,417
Adjustments to reconcile consolidated net income to net cash (used in) provided by operating activities:		
Changes in unrealized valuation of financial assets at fair value through profit or loss - current	22,566	-
Changes in unrealized valuation of financial liabilities at fair value through profit or loss - current	114	(9,860)
(Reversal of allowance) bad debts expense	(44,852)	56,774
Reversal of allowance for decline in market value and obsolescence of inventories	(8,976)	(9,059)
Gain on disposal of investments	(55,396)	(64,011)
Impairment loss	34,032	9,826
Investment income accounted for under the equity method	(42,613)	(61,957)
Cash dividends received from investee companies accounted for under the equity method	70,187	46,709
Depreciation	219,084	166,891
(Gain) loss on disposal of property, plant and equipment	(34,160)	5,100
Amortization	78,960	65,209
Changes in assets and liabilities:		
Financial assets at fair value through profit or loss - current	7,299	24,552
Notes receivable, net	246,346	(256,486)
Accounts receivable, net	(11,584,761)	112,923
Other receivables	2,309,428	(519,701)
Inventories	(2,629,957)	(3,856,346)
Other current assets	(762,581)	5,873
Deferred income tax assets / liabilities, net	(73,027)	14,826
Notes payable	6,476	131,914
Accounts payable	2,159,789	706,625
Income tax payable	(261,795)	96,162
Accrued expenses	(404,326)	720,371
Other payables	(907,007)	313,647
Other current liabilities	290,610	(367,789)
Accrued pension liability	2,806	60,181
Net cash (used in) provided by operating activities	(6,277,722)	2,341,791

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>2011</u>	<u>2010</u>
<u>Cash flows from investing activities</u>		
Proceeds from financial assets at fair value through profit or loss - current	\$ 2,228,859	\$ 493,224
Proceeds from disposal of available-for-sale financial assets - current	-	159,200
Proceeds from disposal of available-for-sale financial assets - non-current	57,375	12,062
Increase in financial assets carried at cost - current	(21,584)	(9,647)
Increase in financial assets carried at cost - non-current	(162,721)	(8,800)
Refund of capital received from financial assets carried at cost - non-current	8,000	1,500
Proceeds from disposal of financial assets carried at cost - non-current	5,213	22,693
Decrease in other financial assets - non-current	34,328	39,767
Acquisition of property, plant and equipment	(350,114)	(134,058)
Proceeds from disposal of property, plant and equipment	67,445	2,622
Acquisition of other intangible assets	(85,261)	(170,116)
Increase in deposit-out	(272,235)	(51,291)
Decrease (increase) in other assets - others	8,884	(12,255)
Purchase of minority interest	(101,428)	(111,826)
Net cash provided by investing activities	<u>1,416,761</u>	<u>233,075</u>
<u>Cash flows from financing activities</u>		
Increase in short-term loans	4,863,081	261,353
Increase in commercial papers payable	1,123,003	529,548
Increase (decrease) in long-term loans (including current portion of long-term liabilities)	708,921	(59,511)
Payment of cash dividends	(3,051,454)	(1,789,251)
Exercise of employee stock options	-	5,428
Decrease in minority interest	(20,533)	(50,292)
(Decrease) increase in other liabilities - others	(100,340)	4,845
Net cash provided by (used in) financing activities	<u>3,522,678</u>	<u>(1,097,880)</u>
Cumulative translation adjustments	<u>1,223,143</u>	<u>(2,399,831)</u>
Effect of changes in consolidated subsidiaries	<u>328,135</u>	<u>1,982,192</u>
Net increase in cash and cash equivalents	212,995	1,059,347
Cash and cash equivalents at beginning of year	<u>7,572,979</u>	<u>6,513,632</u>
Cash and cash equivalents at end of year	<u>\$ 7,785,974</u>	<u>\$ 7,572,979</u>

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	2011	2010
<u>Supplemental disclosures of cash flow information</u>		
Cash paid during the year for interest	\$ 791,626	\$ 368,285
Cash paid during the year for income tax	\$ 1,193,004	\$ 829,610
<u>Financing activities that result in non-cash flows</u>		
Capitalization from stock dividends	\$ 1,307,766	\$ 1,610,326
<u>Supplemental disclosures of partial payment of cash</u>		
Acquisition of property, plant and equipment	\$ 946,374	\$ -
Add: accounts payable at the beginning of year	-	-
Less: accounts payable at the end of year	(596,260)	-
Cash paid during the year for property, plant and equipment	\$ 350,114	\$ -

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

(EXPRESSED IN THOUSANDS OF NEW TAIWAN
DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. **HISTORY AND ORGANIZATION**

- 1) WPG Holdings Limited (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China, and as a holding company of World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock on November 9, 2005. The Company's shares were listed on the Taiwan Stock Exchange (TSE) and approved by the Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau on the same date. After restructuring, Richpower Electronic Devices Co., Ltd. became the Company's subsidiary on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc. and Yosun Industrial Corp. by exchanging shares of common stock on July 16, 2008, February 6, 2009 and November 15, 2010, respectively.
- 2) The Company is engaged in investment holdings.
- 3) In accordance with the Company's Articles of Incorporation, the total amount of authorized capital was 2,000,000,000 shares (including 200,000,000 shares of warrant, warrant preferred stock and warrant bond conversion). As of December 31, 2011, the Company and its consolidated subsidiaries had approximately 6,120 employees. As of December 31, 2011, the Company had issued capital of \$15,838,501 with a par value of \$10 (in dollars) per share.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and accounting principles generally accepted in the Republic of China. The Group's significant accounting policies are summarized below:

1) **Basis for preparation of consolidated financial statements**

- (1) The Company and all majority-owned subsidiaries are included in the consolidated financial statements. Significant transactions and assets and liabilities between the Company and the consolidated subsidiaries are eliminated during consolidation.
- (2) According to SFAS No. 7, if the company and its subsidiaries own more than 50% of an investee company's voting rights, or has effective control over the investee company, the investee company's financial statements are included in the consolidation.
- (3) The income (loss) of the subsidiaries is included in the consolidated statement of income effective on the date the Company gains control over the subsidiaries. The income (loss)

of the subsidiaries is excluded from the consolidated statement of income effective the date on which the Company loses control over the subsidiaries. Restatement of prior years' consolidated financial statements is not required.

(2) Consolidated subsidiaries and changes in consolidated subsidiaries in 2011:

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of December 31,		Note
			2011	2010	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Sales of electronic components	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	
WPG Holdings Limited	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Pernas Electronics Co., Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	Note 9
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Sales of electronic components	100.00	100.00	
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	
Prime Future Technology Limited	World Peace International Pte. Ltd.	Holding company	100.00	100.00	Note 17

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of December 31,		Note
			2011	2010	
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Sales of electronic / electrical components	100.00	100.00	
World Peace International Pte. Ltd.	WPG Americas Inc.	"	6.73	11.21	Note 2
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	Note 18
World Peace International Pte. Ltd.	WPG System Pte Ltd.	"	-	-	Note 7
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	"	100.00	81.00	
World Peace International Pte. Ltd.	E-Prog Technology Pte Ltd.	Burner of electronic components	-	-	Note 7
World Peace International Pte. Ltd.	World Peace International (China) Limited	Sales of electronic / electrical components	100.00	100.00	Note 19
WPG Americas Inc.	Dynamic Image Technologies, LLC	"	6.73	11.21	Note 2
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Malaysia) SDN BHD	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00	Note 26
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Australia) Pty Ltd.	"	-	-	Note 3
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	Note 15
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Thailand) Co., Ltd.	"	100.00	100.00	Note 16
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Malaysia) SDN BHD.	"	100.00	100.00	Note 5
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of December 31,		Note
			2011	2010	
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers and Peripheral (India) Private Limited	Sales of electronic / electrical components	100.00	100.00	Note 6
E-Prog Technology Pte Ltd.	E-Prog Technology (Zhuhai) Co., Ltd.	Burner of electronic components	-	-	Note 7
E-Prog Technology Pte Ltd.	E-prog Technology Co., Ltd.	"	-	-	Note 7
WPI Investment Holding (BVI) Company Ltd.	WPI International (HK) Limited	Sales of electronic / electrical components	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	Gain Tune Ltd.	Warehouse business and agent of sales of electronic components	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	"	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	TEKSEL WPG Limited	Sales of electronic components	50.00	50.00	
WPI Investment Holding (BVI) Company Ltd.	World Peace Industrial (Hong Kong) Limited	"	100.00	100.00	Note 20
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	-	Note 21
WPI International (HK) Limited	WPI International Trading (Shanghai) Ltd.	"	100.00	100.00	
WPI International (HK) Limited	WPG C&C Limited	Agent and sales of information products	100.00	100.00	
WPI International (HK) Limited	AIO Components Company Limited	Sales of electronic / electrical components	100.00	100.00	
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	100.00	
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of December 31,		Note
			2011	2010	
Silicon Application Corporation	Win-Win Systems Ltd.	Holding company	100.00	100.00	
Silicon Application Corporation	Win-Win Electronics Corp.	Sales of computer software and electronic products	100.00	100.00	
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	
Silicon Application (BVI) Corp.	Alliance Broadcast Vision Pte. Ltd.	Sales and design of electronic components	51.28	51.28	
Silicon Application Company Limited	Dstar Electronic Company Limited	Sales of computer software and electronic products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd	Sales of electronic / electrical products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	100.00	
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	100.00	
Mec Technology Co., Ltd	Richpower Electronic Devices Pte., Ltd.	"	100.00	100.00	
Mec Technology Co., Ltd	Golden Guide Company Corporation	Holding company	-	100.00	Note 4
Golden Guide Company Corporation	Mec Technology (Shanghai) Co., Ltd.	Sales of electronic / electrical products	-	100.00	Note 4
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Sales of electronic components	100.00	95.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Holding company	100.00	100.00	
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	100.00	
Pernas Enterprise (Samoa) Limited	Arise Component Corp.	"	-	100.00	Note 23
WPG Korea Co., Ltd.	Apache Communication Inc.	Investment company	100.00	100.00	

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of December 31,		Note
			2011	2010	
Apache Communication Inc.	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPI International (Hong Kong) Limited	Holding company	100.00	100.00	
WPG International (CI) Limited	WPG Americas Inc.	Sales of electronic / electrical components	93.27	88.79	Note 2
WPG International (CI) Limited	Da & Da Electronics Pte. Ltd.	"	100.00	100.00	Notes 11 and 12
WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	"	100.00	100.00	
WPI International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic / electrical products	93.27	88.79	Note 2
Asian Information Technology Inc.	Apache Communication Inc.	"	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd	"	100.00	100.00	
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Sale of RF device	100.00	100.00	
Asian Information Technology Inc.	Frontek Technology Corporation	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	
Asian Information Technology Inc.	AITG Holding Corp.	Investment company	100.00	100.00	
Adivic Technology Co., Ltd.	Advance Digital Communication Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Frontek Technology Corporation	Jarek International Corp.	Investment company	100.00	100.00	

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of December 31,		Note
			2011	2010	
Frontek Technology Corporation	Frontek International Limited	Investment company	100.00	100.00	
Fame Hall International Co., Ltd.	Fame Hall International Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Fame Hall International Co., Ltd.	AIT Japan, Inc.	Sales of electronic / electrical products	100.00	100.00	
AITG Holding Corp.	Zheng Ding Technology (ShenZhen) Co., Ltd.	"	100.00	100.00	
AITG Holding Corp.	Asian Information Technology Co., Ltd-SH	"	-	100.00	Note 10
Jarek International Corp.	Kingwealth Technology Limited	"	-	100.00	Note 13
Jarek International Corp.	Jaking Technology Corp.	"	-	100.00	Note 23
Frontek International Limited	AITG Electronic Limited	"	100.00	100.00	
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Suntek Investments Ltd.	Investment company	100.00	100.00	
Sertek Incorporated	Digital Computer System Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Sertek Incorporated	Sertek Limited	"	100.00	100.00	
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	"	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	
Suntek Investments Ltd.	Siltrontech Electronics Corp.	"	32.22	-	Notes 14 and 22
Suntek Investments Ltd.	Lipers Enterprise Co., Ltd.	"	43.08	-	Notes 14, 22 and 24
Sertek Limited	Sertek (Shanghai) Limited	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	Sales of electronic / electrical products	100.00	100.00	

Name of investment company	Name of subsidiaries	Main Activities	% of shares held as of		Note
			December 31,		
			2011	2010	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Sunwise Technology Ltd.	Sales of electronic / electrical products	100.00	50.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Thailand) Co., Ltd.	"	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) SDN. BHD.	"	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun India Private Limited	"	100.00	100.00	
Siltrontech Electronics Corp.	Siltrontech Electronics (HK) Corp., Limited	Import and export business	100.00	-	Notes 14 and 22
Siltrontech Electronics (HK) Corp., Limited	Xiang Mao Electronics (SZ) Corp., Ltd.	Sales of electronic equipment products	100.00	-	Notes 14 and 22
Siltrontech Electronics (HK) Corp., Limited	Siltrontech Electronics (SH) Corp., Ltd.	"	100.00	-	Notes 14 and 22
Lipers Enterprise Co., Ltd.	Lipers (Hong Kong) Enterprise Co., Ltd.	"	100.00	-	Notes 14, 22 and 24
Lipers Enterprise Co., Ltd.	Scope Technology Co., Ltd.	"	100.00	-	Notes 14 and 22
Lipers Enterprise Co., Ltd.	Hatsushiba Tech Co., Ltd.	"	55.00	-	Notes 14, 22 and 25
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Inc.	"	100.00	-	Notes 14 and 22
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Co., Ltd.	"	100.00	-	Notes 14 and 22
Lipers (Hong Kong) Enterprise Co., Ltd.	Dongguan Lipers Electronics Co., Ltd.	Manufacturing	100.00	-	Notes 14 and 22
WPG Investment Co., Ltd.	Hatsushiba Tech Co., Ltd.	Sales of electronic equipment	30.00	-	Note 25

Name of investment company	Name of subsidiaries	Main Activities products	% of shares held as of December 31,		Note
			2011	2010	
Note 1:		The combined ownership percentage of common shares held by the Company and its subsidiaries is more than 50%.			
Note 2:		In March 2010, WPG International (CI) Limited participated in the capital increase of WPG Americas Inc., and WPG International (CI) Limited became the parent company and intermediate parent company of WPG Americas Inc. and Dynamic Image Technologies, LLC. World Peace Industrial Co., Ltd. held 6.73% and 11.21% of shares of WPG Americas through World Peace International Pte. Ltd. and WPI International (Hong Kong) Limited as of December 31, 2011 and 2010, respectively.			
Note 3:		The subsidiary deregistration took place in June, 2010.			
Note 4:		The subsidiary was liquidated in 2011.			
Note 5:		The subsidiary was formerly named Genuine C&C (Malaysia) SDN BHD. The name was changed in October, 2010.			
Note 6:		The subsidiary was established in April, 2008, and the capital was remitted in November, 2010.			
Note 7:		The subsidiary was sold to Englewood Global Limited in December, 2010.			
Note 8:		Effective July 1, 2010, WPI International (HK) Ltd. held directly 100% share ownership of AIO Components Company Limited and held indirectly 100% share ownership of AIO (Shanghai) Components Company Limited.			
Note 9:		Due to restructuring, the subsidiary was sold to WPG Holdings Limited by World Peace Industrial Co., Ltd.			
Note 10:		The subsidiary was liquidated in October 2011.			
Note 11:		The subsidiary was formerly named AIT International PTE. LTD. The name was changed during the second quarter, 2010.			
Note 12:		Da & Da Electronics Pte Ltd. was sold to WPG International (CI) Limited by Fame Hall International Co., Ltd. as of August 17, 2010.			
Note 13:		The subsidiary was liquidated in February, 2011.			
Note 14:		Due to the re-election of Board members of Siltrontech Electronics Corp., Yosun Industrial Corp. acquired majority control over Siltrontech Electronics Corp. The Company has effective control over Lipers Enterprise Co., Ltd.			
Note 15:		Due to restriction of local regulations, the Company holds 60% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.			
Note 16:		Due to restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.			
Note 17:		The subsidiary was formerly named WPG International (South Asia) Pte., Limited. The name was changed in August, 2011.			
Note 18:		The subsidiary was formerly named WPG Electronics (South Asia) Pte., Ltd. The name was changed in August, 2011.			
Note 19:		The subsidiary was formerly named WPG SCM Limited. The name was changed in July, 2011.			
Note 20:		The subsidiary was formerly named WPG Technology Ltd. The name was changed in August, 2011.			
Note 21:		The subsidiary was established in August, 2011.			
Note 22:		Pursuant to the resolution approved during the Board of Directors' meeting of Yosun Industrial Corp. ("Yosun") on July 28, 2011, Yosun spun off its shares of indirect subsidiary - Siltrontech Electronics Corp. to Suntek Investment Ltd. Yosun has effective			

control over Siltrontech Electronics Corp. and Lipers Enterprise Co., Ltd. through Suntek Investment Ltd.

Note 23: The subsidiary was liquidated in December, 2011.

Note 24: As of December 31, 2011 and 2010, Yosun Industrial Corp. held directly 28.37% and 25.20% of shares of Lipers Enterprise Co., Ltd, respectively. Yosun Industrial Corp. held totally 43.08% of shares of Lipers Enterprise Co., Ltd. through itself and Siltrontech Electronics Corp.

Note 25: The Company held totally 53.69% of shares of Hatsushiba Tech Co., Ltd. through WPG Investment Co., Ltd and Lipers Enterprise Co., Ltd.

Note 26: The subsidiary was formerly named WPG Electronics (India) Pvt., Ltd. The name was changed in December, 2011.

(3) Subsidiaries not included in the consolidated financial statements: None.

(4) Different accounting periods and accounting principles adopted by subsidiaries: None.

(5) Special operating risk of foreign subsidiaries: None.

(6) Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(7) Details of securities held by subsidiaries, issued by its parent company: None.

(8) Information of convertible bonds and new common stock issued by subsidiaries:

WPG Americas Inc. issued new shares totaling 60 million, 48 million, and 32 million shares to WPG International (CI) Limited, an indirect subsidiary of the Company, in the third quarter of 2011, first quarter of 2010 and third quarter of 2010, respectively. There is no significant impact to the Company's equity.

2) Translation of financial statements of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings which are carried forward from prior year's balance. Dividends are translated at the rates prevailing at the date of declaration. Profit and loss accounts are translated at weighted average rates of the year. The resulting translation differences are included in "cumulative translation adjustments" under stockholders' equity.

3) Foreign currency transactions

(1) Transactions denominated in foreign currencies are translated into functional currencies at the spot exchange rates prevailing at the transaction dates. Exchange gain or losses are recognized in current year's profit or loss.

(2) Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss.

(3) When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of

the transaction.

4) Classification of current and non-current items

- (1) Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - A. Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
 - B. Assets held mainly for trading purposes;
 - C. Assets that are expected to be realized within twelve months from the balance sheet date; and
 - D. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- (2) Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - A. Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
 - B. Liabilities arising mainly from trading activities;
 - C. Liabilities that are to be paid off within twelve months from the balance sheet date; and
 - D. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

5) Settlement date accounting

If an entity recognizes financial assets using settlement date accounting, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is not recognized for assets carried at cost or amortized cost. For financial assets or financial liabilities classified as at fair value through profit or loss, the change in fair value is recognized in profit or loss. For available-for-sale financial assets, the change in fair value is recognized directly in equity.

6) Financial assets and financial liabilities at fair value through profit or loss

- (1) Financial assets and financial liabilities at fair value through profit or loss in the form of equity instruments are recognized and derecognized using trade date accounting. Financial assets and financial liabilities at fair value through profit or loss in the form of debt instruments, beneficiary certificates or derivative instruments are recognized and derecognized using settlement accounting.
- (2) Financial assets and financial liabilities at fair value through profit or loss are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks and OTC stocks is based on latest quoted fair prices at the balance sheet date. The fair value of open-end mutual funds is based on the net asset value at the balance sheet date.

7) Derivative financial instruments

While the transactions for which assets are held are option transactions, such assets shall be recognized at their fair value at the transaction date. If a derivative is a non-option derivative, the fair value initially recognized is zero. When derivative financial instruments are valued at fair value at the balance sheet date, changes in fair value are recognized as assets and liabilities, and the gain or loss is recognized as the resulting profit or loss.

8) Available-for-sale financial assets

- (1) Available-for-sale financial assets in the form of equity instruments are recognized and derecognized using trade date accounting and are initially stated at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- (2) The financial assets are remeasured and stated at fair value, and the gain or loss is recognized in equity, until the financial assets are derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. The fair value of listed stocks and OTC stocks is based on latest quoted fair prices at the balance sheet date.
- (3) If there is any objective evidence that the financial asset is impaired, the cumulative loss that had been recognized directly in equity shall be transferred from equity to profit or loss. When the fair value of an equity instrument subsequently increases, impairment losses recognized previously in profit or loss shall not be reversed.

9) Financial assets carried at cost

- (1) Investment in unquoted equity instruments is recognized or derecognized using trade date accounting and is recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- (2) Financial assets carried at cost are investments in equity instruments whose fair value cannot be evaluated, including unlisted and emerging company stocks. These financial assets are carried at cost.
- (3) If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss shall not be reversed when the fair value of the asset subsequently increase.

10) Notes and accounts receivable, other receivables and allowance for doubtful accounts

- (1) Notes receivable and accounts receivable are claims resulting from the sale of goods or services. Other receivables are those arising from transactions other than the sale of goods or services.
- (2) Before January 1, 2011, allowance for doubtful accounts is provided based on an evaluation of the collectibility of notes receivable and accounts receivable (including related parties) taking into account the aging analysis of receivables and other factors. Effective January 1, 2011, the Group assesses whether objective evidence of impairment exists individually or collectively for financial assets that are individually significant. If

there is objective evidence that an impairment loss has been incurred, the amount of the loss is recognized and measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

11) Inventories

The Group uses the perpetual inventory system wherein the original cost is the cost to obtain the assets. Cost is determined using the moving-average method. Inventories are stated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost or net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses. Allowance for loss is provided on obsolete inventories, when necessary.

12) Long-term equity investments accounted for under the equity method

- (1) Long-term equity investments in which the Group holds more than 20% of the investee company's voting shares or has the ability to exercise significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized, effective January 1, 2006. Retrospective adjustment of the amount of goodwill amortized in previous year(s) is not required. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to extraordinary gains.
- (2) Exchange differences arising from translation of the financial statements of overseas investee companies accounted for under the equity method are recorded as "cumulative translation adjustments" under stockholders' equity.
- (3) The capital reserve and long-term investment amounts are adjusted by the variance between the investment cost and the net asset of the investee company due to the disproportionate acquisition of shares in connection with the capital increase by the investee company accounted for under the equity method. If the capital reserve arising from long-term investment is not sufficient, then retained earnings is debited.
- (4) Investment loss on the non-controlled entities over which the Group has the ability to exercise significant influence is recognized to the extent that the amount of long-term investments in such investees is written down to zero. However, if the Group continues to provide endorsements, guarantees or financial support for such investees, or the deficit

is temporary and will be recovered in short-term, the investment loss is recognized continuously in proportion to the Group's equity interest in such investees. The credit balances of the investments should reduce the receivables from the investee company and the remaining balances are reported in the balance sheet as other liabilities. When the operations of such investees become profitable, the Group recognizes the profits until the amount of losses previously recognized by the Group is fully recovered.

13) Held-to-maturity financial assets

- (1) Held-to maturity financial asset is recognized or derecognized using trade date accounting and is stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- (2) If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.

14) Property, plant and equipment

- (1) Property, plant and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of property, plant and equipment are 3 ~ 10 years, except for buildings, leasehold improvements and miscellaneous equipment, which are 10 ~ 55 years, 2 ~ 5 years and 5 ~ 10 years, respectively.
- (2) When an asset is retired or sold, the cost and accumulated depreciation are removed from the respective accounts and any resulting gain (loss) is included in current operations.
- (3) Maintenance and repairs are expensed as incurred. Major renewals and improvements are capitalized and depreciated accordingly.
- (4) Land and buildings used for non-operating purposes are reclassified to "other assets" and depreciated accordingly.

15) Impairment of non-financial assets

- (1) The Group recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.
- (2) Impairment loss will be recognized whenever there is indication that the recoverable amount of these assets is less than their respective carrying amount. Impairment loss of goodwill recognized in prior years is not recoverable in the following years.

16) Share-based payment - employee compensation plan

The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF 92-070, EITF 92-071 and EITF 92-072 "Accounting for Employee Stock Options" as prescribed by the Accounting Research and Development

Foundation, R.O.C., dated March 17, 2003. Under the share-based employee compensation plan, compensation cost is recognized using the intrinsic value method and pro forma disclosures of net income and earnings per share are prepared in accordance with the R.O.C. SFAS No. 39, “Accounting for Share-based Payment”.

17) Employees’ bonuses and directors’ and supervisors’ remuneration

Effective January 1, 2008, pursuant to EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, the costs of employees’ bonuses and directors’ and supervisors’ remuneration are accounted for as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amounts can be estimated reasonably. However, if the accrued amounts for employees’ bonuses and directors’ and supervisors’ remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders’ meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF 97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, “Criteria for Listed Companies in Calculating the Number of Shares of Employees’ Stock Bonus”, the Company calculates the number of shares of employees’ stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders’ meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

18) Retirement plan and pension cost

- (1) Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. The net periodic pension costs include service cost, interest cost, expected return on plan assets, unrecognized net transition obligation and amortization of gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over the remaining service period. Prior service costs are recognized as expense if those employees have fulfilled vested criteria when the retirement plan is effective. The minimum pension liability is adjusted by pension costs and the amount of funds contributed.
- (2) Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

19) Income tax

- (1) The Group adopts SFAS No. 22, “Accounting for Income Taxes”, whereby income tax is provided based on accounting income after adjusting for permanent differences. The tax effects of taxable temporary differences are recorded as deferred tax liabilities, while the tax effects of deductible temporary differences and losses available for carryforward are recorded as deferred tax assets.

Valuation allowance on deferred tax assets is provided to the extent that it is more likely than not that the tax benefits will not be realized. When a change in the tax laws is

enacted, the deferred tax liability or asset is recomputed accordingly in the period of change. The difference between the new amount and the original amount, that is, the effect of changes in the deferred tax liability or asset, is recognized as an adjustment to current income tax expense (benefit).

- (2) Over or under provision of income tax liabilities in previous years is recorded as an adjustment to the current year's income tax expense.
- (3) According to the Taiwan imputation tax system, any undistributed current earnings of a company derived on or after January 1, 1998 is subject to an additional 10% corporate income tax if the earnings are not distributed before a specific time. This 10% additional corporate income tax is recorded as income tax expense in the year the stockholders approve a resolution to retain the earnings.
- (4) According to "Income Basic Tax Act", effective January 1, 2006, income tax is accounted for based on the income tax law or other regulations when income tax is equal or more than the basic tax. When income tax is less than the basic tax, the income tax due shall be equal to the basic tax. The difference cannot be deducted from investment credits based on other regulations.
- (5) Pursuant to the Tai-Tsai-Shui Letter No. 0910458039 of the Ministry of Finance, R.O.C., dated February 12, 2003, "Criteria for Profit-seeking Enterprises in Filing Consolidated Profit-seeking Enterprise Income Tax Returns According to Article 49 of the Financial Holding Company Act and Article 40 of the Business Mergers and Acquisitions Law", if the Company holds at least 90% of the issued capital stock of its domestic subsidiaries through mergers for twelve months in a fiscal taxable year, starting from such a fiscal taxable year, the Company may choose to have itself as the taxpayer to file the consolidated profit-seeking enterprise income tax returns.
- (6) The accounting treatment of the Group in adopting the consolidated income tax return system is in accordance with EITF 92-240 of the Accounting Research and Development Foundation of the R.O.C., dated October 3, 2003. The Company and its subsidiaries should individually adopt the R.O.C. SFAS No. 22, "Accounting for Income Taxes" to account for the income taxes according to their respective income tax returns. However, settlements received or paid within the affiliated group arising from filing consolidated income tax returns will have to be adjusted as deferred income tax assets/liabilities or income taxes payable/refundable in the current period.

20) Revenues, costs and expenses

Revenues are recognized when the earning process is completed and are realized or realizable. Costs and expenses are recognized as incurred.

21) Earnings per share

- (1) As the Company has a complex capital structure, basic and diluted earnings per share are disclosed in the statement of income. The computation of earnings per share is as follows:
 - A. Basic earnings per share: net income divided by the weighted average number of shares

outstanding during the period.

B. Diluted earnings per share: the computation is the same as basic earnings per share, except that the potential dilutive shares are assumed to have been converted to common stock at the beginning of the period and net income is adjusted by the amount associated with the conversion.

(2) The potential common shares are employee stock options issued by the Company and employees' bonus that could be distributed in the form of stock. The Company adopted the treasury stock method in computing the dilutive effect.

22) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles of the R.O.C. requires management to make estimates and assumptions that affect the reported amounts and disclosures of contingencies in the financial statements and accompanying notes. Actual results could differ from those assumptions and estimates.

23) Business acquisition

The Company adopts the purchase method to account for acquisitions. Acquisition price is purchase cost plus costs directly attributable to the acquisition. The excess of the acquisition price over the acquired net fair value of the merged business is recognized as goodwill.

24) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

3. CHANGES IN ACCOUNTING PRINCIPLES

1) Notes receivable, accounts receivable and other receivables

Effective January 1, 2011, the Group adopted the amended Statement of Financial Accounting Standards No. 34, "Financial Instruments: Recognition and Measurement". Under the amended standard, if there is any objective evidence that the notes and accounts receivable, other receivables and other rights of credit are impaired, an impairment loss (or provision for doubtful accounts) is recognized immediately. The adoption of this regulation had no significant effect on the consolidated financial statements as of and for the year ended December 31, 2011.

2) Operating segments

Effective January 1, 2011, the Group adopted R.O.C. SFAS No. 41, "Operating Segments", which supersedes R.O.C. SFAS No. 20, "Segment Reporting". Segment information for prior years shall be re-prepared when the Group applies this standard for the first time. However, this adoption had no effect on the Group's consolidated net income and earnings per share for the years ended December 31, 2011 and 2010.

4. DETAILS OF SIGNIFICANT ACCOUNTS

1) CASH AND CASH EQUIVALENTS

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Cash on hand	\$ 20,494	\$ 37,601
Checking accounts	1,386,247	1,892,323
Demand deposits	5,350,620	4,117,842
Time deposits	<u>1,028,613</u>	<u>1,525,213</u>
	<u>\$ 7,785,974</u>	<u>\$ 7,572,979</u>

2) FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Current items:		
Financial assets for trading		
Listed stocks	\$ 120,073	\$ 128,206
Open-end mutual funds	29,500	-
Derivatives	<u>928</u>	<u>23,494</u>
	150,501	151,700
Adjustment of financial assets held for trading	(<u>15,975</u>)	<u>2,751</u>
	<u>\$ 134,526</u>	<u>\$ 154,451</u>
Non-current items:		
Financial liabilities for trading		
Derivatives	<u>\$ 1,346</u>	<u>\$ 1,232</u>

1. The Group recognized net (loss) gain amounting to (\$22,986) and \$34,721 for the years ended December 31, 2011 and 2010, respectively.

2. The trading items and contract information of derivatives are as follows:

	<u>December 31, 2011</u>	
<u>Financial instruments</u>	<u>Amount (in thousands)</u>	<u>Contract period</u>
Forward currency contracts		
- Sell	USD 18,100	2011.09.14~2012.02.17
- Sell - SWAP	USD 9,384	2011.11.07~2012.02.07
- Buy	USD 1,700	2011.12.21~2012.01.31
	<u>December 31, 2010</u>	
<u>Financial instruments</u>	<u>Amount (in thousands)</u>	<u>Contract period</u>
Forward currency contracts		
- Sell	USD 17,920	2010.10.19~2011.02.24
- Sell - SWAP	USD 15,528	2010.12.06~2011.02.09
- Buy	USD 3,450	2010.10.20~2011.03.15

3) AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Current items:		
Listed stock	\$ 426	\$ 559
Bond fund	10,000	10,036
Adjustments of available-for-sale financial assets	<u>9,016</u>	<u>21,052</u>
	<u>\$ 19,442</u>	<u>\$ 31,647</u>

4) NOTES RECEIVABLE, NET

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Notes receivable	\$ 1,697,495	\$ 1,461,911
Less: Allowance for doubtful accounts	(1,413)	(896)
	<u>\$ 1,696,082</u>	<u>\$ 1,461,015</u>

5) ACCOUNTS RECEIVABLE, NET

(1)	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Accounts receivable	\$ 45,813,026	\$ 35,482,003
Less:		
Allowance for doubtful accounts	(160,975)	(556,931)
Allowance for sales discount	(182,518)	(182,200)
	<u>\$ 45,469,533</u>	<u>\$ 34,742,872</u>

(2)The subsidiaries factored accounts receivable totaling \$19,080,030 and \$29,436,176 for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, the reserve amounted to \$3,146,349 and \$3,472,502, respectively, which was booked as other receivables. In addition, due to early payment from customers, accounts receivable amounting to \$14,437 had been collected as of December 31, 2010. The related management fees and financing expenses amounted to \$130,791 and \$43,730 for the years ended December 31, 2011 and 2010, respectively, which were booked as other losses.

(3)As of December 31, 2011, details of factoring of accounts receivable are as follows:

Subsidiary – World Peace Industrial Co., Ltd.

	Cathay <u>United Bank</u>	Mega International Commercial <u>Bank</u>	Chinatrust <u>Bank</u>	Taishin International <u>Bank</u>	Taipei Fubon <u>Bank</u>
Facility	USD 34,000 (Thousands)	USD 92,300 (Thousands)	\$ 470,000	\$ 1,600,000	\$ 1,104,300
Amount factored	\$ 550,590	\$ 2,106,837	\$ 286,361	\$ 1,454,826	\$ 661,782
Proceeds from factoring	550,590	2,106,837	286,361	1,454,826	661,782
Period	2011/06~ 2012/06	2011/07~ 2012/07	2011/05~ 2012/05	2011/08~ 2012/08	2011/03~ 2012/03
Range of interest rates	1.21%~2.51%	0.82%~2.05%	1.19%~2.37%	1.05%~2.56%	0.79%~2.58%
Pledged assets	Commercial papers USD 34,000 (Thousands)	Commercial papers USD 92,300 (Thousands)	Commercial papers \$ 47,000	Commercial papers \$ 1,600,000	-

Subsidiary – Silicon Application Corporation

	Taishin		
	International Bank	Mega International Commercial Bank	Sinopac Bank Taipei Branch
Facility	\$ 2,500,000	USD 37,000 (Thousands)	USD 12,000 (Thousands)
Amount factored	\$ 1,002,012	\$ 816,851	\$ 31,598
Proceeds from factoring	1,002,012	816,851	31,598
Period	2011/05~2012/04	2011/03~2011/09	2011/09~2012/07
Range of interest rates	1.73%~2.15%	1.14%~1.75%	1.46%~2.27%
Pledged assets	Commercial papers \$ 2,500,000	Commercial papers USD 37,000 (Thousands)	Commercial papers USD 12,000 (Thousands)

Subsidiary – Richpower Electronic Devices Co., Ltd.

	Taiwan Cooperative Bank	E. Sun Bank	Far Eastern International Bank	Tachong Bank
	Facility	USD 6,700 (Thousands)	USD 16,000 (Thousands)	USD 12,000 (Thousands)	USD 5,000 (Thousands) $ 100,000
Amount factored	\$ 39,469	\$ 382,813	\$ 140,282	\$ 24,643
Proceeds from factoring	35,522	344,532	126,254	22,178
Period	2011/05~2012/05	2010/12~2012/12	2011/06~2012/06	2011/05~2012/05
Range of interest rates	1.64%~1.67%	1.28%~1.95%	1.90%~2.15%	1.98%~2.03%
Pledged assets	Commercial papers USD 6,700 (Thousands)	Commercial papers USD 16,000 (Thousands)	Commercial papers USD 12,000 (Thousands)	Commercial papers USD 5,000 (Thousands) \$ 100,000

Subsidiary – Richpower Electronic Devices Co., Ltd. (cont'd)

	Sinopac Bank	Chinatrust Bank	Cathay United Bank
Facility	\$ 130,000	\$ 100,000	USD 700 (Thousands)
Amount factored	\$ 6,570	\$ 16,488	\$ 15,789
Proceeds from factoring	5,256	14,839	14,211
Period	2011/07~2012/07	2011/05~2012/05	2011/01~2012/01
Range of interest rates	1.72%	1.64%	1.35%~1.88%
Pledged assets	Commercial papers \$ 130,000	Commercial papers \$ 10,000	Commercial papers USD 700 (Thousands)

Subsidiary – Pernas Electronics Co., Ltd.

	Tachong Bank	Taishin International	Yuanta Bank	Mega International Commercial
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	<u>Bank</u>		<u>Bank</u>	
Facility	USD 10,000 (Thousands)	\$ 840,000	USD 24,000 (Thousands)	\$ 240,000
Amount factored	\$ 51,087	\$ 302,536	\$ 393,195	\$ 129,516
Proceeds from factoring	45,978	272,282	361,139	116,564
Period	2011/06~2012/05	2010/11~2012/12	2011/05~2012/10	2011/08~2012/08
Range of interest rates	2.05%~2.41%	1.46%~2.85%	1.55%~1.75%	1.24%~2.11%
Pledged assets	Commercial papers USD 10,000 (Thousands)	Commercial papers \$ 1,000,000	Commercial papers USD 24,000 (Thousands)	Commercial papers \$ 240,000

Subsidiary – Pernas Electronics Co., Ltd. (cont'd)

	<u>The Shanghai Commercial & Savings Bank</u>	<u>EnTie Commercial Bank</u>	<u>Taipei Fubon Bank</u>	<u>Far Eastern International Bank</u>	<u>DBS Bank</u>
Facility	\$ 500 (Thousands)	\$ 152,000 USD 2,000 (Thousands)	USD 10,280 (Thousands)	USD 7,000 (Thousands)	USD 6,000 (Thousands)
Amount factored	\$ -	\$ 32,738	\$ 109,269	\$ 53,360	\$ 78,900
Proceeds from factoring	-	29,441	98,342	48,024	8,843
Period	2011/11~ 2012/06	2011/08~ 2012/08	2011/08~ 2012/08	2011/09~ 2012/09	2011/12~ 2012/08
Range of interest rates	-	1.28%~2.06%	1.35%~2.59%	1.98%~2.10%	1.94%~1.95%
Pledged assets	Commercial papers USD 2,000 (Thousands)	Commercial papers \$ 152,000 USD 2,000 (Thousands)	Commercial papers USD 1,088 (Thousands)	Commercial papers USD 7,000 (Thousands)	Commercial papers USD 1,000 (Thousands)

Subsidiary – Asian Information Technology Inc.

	<u>Tachong Bank</u>	<u>Taipei Fubon Bank</u>	<u>Mega International Commercial Bank</u>	<u>Yuanta Bank</u>
Facility	\$ 2,350,000	\$ 1,510,000	\$ 211,925	\$ 1,762,000
Amount factored	\$ 911,669	\$ 853,254	\$ 78,129	\$ 686,105
Proceeds from factoring	67,154	-	68,048	399,567
Period	2011/05~2012/05	2011/07~2012/07	2011/03~2011/12	2011/06~2012/06
Range of interest rates	1.89%~1.91%	-	1.25%~1.30%	1.35%~1.37%
Pledged assets	Commercial papers \$ 2,350,000	Commercial papers \$ 204,000	Commercial Papers \$ 211,925	Commercial Papers \$ 1,762,000

Subsidiary – Asian Information Technology Inc. (cont'd)

	EnTie Commercial Bank	Chang Hwa Bank	Chinatrust Bank
Facility	\$ 27,248	\$ 72,660	\$ 597,000
Amount factored	\$ 8,580	\$ 17,327	\$ 298,168
Proceeds from factoring	-	-	-
Period	2011/12~2012/12	2011/06~2012/01	2011/05~2012/05
Range of interest rates	-	-	-
Pledged assets	Commercial papers	Commercial papers	Commercial papers
	\$ 27,248	\$ 72,660	\$ 59,700

Yosun Industrial Corp.

	Tachong Bank	Yuanta Bank	Standard Chartered Bank	Taishin International Bank	Far Eastern International Bank
Facility	\$ 4,025,860	\$ 227,063	\$ 1,754,436	\$ 30,039,545	\$ 3,549,435
Amount factored	\$ 291,841	\$ -	\$ 216,409	\$ 4,800,169	\$ 853,740
Proceeds from factoring	86,537	-	216,409	4,612,446	789,517
Period	2010/12~ 2012/05	2011/05~ 2012/06	2010/09~ 2012/09	2011/04~ 2012/06	2011/01~ 2012/10
Range of interest rates	1.90%~2.50%	-	1.90%~2.27%	1.39%~2.75%	1.79%~2.73%
Pledged assets	Commercial papers	Commercial papers	Time deposit \$ 24,220	Commercial papers	Commercial papers
	\$ 1,056,598	\$ 227,063		\$ 19,501,588	\$ 3,489,435
				Time deposit \$ 441,463	\$ 80,438

Yosun Industrial Corp. (cont'd)

	Sinopac Bank	Chinatrust Bank	Taipei Fubon Bank	Mega International Commercial Bank	EnTie Commercial Bank
Facility	\$ 984,083	\$ 2,712,633	\$ 2,179,713	\$ 970,000	\$ 778,165
Amount factored	\$ 6,732	\$ -	\$ 544,029	\$ 108,774	\$ -
Proceeds from factoring	1,507	-	544,029	49,875	-
Period	2011/08~ 2012/09	2011/05~ 2012/05	2011/09~ 2011/12	2011/07~ 2012/11	2011/04~ 2012/06
Range of interest rates	2.19%~2.75%	-	1.36%~2.55%	1.95%~2.15%	-
Pledged assets	Commercial papers	Commercial papers	Commercial paper	Commercial papers	Commercial papers
	\$ 635,303	\$ 289,110	\$ 33,000	\$ 915,000	\$ 219,358

Yosun Industrial Corp. (cont'd)

First

	<u>Commercial Bank</u>	<u>Hang Seng Bank</u>	<u>DBS Bank</u>	<u>Hua Nan Bank</u>	<u>Chang Hwa Bank</u>	<u>E. Sun Bank</u>
Facility	\$ 235,000	\$ 847,700	\$ 467,640	\$ 15,000	\$ 210,000	\$ 50,000
Amount factored	\$ -	\$ 601,017	\$ 70,442	-	\$ 37,455	-
Proceeds from factoring	-	540,915	63,397	-	33,710	-
Period	2011/05~ 2012/05	2011/10~ 2012/10	2011/09~ 2012/09	2011/07~ 2012/07	2011/05~ 2011/12	2011/07~ 2012/07
Range of interest rates	-	1.31%~ 1.58%	1.24%~ 1.33%	-	1.25%	-
Pledged assets	Commercial papers \$ 150,000	Time deposits \$ 66,059	Time deposit \$ 115,705	Commercial papers \$ 100,000	Commercial papers \$ 190,000	Commercial papers \$ 90

Yosun Industrial Corp. (cont'd)

	<u>The Chinese Bank</u>	<u>JihSun Bank</u>	<u>Shin Kong Bank</u>
Facility	\$ 30,000	\$ 10,000	\$ 174,220
Amount factored	\$ -	\$ 793	\$ 7,885
Proceeds from factoring	-	-	6,308
Period	2011/01~2012/01	2011/09~2012/06	2011/03~2012/03
Range of interest rates	-	-	1.81%
Pledged assets	Commercial papers \$ 30,000	Commercial papers \$ 10,000	Commercial papers \$ 150,000

(4)As of December 31, 2010, details of factoring of accounts receivable are as follows:

Subsidiary – World Peace Industrial Co., Ltd.

	<u>Cathay United Bank</u>	<u>Mega International Commercial Bank</u>	<u>Chinatrust Bank</u>	<u>Taishin International Bank</u>	<u>Taipei Fubon Bank</u>
Facility	USD 34,000 (Thousands)	USD 89,800 (Thousands)	\$ 470,000	\$ 1,600,000	\$ 1,104,300
Amount factored	\$ 607,245	\$ 1,686,058	\$ 212,323	\$ 1,151,810	\$ 603,758
Proceeds from factoring	607,245	1,686,058	212,323	1,151,810	603,758
Period	2010/06~ 2011/06	2010/06~ 2011/06	2010/07~ 2011/05	2010/06~ 2011/06	2010/06~ 2011/03
Range of interest rates	1.03%~1.49%	0.86%~1.46%	1.01%~1.96%	0.95%~1.35%	0.99%~1.45%
Pledged assets	Commercial papers USD 34,000 (Thousands)	Commercial papers USD 89,800 (Thousands)	Commercial papers \$ 38,400	Commercial papers \$ 1,600,000	-

Subsidiary – Silicon Application Corporation

	Taishin		
	International Bank	Sinopac Bank Taipei Branch	Mega International Commercial Bank
Facility	\$ 2,500,000	USD 15,000 (Thousands)	USD 31,000 (Thousands)
Amount factored	\$ 1,083,420	\$ 30,338	\$ 671,078
Proceeds from factoring	1,083,420	\$ 30,338	650,214
Period	2010/10~2011/04	2010/07~2011/07	2010/10~2011/09
Range of interest rates	1.00%~1.10%	0.92%~1.00%	1.02%~1.17%
Pledged assets	Commercial papers	Commercial papers	Commercial papers
	\$ 2,500,000	USD 15,000 (Thousands)	USD 31,000 (Thousands)

Subsidiary – Richpower Electronic Devices Co., Ltd.

	Taiwan Cooperative Bank		Sinopac Bank	Tachong Bank	Far Eastern International Bank	Cathay United Bank
Facility	USD 8,500 (Thousands)	\$ 50,000	\$ 100,000	USD 3,000 (Thousands)	USD 1,400 (Thousands)	
Amount factored	\$ 36,188	\$ 7,749	\$ 27,226	\$ 58,281	\$ 14,825	
Proceeds from factoring	32,569	6,199	24,503	52,453	13,343	
Period	2010/06~ 2011/06	2010/07~ 2011/07	2010/05~ 2011/05	2010/10~ 2011/10	2010/01~ 2011/01	
Range of interest rates	0.86%~1.02%	0.96%~0.98%	0.97%	0.9%~1.08%	1.2%	
Pledged assets	Commercial papers	Commercial papers	Commercial papers	Commercial papers	Commercial papers	
	USD 8,500 (Thousands)	\$ 50,000	\$ 100,000	USD 3,000 (Thousands)	USD 1,400 (Thousands)	

Subsidiary – Pernas Electronics Co., Ltd.

	Tachong Bank	Taishin International Bank		Yuanta Bank	Mega International Commercial Bank	EnTie Commercial Bank
Facility	USD 10,000 (Thousands)	\$ 690,000	USD 18,000 (Thousands)	\$ 220,000	\$ 162,000	USD 950 (Thousands)
Amount factored	\$ 50,665	\$ 215,307	\$ 266,456	\$ 83,522	\$ 51,553	
Proceeds from factoring	45,598	148,327	250,064	63,174	34,033	
Period	2010/05~ 2011/05	2010/11~ 2011/11	2010/09~ 2011/09	2010/08~ 2011/08	2010/08~ 2011/08	
Range of interest rates	1.61%~ 1.79%	1.50%~ 2.19%	1.10%~ 1.31%	1.28%~ 3.13%	1.28%~ 1.78%	
Pledged assets	Commercial papers	Commercial papers	Commercial papers	Commercial papers	Commercial papers	
	USD 10,000 (Thousands)	\$ 850,000	USD 18,000 (Thousands)	\$ 220,000	\$ 162,000	USD 950 (Thousands)

Subsidiary – Pernas Electronics Co., Ltd. (cont'd)

	<u>Taipei Fubon Bank</u>	<u>The Shanghai Commercial & Savings Bank</u>	<u>DBS Bank</u>
Facility	USD 10,680 (Thousands)	\$ 10,000 USD 1,300 (Thousands)	USD 1,000 (Thousands)
Amount factored	\$ 201,565	-	-
Proceeds from factoring	160,562	-	-
Period	2010/07~2011/07	2010/07~2011/06	2010/02~2011/02
Range of interest rates	1.20%~1.54%	-	-
Pledged assets	Commercial papers USD 1,068 (Thousands)	Commercial papers USD 3,200 (Thousands)	Commercial papers USD 3,000 (Thousands)

Subsidiary – Asian Information Technology Inc.

	<u>Tachong Bank</u>	<u>Taipei Fubon Bank</u>	<u>Mega International Commercial Bank</u>	<u>Yuanta Bank</u>
Facility	\$ 2,350,000	\$ 2,376,000	\$ 203,910	\$ 1,762,000
Amount factored	\$ 680,163	\$ 918,540	\$ 140,436	\$ 905,280
Proceeds from factoring	-	203,007	-	346,146
Period	2010/03~2011/04	2010/07~2011/07	2009/12~2010/12	2010/11~2011/11
Range of interest rates	-	0.71%~1.03%	-	0.78%~0.99%
Pledged assets	Commercial papers \$ 2,350,000	Commercial papers \$ 237,600	Commercial papers \$ 270,900	Commercial papers \$ 1,812,000

Subsidiary – Asian Information Technology Inc. (cont'd)

	<u>Taishin International Bank</u>	<u>EnTie Commercial Bank</u>	<u>Chinatrust Bank</u>
Facility	\$ 467,390	\$ 26,217	\$ 639,000
Amount factored	\$ 120,588	17,064	\$ 323,683
Proceeds from factoring	-	-	-
Period	2010/04~2010/12	2010/12~2011/12	2010/08~2011/05
Range of interest rates	-	-	-
Pledged assets	Commercial papers \$ 527,390	Commercial papers \$ 26,217	Commercial papers \$ 198,900

Subsidiary – Yosun Industrial Corp.

	Taishin International Bank	Chinatrust Bank	Standard Chartered Bank	Ta Chong Bank	Far Eastern International Bank
Facility	\$ 28,731,151	\$ 7,612,530	\$ 3,058,487	\$ 4,956,500	\$ 1,000,000
Amount factored	\$ 11,483,166	\$ 3,342,904	\$ 1,580,423	\$ 551,156	\$ 295,870
Proceeds from factoring	10,987,914	3,342,904	1,510,866	551,156	295,870
Period	2010/04~ 2011/05	2010/05~ 2011/05	2010/08~ 2011/09	2010/04~ 2011/04	2010/08~ 2011/08
Range of interest rates	1.19%~2.25%	1.48%~2.45%	0.94%~2.77%	1.74%~2.75%	1.39%~1.84%
Pledged assets	Commercial papers \$ 23,936,705	Commercial papers \$ 868,652	Time deposits \$ 228,334	Commercial papers \$ 2,359,335	Commercial papers \$ 1,000,000
	Time deposits \$ 743,009	Time deposits \$ 370,000		Time deposits \$ 103,695	Time deposits \$ 50,000

Subsidiary – Yosun Industrial Corp. (cont'd)

	Taipei Fubon Bank	Hang Seng Bank	Sinopac Bank	Yuanta Bank
Facility	\$ 2,393,455	\$ 816,692	\$ 900,000	\$ 182,208
Amount factored	\$ 572,117	\$ 607,937	\$ 261,002	\$ 4,749
Proceeds from factoring	572,117	508,633	261,002	4,749
Period	2010/10~2011/10	2010/05~2011/05	2010/09~2011/09	2010/06~2011/06
Range of interest rates	0.94%~1.54%	1.14%~1.26%	1.14%~1.95%	1.12%~1.33%
Pledged assets	Time deposits \$ 8,739	Time deposits \$ 60,085	Commercial papers \$ 900,000	Commercial papers \$ 122,346
			Time deposits \$ 40,000	Time deposits \$ 15,000

Subsidiary – Yosun Industrial Corp. (cont'd)

	Mega International Commercial Bank	Entie Commercial Bank	First Commercial Bank	DBS Bank
Facility	\$ 880,000	\$ 650,000	\$ 235,000	\$ 299,840
Amount factored	\$ 272,455	\$ 152,718	\$ 31,645	\$ 114,913
Proceeds from factoring	252,227	152,718	31,645	72,292
Period	2010/03~ 2011/11	2010/05~ 2011/05	2010/03~ 2011/03	2010/09~ 2011/08
Range of interest rates	0.94%~1.33%	1.20%~1.65%	1.15%~1.51%	1.07%~1.12%
Pledged assets	Commercial papers \$ 625,000	Commercial papers \$ 340,650	Commercial papers \$ 150,000	Time deposits \$ 18,740
	Time deposits \$ 13,000	Time deposits \$ 30,000	Time deposits \$ 15,000	

(5)As of December 31, 2011 and 2010, the accounts receivable of the subsidiary, Silicon Application Corporation, totaling \$204,717 and \$141,587, respectively, were pledged to the above banks.

6) OTHER FINANCIAL ASSETS – CURRENT

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Pledged time deposits	\$ 2,146,069	\$ 3,212,315
Restricted cash accounts	1,010,316	1,406,273
Pledged commercial paper	-	48,104
Other time deposits	-	1,414
	<u>\$ 3,156,385</u>	<u>\$ 4,668,106</u>

As of December 31, 2011 and 2010, certain customers remitted \$346,587 and \$953,187, respectively, directly to the Group's bank accounts as payment of their trade debts to the Group. As the corresponding accounts receivable were sold without recourse, such payments were restricted. For the purpose of pledged assets, please refer to Note 6.

7) INVENTORIES, NET

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Inventories	\$ 33,786,046	\$ 29,610,624
Inventories in transit	<u>1,432,810</u>	<u>1,284,029</u>
	35,218,856	30,894,653
Less: Allowance for decline in market value and obsolescence of inventories	(<u>1,186,732</u>)	(<u>1,248,474</u>)
	<u>\$ 34,032,124</u>	<u>\$ 29,646,179</u>

Expenses and losses incurred on inventories for the years ended December 31, 2011 and 2010 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Cost of goods sold	\$ 314,300,181	\$ 242,616,799
Gain from price recovery of inventory	(8,976)	(9,059)
Loss on physical inventory	<u>2,564</u>	<u>2,935</u>
	<u>\$ 314,293,769</u>	<u>\$ 242,610,675</u>

Note: Gains arose from price recovery of inventories and sales of obsolete and slow-moving inventories.

8) OTHER CURRENT ASSETS

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Prepaid expenses	\$ 136,021	\$ 96,870
Overpaid sales tax	517,091	440,885
Prepayments	1,078,916	293,884
Others	<u>167,692</u>	<u>194,187</u>
	<u>\$ 1,899,720</u>	<u>\$ 1,025,826</u>

9) AVAILABLE-FOR-SALE FINANCIAL ASSETS – NON-CURRENT

December 31, 2011							
<u>Investee company</u>	<u>Number of shares (Thousands)</u>	<u>Original cost</u>	<u>Balance</u>	<u>% of ownership</u>	<u>Market value per share (Dollars)</u>	<u>Note</u>	<u>Relationship</u>
Genuine C&C, Inc.	14,405	\$ 165,700	\$ 165,700	16.29%	\$ 10.20	Note	Same chairman
Genesis Photonics Inc.	834	6,815	6,815	0.31%	38.27		None
Alpha & Omega Semiconductor Limited	17	<u>2,294</u>	<u>2,294</u>	-	-	Preferred stock	"
		<u>\$ 174,809</u>	174,809				
Less: valuation adjustment			<u>7,736</u>				
			<u>\$ 182,545</u>				

December 31, 2010							
<u>Investee company</u>	<u>Number of shares (Thousands)</u>	<u>Original cost</u>	<u>Balance</u>	<u>% of ownership</u>	<u>Market value per share (Dollars)</u>	<u>Note</u>	<u>Relationship</u>
Genuine C&C, Inc.	14,405	\$ 165,700	\$ 165,700	15.60%	\$ 9.42		Same chairman
Genesis Photonics Inc.	1,281	<u>12,820</u>	<u>12,820</u>	0.67%	51.30		None
		<u>\$ 178,520</u>	178,520				
Less: valuation adjustment			<u>22,892</u>				
			<u>\$ 201,412</u>				

Note: Genuine C&C, Inc. cancelled the treasury stocks in the fourth quarter of 2011. Accordingly, the percentage of ownership increased from 15.60% to 16.29%.

10) FINANCIAL ASSETS CARRIED AT COST – NON-CURRENT

(1)

	December 31, 2011					
	Number of shares (Thousands)	Original cost (Thousands)	Balance	% of ownership	Market value per share (Dollars)	Notes
<u>Investee company</u>						
AcroSense Technology Co., Ltd.	1,194	\$ 11,941	\$ 11,941	1.74%	\$ 6.92	-
Kingpak Technology Inc.	3,049	35,419	31,779	2.23%	11.73	1,850 thousand shares utilized as payment guarantee
Kingmac Technology Inc.	1,133	23,853	23,853	1.90%	7.81	1,133 thousand shares utilized as payment guarantee
Centillion III Venture Capital Corp.	5,000	50,000	50,000	9.23%	6.93	-
Apollo Electronics Group Ltd.	6,825	47,557	43,730	15.17%	6.41	-
Hou Pang Venture Capital Corp.	1,300	13,000	12,372	2.50%	7.10	-
Promaster Technology Co., Ltd.	4,108	49,605	49,605	12.46%	11.80	-
Everrich Capital Co., Ltd.	895	29,387	29,387	11.82%	26.00	Same chairman with the subsidiary
Fortend Taiwan Scientific Corp.	2,400	24,000	24,000	5.65%	4.57	
Jasper Display Corp.	750	15,000	15,000	3.29%	12.04	-
Bettery Energy Technology, Inc.	1,800	18,000	18,000	6.70%	10.00	
GCS Holdings, Inc.	850	29,192	29,192	2.33%	34.34	
Ability I Venture Capital Corporation	5,000	50,000	50,000	10.00%	10.00	
3CX, Inc.	1,025	31,251	31,251	Note 2	-	-
M Cube Inc.	528	45,560	45,533	Note 3	-	
Phostek Inc.	625	14,377	14,377	Note 3	-	
Others			<u>105,352</u>			-
			585,372			
Less: Accumulated impairment			(<u>144,797</u>)			
			<u>\$ 440,575</u>			

	December 31, 2010					Market value per share (Dollars)	Note
	Number of shares (Thousands)	Original cost (Thousands)	Balance	% of ownership			
<u>Investee company</u>							
AcroSense Technology Co., Ltd.	1,194	\$ 11,941	\$ 11,941	1.74%	10.00	-	
Kingpak Technology Inc.	3,049	35,419	31,779	2.23%	11.88	1,850 thousands share utilized as payment guarantee	
Kingmac Technology Inc.	11,333	23,853	23,853	1.90%	10.12	1,133 thousands share utilized as payment guarantee	
Centillion III Venture Capital Corp.	50,000	50,000	50,000	9.23%	8.04	-	
Apollo Electronics Group Ltd.	6,825	47,557	42,077	15.17%	6.82	-	
Hou Pang Venture Capital Corp.	2,000	20,000	19,034	2.50%	7.74	-	
Promaster Technology Co., Ltd.	4,108	49,605	49,605	12.46%	12.27	-	
BluePacket Communications Co., Ltd.	345	10,005	10,005	3.66%	3.94	Chairman of the subsidiary is a director of the company	
Everrich Capital Co., Ltd.	895	29,387	29,387	11.82%	26.24	Same chairman with the subsidiary	
Jasper Display Corp.	750	15,000	15,000	3.29%	16.55	-	
3CX Inc.	1,025	31,251	31,251	Note 2	-	-	
Others			<u>63,178</u>	-	-	-	
			377,110				
Less: Accumulated impairment			(<u>73,281</u>)				
			<u>\$ 303,829</u>				

Note 1: The impairment of assets is shown in Note 4(15).

Note 2: Including 125,000 shares of common stock, 900,000 shares of preferred stock.

Note 3: Preferred stock.

(2) All the above investee companies were measured at cost since their fair value cannot be measured reliably.

11) LONG-TERM EQUITY INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD (OTHER LIABILITIES)

(1)Details of investments (other liabilities - others)

	December 31, 2011						
	Number of shares (Thousands)	Original cost	Balance	% of ownership	Market value per share (Dollars)	Note	Relationship
<u>Investee company</u>							
Chain Power Technology Corp.	14,820	\$ 116,650	\$ 214,073	39.00%	\$ 14.44		Subsidiary's investee accounted for under the equity method
Yosun Green Technology Corp.	4,500	45,000	38,711	45.00%	8.60		"
Yosun Japan Corp.	5	14,728	13,618	50.00%	2,723.57		"
Eesource Corp.	2,160	23,040	71,151	40.00%	32.94		Subsidiary's and indirect subsidiary's investee accounted for under the equity method
Suzhou Xinning Bonded Warehouse Co., Ltd.	Note 1	31,952	38,391	49.00%	Note 1		Indirect subsidiary's investee accounted for under the equity method
Gain Tune Logistic (Shanghai) Ltd.	"	15,215	17,480	40.00%	"		"
Suzhou Xinning Logistic Ltd.	"	25,744	30,233	29.40%	"		"
			<u>\$ 423,657</u>				

December 31, 2010							
<u>Investee company</u>	<u>Number of shares (Thousands)</u>	<u>Original cost</u>	<u>Balance</u>	<u>% of ownership</u>	<u>Market value per share (Dollars)</u>	<u>Note</u>	<u>Relationship</u>
Chain Power Technology Corp.	14,820	\$ 116,650	\$ 216,233	39.00%	\$ 14.59		Subsidiary's investee accounted for under the equity method
Siltrontech Electronics Corp.	24,551	149,992	206,147	32.22%	14.98		"
Lipers Enterprise Co., Ltd.	7,312	125,747	113,321	25.20%	15.50		"
Sunwise Technology Ltd.	4,000	116,520	126,787	50.00%	31.75		Indirect subsidiary's investee accounted for under the equity method
Yosun Green Technology Corp.	4,500	45,000	43,725	45.00%	9.72		Subsidiary's investee accounted for under the equity method
Yosun Japan Corp.	5	14,728	11,846	50.00%	2,369.20		"
Great Time Electronics Co., Ltd.	1,890	8,037 (	3,503)	30.00%	-	Note 2	Indirect subsidiary's investee accounted for under the equity method
Eesource Corp.	2,160	23,040	85,570	40.00%	39.62		"
Suzhou Xinning Bonded Warehouse Co., Ltd.	Note 1	31,952	36,391	49.00%	-		"
Suzhou Xinning Logistic Ltd.	"	17,915	31,204	29.40%	-		"
Gain Tune Logistic (Shanghai) Ltd.	"	15,215	14,941	40.00%	-		"
Others			<u>4,467</u>				
			<u>\$ 887,129</u>				

Note 1: The investee company is a limited company.

Note 2: It was liquidated in the fourth quarter of 2011.

(2) The investment income was \$42,613 and \$61,957 for the years ended December 31, 2011 and 2010, respectively.

12) OTHER FINANCIAL ASSETS – NON-CURRENT

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Pledged demand deposits	\$ -	\$ 32
Long-term deposits	-	1,728
Overdue receivables	235,174	250,848
Allowance for doubtful accounts	(235,174)	(218,280)
	<u>\$ -</u>	<u>\$ 34,328</u>

Please refer to Note 6 for details of pledged assets.

13) PROPERTY, PLANT AND EQUIPMENT, NET

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>Cost</u>		
Land	\$ 2,469,062	\$ 1,799,553
Buildings	1,533,080	1,283,930
Machinery and equipment	83,549	103,269
Transportation equipment	26,701	29,981
Furniture and fixtures	476,229	575,238
Leasehold improvements	279,644	222,338
Other equipment	132,426	113,011
Prepayments for equipment	<u>2,176</u>	<u>9,402</u>
	<u>5,002,867</u>	<u>4,136,722</u>
<u>Accumulated depreciation</u>		
Buildings	(338,795)	(618,746)
Machinery and equipment	(45,645)	(57,629)
Transportation equipment	(22,308)	(24,458)
Furniture and fixtures	(268,466)	(204,101)
Leasehold improvements	(196,472)	(101,566)
Other equipment	<u>(84,069)</u>	<u>(2,157)</u>
	<u>(955,755)</u>	<u>(1,008,657)</u>
Accumulated impairment	<u>(24,363)</u>	<u>(54,995)</u>
	<u>\$ 4,022,749</u>	<u>\$ 3,073,070</u>

Please refer to Note 6 for details of pledged assets.

14) RENTAL FACILITIES, NET

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>Cost</u>		
Land	\$ 37,167	\$ 41,479
Buildings	<u>106,969</u>	<u>106,238</u>
	144,136	147,717
<u>Accumulated depreciation</u>		
Buildings	(<u>34,901</u>)	(<u>29,483</u>)
	<u>\$ 109,235</u>	<u>\$ 118,234</u>

Please refer to Note 6 for details of pledged assets.

15) IMPAIRMENT LOSS

- (1) Details of impairment loss recognized for the years ended December 31, 2011 and 2010 are set forth below:

	<u>Amount included in statements of income for</u> <u>the years ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Impairment loss - financial assets carried at cost - current	\$ 5,974	\$ -
Impairment loss - financial assets carried at cost - non-current	25,821	9,826
Impairment loss - intangible assets	<u>2,237</u>	<u>-</u>
	<u>\$ 34,032</u>	<u>\$ 9,826</u>

- (2) The above impairment loss pertains to general assets.
(3) The Group recognized an impairment loss on assets since the book value was more than its recoverable amount. The Group used the net fair value as the recoverable amount since this is the best estimate at the balance sheet date.

16) SHORT-TERM LOANS

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Loan for overseas purchases	\$ 11,131,646	\$ 7,461,562
Short-term loans	<u>16,104,211</u>	<u>12,890,792</u>
	<u>\$ 27,235,857</u>	<u>\$ 20,352,354</u>
Annual interest rates	<u>0.70%~2.99%</u>	<u>0.73%~2.22%</u>

17) COMMERCIAL PAPERS PAYABLE

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Commercial paper payable	\$ 3,214,900	\$ 1,965,831
Less: Unamortized discount	(1,608)	(136)
	<u>\$ 3,213,292</u>	<u>\$ 1,965,695</u>
Annual interest rates	<u>0.77%~2.21%</u>	<u>0.40%~1.46%</u>

The commercial papers payable are guaranteed by financial institutions.

18) INCOME TAX

(1) Income tax expense and payable (refundable) are reconciled as follows:

	<u>For the years ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Income tax expense	\$ 1,182,575	\$ 1,086,036
Effect of change in income tax rate	-	(14,112)
	1,182,575	1,071,924
Prepaid income tax	(676,277)	(378,270)
(Under) over provision of prior year's income tax	(80,085)	85,633
Income tax payable of prior years	72,397	(4,559)
Change in deferred income tax	40,152	(39,869)
Change in consolidated entities	9,295	117,802
Others	16,504	(37,477)
Income tax payable - net	<u>\$ 564,561</u>	<u>\$ 815,184</u>
Other receivable - income tax refundable	(\$ 2,400)	(\$ 222)
Income tax payable	<u>566,961</u>	<u>815,406</u>
	<u>\$ 564,561</u>	<u>\$ 815,184</u>

(2) Deferred income tax assets and liabilities as of December 31, 2011 and 2010 are as follows:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Deferred income tax assets - current	\$ 212,763	\$ 212,318
Less: Valuation allowance	(41,547)	(46,385)
	<u>\$ 171,216</u>	<u>\$ 165,933</u>
Deferred income tax liabilities - non-current	\$ 315,893	\$ 74,768
Less: Valuation allowance	(481,222)	(323,539)
	<u>(\$ 165,329)</u>	<u>(\$ 248,771)</u>

(3)The temporary differences and related income tax effect are as follows:

	December 31, 2011	
	<u>Amount</u>	<u>Tax effect</u>
Current items:		
Temporary differences		
Unrealized allowance for inventory		
obsolescence	\$ 545,731	\$ 103,025
Unrealized sales discount	168,925	28,717
Unrealized exchange gain	(13,658)	(1,113)
Bad debts expense	222,136	38,077
Deferred gross gain	3,998	679
Unrealized expense	188,409	34,114
Others	23,504	9,106
Loss carryforwards	932	<u>158</u>
		212,763
Less: Valuation allowance		(<u>41,547</u>)
		<u>\$ 171,216</u>
Non-current items:		
Temporary differences		
Investment income	(\$ 1,263,774)	(\$ 214,842)
Investment loss	270,540	45,992
Impairment loss	20,744	3,526
Reserve for building increment	(140,617)	(23,905)
Amortization differences of intangible assets	(127,733)	(21,077)
Pension cost	96,937	16,479
Cumulative translation adjustments	88,911	15,115
Others	14,356	2,561
Loss carryforwards	1,511,732	490,334
Investment tax credit		<u>1,710</u>
		315,893
Less: Valuation allowance		(<u>481,222</u>)
		<u>(\$ 165,329)</u>

	<u>December 31, 2010</u>	
	<u>Amount</u>	<u>Tax effect</u>
Current items		
Temporary differences		
Unrealized allowance for inventory		
obsolescence	\$ 687,884	\$ 125,575
Unrealized sales discount	70,857	12,046
Unrealized exchange loss	56,426	9,592
Bad debts expense	268,826	46,830
Deferred gross loss	(6,349)	(932)
Others	22,293	10,801
Loss carryforwards	46,002	<u>8,406</u>
		212,318
Less: Valuation allowance		(<u>46,385</u>)
		<u>\$ 165,933</u>
Non-current items:		
Temporary differences		
Investment income	(\$ 1,301,758)	(\$ 221,299)
Investment loss	123,982	21,077
Impairment loss	8,525	838
Difference on amortization of intangible		
asset	(131,306)	(22,322)
Pension cost	91,773	15,601
Others	(118,715)	(20,018)
Loss carryforwards	829,710	<u>300,891</u>
		74,768
Less: Valuation allowance		(<u>323,539</u>)
		<u>(\$ 248,771)</u>

(4) Loss carryforwards of subsidiaries and indirect subsidiaries start to expire from 2015, and the financial year tax credits are due is 2021.

(5) Imputation tax information

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
A. Balance of the imputation tax credit account	<u>\$ 23,757</u>	<u>\$ 81,526</u>
	<u>2011 (Expected)</u>	<u>2010 (Actual)</u>
B. Creditable ratio	<u>7.01%</u>	<u>10.61%</u>

(6) Unappropriated retained earnings

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
On and after January 1, 1998		
-Not yet subjected to 10% additional tax	\$ 5,080,433	\$ 4,964,962
-Subjected to 10% additional tax	<u>171,435</u>	<u>523,446</u>
Total	<u>\$ 5,251,868</u>	<u>\$ 5,488,408</u>

(7) The Taiwan imputation tax system requires that any undistributed current earnings be subject to an additional 10% corporate income tax if the earnings are not distributed in the following year.

(8) As of December 31, 2011, the Company's income tax returns through 2006 have been assessed and approved by the Tax Authority.

19) CURRENT PORTION OF LONG-TERM LOANS

<u>Type</u>	<u>Facility</u>	<u>December 31, 2011</u>	<u>Period</u>	<u>Annual interest rate</u>
Medium to long-term loan (Bank of Taiwan)	\$ 3,000,000 (Note 3)	\$ 1,438,062	2009/12/08~ 2012/12/08	1.46%
Mortgage loan (Chang Hwa Bank)	11,067 (Note 5)	11,067	2007/10/01~ 2022/09/30	1.99%
Medium to long-term loan (Chang Hwa Bank)	2,000 (Note 5)	2,000	2007/10/01~ 2022/09/30	1.99%
Medium to long-term loan (Chang Hwa Bank)	40,000 (Note 6)	40,000	2010/06/18~ 2012/06/18	2.58%
		<u>\$ 1,491,129</u>		

<u>Type</u>	<u>Facility</u>	<u>December 31, 2010</u>	<u>Period</u>	<u>Annual interest rate</u>
Medium to long-term loan (Chinatrust Bank)	\$ 2,600,000 (Note 3)	\$ 2,400,000	2008/09/25~ 2011/09/30	1.17%~1.18%
Pledged loan (Yuanta Bank)	360,000 (Note 4)	360,000	2006/08/07~ 2011/08/07	3.00%
Medium to long-term loan (Hua Nan Bank)	82,850 (Note 1)	5,414	2001/05/22~ 2021/05/22	2.12%
Medium to long-term loan (Chang Hwa Bank)	14,470 (Note 2)	1,076	2004/12/09~ 2020/06/30	2.12%
		<u>\$ 2,766,490</u>		

Note 1: Please refer to Note 4 20), note 3.

Note 2: Please refer to Note 4 20), note 4.

Note 3: Please refer to Note 4 20), note 1.

Note 4: Please refer to Note 4 20), Note 5.

Note 5: Please refer to Note 4 20), Note 8.

Note 6: Please refer to Note 4 20), Note 9.

20) LONG-TERM LOANS

Type	Facility	December 31, 2011	Period	Annual interest rate
Medium to long-term loan (Taiwan Cooperative Bank)	\$ 3,550,000 (Note 1)	\$ 2,600,000	2011/09/30~ 2014/09/30	1.5%
Medium to long-term loan (Bank of Taiwan)	3,000,000 (Note 1)	1,438,062	2009/12/08~ 2012/12/08	1.46%
Medium to long-term loan (E. Sun Bank)	1,800,000 (Note 7)	782,553	2011/03/14~ 2014/03/14	1.29%~1.55%
Mortgage loan (Chang Hwa Bank)	123,733 (Note 8)	123,733	2007/10/01~ 2022/09/30	1.99%
Medium to long-term loan (Chang Hua Bank)	40,000 (Note 9)	40,000	2010/06/18~ 2012/06/18	2.58%
Credit loan (Mega International Commercial Bank and Taipei Fubon Bank)	1,000,000 (Note 6)	484,400	2011/11/29~ 2012/02/29	1.59%~1.67%
		5,468,748		
Less: Current portion of long-term loans		(1,491,129)		
		\$ 3,977,619		

Type	Facility	December 31, 2010	Period	Annual interest rate
Medium to long-term loan (Chinatrust Bank)	\$2,600,000 (Note 1)	\$ 2,400,000	2008/09/25~ 2011/09/30	1.17%~1.18%
Medium to long-term loan (Bank of Taiwan)	3,000,000 (Note 1)	1,383,675	2009/12/08~ 2012/12/08	1.22%
Medium to long-term loan (Hwa Nan Bank)	82,850 (Note 3)	56,390	2001/5/22~ 2021/5/22	2.12%
Medium to long-term loan (Chang Hwa Bank)	14,470 (Note 4)	10,805	2004/12/09~ 2020/06/30	2.12%
Pledged loan (Yuanta Bank)	360,000 (Note 5)	360,000	2006/08/07~ 2011/08/07	3.00%
Credit loan (Mega International Commercial Bank and Taipei Fubon Bank)	1,000,000 (Note 6)	378,690	2010/10/12~ 2011/01/12	1.15%~1.35%
		4,589,560		
Less: Current portion of long-term loans		(2,766,490)		
		\$ 1,823,070		

Note 1: (1) A revolving loan facility for World Peace Industrial Co., Ltd., the Company's subsidiary wherein the principal amount can be renewed after the corresponding interest is paid.

(2) The subsidiary - World Peace Industrial Co., Ltd. is required to maintain certain financial ratios during the contract period.

Note 2: World Peace Industrial Co., Ltd, the Company's subsidiary wherein the principal amount can be renewed after the corresponding interest is paid.

Note 3: Pernas Electronics Co., Ltd., the Company's subsidiary, had entered into a long-term, fully secured, non-revolving loan agreement with a financial institution. The loan has a five-year grace period. Once the grace period expires, the principal should be repaid equal monthly installments.

Note 4: Everwiner Enterprise Co., Ltd., the Company's indirect subsidiary, had entered into a long-term loan agreement with a financial institution. The loan has a two-year grace period. Once the grace period expires, the principal should be repaid in equal monthly installments.

Note 5: Asian Information Technology Inc., the Company's subsidiary, had entered into a long-term loan agreement with a financial institution. The loan is payable in full in one payment on the maturity date in August 2011.

Note 6: Asian Information Technology Inc. and Frontek Technology Corporation, the Company's subsidiary and indirect subsidiary, had entered into a long-term loan agreement with financial institutions on March 4 , 2010. The contract terms were as follows:

(1) Contract term: Within three years from the first drawdown.

(2) The facility is \$1,000,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than \$50,000 or USD1,500,000. If the amount of drawdown was in New Taiwan Dollars, the repayment period could be 60 days, 90 days or 180 days; if the amount of drawdown was in US Dollars, the repayment could be three months or six months.

(3) According to the loan contract, for each drawdown, the maximum repayment term is 180 days and the principal of every drawdown must be repaid in full at the end of the term. If the amount of drawdown was in US Dollars, the repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to acquire foreign exchange approvals and, if any, other required approvals for repayment in US Dollars. For re-utilization of the revolving loan after maturity date, foreign currency transaction approvals or approvals from the banks are submitted to the lead bank, and the lead bank shall notify the related banks which had participated in the syndicated loan.

- (4) According to the contract, Asian Information Technology Inc. and Frontek Technology Corporation are required to maintain certain financial ratios during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value should not be less than \$3,000,000.

Note 7: Richpower Electronic Devices Co., Ltd., the Company's subsidiary, had entered into a long-term loan agreement with financial institutions on August 25, 2010. The terms and conditions of the contract were as follows:

- (1) Contract term: Within three years from the first drawdown.
- (2) The facility is \$1,800,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than \$50,000 or USD1,500,000. If the amount of drawdown was in New Taiwan Dollars, the repayment period could be between 60 days and 180 days or other period agreed by the bank responsible for the revolving loan facility; if the amount of drawdown was in US Dollars, the repayment could be between two months and six months or other period agreed by the bank responsible for the revolving loan facility.
- (3) For each drawdown, the principal of every drawdown must be repaid in full at the end of the term. If the amount of drawdown was in US Dollars, the repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to acquire foreign exchange approvals and, if any, other required approvals for repayment in US Dollars. For re-utilization of the revolving loan after maturity date, foreign transaction approvals or approvals from the banks are submitted to the lead bank. The lead bank shall notify the related banks which had participated in the syndicated loan. If the drawdown is less than 50% of the facility, after nine months from the first drawdown date, the annual fees charged will be 0.15%.
- (4) Richpower Electronic Devices Co., Ltd. is required to maintain certain financial ratios based on the consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value should not be less than \$1,500,000.

Note 8: Lipers Enterprise Co., Ltd., the Company's indirect subsidiary, had entered into a long-term, non-revolving loan agreement with a financial institution. The principal should be repaid in equal monthly installments.

Note 9: Lipers Enterprise Co., Ltd., the Company's indirect subsidiary, had entered into a long-term loan agreement with a financial institution. According to the loan contract, the grace period is one year. Once the grace period expires, the principal should be repaid in equal monthly installments.

21) ACCRUED PENSION LIABILITY

- (1) The Company and certain ROC subsidiaries have a non-contributory and funded defined benefit pension plan in accordance with the “Labor Standards Law”, covering all regular employees before the implementation of the Labor Pension Act on July 1, 2005. Under the defined benefit plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter with a maximum of 45 units. Retirement benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company and certain ROC subsidiaries contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan under the name of the independent retirement fund committee.
- (2) Effective January 1, 2010, the Company and certain subsidiaries have funded defined benefit pension plans in accordance with the “Regulations on pensions of managers”, covering all managers appointed by the Company. Under the defined benefit pension plan, one unit is accrued for each year of service, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the remuneration per unit ratified during the appointed period.
- (3) The related assumptions used to calculate the periodic pension cost are as follows:

	<u>For the years ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Discount rate	1.90%~2.00%	1.75%~2.25%
Rate of compensation increase	1.90%~4.00%	2.00%~4.00%
Expected rate of return on plan assets	1.90%~2.00%	1.75%~2.00%

(4)The reconciliations of the funded status of the accrued pension liability as of December 31, 2011 and 2010 are summarized as follows:

A.

	<u>December 31,</u>	
	<u>2011</u>	<u>2010</u>
Benefit obligation:		
Vested benefit obligation	(\$ 131,254)	(\$ 68,931)
Non-vested benefit obligation	(415,896)	(429,996)
Accumulated benefit obligation	(547,150)	(498,927)
Effect of future salary increments	(224,401)	(229,568)
Projected benefit obligation	(771,551)	(728,495)
Fair value of plan assets	<u>315,587</u>	<u>270,129</u>
Funded status	(455,964)	(458,366)
Unrecognized net transition obligation	22,487	24,709
Unrecognized prior years' service cost	8,952	10,091
Unrecognized net loss	183,834	202,548
Additional liability	(43,130)	(51,239)
Accrued pension liabilities	(283,821)	(272,257)
Accrued pension expenses		
(Amount to be contributed to the Bureau of Labor Insurance in next period)	(5,301)	(9,998)
	<u>(\$ 289,122)</u>	<u>(\$ 282,255)</u>

B. The components of net pension cost for 2011 and 2010 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Service cost	\$ 11,596	\$ 8,739
Interest cost	14,754	9,063
Expected return on plan assets	(5,354)	(4,556)
Amortization of unrecognized loss on plan assets	-	1,142
Unrecognized transition obligation	4,286	2,792
Amortization of prior years' service cost	19,603	23,746
Unrecognized pension loss	<u>7,674</u>	<u>19,742</u>
Net pension cost	<u>\$ 52,559</u>	<u>\$ 60,668</u>

(5)Effective July 1, 2005, in accordance with the Labor Pension Act, the Company and certain ROC subsidiaries adopted a defined contribution pension plan (the "New Plan"). Under the New Plan, employees have the option to choose the New Plan and the Company and certain ROC subsidiaries contribute monthly an amount based on 6% of the employees' monthly

salaries and wages to the employees' individual pension accounts deposited with the Bureau of Labor Insurance. Pensions are paid by monthly installments or in lump sum based on the accumulated balances of the employees' individual pension accounts.

(6) For the years ended December 31, 2011 and 2010, the pension costs of the Company and its subsidiaries were \$351,260 and \$230,770, respectively.

22) SHARE-BASED PAYMENT – EMPLOYEE COMPENSATION PLAN

(1) The Company is a holding company held jointly by World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock. To guarantee employees' welfare, the board of directors and shareholders offered to accept the issued employee stock options of subsidiaries. The common stock of the Company is the target of employee stock options. All employee stock options were exercised by December 31, 2010, therefore, only information for the year ended December 31, 2010 was disclosed.

The exercise price of the Company's stock option plan for employees is determined based on the market price of the Company's shares on issuance date, and by the exchange ratio stipulated with its subsidiaries. The option price is subject to adjustments due to changes in the number of common shares and issuance of cash dividends.

(2) The units and weighted-average exercise price of the stock options for the years ended December 31, 2010 are as follows:

<u>Stock Options</u>	<u>For the year ended December 31, 2010</u>	
	<u>Units</u>	<u>Weighted-average exercise price (in dollars) (Note)</u>
Outstanding at the beginning of the period	675,375	\$ 9.00
Exercised	(603,125)	9.00
Revoked	(72,250)	9.00
Outstanding at the end of year	-	-
Exercisable at the end of year	-	-
Authorized but unissued at the end of year	-	-

Note: The exercise price had been adjusted in accordance with the terms of the option plans.

(3) There is no compensation cost as all stock options have fully vested. As a result, pro forma information on stock options under "fair value method" is not provided.

(4) The details of subsidiary's original stock options are as follows:

World Peace Industrial Co., Ltd.

1) Employee stock options in 2003

a. On October 21, 2003, the board of directors approved a second employee stock option plan to issue 12,000,000 units of options, each unit entitled to purchase one share of common stock. The options must be granted within 12 months following December 19, 2003, the SFB approval date.

- b. The life of the options is 6 years. Options are exercisable 2 years after the grant date in accordance with the rules set forth in the option plan. The Company granted 6,334,000 units and 5,666,000 units on December 25, 2003 and July 16, 2004, respectively.
- 2) Employee stock options in 2004
- a. On December 1, 2004, the board of directors approved a third employee stock option plan to issue 12,000,000 units of options, each unit entitled to purchase one share of common stock. The options must be granted within 12 months following January 5, 2005, the SFB approval date.
- b. The life of the options is 6 years. Options are exercisable 2 years after the grant date in accordance with the rules set forth in the option plan. The Company did not grant any units before the deadline approved by SFB.
- 3) There is no compensation cost as all stock options have fully vested. As a result, pro forma information on stock options under “fair value method” is not provided. The related information of assumptions and result of fair value method are provided below:
- a. Model: The Black-Scholes model

b. Assumptions:

	<u>Stock Warrants issued on July 16, 2004</u>
Dividend yield	0%
Volatility	64.12%
Risk-free interest rate	2.28%
Expected life of the options	6 years
Exercise price (in dollars)	\$27.10
Amortization period	2~4 years

c. Result of evaluation:

	<u>Stock Warrants issued on July 16, 2004</u>
Weighted average fair value of options granted to employees	\$16.18 (in dollars)

23) CAPITAL RESERVE

- (1) In accordance with the Business Mergers and Acquisitions Law, any undistributed retained earnings of a company acquired through a share exchange is absorbed by the acquiring company and recorded as capital surplus. Such capital surplus is not covered by the restrictions provided in Article 241(1) of the Company Law. Since the capital surplus did not result from the operations of the acquiring company, it shall not be used for directors' and employees' bonuses. As of December 31, 2011, the capital reserve which pertains to undistributed earnings of World Peace Industrial Co., Ltd and Silicon Application Corporation amounted to \$2,569.
- (2) The R.O.C. Company Law requires that the capital reserve be exclusively used to offset accumulated deficit or increase capital or in whole or in part by distributing cash to its

original shareholder's in proportion to the number of shares being held, and shall not be used for any other purpose. The capital reserve is used to offset accumulated deficit only when the legal reserve and special reserve are not sufficient. Only capital reserve from paid-in capital in excess of par value and donations can be used to increase capital and the total amount is limited to 10% of outstanding capital each year.

- (3) Pursuant to a resolution approved in the stockholders' meeting on June 22, 2011, the Company approved to distribute \$653,883 cash dividend from the capital reserve which pertains to undistributed earnings of Yosun Industrial Corp. according to the Business Mergers and Acquisitions Law. The total undistributed earnings (net of legal reserve) was \$733,856 (recorded as "capital reserve-common stock share premium").

24) LEGAL RESERVE, SPECIAL RESERVE AND UNDISTRIBUTED EARNINGS

- (1) As stipulated in the Company's Articles of Incorporation, the Company should set aside a certain amount as special reserve if necessary, and the remaining current year's earnings, if any, shall be distributed in the following order:

A. Directors' and supervisors' remuneration: up to 3% of the earnings;

B. 0.01% ~ 5% of the earnings is appropriated as employees' bonuses; and

C. The remaining earnings may be declared as dividends. At least 20% of the total dividends shall be in the form of cash dividends.

Employees of the Company's subsidiaries are entitled to receive the distribution of earnings. The terms shall be defined by the Board of Directors.

- (2) Legal reserve can only be used to cover accumulated losses or issue new shares or cash to shareholders in proportion to their share ownership, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

- (3) Details of unallocated net income are set forth as follows:

A. Pursuant to a resolution approved in the stockholders' meeting on June 21, 2010, the Company made the following appropriations of 2009 net income:

a) Legal reserve of \$347,265;

b) Special reserve of \$305,983; and

c) Dividends of \$3,399,577, consisting of cash dividends of \$1,789,251 and stock dividends of \$1,610,326 or a dividend of \$3.8 (in dollars) per share.

The abovementioned appropriations were the same with that approved by the Board of Directors.

B. Pursuant to a resolution approved in the stockholders' meeting on June 22, 2011, the Company made the following appropriations of 2010 net income:

a) Legal reserve of \$496,496;

b) Special reserve of \$2,422,906; and

c) Cash dividends of \$2,397,571 or a dividend of \$1.65 (in dollars) per share.

The abovementioned appropriations were the same with that approved by the Board of Directors.

- C. With regard to the appropriations of 2009 net income, employees' bonuses and directors' and supervisors' remuneration, as approved by the Board of Directors and stockholders in 2010, amounted to \$20,000 and \$27,000, respectively. The amounts approved during the stockholders' meeting were consistent with the amounts charged against earnings in 2009.
- D. With regard to the appropriations of 2010 net income, employees' bonuses and directors' and supervisors' remuneration, as approved by the Board of Directors and stockholders in 2011, amounted to \$35,000 and \$33,000, respectively. The amounts approved during the stockholders' meeting were consistent with the amounts charged against earnings in 2010.
- E. The employees' bonuses are \$41,000 and \$35,000 and directors' and supervisors' remuneration are \$36,000 and \$20,000 for the years ended December 31, 2011 and 2010, respectively. The estimated employees' bonus and directors' and supervisors' remuneration are based on a certain percentage (prescribed by the Company's Articles of Incorporation) of net income in current year after taking into account the legal reserve and other factors.
- F. The distribution information mentioned in A~D will be posted in the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

25) EARNINGS PER SHARE

	For the year ended December 31, 2011				
	Amount		Weighted-average number of outstanding common shares (In thousands of shares)	Earnings per share (in dollars)	
	Before income tax	After income tax		Before income tax	After income tax
Basic earnings per share:					
Net income of common stockholders	\$6,263,008	\$5,080,433	1,583,850	\$ 3.95	\$ 3.21
Dilutive effect:					
Employees' bonus	-	-	1,363		
Diluted earnings per share:					
Net income of common stockholders	<u>\$6,263,008</u>	<u>\$5,080,433</u>	<u>1,585,213</u>	<u>\$ 3.95</u>	<u>\$ 3.20</u>

	For the year ended December 31, 2010				
	Amount		Weighted-average number of outstanding common shares (In thousands of shares) (Note)	Earnings per share (in dollars)	
	Before income tax	After income tax		Before income tax	After income tax
Basic earnings per share:					
Net income of common stockholders	\$6,036,886	\$4,964,962	1,206,495	\$ 5.00	\$ 4.12
Dilutive effect:					
Employees' bonus	-	-	829		
Stock options	-	-	316		
Diluted earnings per share:					
Net income of common stockholders	<u>\$6,036,886</u>	<u>\$4,964,962</u>	<u>1,207,640</u>	<u>\$ 5.00</u>	<u>\$ 4.11</u>

Note: Weighted-average number of outstanding common shares had been retroactively adjusted as a result of stock dividends approved during the stockholders' meeting.

Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include the estimated shares that would increase from employees' stock bonus issuance in the computation of the weighted-average number of common shares outstanding during the reporting period, taking into account the dilutive effects of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting period that include the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting period. Since capitalization of employees' bonus no longer belongs to distribution of stock dividends, the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.

26) PERSONNEL EXPENSES, DEPRECIATION AND AMORTIZATION

	For the years ended December 31,	
	2011	2010
Personnel expenses		
Salaries	\$ 6,279,372	\$ 5,080,581
Labor and medical insurances	293,848	194,918
Pension	351,260	230,770
Others	272,404	150,037
	<u>\$ 7,196,884</u>	<u>\$ 5,656,306</u>
Depreciation (including rental facilities and idle assets)	\$ 219,084	\$ 166,891
Amortization	78,960	65,209
	<u>\$ 298,044</u>	<u>\$ 232,100</u>

5. RELATED PARTY TRANSACTIONS AND BALANCES

1) Names of the related parties and their relationship with the Company

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Genuine C&C, Inc. (Genuine)	Same chairman
Chain Power Technology Corp. (Chain Power)	Subsidiary accounted for under the equity method

2) Significant related party transactions

(1)Sales

	<u>For the years ended December 31,</u>			
	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Percentage of consolidated net sales</u>	<u>Amount</u>	<u>Percentage of consolidated net sales</u>
Others	<u>\$ 208,560</u>	<u>-</u>	<u>\$ 122,819</u>	<u>-</u>

The terms and sales prices of the subsidiary – World Peace Industrial Co., Ltd. with its related parties were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 30 to 75 days. The other subsidiaries deal with its related parties using general terms and sales prices.

(2)The Company and certain subsidiaries donated \$3,350 and \$30,000 to WPG Education Foundation during 2011 and 2010, respectively.

(3)Information of key management (including directors, supervisors, general manager and vice general managers)

	<u>2011</u>	<u>2010</u>
Salary (Note A)	\$ 47,324	\$ 40,363
Bonus (Note B)	51,373	29,992
Distribution of earnings (Note C)	<u>56,500</u>	<u>46,650</u>
	<u>\$ 155,197</u>	<u>\$ 117,005</u>

A. Including wages, special responsibility allowances, pensions, severance pay, various bonuses, rewards, etc.

B. Including all kinds of incentives.

C. Pertains to the Company's estimated directors' and supervisors' remuneration and employees' bonus.

D. For more information, please refer to the Company's annual report.

3) Related party transactions in excess of \$100,000 of significant subsidiaries (transactions with subsidiaries were eliminated when preparing consolidated financial statements)

(1) The related party transactions in excess of \$100,000 of the significant subsidiary - World Peace Industrial Co., Ltd. (“WPI”) were as follows:

A. Names of the related parties and their relationship with the company for the related party transactions in excess of \$100,000

<u>Names of related parties</u>	<u>Relationship with World Peace Industrial Co., Ltd.</u>
WPG Holdings Limited (WPGH)	Parent company
Pernas Electronics Co., Ltd. (Pernas)	Same parent company
Silicon Application Corporation (SAC)	"
Asian Information Technology Inc. (AIT)	"
WPI International (HK) Limited (WPI- Int’l (HK))	Indirect subsidiary
Gain Tune Ltd. (GT)	"
WPI Investment Holding (BVI) Company Ltd. (WPI (BVI) -H)	"
World Peace International (South Asia) Pte Ltd. (World Peace (S))	"
Long View Technology Inc. (Long View)	"
World Peace International (China) Limited (World Peace (China))	"
Genuine C&C (South Asia) Pte., Ltd. (GCC (SA))	"
WPI International Trading (Shanghai) Ltd. (WPI Int’l - SH)	"
WPG Americas Inc. (WPG Americas)	Same ultimate parent company
Frontek Technology Corporation (Frontek)	"
WPG Electronics (HK) Limited (WPG EL (HK))	"
WPG China (SZ) Inc. (WPG China (SZ))	"
Genuine C&C Inc. (Genuine)	Same chairman with WPI

B. Significant related party transactions in excess of \$100,000

a. Sales

	For the years ended December 31,			
	2011		2010	
	Amount	Percentage of net sales of subsidiary	Amount	Percentage of net sales of subsidiary
WPI Int'l (HK)	\$ 6,610,195	10	\$ 4,336,129	7
World Peace (China)	900,898	1	224,633	-
GT	735,116	1	717,544	1
World Peace (S)	142,457	-	622,550	1
Genuine	126,505	-	89,137	-
SAC	103,622	-	25,102	-
WPG China (SZ)	13,743	-	290,239	1
AIT	-	-	127,499	-
	<u>\$ 8,632,536</u>	<u>12</u>	<u>\$ 6,432,833</u>	<u>10</u>

The terms and sales prices were negotiated in consideration of factors including product, cost, market, competition and other conditions. The collection period for related parties was 30 to 75 days.

b. Purchases

	For the years ended December 31,			
	2011		2010	
	Amount	Percentage of net purchases of subsidiary	Amount	Percentage of net purchases of subsidiary
WPI Int'l (HK)	\$ 1,985,382	3	\$ 2,630,126	4
GT	474,898	1	1,037,577	2
Long View	415,791	1	230,508	-
Frontek	275,581	-	355,829	1
World Peace (S)	173,482	-	220,556	-
	<u>\$ 3,325,134</u>	<u>5</u>	<u>\$ 4,474,596</u>	<u>7</u>

The purchase terms and prices were negotiated in consideration of factors including product, cost, market, competition and other conditions. The payment period for related parties was 30 to 75 days.

c. Management fee (Recorded as selling expenses and administrative expense)

	For the years ended December 31,			
	2011		2010	
	Amount	Percentage of management fee of subsidiary	Amount	Percentage of management fee of subsidiary
WPGH	\$ 160,953	42	\$ 187,298	43
WPG EL (HK)	103,606	27	103,735	24
	<u>\$ 264,559</u>	<u>69</u>	<u>\$ 291,033</u>	<u>67</u>

d. Accounts receivable

	December 31,			
	2011		2010	
	Amount	Percentage of accounts receivable of subsidiary	Amount	Percentage of accounts receivable of subsidiary
WPI Int'l (HK)	\$ 1,200,153	10	\$ 565,152	5
GT	102,621	1	122,806	1
WPG China (SZ)	1,733	-	186,247	2
	<u>\$ 1,304,507</u>	<u>11</u>	<u>\$ 874,205</u>	<u>8</u>

e. Other receivables - financing activities

	For the year ended December 31, 2011				
	Maximum balance	Ending balance	Interest rate	Interest income	Interest receivable
WPG Americas	\$ 151,375	\$ -	1.95%~ 2.30%	\$ 2,611	\$ -

	For the year ended December 31, 2010				
	Maximum balance	Ending balance	Interest rate	Interest income	Interest receivable
WPGH	\$ 460,000	\$ -	1.40%~ 1.45%	\$ 5,713	\$ -
WPI (BVI)-H	352,880	-	1.40%	1,016	-
Pernas	280,000	-	1.65%~ 1.80%	3,824	-
World Peace	257,200	-	1.40%~ 1.60%	921	-
WPG Americas	160,750	145,650	1.70%~ 1.95%	2,776	355
	<u>\$ 1,510,830</u>	<u>\$ 145,650</u>		<u>\$ 14,250</u>	<u>\$ 355</u>

f. Accounts payable

	December 31,			
	2011		2010	
	Amount	Percentage of accounts payable of subsidiary	Amount	Percentage of accounts payable of subsidiary
WPI Int'l (HK)	\$ 145,245	3	\$ 139,765	3

g. Other payables (payment arising from filing consolidated income tax returns under the consolidated income tax return system and receipts under custody)

	December 31,			
	2011		2010	
	Amount	Percentage of accounts payable of subsidiary	Amount	Percentage of accounts payable of subsidiary
WPGH	\$ 88,334	17	\$ 130,746	13

h. Commitments

World Peace Industrial Co., Ltd. has provided guarantees relating to the credit lines of certain subsidiaries as shown below:

	December 31,			
	2011		2010	
	(in thousands of dollars)		(in thousands of dollars)	
GCC(SA)	USD	22,000	USD	22,000
WPI Int'l - SH	USD	12,425	USD	9,425

i. Property transactions

In the fourth quarter of 2010, the Company sold 100% of its shares in WPG Investment Co., Ltd. to its parent company - WPG Holdings Limited in the amount of \$194,996. Since this transaction is a result of group restructuring, the difference between the sales price and the book value of \$209,147 was recognized as capital reserve. As of December 31, 2010, the sales price has been received.

(2)The related party transactions in excess of \$100,000 of the significant subsidiary – Silicon Application Corporation were as follows:

A. Names of the related parties and their relationship with the company for the related party transactions in excess of \$100,000

Names of related parties	Relationship with Silicon Application Corporation
WPG Holdings Limited (WPGH)	Parent company
World Peace Industrial Co., Ltd. (WPI)	Same parent company
WPG Electronics (HK) Limited (WPG EL (HK))	Affiliated company
Everwiner Enterprise Co., Ltd. (EE)	"
Silicon Application (BVI) Corp. (SAC (BVI))	Subsidiary
Win-Win Electronics Corp. (WINWIN)	"
Silicon Application Company Limited (SACL)	Indirect subsidiary

B. Significant related party transactions in excess of \$100,000

a. Sales

	For the years ended December 31,			
	2011		2010	
	Amount	Percentage of net sales of subsidiary	Amount	Percentage of net sales of subsidiary
WPG EL (HK)	\$ 918,331	6	\$ 510,976	3
WINWIN	53,138	-	102,202	1
	<u>\$ 971,469</u>	<u>6</u>	<u>\$ 613,178</u>	<u>4</u>

The term and sales prices were the same with third parties, except WINWIN.

b. Purchases

	For the years ended December 31,			
	2011		2010	
	Amount	Percentage of net purchases of subsidiary	Amount	Percentage of net purchases of subsidiary
SACL	\$ 320,533	2	\$ 129,940	1
WPI	103,744	1	25,245	-
	<u>\$ 424,277</u>	<u>3</u>	<u>\$ 155,185</u>	<u>1</u>

The term and purchase prices were negotiated with the related party.

c. Accounts receivable

	December 31, 2011		December 31, 2010	
	Amount	Percentage of accounts receivable of subsidiary	Amount	Percentage of accounts receivable of subsidiary
	WPG EL (HK)	\$ 307,568	8	\$ 180,614	6
WINWIN	55,795	2	107,312	4
	<u>\$ 363,363</u>	<u>10</u>	<u>\$ 287,926</u>	<u>10</u>

d. Other receivables - Financing activities

	For the year ended December 31, 2011				
	Maximum balance	Ending balance	Interest rate	Interest income	Interest receivable
WPGH	\$ 300,000	\$ -	1.45%	\$ 2,233	\$ -
EE	150,000	-	1.55%	338	-
	<u>\$ 450,000</u>	<u>\$ -</u>		<u>\$ 2,571</u>	<u>\$ -</u>

	For the year ended December 31, 2010				
	Maximum balance	Ending balance	Interest rate	Interest income	Interest receivable
WPGH	\$ 300,000	\$ 300,000	1.45%~ 1.50%	\$ 4,484	\$ 107
EE	150,000	150,000	1.55%~ 1.80%	2,123	1,102

\$ 450,000 \$ 450,000 \$ 6,607 \$ 1,209

e. Other payables - Financing activities

	For the year ended December 31, 2011				
	Maximum balance	Ending balance	Interest rate	Interest expense	Interest payable
SAC (BVI)	<u>\$ 302,750</u>	<u>\$ 287,613</u>	1.00%~1.50%	<u>\$ 2,813</u>	<u>\$ 625</u>
	For the year ended December 31, 2010				
	Maximum balance	Ending balance	Interest rate	Interest expense	Interest payable
SAC (BVI)	<u>\$ 320,500</u>	<u>\$ 291,300</u>	1.10%~1.35%	<u>\$ 1,804</u>	<u>\$ 1,690</u>

f. Commitments

Silicon Application Corporation has provided guarantees relating to the credit lines and purchase transactions of subsidiary as shown below:

	December 31, 2011 (in thousands of dollars)	December 31, 2010 (in thousands of dollars)
SACL	<u>USD 52,000</u>	<u>USD 52,000</u>

(3) The related party transactions in excess of \$100,000 of the significant subsidiary – Yosun Industrial Corp. were as follows:

A. Names of the related parties and their relationship with the company for the related party transactions in excess of \$100,000

Names of related parties	Relationship with Yosun Industrial Corp. Subsidiary
Sertek Incorporated (Sertek)	Subsidiary
Yosun Hong Kong Corp. Ltd. (Yosun-H.K.)	Indirect subsidiary
Yosun Singapore Pte Ltd. (Yosun Singapore)	"
Sertek Limited (Sertek-H.K.)	"
Sunwise Technology Ltd. (Sunwise)	"
Giatek Corp. Ltd. (Giatek)	"

B. Significant related party transactions in excess of \$100,000

Effective November 15, 2010, the Company acquired 100% equity of Yosun Industrial Corp. by exchanging shares of common stock. The Company disclosed the related party transactions only for the year ended December 31, 2011 since the Company identified Yosun Industrial Corp. as a significant subsidiary in the third quarter of 2011.

a. Sales

	For the year ended December 31, 2011	
	Amount	Percentage of net sales of subsidiary
Yosun-H.K.	\$ 3,626,288	10
Sertek-H.K.	1,283,254	3
Sertek	536,314	2
Sunwise	174,115	-
Yosun Singapore	108,874	-
	<u>\$ 5,728,845</u>	<u>15</u>

The terms and sales prices were based on cost plus as a determined gross profit. The collection period was the same with third parties.

b. Purchases

	For the year ended December 31, 2011	
	Amount	Percentage of net purchases of subsidiary
Yosun-H.K.	\$ 1,329,744	4
Sertek	204,061	1
Yosun (Singapore)	192,566	-
	<u>\$ 1,726,371</u>	<u>5</u>

The term and purchase prices were based on cost plus as a determined gross profit. The payment period was the same with third parties.

c. Management fee

Yosun paid management fee of \$113,755 to WPG Holdings Limited for management services provided by WPG Holdings Limited. The term and management fees were negotiated with WPG Holdings Limited and the payment period was at the end of the following month.

d. Accounts receivable

	December 31, 2011	
	Amount	Percentage of accounts receivable of subsidiary
Yosun-H.K.	\$ 1,934,727	36

e. Commitments

Yosun has provided guarantees relating to the credit lines of certain subsidiaries as shown below:

	December 31, 2011 <u>(in thousands of dollars)</u>	
Yosun-H.K.	USD	18,101
	\$	270,000
Yosun (Singapore)	USD	14,000
	\$	120,000
Sertek	USD	40,000
	\$	50,000
Giatek	USD	36,970
	HKD	16,000
Sunwise	USD	2,500
	HKD	40,000

(4)The related party transactions in excess of \$100,000 for the significant subsidiary - WPI (BVI)-H are shown in Note 5 3) (1) B e.

6. PLEDGED ASSETS

As of December 31, 2011 and 2010, the details of pledged assets were as follows:

<u>Assets (Note 1)</u>	<u>December 31, 2011</u>	<u>Purpose of Collateral</u>
Other financial assets - current		
-Bank deposits	\$ 663,729	Short-term loans, import loans, security for purchases, guarantee for customs and factoring
-Time deposits	2,146,069	Short-term loans, import loan, security for import, guarantee for customs, deposits for litigation, oil card and factoring
Financial assets carried at cost - non-current (Note 2)	28,615	Security for purchases
Land (including rental facilities)	1,112,629	Long-term and short-term loans, import loans and trust of real estate transaction
Buildings (including rental facilities)	<u>684,902</u>	"
	<u>\$ 4,635,944</u>	

<u>Assets (Note 1)</u>	<u>December 31, 2010</u>	<u>Purpose of Collateral</u>
Other financial assets - current		
-Bank deposits	\$ 453,086	Short-term loans (including current portion of long-term loans), import loans, security for purchases, guarantee for customs, deposits for litigation, and factoring of accounts receivable
-Time deposits	3,212,315	Short-term loans (including current portion of long-term loans), import loans, security for purchases, guarantee for customs, and factoring of accounts receivable
-Repurchase commercial papers	48,104	Guarantee for commercial papers payable
Financial assets carried at cost - non-current (Note 2)	30,700	Security for purchases
Other financial assets - non-current		
-Bank deposit for repayment	32	Long-term loans
Land (including rental facilities)	429,192	Long-term and short-term loans, import loans and security for import
Buildings (including rental facilities)	<u>471,049</u>	"
	<u>\$ 5,597,665</u>	

Note 1: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases as of December 31, 2011.

Note 2: There are 1,850 thousand shares and 1,133 thousand shares of Kingpak Technology Inc. and Kingmac Technology Inc., respectively, which have been pledged for purchases as of December 31, 2011 and 2010, respectively.

7. COMMITMENTS AND CONTINGENT LIABILITIES

In addition to Notes 4 5) (3) ~ (4), other commitments were as follows:

- 1) As of December 31, 2011, the Group has future rental and future software maintenance expense commitments which were discounted at 1.355%, the one-year time deposit interest rate given by Bank of Taiwan, as follows:

<u>Payment Period</u>	<u>Amount</u>
2012~2016	\$ 325,209
2017 (The present value of \$95)	<u>105</u>
	<u>\$ 325,314</u>

- 2) As of December 31, 2011, the subsidiaries have letters of credit issued but not negotiated amounting to \$1,072,069, USD53,819 thousand, and HKD6,234 thousand for purchases.
- 3) As of December 31, 2011, the Group has computer software purchase contract commitments of \$2,678.

- 4) The Board of Directors of the Company approved to invest in the fund of Ability I Venture Capital Corporation under the limit of \$80,000. As of December 31, 2011, the Company had paid \$40,000 which was booked as “financial assets carried at cost - non-current”.
- 5) The Board of Directors of a subsidiary of the Company, WPG Investment Co., Ltd, approved to invest in the fund of Ability I Venture Capital Corporation under the limit of \$20,000. As of December 31, 2011, the subsidiary had paid \$10,000 which was booked as “financial assets carried at cost - non-current”.
- 6) In 2007, COMTREND CORPORATION filed with the court for execution of a provisional seizure of \$13,236 in bank deposits of Pernas Electronics Co., Ltd., a subsidiary of the Company, alleging that the goods of Pernas Electronics Co., Ltd. sold in 2006 did not work. In July 2007, Pernas Electronics Co., Ltd. offered a counter guarantee to rescind the provisional seizure. In August 2007, COMTREND CORPORATION filed for a provisional seizure of \$6,671 in bank deposits of Pernas Electronics Co., Ltd. for the second time. Again, Pernas Electronics Co., Ltd. offered a counter guarantee to rescind the provisional seizure in October 2007. In October 2008, Taiwan Banciao District Court rendered a judgment to rescind the provisional seizure filed in August 2007 by COMTREND CORPORATION. The Taiwan Taipei District Court rendered a judgement that Pernas Electronics Co., Ltd. needed to pay \$20,901, interests with 5% annual interest rate and litigation fees of \$548. Pernas Electronics Co., Ltd. had filed an appeal with the Taiwan High Court, but the litigation is still pending as of the report date.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENT

None.

10. OTHERS

1) Financial statement presentation

Certain accounts in the 2010 consolidated financial statements were reclassified to conform with the 2011 consolidated financial statement presentation.

2) Fair values of the financial instruments:

Financial instruments	December 31, 2011			December 31, 2010		
	Book value	Fair value		Book value	Fair value	
		Quotations in an active market	Estimated value		Quotations in an active market	Estimated value
Non-derivative financial instruments						
Assets:						
Financial assets with book value equal to fair value	\$ 61,442,973	\$ -	\$ 61,442,973	\$ 53,177,850	\$ -	\$ 53,177,850
Financial assets at fair value through profit or loss	133,598	133,598	-	130,957	130,957	-
Available-for-sale financial assets - current	19,442	19,442	-	31,647	31,647	-
Available-for-sale financial assets - non-current	182,545	182,545	-	201,412	201,412	-
Financial assets carried at cost - current	12,871	-	-	9,647	-	-
Financial assets carried at cost - non-current	440,575	-	-	303,829	-	-
Held-to-maturity financial assets - non-current	5,000	-	5,000	5,000	-	5,000
Other financial assets - non-current	-	-	-	34,328	-	34,328
Deposits-out	495,242	-	495,242	212,976	-	212,976
Liabilities:						
Financial liabilities with book value equal to fair value	64,620,256	-	64,620,256	53,484,885	-	53,484,885
Deposits-in (recorded as "other liabilities - others")	3,949	-	3,949	3,858	-	3,858
Long-term interest-bearing liabilities (including current portion)	5,468,748	-	5,468,748	4,589,560	-	4,589,560

<u>Financial instruments</u>	<u>December 31, 2011</u>			<u>December 31, 2010</u>		
	<u>Book value</u>	<u>Fair value</u>		<u>Book value</u>	<u>Fair value</u>	
		<u>Quotations in an</u>	<u>Estimated value</u>		<u>Quotations in an</u>	<u>Estimated value</u>
<u>Non-derivative financial instruments</u>		<u>active market</u>			<u>active market</u>	
Assets:						
Financial assets at fair value through profit or loss - Forward currency contracts and forward exchange contracts	\$ 928	\$ -	\$ 928	\$ 23,494	\$ -	\$ 23,494
Liabilities:						
Financial liabilities at fair value through profit or loss - Forward currency contracts and forward exchange contracts	1,346	-	1,346	1,232	-	1,232

The related assumptions regarding the fair value of financial instruments are as follows:

- (1) For short-term instruments, the fair values were determined based on their carrying values because of the short maturities of the instruments. This method was applied to cash, notes and accounts receivable (including related parties), other receivables (excluding income tax refundable), other financial assets - current, short-term loans, commercial papers payable, notes and accounts payable, accrued expenses, other payables and other current liabilities.
 - (2) The fair values of listed stocks and open-end mutual funds which were recognized as financial assets at fair value through profit or loss are based on the quotations in the active market, which are the latest quoted closing prices or the net asset value at the balance sheet date.
 - (3) The fair values of available-for-sale financial assets are based on the quotations in the active market, which are the latest quoted closing prices at the balance sheet date.
 - (4) The fair value of held-to-maturity financial assets is based on book value since the discount rate of present value has no significant effect. The book value is approximate to the present value.
 - (5) Other financial assets - non-current include overdue receivables and pledged time deposits. The book value is approximate to the fair value.
 - (6) The fair values of deposits-out and deposits-in are based on book values, which approximate fair value.
 - (7) As floating interest rates are adopted for most of the long-term loans, their fair value is based on their book value.
 - (8) The fair values of derivative financial instruments which include unrealized gains or losses on unsettled contracts were determined based upon the amounts to be received or paid assuming that the contracts were settled as of the reporting date. The information on fair values were provided by financial institutions.
- 3) As of December 31, 2011 and 2010, the financial assets with fair value risk due to the change of interest rate amounted to \$2,913,280 and \$4,683,651, respectively, and the financial liabilities are \$19,687,000 and \$11,484,307, respectively, financial assets with cash flow risk due to the change of interest rate amounted to \$261,402 and \$57,019, respectively, and the financial liabilities are \$16,230,897 and \$15,424,871, respectively.

- 4) The Group recognized the adjustment in equity from available-for-sale financial assets amounting to \$24,004 and (\$10,343), and the amount removed from equity and recognized in profit or loss was \$51,236 and \$58,222 for the years ended December 31, 2011 and 2010, respectively.
- 5) Strategies of financial risk control and hedging
 - (1) Being a holding company, the Company uses the following procedures to implement financial risk management for its subsidiaries effectively and efficiently:
 - A. Subsidiaries shall establish risk management strategies for the identified risks, including currency risk, interest rate risk and credit risk, and report them to management.
 - B. Subsidiaries shall write a report on the results of their hedging activities and submit it to the board of directors on a monthly basis.
 - C. The Company's internal audit department shall review subsidiaries' controls over derivative product transactions regularly, and report on their appropriateness to the board of directors.
 - D. According to the "Process of acquisition and disposal of assets" of the Company, the Group could only enter into derivative transaction contracts which fulfill financial hedging purpose.
 - (2) Strategies of financial risk control and hedging of subsidiaries
 - A. Adopt the total risk management and control system in order to identify all risks of the subsidiary (including market risk, credit risk, liquidity risk, and cash flow risk), and help management to control and evaluate these risks effectively.
 - B. The purpose of market risk management is to manage all the market risks taking into consideration the economic environment, competition, and market value risk.
 - C. The subsidiaries' hedging strategy is to concentrate on market value and cash flow risks.
 - D. To decrease the fair value from currency exchange rate volatility, the subsidiaries entered into forward foreign currency contracts and currencies swap to avoid fluctuations in exchange rates.
- 6) Information of material financial risk
 - (1) Investment in equity-type financial instruments: Includes financial assets at fair value through profit or loss, available-for-sale financial assets, and financial assets carried at cost.

A. Market risk

Investments by the Group in equity-type financial instruments are affected by changes in market prices. However, the Group can monitor market-induced changes and establish stop-loss points when appropriate, so anticipated market risk is low. Equity-type financial instruments without active market are not affected by market price, therefore, there is no market risk.

B. Credit risk

As long as the Group places transaction orders with centralized exchanges and over-the-counter trading centers, or trades with trading counterparties whose credit ratings are good, the trading counterparty is not expected to default, so the probability of credit risk is low.

C. Liquidity risk

The Group anticipates that investments in equity-type financial instruments with active market will be sold at a price similar to fair value; where there is no active market, there is liquidity risk.

D. Cash flow risk of interest changes

Investments by the Group in equity-type financial instruments do not belong to interest products, so there is no cash flow risk of interest changes.

- (2) Receivables: Includes notes receivable, accounts receivable (including related parties), and other receivables (including related parties).

A. Market risk

The receivables of the Group are due within a year, so anticipated market risk is low.

B. Credit risk

The debtors of the Group have good credit ratings, so anticipated credit risk is low.

C. Liquidity risk

The receivables of the Group are due within a year, so anticipated liquidity risk is low.

D. Cash flow risk of interest changes

The receivables of the Group are due within a year, so anticipated cash flow risk of interest change is low.

- (3) Loans: Includes short-term loans, commercial papers payable and long-term loans (including current portion of long-term loans)

A. Market risk

The fair value of certain loans with fixed-rate are short-term loans, so anticipated market risk is low.

B. Credit risk

No credit risk.

C. Liquidity risk

The operating capital of subsidiaries is sufficient for its working capital, so anticipated liquidity risk is low.

D. Cash flow risk of interest changes

For those loans with floating interest rate, the interest of financial instruments changes following the market interest, so the cash flow in the future will change.

(4) Derivative instruments

Please refer to Notes 4 2) and 11 2) (10) for details of derivative instruments transaction. Related risks are as follows:

A. Market risk

The subsidiaries entered into derivative financial instruments contracts in order to hedge the risk of foreign exchange losses. The market risk as a result of currency fluctuation is offset by the exchange gains or losses from the assets or liabilities being hedged.

B. Credit risk

All derivative financial instruments were purchased from reputable international financial institutions. Thus, the risk is low for these financial institutions to default on the contract.

C. Liquidity risk

The operating capital of subsidiaries is sufficient for its working capital, so anticipated current risk is low.

D. Cash flow risk of interest changes

Investments by subsidiaries in financial instruments do not belong to interest products, so there is no cash flow risk of interest changes.

(5) Exchange rate

Certain transactions of the Group involve non-functional currency which are exposed to exchange rate fluctuation. The information of foreign currency denominated financial assets and liabilities which are significantly affected by exchange rate fluctuation is as follows:

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	Foreign currency		Foreign currency	
	amount	Exchange	amount	Exchange
	<u>(In thousands)</u>	<u>rate</u>	<u>(In thousands)</u>	<u>rate</u>
Foreign currency: Functional currency				
<u>Financial Assets</u>				
<u>Monetary items</u>				
USD:TWD	\$ 599,984	30.28	\$ 704,666	29.13
USD:HKD	104,299	7.77	69,435	7.77
USD:KRW	5,072	1,150.77	510	1,112.68
USD:JPY	9,344	77.51	-	-
RMB:HKD	214,273	1.23	172,147	1.19
RMB:USD	89,654	0.16	99,759	0.15
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD:TWD	583,047	30.28	574,719	29.13
USD:HKD	171,504	7.77	133,308	7.77
USD:KRW	4,555	1,150.77	5,851	1,112.68
RMB:HKD	27,674	1.23	43,809	1.19

7) Business combination

1. The Group conducted business mergers and acquisitions as follows:

- (1) To integrate the electronic component distribution industry and enhance the Group's competitiveness, WPI International (Hong Kong) Ltd., the indirect subsidiary of the Company, entered into a share purchase contract with AIO Components Company Ltd. to acquire all outstanding shares of AIO Components Company Ltd. and was accounted for by the purchase method. According to the contract, effective date of acquisition is July 1, 2010.
- (2) The Company issued 397,025 thousand shares to acquire all outstanding shares of Yosun Industrial Corp. through share swap on November 15, 2010. The transaction was recognized using purchase method accounting. The difference amount between fair value of net assets and purchase price was recorded as goodwill, totaling \$4,191,461.
- (3) The Company controls more than 50% of the members of Sunwise Technology Ltd.'s ("Sunwise") board of directors' through indirect subsidiary-Yosun Hong Kong Corp. Ltd. ("Yosun-H.K."), as a result of the re-election of Sunwise's board members. Accordingly, the Company has control over Sunwise. In addition, Yosun HK purchased 50% ownership of Sunwise from other shareholders on March 15, 2011. The difference

amount between fair value of net assets and purchase price was recorded as goodwill, totaling \$28,366.

- (4) To integrate the electronic component distribution industry and enhance the Group's competitiveness, the Company will absorb Aeco Technology Co., Ltd. through share swap on March 1, 2012, as approved by the Board of Directors on October 4, 2011. The share swap ratio is set to be one share of Aeco Technology Co., Ltd. for 0.455 share of the Company.
2. The business activities of each subsidiary were as follows:
 - A. AIO Components Company Ltd.: sales of electronic / electrical components.
 - B. Yosun Industrial Corp.: please refer to Note 11. 2) (1).
 - C. Sunwise Technology Ltd.: sales of electronic / electrical components.
3. Pro forma supplemental information were as follows:
 - A. Effective July 1, 2010, the operating results of AIO Components Company Ltd. was included in the consolidated statement of income of WPG Holdings Limited, and pro forma supplemental information was prepared under the assumption that the Company had acquired AIO Components Company Ltd. since January 1, 2010.
 - B. Effective November 15, 2010, the operating results of Yosun Industrial Corp. was included in the consolidated statement of income of WPG Holdings Limited, and pro forma supplemental information was prepared under the assumption that the Company had acquired Yosun Industrial Corp. since January 1, 2010.
 - C. Effective January 1, 2011, the operating results of Sunwise Technology Ltd. was included in the consolidated statement of income of WPG Holdings Limited, and pro forma supplemental information was prepared under the assumption that the Company had acquired Sunwise Technology Ltd. since January 1, 2010. Pro forma consolidated statement of income for the year ended December 31, 2010 is as follows:

WPG HOLDINGS LIMITED
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

	For the year ended December 31, 2010	
Operating revenues		
Sales revenue	\$ 381,786,139	
Commission revenue	<u>115,213</u>	
Total operating revenues	381,901,352	
Operating costs		
Cost of goods sold	(362,302,845)	
Gross profit	19,598,507	
Operating expenses	(12,199,349)	
Operating income	7,399,158	
Non-operating income	591,103	
Non-operating expenses	(1,030,760)	
Income before income tax	6,959,501	
Income tax expense	(1,214,724)	
Consolidated net income	<u>\$ 5,744,777</u>	
Attributable to:		
Equity holders of the Company	\$ 5,715,697	
Minority interest	<u>29,080</u>	
	<u>\$ 5,744,777</u>	
	<u>Before tax</u>	<u>After tax</u>
Basic earnings per share (In dollars)		
(Note)		
Net income from operations	\$ 4.40	\$ 3.63
Minority interest	(0.02)	(0.02)
Net income	<u>\$ 4.38</u>	<u>\$ 3.61</u>
Diluted earnings per share (In dollars)		
(Note)		
Net income from operations	\$ 4.40	\$ 3.63
Minority interest	(0.02)	(0.02)
Net income	<u>\$ 4.38</u>	<u>\$ 3.61</u>

Note: Earnings per share has been retroactively adjusted using stock dividend ratio approved in the 2011 stockholders' meeting.

8) Condensed balance sheet and statements of income of significant subsidiary

(1) World Peace Industrial Co., Ltd.

World Peace Industrial Co., Ltd.

Condensed Balance Sheets

December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Stockholder's Equity</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 18,460,427	\$ 17,720,385	Current liabilities	\$ 13,547,292	\$ 14,062,198
Funds and long- term investments	9,734,016	7,567,780	Long-term liabilities	2,600,000	1,383,675
Property, plant and equipment, net	728,338	747,053	Other liabilities	<u>170,245</u>	<u>166,004</u>
Intangible assets			Total liabilities	<u>16,317,537</u>	<u>15,611,877</u>
and other assets	<u>101,953</u>	<u>86,402</u>			
			Common stock	6,290,000	5,096,000
			Capital reserve	3,600,274	3,168,216
			Retained earnings	3,684,579	3,749,543
			Other adjustments in stockholder's equity	(867,656)	(1,504,016)
			Total stockholder's equity	<u>12,707,197</u>	<u>10,509,743</u>
Total assets	<u>\$ 29,024,734</u>	<u>\$ 26,121,620</u>	Total liabilities and stockholder's equity	<u>\$ 29,024,734</u>	<u>\$ 26,121,620</u>

World Peace Industrial Co., Ltd.

Condensed Statements of Income

For The Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue	\$ 65,891,114	\$ 65,708,657
Operating costs	(63,124,938)	(62,611,561)
Unrealized intercompany loss	1,990	11,420
Realized intercompany (loss) gain	(11,420)	<u>1,072</u>
Gross profit	2,756,746	3,109,588
Operating expenses	(1,573,739)	(1,780,041)
Operating income	1,183,007	1,329,547
Non-operating income	1,583,677	1,759,743
Non-operating expenses	(195,614)	(152,448)
Income before income tax	2,571,070	2,936,842
Income tax expense	(181,634)	(201,941)
Net income	<u>\$ 2,389,436</u>	<u>\$ 2,734,901</u>

(2) Silicon Application Corporation

Silicon Application Corporation

Condensed Balance Sheets

December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Stockholder's Equity</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 5,867,132	\$ 5,754,383	Current liabilities	\$ 4,673,715	\$ 4,505,616
Funds and long-term investments	2,338,434	1,959,265	Other liabilities	63,996	64,037
Property, plant and equipment, net	250,468	253,928	Total liabilities	4,737,711	4,569,653
Intangible assets and other assets	5,461	5,176	Common stock	2,300,000	2,050,000
			Capital reserve	566,857	566,857
			Retained earnings	1,107,026	1,179,288
			Other adjustments to stockholder's equity	(250,099)	(393,046)
			Total stockholder's equity	3,723,784	3,403,099
Total assets	\$ 8,461,495	\$ 7,972,752	Total liabilities and stockholder's equity	\$ 8,461,495	\$ 7,972,752

Silicon Application Corporation

Condensed Statements of Income

For The Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue	\$ 16,472,174	\$ 16,235,985
Operating costs	(15,482,242)	(15,232,580)
Gross profit	989,932	1,003,405
Operating expenses	(668,184)	(688,747)
Operating income	301,748	314,658
Non-operating income	449,944	589,126
Non-operating expenses	(67,373)	(60,611)
Income before income tax	684,319	843,173
Income tax expense	(50,425)	(58,555)
Net income	\$ 633,894	\$ 784,618

(3) Yosun Industrial Corp.

Effective November 15, 2010, the Company acquired 100% equity of Yosun Industrial Corp. by exchanging shares of common stock. The Company has disclosed the condensed balance sheet as of December 31, 2011 and the related condensed statement of income for the year then ended since the Company identified Yosun Industrial Corp. as a significant subsidiary since the third quarter of 2011.

<u>Yosun Industrial Corp.</u>			
<u>Condensed Balance Sheet</u>			
<u>December 31, 2011</u>			
<u>Assets</u>	<u>2011</u>	<u>Liabilities and Stockholder's Equity</u>	<u>2011</u>
Current assets	\$ 10,237,000	Current liabilities	\$ 7,875,645
Funds and long-term investments	5,693,468	Other liabilities	175,517
Property, plant and equipment, net	660,853	Total liabilities	8,051,162
Intangible assets and other assets	<u>2,673</u>	Common stock	4,161,692
		Capital reserve	2,570,900
		Retained earnings	1,944,287
		Other adjustments to stockholder's equity	(134,047)
		Total stockholder's equity	8,542,832
Total assets	<u>\$ 16,593,994</u>	Total liabilities and stockholder's equity	<u>\$ 16,593,994</u>

Yosun Industrial Corp.
Condensed Statement of Income
For The Year Ended December 31, 2011

	<u>2011</u>
Operating revenue	\$ 36,283,303
Operating costs	(34,435,910)
Gross profit	1,847,393
Operating expenses	(1,015,294)
Operating income	832,099
Non-operating income	639,003
Non-operating expenses	(170,788)
Income before income tax	1,300,314
Income tax expense	(144,403)
Net income	<u>\$ 1,155,911</u>

(4) WPI Investment Holdings (BVI) Company Ltd.

WPI Investment Holdings (BVI) Company Ltd.

Condensed Balance Sheets

December 31, 2011 and 2010

Unit: USD thousand

<u>Assets</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 461	\$ 220	<u>Stockholder's Equity</u>	<u>\$ 8</u>	<u>\$ 122</u>
Funds and long-term investments	218,839	168,786	Current liabilities	85,169	85,577
			Common stock	3,755	-
			Capital reserve	129,608	82,773
			Retained earnings	760	534
			Other adjustments to stockholder's equity	219,292	168,884
			Total stockholder's equity	<u>219,300</u>	<u>\$ 169,006</u>
Total assets	<u>\$ 219,300</u>	<u>\$ 169,006</u>	Total liabilities and stockholder's equity	<u>\$ 219,300</u>	<u>\$ 169,006</u>

WPI Investment Holdings (BVI) Company Ltd.

Condensed Statements of Income

For The Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue	\$ 46,850	\$ 45,631
Operating costs	-	-
Gross profit	46,850	45,631
Operating expenses	(15)	(5)
Operating income	46,835	45,626
Non-operating income	-	-
Non-operating expenses	-	(32)
Income before income tax	46,835	45,594
Income tax expense	-	-
Net income	<u>\$ 46,835</u>	<u>\$ 45,594</u>

11. DISCLOSURE INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

1) Related information of significant transactions

The disclosure information of the investee companies was based on their audited financial statements and the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. All the disclosure information is for reference only.

(1) Financing activities to any company or person for the year ended December 31, 2011: None.

(2) Guarantee information for the year ended December 31, 2011:

Number	Guarantor	Party being guaranteed		Limit on guarantee provided for such party	Maximum outstanding guarantee balance for the year ended December 31, 2011	Outstanding guarantee amount at December 31, 2011	Amount of guarantee secured with collateral	Ratio of accumulated guarantee amount to net value of the company	Ceiling on total amount of guarantees provided	Note
		Name	Relationship with the Company							
0	WPG Holdings Limited	Richpower Technology Co., Ltd.	Note 1	\$ 18,556,418	\$ 350,000	\$ 350,000	None	0.94	\$ 18,556,418	Note 2
0	WPG Holdings Limited	WPG Korea Co., Ltd.	Note 1	"	\$ 60,550	\$ 60,550	None	0.16	"	Note 2
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	"	\$ 119,313	\$ 90,529	\$ 90,529	0.24	"	Notes 2 and 3

Note 1: The Company directly owns over 50% of the shares of the subsidiary.

Note 2: The limit to a single company should not exceed 50% of the Company's stockholder's equity. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 3: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases for World Peace Industrial Co., Ltd. The book value of those pledged investments is \$90,529.

(3) Marketable securities held by the Company at December 31, 2011:

Name of investor	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company	General ledger accounts	December 31, 2011				Note
					Number of shares (in thousands)	Book value	Percentage of ownership	Market value (in dollars)	
WPG Holdings Limited	Equity securities	World Peace Industrial Co., Ltd.	A subsidiary	Long-term equity investments accounted for under the equity method	629,000	\$ 12,705,823	100	\$ 20.20	Note 1
"	"	Asian Information Technology Inc.	"	"	253,822	3,868,123	100	15.24	"
"	"	Silicon Application Corporation	"	"	230,000	3,723,784	100	16.19	"
"	"	Richpower Electronic Devices Co., Ltd.	"	"	85,000	2,027,213	100	23.85	"
"	"	Pernas Electronics Co., Ltd.	"	"	60,000	906,215	100	14.83	"
"	"	WPG Electronics Ltd.	"	"	3,780	41,704	100	11.03	"
"	"	WPG Korea Co., Ltd.	"	"	769	161,303	100	209.76	"

Name of investor	Name and type of marketable securities				December 31, 2011				
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company	General ledger accounts	Number of shares (in thousands)	Book value	Percentage of ownership	Market value (in dollars)	Note
WPG Holdings Limited	Equity securities	WPG International (CI) Limited	A subsidiary	Long-term equity investments accounted for under the equity method	57,016	\$ 1,190,224	100	\$ 20.88	Note 1
"	"	Yosun Industrial Corp.	"	"	416,169	13,536,735	100	20.53	"
"	"	WPG Investment Co., Ltd.	"	"	34,200	344,050	100	10.06	Notes 1 and 2
"	"	Ability I Venture Capital Corporation	None	Financial assets carried at cost – non current	4,000	40,000	8	9.94	Note 1

Note 1: Without market value, it is stated at net value per stock.

Note 2: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases of World Peace Industrial Co., Ltd.

(4) Marketable securities acquired or sold during the year ended December 31, 2011 in excess of \$100,000 or over 20% of capital:

Acquirer / seller	Name of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal			December 31, 2011		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Disposal gain/(loss)	Number of shares (in thousands)	Amount (Note 3)
WPG Holdings Limited	WPG Investment Co., Ltd.	Note 1	WPG Investment Co., Ltd.	NA	15,973,000	\$ 209,350	15,000,000	\$ 134,700 (Note 3)	-	\$ -	\$ -	-	34,200,000	\$ 344,050 (Note 2)
"	WPG International (CI) Limited	"	WPG International (CI) Limited	NA	41,608,170	1,339,300	15,408,066	(149,076) (Note 4)	-	-	-	-	57,016,236	1,190,224

Note 1: Recorded as long-term investments accounted for under the equity method.

Note 2: Including stock dividends of 3,227,000 shares.

Note 3: The Company invested \$150,000 and recognized investment loss and cash dividends amounting to \$15,300.

Note 4: The Company invested \$445,593 and recognized investment loss, effect of change in ownership percentage of investee company and cumulative translation adjustments amounting to \$594,669.

(5) Acquired real estate in excess of \$100,000 or over 20% of capital:

Property acquired by	Property acquired	Date of transaction	Transaction amount	Status of payment	Counterparty	Relationship with the Company	If the counterparty is a related party, information as to the last transaction of the property is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of properties and status of the properties	Other commitments
							Original owner who sold the property to the counterparty	Relationship of the original owner with the Company	Date of the original transaction	Amount			
WPG Holdings Limited	Warehouse (buildings)	2011.11.29	\$ 191,031	\$ 36,071	Enlight Corporation	NA	NA	NA	NA	NA	Appraisal report	Rent to subsidiaries as warehouse	Note
"	Warehouse (Land)	2011.11.29	\$ 533,666	\$ 92,626	"	"	"	"	"	"	"	"	"

Note: The buyer and the seller entrust a Trustee, and the payment will be paid in accordance with the payment schedule of contract.

(6) Disposal of real estate in excess of \$100,000 or over 20% of capital: None.

(7) Related party purchases or sales transactions in excess of \$100,000 or over 20% of capital:

Purchaser / seller	Name of transaction parties	Relationship	Transaction terms			Credit terms	Unit price	Credit period	Description of and reasons for difference in transaction terms company to non - related party transactions		Accounts or notes receivable (payable)		Remarks
			Purchases (sales)	Amount (in thousands)	Percentage of total purchases (sales)				Balance (in thousands)	Percentage of total accounts or notes receivable (payable)			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	A Subsidiary	Service revenue	\$ 160,953	37	Note	Note	Note		\$ 13,618	26	NA	
"	Yosun Industrial Corp.	"	"	113,755	26	"	"	"		19,907	38	NA	

Note: The Company provides related parties administrative resources and management services. The sales terms and prices were negotiated between the related parties.

(8) Receivable from related parties in excess of \$100,000 or over 20% of capital:

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties (Note)			Overdue receivables		Subsequent collections (in thousands)	Allowance for doubtful accounts provided
			(in thousands)	Turnover rate	Amount	Action adopted for overdue accounts			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	A Subsidiary	Accounts receivable	\$ 13,618	8.05	\$ -	-	\$ 13,618	\$ -
"	"	"	Other receivables	\$ 88,334	NA	\$ -	-	\$ -	\$ -

(9) Information on derivative transactions: None.

2) Disclosure information of investee companies

The disclosure information of the investee companies was based on their audited financial statements and the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. All the disclosure information is for reference only.

(1) Information of investee company:

Name of investor	Name of investee company	Region	Main activities	Original investment		Held as of December 31, 2011			Income (loss) of the investee company (in thousands)	Investment income (loss) recognized by the Company (Note 1) (in thousands)	Note
				Balance as of December 31, 2011	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Book value			
				(in thousands)	(in thousands)			(in thousands)			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic /electrical components	\$ 9,041,829	\$ 9,041,829	629,000,000	100.00	\$ 12,705,823	\$ 2,389,436	\$ 2,388,062	Note 4
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic /electrical components	3,563,464	3,563,464	253,822,467	100.00	3,868,123	518,726	518,726	Note 4
WPG Holdings Limited	Silicon Application Corporation	Taiwan	Sales of electronic /electrical components	2,758,458	2,758,458	230,000,000	100.00	3,723,784	633,894	633,894	Note 4
WPG Holdings Limited	Richpower Electronic Devices Co., Ltd.	Taiwan	Sales of electronic /electrical components	1,820,882	1,820,882	85,000,000	100.00	2,027,213	302,174	302,174	Note 4
WPG Holdings Limited	Pernas Electronics Co., Ltd.	Taiwan	Sales of electronic /electrical components	318,473	318,473	60,000,000	100.00	906,215	239,353	238,987	Note 4
WPG Holdings Limited	WPG Electronics Ltd.	Taiwan	Sales of electronic /electrical components	14,735	14,735	3,780,000	100.00	41,704	1,559	1,559	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic /electrical components	125,566	125,566	769,164	100.00	161,303	15,271	15,271	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	1,782,958	1,337,365	57,016,236	100.00	1,190,224 (	237,821) (	237,821)	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	12,939,060	12,939,060	416,169,249	100.00	13,536,735	1,155,911	1,146,554	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	344,997	194,996	34,200,000	100.00	344,050 (	14,834) (	14,834)	Note 4
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,833,198	2,845,232	85,169,066	100.00	6,643,864	1,376,801	-	Notes 2 and 5

Name of investor	Name of investee company	Region	Main activities	Original investment		Held as of December 31, 2011				Investment income (loss) recognized by the Company (Note 1) (in thousands)	Note
				Balance as of December 31, 2011	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Book value	Income (loss) of the investee company (in thousands)		
				(in thousands)	(in thousands)						
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	British Virgin Islands	Holding company	\$ 1,132,162	\$ 1,132,162	34,196,393	100.00	\$ 2,322,277	\$ 48,987	\$ -	Notes 2 and 5
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic /electrical components	364,290	364,290	20,020,000	100.00	395,120	75,197	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	Chain Power Technology Corp.	Taiwan	Sales of electronic /electrical components	116,650	116,650	14,820,382	39.00	214,073	61,569	-	Notes 2 and 3
Asian Information Technology Inc.	Frontek Technology Corporation	Taiwan	Sales of electronic /electrical components	1,515,256	1,515,256	191,790,352	100.00	2,249,293	308,289	-	Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Sales of electronic /electrical components	280,312	467,720	44,872,169	100.00	613,651	79,259	-	Notes 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Sales of electronic /electrical components	479,112	479,112	38,470,846	100.00	395,570	15,525	-	Notes 2 and 5
Asian Information Technology Inc.	AITG Holding Corp.	Mauritius	Investment company	USD 2,702	USD 5,954	2,701,790	100.00	88,987	6,859	-	Notes 2 and 5
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	Investment company	USD 4,703	USD 4,703	4,703,107	100.00	187,521	9,072	-	Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Sales of electronic /electrical components	40,000	40,000	4,000,000	100.00	17,962	(12,981)	-	Notes 2 and 5
Adivic Technology Co., Ltd.	Advance Digital Communication Co., Ltd.	U.S.A.	Sales of electronic components	USD 11	USD 11	75,000	100.00	USD 11	-	-	Notes 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	Investment company	USD 2,970	USD 2,970	2,970,000	100.00	\$ 106,277	801	-	Notes 2 and 5
Frontek Technology Corporation	Jarek International Corp.	Samoa	Investment company	USD 250	USD 2,250	250,000	100.00	12,059	(12,009)	-	Notes 2 and 5

Name of investor	Name of investee company	Region	Main activities	Original investment		Held as of December 31, 2011				Investment income (loss) recognized by the Company (Note 1) (in thousands)	Note		
				Balance as of December 31, 2011		Number of shares	Percentage of ownership	Book value	Income (loss) of the investee company (in thousands)				
				(in thousands)	(in thousands)								
Silicon Application Corp.	Silicon Application (BVI) Corp.	British Virgin Islands	Investment company	USD	22,000	USD	22,000	22,000,000	100.00	\$ 2,203,330	\$ 344,559	\$ -	Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	Investment company	USD	740	USD	740	765,000	100.00	30,982	7	-	Notes 2 and 5
Silicon Application Corp.	Win-Win Electronics Corp.	Taiwan	Sales of computer software and electronic products	\$	10,000	\$	10,000	1,000,000	100.00	10,590	124	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Import and export trading of electronic components		343,959		242,531	28,000,000	100.00	774,268	222,161	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	Investment company	USD	1,000	USD	1,000	1,000,000	100.00	4,907	8,903	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components		284,899		284,899	63,000,000	100.00	792,393	94,059	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Taiwan	Sales of electronic components		401,247		401,247	24,300,000	100.00	400,554	55,921	-	Notes 2 and 5
Mec Technology Co., Ltd.	Mec Technology Co., Limited	Hong Kong	Sales of electronic components		1,092		1,092	25,000	100.00	8,576	(1,967)	-	Notes 2 and 5
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components		1,988		1,988	10,000	100.00	167,350	22,976	-	Notes 2 and 5
Yosun Industrial Corp.	SUNTOP INVESTMENTS LTD.	Cayman Islands	Investment company		1,812,188		1,812,188	50,700,000	100.00	3,464,015	343,544	-	Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of electronic components		1,616,722		1,616,722	94,828,100	100.00	1,665,632	261,841	-	Notes 2 and 5
Yosun Industrial Corp.	Suntek Investments Ltd.	Taiwan	Investment company		70,000		70,000	26,000,000	100.00	317,810	(1,779)	-	Notes 2 and 5
Yosun Industrial Corp.	Yosun Green Technology Corp.	Taiwan	Sales of electronic components		45,000		45,000	4,500,000	45.00	38,711	(11,178)	-	Notes 2 and 3

Name of investor	Name of investee company	Region	Main activities	Original investment		Held as of December 31, 2011				Investment income (loss) recognized by the Company (Note 1) (in thousands)	Note
				Balance as of December 31, 2011	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Book value	Income (loss) of the investee company (in thousands)		
				(in thousands)	(in thousands)						
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic components	\$ 14,728	\$ 14,728	5,000	50.00	\$ 13,618	\$ 1,248	\$ -	Notes 2 and 3
Yosun Industrial Corp.	Lipers Enterprise Co., Ltd.	Taiwan	Sales of electronic components	188,261	125,747	13,049,456	28.37	179,775	38,967	-	Notes 2 and 5
Suntek Investments Ltd.	Eesource Corp.	Taiwan	Sales of electronic components	11,520	11,520	1,080,000	20.00	35,576	64,580	-	Notes 2 and 3
Suntek Investments Ltd.	Siltrontech Electronics Corp.	Taiwan	Sales of electronic components	149,992	149,992	24,551,450	32.22	200,487	(28,191)	-	Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic components	83,494	83,494	19,500,000	100.00	242,108	51,598	-	Notes 2 and 5
Sertek Incorporated	Digital Computer System Co., Ltd.	Taiwan	Sales of electronic components	14,800	14,800	12,495	100.00	12,500	(163)	-	Notes 2 and 5
Siltrontech Electronics Corp.	Lipers Enterprise Co., Ltd.	Taiwan	Sales of electronic components	161,613	161,613	20,990,554	45.64	262,416	35,467	-	Notes 2 and 5
Siltrontech Electronics Corp.	SILTRONTECH ELECTRONICS (HK) CORP., LIMITED	Hong Kong	Import and export trading of electronic components	19,714	16,828	4,690,000	100.00	18,724	(431)	-	Notes 2 and 5
Lipers Enterprise Co., Ltd.	Scope Technology Co., Ltd.	Taiwan	Wholesale and retail sales of electronic components	288,947	144,500	28,894,700	100.00	343,183	33,212	-	Notes 2 and 5
Lipers Enterprise Co., Ltd.	Lipers (Hong Kong) Enterprise Co., Ltd.	Hong Kong	Wholesale and retail sales of electronic components	HKD 30,232	HKD 30,232	30,232,000	100.00	(17,428)	(17,827)	-	Notes 2 and 5
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Inc.	Taiwan	Wholesale and retail sales of electronic components	138,892	138,892	15,000,000	100.00	152,812	8,354	-	Notes 2 and 5
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Co., Ltd.	British Virgin Islands	Wholesale and retail sales of electronic components	USD 4,056	USD 4,056	50,000	100.00	173,992	24,524	-	Notes 2 and 5

Name of investor	Name of investee company	Region	Main activities	Original investment		Held as of December 31, 2011				Investment income (loss) recognized by the Company (Note 1) (in thousands)	Note
				Balance as of December 31, 2011	Balance as of December 31, 2010	Number of shares	Percentage of ownership	Book value	Income (loss) of the investee company		
				(in thousands)	(in thousands)						
Lipers Enterprise Co., Ltd.	Hatsushiba Tech Co., Ltd.	Taiwan	Wholesale and retail sales of electronic components	\$ 11,000	\$ -	1,100,000	55	\$ 6,788	(\$ 6,938)	\$ -	Notes 2 and 5
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of electronic components	11,520	11,520	1,080,000	20.00	35,576	64,580	-	Notes 2 and 3
WPG Investment Co., Ltd.	Hatsushiba Tech Co., Ltd.	Taiwan	Wholesale and retail sales of electronic components	7,260	-	600,000	30.00	6,239	(6,938)	-	Notes 2 and 3

(Note 1): Investment income (loss) recognized by the Company including realized (unrealized) gain or loss from upstream, sidestream intercompany transactions and amortization of investment discount (premium).

(Note 2): Investment income (loss) recognized by each subsidiary.

(Note 3): An investee company accounted for under the equity method by subsidiary.

(Note 4): A subsidiary.

(Note 5): An indirect subsidiary.

(2) Financing activities to any company or person:

Number	Creditor	Borrower	General ledger accounts	Maximum	Outstanding	Annual interest rate	Purpose	Amount of transactions with borrowers	Reason for financing	Allowance for	Collateral placed		Limit on financing	Ceiling of the	Note
				balance during the year (in thousands)	balance at December 31, 2011 (in thousands)					doubtful accounts provided	Item	Amount	activities for such party (in thousands)	financing activities provided to all party (in thousands)	
1	World Peace Industrial Co., Ltd.	WPG Americas Inc.	Other receivables - related parties	\$ 151,375	\$ -	1.95%~2.30%	Working capital	\$ -	Operation	\$ -	None	None	\$ 1,270,720	\$ 5,082,879	(Outstanding balance of loan: \$0) Notes 1 and 7
1	World Peace Industrial Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	250,000	-	-	Working capital	-	Operation	\$ -	None	None	1,207,720	5,082,879	(Outstanding balance of loan: \$0) Note 1
2	Gain Tune Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	832,563	832,563	0.70%~0.90%	Working capital	-	Operation	\$ -	None	None	936,618	936,618	(Outstanding balance of loan: \$832,563) Note 2
3	World Peace International (South Asia) Pte Ltd.	Genuine C & C (South Asia) Pte., Ltd.	Other receivables - related parties	333,025	333,025	1.35%~1.64%	Working capital	-	Operation	\$ -	None	None	333,025	3,915,920	(Outstanding balance of loan: \$0) Note 3
3	World Peace International (South Asia) Pte Ltd.	World Peace International Pte., Ltd.	Other receivables - related parties	605,500	302,750	1.35%~1.64%	Working capital	-	Operation	\$ -	None	None	302,750	3,915,920	(Outstanding balance of loan: \$130,183) Note 3
3	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	Other receivables - related parties	999,075	999,075	1.95%~2.38%	Working capital	-	Operation	\$ -	None	None	999,075	3,915,920	(Outstanding balance of loan: \$393,575) Notes 3 and 7
3	World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn Bhd	Other receivables - related parties	181,650	60,550	-	Working capital	-	Operation	\$ -	None	None	60,550	3,915,920	(Outstanding balance of loan: \$0) Note 3
3	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Other receivables - related parties	181,650	60,550	-	Working capital	-	Operation	\$ -	None	None	60,550	3,915,920	(Outstanding balance of loan: \$0) Note3
3	World Peace International (South Asia) Pte Ltd.	Da & Da Electronics Pte. Ltd.	Other receivables - related parties	151,375	151,375	1.48%~1.64%	Working capital	-	Operation	\$ -	None	None	151,375	3,915,920	(Outstanding balance of loan: \$18,165) Note 3
3	World Peace International (South Asia) Pte Ltd.	Yosun Singapore Pte. Ltd.	Other receivables - related parties	151,375	151,375	1.64%	Working capital	-	Operation	\$ -	None	None	151,375	3,915,920	(Outstanding balance of loan: \$0) Note 3
4	World Peace International Pte., Ltd.	Genuine C&C (South Asia) Pte. Ltd.	Other receivables - related parties	151,375	151,375	1.35%~1.64%	Working capital	-	Operation	\$ -	None	None	151,375	2,029,545	(Outstanding balance of loan: \$0) Note 3
4	World Peace International Pte., Ltd.	WPG Americas Inc.	Other receivables - related parties	908,250	151,375	-	Working capital	-	Operation	\$ -	None	None	151,375	2,029,545	(Outstanding balance of loan: \$0) Notes 3 and 7

Number	Creditor	Borrower	General ledger accounts	Maximum	Outstanding	Annual interest rate	Purpose	Amount of transactions with borrowers	Reason for financing	Allowance for	Collateral placed		Limit on financing	Ceiling of the	Note
				balance during the year (in thousands)	balance at December 31, 2011 (in thousands)					doubtful accounts provided	Item	Amount	activities for such party (in thousands)	financing activities provided to all party (in thousands)	
4	World Peace International Pte., Ltd.	World Peace International (South Asia) Pte. Ltd.	Other receivables - related parties	302,750	151,375	-	Working capital	-	Operation	\$ -	None	None	151,375	2,029,545	(Outstanding balance of loan: \$0) Note 3
4	World Peace International Pte., Ltd.	Da & Da Electronics Pte. Ltd.	Other receivables - related parties	\$ 151,375	\$ 151,375	-	Working capital	\$ -	Operation	\$ -	None	None	\$ 151,375	\$ 2,029,545	(Outstanding balance of loan: \$0) Note 3
4	World Peace International Pte., Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Other receivables - related parties	30,275	15,138	-	Working capital	-	Operation	\$ -	None	None	15,138	2,029,545	(Outstanding balance of loan: \$0) Note 3
4	World Peace International Pte., Ltd.	WPG C&C (Malaysia) SDN BHD	Other receivables - related parties	90,825	30,275	-	Working capital	-	Operation	\$ -	None	None	30,275	2,029,545	(Outstanding balance of loan: \$0) Note 3
4	World Peace International Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Other receivables - related parties	105,963	60,550	-	Working capital	-	Operation	\$ -	None	None	60,550	2,029,545	(Outstanding balance of loan: \$0) Note 3
5	WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	Other receivables - related parties	140,364	140,364	3.00%~4.20%	Working capital	-	Operation	\$ -	None	None	147,258	147,258	(Outstanding balance of loan: \$140,355) Note 12
5	WPI International Trading (Shenzhen) Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	48,070	-	-	Working capital	-	Operation	\$ -	None	None	147,258	147,258	(Outstanding balance of loan: \$0) Note 12
6	World Peace Industrial (Hong Kong) Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	60,550	60,550	0.70%	Working capital	-	Operation	\$ -	None	None	68,361	68,361	(Outstanding balance of loan: \$60,550) Note 12
6	World Peace Industrial (Hong Kong) Limited	Gain Tune Ltd.	Other receivables - related parties	60,550	-	0.80%	Working capital	-	Operation	\$ -	None	None	68,361	68,361	(Outstanding balance of loan: \$0) Note 12
7	WPI Investment Holding (BVI) Company Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	12,110	12,110	0.70%	Working capital	-	Operation	\$ -	None	None	2,655,632	6,639,096	(Outstanding balance of loan: \$12,110) Note 12
8	World Peace International (BVI) Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	59,036	59,036	0.70%	Working capital	-	Operation	\$ -	None	None	928,565	2,321,396	(Outstanding balance of loan: \$0) Note 12
9	Genuine C&C (South Asia) Pte., Ltd.	World Peace International Pte Ltd.	Other receivables - related parties	30,275	15,138	-	Working capital	-	Operation	\$ -	None	None	15,138	416,160	(Outstanding balance of loan: \$0) Note 3
9	Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Malaysia) SDN BHD	Other receivables - related parties	30,275	15,138	-	Working capital	-	Operation	\$ -	None	None	15,138	416,160	(Outstanding balance of loan: \$0) Note 3

Number	Creditor	Borrower	General ledger accounts	Maximum	Outstanding	Annual interest rate	Purpose	Amount of transactions with borrowers	Reason for financing	Allowance for	Collateral placed		Limit on financing	Ceiling of the	Note
				balance during the year	balance at December 31, 2011					doubtful accounts provided	Item	Amount	activities for such party (in thousands)	financing activities provided to all party (in thousands)	
				(in thousands)	(in thousands)					\$					
9	Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Other receivables - related parties	15,138	15,138	-	Working capital	-	Operation	\$ -	None	None	15,138	416,160	(Outstanding balance of loan: \$0) Note 3
10	Genuine C&C (IndoChina) Pte., Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	\$ 24,220	\$ 15,138	1.35%~1.64%	Working capital	\$ -	Operation	\$ -	None	None	\$ 15,138	32,243	(Outstanding balance of loan: \$13,624) Note 3
11	World Peace International (China) Limited	World Peace International Pte Ltd.	Other receivables - related parties	151,375	30,275	-	Working capital	-	Operation	\$ -	None	None	30,275	497,600	(Outstanding balance of loan: \$0) Note 3
11	World Peace International (China) Limited	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	151,375	30,275	-	Working capital	-	Operation	\$ -	None	None	30,275	497,600	(Outstanding balance of loan: \$0) Note 3
12	World Peace International (India) Pvt., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Other receivables - related parties	6,055	1,514	-	Working capital	-	Operation	\$ -	None	None	1,514	25,613	(Outstanding balance of loan: \$0) Note 3
13	WPI International (Hong Kong) Limited	AIO Components Company Limited	Other receivables - related parties	30,275	30,275	1.35%	Working capital	-	Operation	\$ -	None	None	5,697,180	5,697,180	(Outstanding balance of loan: \$15,138) Note 12
14	Longview Technology Inc.	World Peace Industrial Co., Ltd.	Other receivables - related parties	100,000	-	-	Working capital	-	Operation	\$ -	None	None	157,400	157,400	(Outstanding balance of loan: \$0) Note 4
15	Richpower Electronic Co., Ltd.	Pernas Electronics Co., Ltd	Other receivables - related parties	70,000	-	1.51%	Working capital	-	Operation	\$ -	None	None	810,885	810,885	(Outstanding balance of loan: \$0) Note 4
15	Richpower Electronic Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	200,000	200,000	1.41%	Working capital	-	Operation	\$ -	None	None	810,885	810,885	(Outstanding balance of loan: \$0) Note 4
15	Richpower Electronic Co., Ltd.	Richpower Electronic Devices Co., Limited	Other receivables - related parties	302,750	302,750	-	Working capital	-	Operation	\$ -	None	None	810,885	810,885	(Outstanding balance of loan: \$0) Note 4
16	Mec Technology Co., Limited	Richpower Electronic Devices Pte., Ltd.	Other receivables - related parties	121,100	121,100	1.46%~2.08%	Working capital	-	Operation	\$ -	None	None	141,089	141,089	(Outstanding balance of loan: \$60,550) Note 4
17	Apache Communication Inc.	Frontek Technology Corporation	Other receivables - related parties	200,000	100,000	1.32%~1.50%	Working capital	-	Operation	\$ -	None	None	153,413	245,460	(Outstanding balance of loan: \$100,000) Note 6
17	Apache Communication Inc.	WPG Holdings Limited	Other receivables - related parties	100,000	-	1.43%	Working capital	-	Operation	\$ -	None	None	153,413	245,460	(Outstanding balance of loan: \$0) Note 6

Number	Creditor	Borrower	General ledger accounts	Maximum	Outstanding	Annual interest rate	Purpose	Amount of transactions with borrowers	Reason for financing	Allowance for	Collateral placed		Limit on financing activities for such party (in thousands)	Ceiling of the	Note
				balance during the year (in thousands)	balance at December 31, 2011 (in thousands)					doubtful accounts provided	Item	Amount		financing activities provided to all party (in thousands)	
17	Apache Communication Inc.	Adivic Technology Co., Ltd.	Other receivables – related parties	15,000	15,000	1.37%~1.43%	Working capital	-	Operation	\$ -	None	None	153,413	245,460	(Outstanding balance of loan: \$15,000) Note 6
17	Apache Communication Inc.	AITG Holding Corp.	Other receivables – related parties	9,083	-	1.43%	Working capital	-	Operation	\$ -	None	None	153,413	245,460	(Outstanding balance of loan: \$0) Note 6
18	Henshen Electric Trading Co., Ltd.	Frontek Technology Corporation	Other receivables – related parties	\$ 90,000	\$ 90,000	1.28%~1.47%	Working capital	\$ -	Operation	\$ -	None	None	\$ 98,893	\$ 158,228	(Outstanding balance of loan: \$90,000) Note 6
18	Henshen Electric Trading Co., Ltd.	WPG China Inc.	Other receivables – related parties	60,550	60,550	2.15%	Working capital	-	Operation	\$ -	None	None	98,893	158,228	(Outstanding balance of loan: \$60,550) Note 6
19	Asian Information Technology Inc.	Frontek Technology Corporation	Other receivables – related parties	360,000	360,000	1.37%~1.56%	Working capital	-	Operation	\$ -	None	None	967,031	1,547,249	(Outstanding balance of loan: \$240,000) Note 6
19	Asian Information Technology Inc.	WPG Americas Inc.	Other receivables – related parties	181,650	181,650	2.12%	Working capital	-	Operation	\$ -	None	None	967,031	1,547,249	(Outstanding balance of loan: \$0) Notes 6 and 7
19	Asian Information Technology Inc.	WPG Holdings Limited	Other receivables – related parties	100,000	-	1.49%	Working capital	-	Operation	\$ -	None	None	967,031	1,547,249	(Outstanding balance of loan: \$0) Note 6
20	Fame Hall International Co., Ltd.	AITG Holding Corp.	Other receivables – related parties	6,055	-	1.41%	Working capital	-	Operation	\$ -	None	None	8,174	13,079	(Outstanding balance of loan: \$0) Note 6
21	AIT Japan, Inc.	Frontek Technology Corporation	Other receivables – related parties	30,275	30,275	1.20%	Working capital	-	Operation	\$ -	None	None	37,893	60,629	(Outstanding balance of loan: \$30,275) Note 6
22	Silicon Application Corporation	WPG Holdings Limited	Other receivables – related parties	300,000	-	1.45%	Working capital	-	Operation	\$ -	None	None	1,489,514	1,489,514	(Outstanding balance of loan: \$0) Note 5
22	Silicon Application Corporation	WPG Korea Co., Ltd.	Other receivables – related parties	60,550	60,550	1.30%~2.50%	Working capital	-	Operation	\$ -	None	None	1,489,514	1,489,514	(Outstanding balance of loan: \$60,550) Note 5
22	Silicon Application Corporation	Everwiner Enterprise Co., Ltd.	Other receivables – related parties	150,000	-	1.55%	Working capital	-	Operation	\$ -	None	None	1,489,514	1,489,514	(Outstanding balance of loan: \$0) Note 5
22	Silicon Application Corporation	WPG China Inc.	Other receivables – related parties	90,825	90,825	2.15%	Working capital	-	Operation	\$ -	None	None	1,489,514	1,489,514	(Outstanding balance of loan: \$90,825) Note 5
23	Silicon Application (BVI) Corp.	Silicon Application Corporation	Other receivables – related parties	302,750	302,750	1.00%~1.50%	Working capital	-	Operation	\$ -	None	None	881,332	2,203,330	(Outstanding balance of loan: \$287,613) Note 12

Number	Creditor	Borrower	General ledger accounts	Maximum	Outstanding	Annual interest rate	Purpose	Amount of transactions with borrowers	Reason for financing	Allowance for	Collateral placed		Limit on financing	Ceiling of the	Note
				balance during the year (in thousands)	balance at December 31, 2011 (in thousands)					doubtful accounts provided	Item	Amount	activities for such party (in thousands)	financing activities provided to all party (in thousands)	
23	Silicon Application (BVI) Corp.	Silicon Application Company Limited	Other receivables – related parties	302,750	302,750	1.70%	Working capital	-	Operation	\$ -	None	None	2,203,330	2,203,330	(Outstanding balance of loan: \$196,788) Note 12
24	Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Other receivables – related parties	121,100	-	-	Working capital	-	Operation	\$ -	None	None	3,052,749	3,052,749	(Outstanding balance of loan: \$0) Note 8
25	Sertek (Shanghai) Limited	Yosun Shanghai Corp. Ltd.	Other receivables – related parties	\$ 51,468	\$ 51,468	2.00%	Working capital	\$ -	Operation	\$ -	None	None	\$ 79,426	\$ 79,426	(Outstanding balance of loan: \$51,468) Note 8
26	Lipers Enterprise Co., Ltd.	Dongguan Lipers Electronics Co., Ltd.	Accounts receivable – related parties	8,899	8,899	-	Business	20,213	-	\$ -	None	None	20,213	126,726	(Outstanding balance of loan: \$8,899) Note 9
26	Lipers Enterprise Co., Ltd.	Lipers (Hong Kong) Enterprise Co., Ltd.	Accounts receivable – related parties	149	-	-	Business	40,420	-	\$ -	None	None	40,420	126,726	(Outstanding balance of loan: \$0) Note 9
27	Advance Electronics Supply Inc.	Lipers Enterprise Co., Ltd.	Other receivables – related parties	41,972	-	2.30%	Working capital	-	Operation	\$ -	None	None	45,844	61,125	(Outstanding balance of loan: \$0) Note 11
28	Advance Electronics Supply Co., Ltd.	Lipers Enterprise Co., Ltd.	Other receivables – related parties	26,097	-	2.30%	Working capital	-	Operation	\$ -	None	None	52,194	69,602	(Outstanding balance of loan: \$0) Note 11
29	WPG Investment Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables – related parties	70,000	-	0.80%	Working capital	-	Operation	\$ -	None	None	137,620	137,620	(Outstanding balance of loan: \$0) Note 4
30	Scope Technology Co., Ltd.	Dongguan Lipers Electronics Co., Ltd.	Accounts receivable	2,581	2,581	-	Business	19,460	-	\$ -	None	None	19,460	68,637	(Outstanding balance of loan: \$2,581) Note 9
31	Yosun Industrial Corp.	WPG Holdings Limited	Other receivables – related parties	600,000	600,000	-	Working capital	-	Operation	\$ -	None	None	1,708,566	3,417,133	(Outstanding balance of loan: \$0) Note 10
32	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables – related parties	60,550	60,550	2.50%	Working capital	-	Operation	\$ -	None	None	73,013	73,013	(Outstanding balance of loan: \$60,550) Note 13

Note 1: (1) Accumulated financing activities to any company or person should not be in excess of 40% of creditors' net assets.

(2) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(3) For short-term financing, the financing activities to a single company should not be in excess of 10% of creditor's net assets.

Note 2: (1) Accumulated financing activities to any company or person should not be in excess of 150% of creditor's net assets.

(2) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(3) For short-term financing, the financing activities to an overseas company which is direct or indirect 100% held by ultimate parent company should not be in excess of 150% of creditor's net assets. For borrower not fulfilling said criteria,

the limit should not exceed 40% of the creditor's net assets.

Note 3: (1) For those borrowers which are not 100% held investee company, the individual limit amount is fixed. The accumulated financing activities to those borrowers should not be in excess of 40% of the creditor's net assets.

(2) For those borrowers which are 100% held investee company, the individual limit amount is fixed. The accumulated financing activities to those borrowers should not be in excess of 200% of the creditor's net assets.

(3) The total limit of (1) and (2) should not exceed 200% of the creditor's net assets.

Note 4: (1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, accumulated financing activities should not be in excess of 40% of creditor's net assets.

(3) Accumulated financing activities to any company should not be in excess of 40% of creditor's net assets.

Note 5: (1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 40% of creditor's net assets.

(3) Accumulated financing activities to any company should not be in excess of 40% of creditor's net assets.

(4) The financial activities to an overseas company which is direct or indirect 100% held by ultimate parent company should not be restricted by (2).

Note 6: (1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 25% of creditor's assets.

(3) The financial activities to an overseas company which is direct or indirect 100% held by ultimate parent company should not be restricted by (2).

(4) Accumulated financing activities to any company should not be in excess of 40% of creditor's net assets.

Note 7: The limit amount of financing activities and guarantees from the Company and subsidiaries (including indirect subsidiaries) to WPG Americas, Inc. is USD50 million.

Note 8: (1) Accumulated financing to any company should not exceed 100% of the creditor's net assets.

(2) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(3) For short-term financing, the financing activities to an overseas company which is direct or indirect 100% held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 10% of the creditor's net assets.

Note 9: (1) For short-term financing, accumulated financing should not be in excess of 20% creditor's net assets. The individual limit should not be in excess of 10% of creditor's net assets.

(2) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases. Accumulated financing activities to any company should not be in excess of 20% of creditor's net assets.

Note 10: (1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the individual limit should not be in excess of 20% of creditor's net assets.

(3) Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets.

Note 11: (1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases. Accumulated financing activities to any company should not be in excess of 20% of the creditor's net assets.

(2) For short-term financing, accumulated financing activities to any company should not be in excess of 40% of creditor's net assets; the individual limit should not be in excess of 30% of creditor's net assets.

Note 12: (1) Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets.

(2) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(3) For short-term financing, the financing activities to an overseas company which is direct or indirect 100% held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 13: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets.

(3) Guarantee information:

Name of the company providing guarantee		Parties being guaranteed		Limit of guarantee for such party (in thousands)	Maximum outstanding guarantee balance during the year (in thousands)	Outstanding guarantee balance at December 31, 2011 (in thousands)	Balance of guarantee with collateral	Ratio of accumulated guarantee amount to net value of the company	Ceiling on the outstanding guarantee provided to all parties (in thousands)	Note
Number	Name	Name	Relationship with the Company							
1	World Peace Industrial Co., Ltd.	Genuine C&C (South Asia) Pte., Ltd.	Note 1	\$ 6,353,599	\$ 666,050	\$ 666,050	None	5.24	\$ 10,165,758	Note 22
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	6,353,599	38,500	38,500	None	0.30	10,165,758	Note 22
1	World Peace Industrial Co., Ltd.	Teksel WPG Limited	Note 1	6,353,599	68,119	68,119	None	0.54	10,165,758	Note 22
1	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	6,353,599	376,167	376,167	None	2.96	10,165,758	Note 22
2	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Note 1	1,621,770	737,383	465,000	None	22.94	1,621,770	Notes 7 and 8
3	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	1,547,249	300,000	250,000	None	6.46	1,934,062	Notes 9 and 10
3	Asian Information Technology Inc.	Apache Communication Inc.	Note 1	1,547,249	26,000	-	None	-	1,934,062	Notes 9 and 10
4	Frontek Technology Corporation	AITG Electronic Limited	Note 1	899,717	38,970	38,970	None	1.73	1,124,647	Notes 16 and 17
5	Pernas Electronics Co., Ltd.	World Components Agent (Shanghai) Inc.	Note 1	444,959	15,138	15,138	None	1.70	444,959	Notes 11 and 12
6	Silicon Application Corporation	Silicon Electronics Company Limited	Note 1	2,979,027	1,574,300	1,574,300	None	42.28	3,723,784	Notes 5 and 6
6	Silicon Application Corporation	Da & Da Electronics Pte., Ltd.	Note 3	2,979,027	60,500	60,500	None	1.63	3,723,784	Notes 5 and 6
7	World Peace International Pte., Ltd.	World Peace International (China) Limited	Note 1	4,398,927	221,008	221,008	None	10.05	4,398,927	Note 13
7	World Peace International Pte., Ltd.	World Peace International (South Asia) Pte., Ltd.	Note 1	4,398,927	1,914,894	1,914,894	None	87.06	4,398,927	Note 13
7	World Peace International Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Note 1	4,398,927	60,550	60,550	None	2.75	4,398,927	Note 13
7	World Peace International Pte., Ltd.	Genuine C&C (South Asia) Pte., Ltd.	Note 1	4,398,927	30,275	30,275	None	1.38	4,398,927	Note 13
7	World Peace International Pte., Ltd.	WPG C&C (Malaysia) SDN BHD	Note 1	4,398,927	1,269	1,269	None	0.06	4,398,927	Note 13
7	World Peace International Pte., Ltd.	WPG Electronics (Malaysia) SDN BHD	Note 1	4,398,927	60,550	-	None	-	4,398,927	Note 13

Name of the company providing guarantee		Parties being guaranteed		Limit of guarantee for such party (in thousands)	Maximum outstanding guarantee balance during the year (in thousands)	Outstanding guarantee balance at December 31, 2011 (in thousands)	Balance of guarantee with collateral	Ratio of accumulated guarantee amount to net value of the company	Ceiling on the outstanding guarantee provided to all parties (in thousands)	Note
Number	Name	Name	Relationship with the Company							
7	World Peace International Pte., Ltd.	WPG Americas Inc.	Note 3	4,398,927	228,576	228,576	None	10.39	4,398,927	Notes 13 and 20
8	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Note 1	\$ 2,848,605	\$ 324,971	\$ 288,420	None	5.06	\$ 4,557,750	Notes 14 and 15
8	WPI International (Hong Kong) Limited	WPG China Inc.	Note 3	2,848,605	79,926	79,926	None	1.40	4,557,750	Notes 14 and 15
9	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 2	8,542,832	2,852,138	818,008	None	9.58	17,085,664	Note 4
9	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 2	8,542,832	1,729,980	543,850	None	6.37	17,085,664	Note 4
9	Yosun Industrial Corp.	Sertek Incorporated	Note 1	8,542,832	1,271,000	1,261,000	None	14.76	17,085,664	Note 4
9	Yosun Industrial Corp.	Giitek Corporation Ltd.	Note 2	8,542,832	2,159,092	1,181,619	None	13.83	17,085,664	Note 4
9	Yosun Industrial Corp.	Yosun Shanghai Corp. Ltd.	Note 2	8,542,832	312,529	62,064	None	0.73	17,085,664	Note 4
9	Yosun Industrial Corp.	Yosun South China Corp. Ltd.	Note 2	8,542,832	75,476	6,661	None	0.08	17,085,664	Note 4
9	Yosun Industrial Corp.	Sunwise Technology Limited	Note 2	8,542,832	390,511	231,568	None	2.71	17,085,664	Note 4
9	Yosun Industrial Corp.	Sertek Limited	Note 2	8,542,832	105,963	-	None	-	17,085,664	Note 4
10	Sertek Incorporated	Sertek Limited	Note 1	1,370,212	756,875	575,225	None	41.98	2,740,424	Note 4
11	Lipers Enterprise Co., Ltd.	Scope Technology Co., Ltd.	Note 2	1,900,893	1,048,000	1,048,000	None	165.40	1,900,893	Note 21
11	Lipers Enterprise Co., Ltd.	Advance Electronics Supply Co., Ltd.	Note 2	1,900,893	161,100	121,100	None	19.11	1,900,893	Note 21
11	Lipers Enterprise Co., Ltd.	Advance Electronics Supply Inc.	Note 2	1,900,893	50,000	50,000	None	7.89	1,900,893	Note 21

Note 1: Represents that the Company and its subsidiaries hold combined ownership of more than 50%.

Note 2: Represents that the Company hold combined ownership of more than 50% directly or indirectly.

Note 3: Represents the guarantor is the affiliate of guaranteee.

Note 4: The guarantee amount to a single company should not be in excess of 100% of guarantor's net assets; the cumulative guarantee amount to others should not be in excess of 200% of guarantor's net assets.

Note 5: The guarantee amount to a single company should not be in excess of 80% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 6: The cumulative guarantee amount to others should not be in excess of 100% of guarantor's net assets.

Note 7: The guarantee amount to a single company should not be in excess of 80% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 8: The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets.

Note 9: The guarantee amount to a single company should not be in excess of 40% of guarantor's net assets.

Note 10: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 11: The guarantee amount to a single company should not be in excess of 50% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 12: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 13: The guarantee amount to a single company should not be in excess of 200% of guarantor's net assets.

Note 14: The guarantee amount to a single company should not be in excess of 50% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 15: The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets.

Note 16: The guarantee amount to a single company should not be in excess of 40% of guarantor's net assets.

Note 17: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 18: The guarantee amount to a single company should not be in excess of 40% of guarantor's net assets.

Note 19: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 20: The limit amount of financing activities and guarantee from the Company and subsidiaries (including indirect subsidiaries) to WPG Americas Inc. is USD50 million.

Note 21: The cumulative guarantee amount to others should not be in excess of 300% of guarantor's net assets; the guarantee amount to a single company should not be in excess of 300% of guarantor's net assets.

Note 22: The guarantee amount to a single company should not be in excess of 50% of guarantor's net assets. The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

(4) Marketable securities held by the investee companies at December 31, 2011

Name of investor	Name and type of marketable securities			December 31, 2011					
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company	General ledger accounts	Number of shares (in thousands)	Book value (in thousands)	Percentage of ownership	Market value (in dollars) (Note 1)	Note
World Peace Industrial Co., Ltd.	Equity securities	WPI Investment Holding (BVI) Company Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	85,169	\$ 6,643,864	100.00%	\$ 77.95	
World Peace Industrial Co., Ltd.	Equity securities	World Peace International (BVI) Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	34,196	2,322,277	100.00%	65.47	
World Peace Industrial Co., Ltd.	Equity securities	Longview Technology Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	20,020	395,120	100.00%	19.66	
World Peace Industrial Co., Ltd.	Equity securities	Chain Power Technology Corp.	A subsidiary's long-term investments accounted for under equity method	Long-term investments accounted for under equity method	14,820	214,073	39.00%	14.44	
World Peace Industrial Co., Ltd.	Equity securities	Genuine C&C, Inc.	Same chairman	Available-for-sale financial assets - non-current	14,405	146,926	16.29%	10.20	
World Peace Industrial Co., Ltd.	Equity securities	Prohubs International Corp., etc.	None	Financial assets carried at cost - non-current	-	11,756	-	-	
WPI Investment Holding (BVI) Company Ltd.	Equity securities	WPI International (Hong Kong) Limited	An indirect subsidiary	Long-term investments accounted for under equity method	4,053,564	5,706,957	100.00%	1.41	
WPI Investment Holding (BVI) Company Ltd.	Equity securities	Gain Tune Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	500,000	624,403	100.00%	1.25	
WPI Investment Holding (BVI) Company Ltd.	Equity securities	WPI International Trading (Shenzhen) Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	147,272	100.00%	(Note 2)	
WPI Investment Holding (BVI) Company Ltd.	Equity securities	World Peace Industrial (Hong Kong) Limited, etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method	-	146,702	-	-	
WPI International (Hong Kong) Limited	Equity securities	WPI International Trading (Shanghai) Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	137,511	100.00%	(Note 2)	

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011				Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands)	Book value (in thousands)	Percentage of ownership	Market value (in dollars) (Note 1)	
WPI International (Hong Kong) Limited	Equity securities	WPG C&C Limited	An indirect subsidiary	Long-term investments accounted for under equity method	6,500	\$ 253,713	100.00%	\$ 39.03	
WPI International (Hong Kong) Limited	Equity securities	AIO Components Company Limited	An indirect subsidiary	Long-term investments accounted for under equity method	1,362	168,094	100.00%	123.42	
WPI International (Hong Kong) Limited	Equity securities	WPG Americas Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	4,000	4,966	2.67%	1.24	
AIO Components Company Limited	Equity securities	AIO (Shanghai) Components Company Limited	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	27,846	100.00%	(Note 2)	
World Peace International (BVI) Ltd.	Equity securities	Prime Future Technology Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	36,448	2,286,568	100.00%	62.73	
Prime Future Technology Ltd.	Equity securities	World Peace International Pte. Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	248,633	2,282,850	100.00%	9.18	
World Peace International Pte., Ltd.	Equity securities	World Peace International (South Asia) Pte., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	34,315	1,973,944	100.00%	57.52	
World Peace International Pte., Ltd.	Equity securities	World Peace International (China) Limited	An indirect subsidiary	Long-term investments accounted for under equity method	12,800	248,802	100.00%	19.44	
World Peace International Pte., Ltd.	Equity securities	WPG Americas Inc., etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	101,427	-	-	(Note 4)
Genuine C&C (South Asia) Pte., Ltd.	Equity securities	WPG C&C Computers And Perpheral (India) Prirate Limited	An indirect subsidiary	Long-term investments accounted for under equity method	48,420	249,576	100%	5.15	
Genuine C&C (South Asia) Pte., Ltd.	Equity securities	WPG C&C (Malaysia) SDN BHD, etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	4,719	-	-	

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011			Market value (in dollars) (Note 1)	Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands)	Book value (in thousands)	Percentage of ownership		
World Peace International (South Asia) Pte Ltd.	Equity securities	WPG Electronics (Malaysia) SDN BHD, etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	\$ 25,174	-	\$ -	
WPG Investment Co., Ltd.	Equity securities	Eesource Corp.	An investee company of long-term investments accounted for under equity method	Long-term investments accounted for under equity method	1,080	35,576	20.00%	32.94	
WPG Investment Co., Ltd.	Equity securities, etc.	Lite-on Technology Corp. etc.	An investee company of long-term investments accounted for under equity method, etc.	Financial assets at fair value through profit or loss - current, etc.	-	163,425	-	-	
WPG Electronics Limited	Funds	Mega funds, etc.	None	Financial assets at fair value through profit or loss - current, etc.	-	29,531	-	-	
Silicon Application Corporation	Equity securities	Silicon Application (BVI) Corp.	An indirect subsidiary	Long-term investments accounted for under equity method	22,000	2,203,330	100.00%	100.15	
Silicon Application Corporation	Equity securities	Genesis Photonics Inc., etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	135,465	-	-	(Note 3)
Silicon Application (BVI) Corp.	Equity securities	Silicon Application Company Limited	An indirect subsidiary	Long-term investments accounted for under equity method	100,000	1,547,475	100.00%	15.47	
Silicon Application (BVI) Corp.	Equity securities	Silicon Electronics Company of Japan, etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	69,815	-	-	
Win-Win Systems Ltd.	Equity securities	Silicon Electronics Company(s) Pte. Ltd.	None	Financial assets carried at cost - non-current	180	6,900	10.00%	38.33	
Richpower Electronics Devices Co., Ltd.	Equity securities	Richpower Electronic Devices Co., Limited	An indirect subsidiary	Long-term investments accounted for under equity method	63,000	792,393	100.00%	12.58	
Richpower Electronics Devices Co., Ltd.	Equity securities	Mec Technology Co., Ltd.	Equity securities	Long-term investments accounted for under equity method	24,300	400,554	100.00%	14.52	
Richpower Electronics Devices Co., Ltd.	Equity securities, etc.	Promaster Technology Corp. etc.	None	Financial assets carried at cost - non-current, etc.	-	75,909	-	-	

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011			Market value (in dollars) (Note 1)	Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands)	Book value (in thousands)	Percentage of ownership		
Mec Technology Co., Ltd.	Equity securities	Richpower Electronic Devices Pte., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	10	\$ 167,350	100.00%	\$ 16,735.04	
Mec Technology Co., Ltd.	Equity securities	Mec Technology Co., Limited, etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	24,717	-	-	
Pernas Electronics Co., Ltd.	Equity securities	Everwiner Enterprise Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	28,000	774,268	100.00%	20.79	
Pernas Electronics Co., Ltd.	Equity securities	Pernas Enterprise (Samoa) Limited	An indirect subsidiary	Long-term investments accounted for under equity method	1,000	4,907	100.00%	4.91	
Asian Information Technology Inc.	Equity securities	Frontek Technology Corporation	An indirect subsidiary	Long-term investments accounted for under equity method	191,790	2,249,293	100.00%	11.73	
Asian Information Technology Inc.	Equity securities	Apache Communication Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	44,872	613,651	100.00%	13.68	
Asian Information Technology Inc.	Equity securities	Henshen Electric Trading Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	38,471	395,570	100.00%	10.28	
Asian Information Technology Inc.	Equity securities	Fame Hall International Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	4,703	187,521	100.00%	39.87	
Asian Information Technology Inc.	Equity securities	AITG Holding Corp.	An indirect subsidiary	Long-term investments accounted for under equity method	2,702	88,987	100.00%	32.93	
Asian Information Technology Inc.	Equity securities	Adivic Technology Co., Ltd., etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	65,254	-	-	
Adivic Technology Co., Ltd.	Equity securities	Advance Digital Communication Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	75	333	100.00%	4.44	

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011				Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands)	Book value (in thousands)	Percentage of ownership	Market value (in dollars) (Note 1)	
Frontek Technology Corporation	Equity securities	Frontek International Limited	An indirect subsidiary	Long-term investments accounted for under equity method	2,970	\$ 106,277	100.00%	\$ 35.78	
Frontek Technology Corporation	Equity securities	Jarek International Corp., etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	15,758	-	-	
Fame Hall International Co., Ltd.	Equity securities	AIT Japan, Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	6	151,587	100.00%	25,542.00	
Fame Hall International Co., Ltd.	Equity securities	Fame Hall International Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	10,819	32,727	100.00%	3.02	
AITG Holding Corp.	Equity securities	Zheng Ding Technology (Shenzhen) Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	43,384	100.00%	(Note 2)	
Frontek International Limited	Equity securities	AITG Electronic Limited	An indirect subsidiary	Long-term investments accounted for under equity method	22,800	96,698	100.00%	4.24	
WPG International (CI) Limited	Equity securities	WPI International (Hong Kong) Limited	An indirect subsidiary	Long-term investments accounted for under equity method	17,408	889,512	100.00%	51.10	
WPG International (CI) Limited	Equity securities	WPG Americas Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	140,000	171,198	93.27%	1.22	(Note 4)
WPG International (CI) Limited	Equity securities	Da & Da Electronics Pte. Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	6,656	122,895	100.00%	18.46	
WPI International (Hong Kong) Limited	Equity securities	WPG Electronics (HK) Limited	An indirect subsidiary	Long-term investments accounted for under equity method	31,640	137,106	100.00%	4.33	
WPI International (Hong Kong) Limited	Equity securities	WPG China Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	548,578	100.00%	(Note 2)	
WPI International (Hong Kong) Limited	Equity securities	WPG China (SZ) Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	173,000	100.00%	(Note 2)	

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011			Market value (in dollars) (Note 1)	Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands) (Note 2)	Book value (in thousands) (Note 2)	Percentage of ownership		
WPI International (Hong Kong) Limited	Equity securities	Suzhou Xinning Logistic Co., Ltd.	Investee accounted for under equity method	Long-term investments accounted for under equity method	(Note 2)	\$ 30,233	29.40%	(Note 2)	
Yosun Industrial Corp.	Equity securities	Suntop Investments Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	50,700	3,464,015	100.00%	\$ 68.32	
Yosun Industrial Corp.	Equity securities	Sertek Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	94,828	1,665,632	100.00%	14.45	
Yosun Industrial Corp.	Equity securities	Suntek Investments Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	26,000	317,810	100.00%	12.22	
Yosun Industrial Corp.	Equity securities	Lipers Enterprise Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	13,049	179,775	28.37%	13.78	
Yosun Industrial Corp.	Equity securities	Yosun Green Technology Corp., etc.	Investee accounted for under equity method, etc.	Long-term investments accounted for under equity method, etc.	-	66,237	-	-	
Suntop Investments Ltd.	Equity securities	Yosun Hong Kong Corp. Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	295,270	USD 102,773	100.00%	USD 0.23	
Suntop Investments Ltd.	Equity securities	Yosun Singapore Pte., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	20,600	USD 12,586	100.00%	USD 0.45	
Suntek Investments Ltd.	Equity securities	Siltrontech Electronics Corp.	An indirect subsidiary	Long-term investments accounted for under equity method	24,551	200,487	32.22%	9.96	
Suntek Investments Ltd.	Equity securities, etc.	Eesource Corp., etc.	Investee accounted for under equity method, etc.	Long-term investments accounted for under equity method, etc.	-	100,414	-	-	
Yosun Singapore Pte., Ltd.	Equity securities	Yosun Industrial (Malaysia) Sdn. Bhd., etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	USD 442	-	-	

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011			Market value (in dollars) (Note 1)	Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands) (Note 2)	Book value (in thousands)	Percentage of ownership		
Yosun Hong Kong Corp. Ltd.	Equity securities	Yosun Shanghai Corp. Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	USD 10,293	100.00%	(Note 2)	
Yosun Hong Kong Corp. Ltd.	Equity securities	Giatak Corp. Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	39,000	USD 34,622	100.00%	USD	0.89
Yosun Hong Kong Corp. Ltd.	Equity securities	Yosun South China Corp. Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	USD 5,434	100.00%	(Note 2)	
Yosun Hong Kong Corp. Ltd.	Equity securities	Sunwise Technology Limited	An indirect subsidiary	Long-term investments accounted for under equity method	8,000	USD 10,053	100.00%	USD	1.26
Sertek Incorporated	Equity securities	Sertek Limited	An indirect subsidiary	Long-term investments accounted for under equity method	19,500	\$ 242,108	100.00%	\$	12.42
Sertek Incorporated	Equity securities	Digital Computer Systems Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	12	12,500	100.00%		1,000.42
Sertek Limited	Equity securities	Sertek (Shanghai) Limited	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	USD 2,623	100.00%		-
Digital Computer Systems Co., Ltd.	Fund	Taishin Lucky Money Market Fund	None	Available-for-sale financial asset - current	941	10,100	-		10.73
Siltrontech Electronics Corp.	Equity securities	Lipers Enterprise Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	20,991	262,416	45.64%		13.78
Siltrontech Electronics Corp.	Equity securities	Siltrontech Electronics (HK) Corp. Ltd., etc.	An indirect subsidiary, etc.	Long-term investments accounted for under equity method, etc.	-	28,116	-		-
Siltrontech Electronics (HK) Corp. Limited	Equity securities	Xiang Mao Electronics (SZ) Corp., Ltd., etc.	An indirect subsidiary	Long-term investments accounted for under equity method	-	HKD 3,512	-		-
Lipers Enterprise Co., Ltd.	Equity securities	Scope Technology Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	28,895	343,183	100.00%		11.88

Name of investor	Name and type of marketable securities			General ledger accounts	December 31, 2011			Market value (in dollars) (Note 1)	Note
	Type of marketable securities	Name of marketable securities	Relationship of the issuer with the Company		Number of shares (in thousands)	Book value (in thousands)	Percentage of ownership		
Lipers Enterprise Co., Ltd.	Equity securities	Lipers (Hong Kong) Enterprise Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	30,232	(\$ 17,428)	100.00%	(\$ 0.58)	
Lipers Enterprise Co., Ltd.	Equity securities	Advance Electronics Supply Inc.	An indirect subsidiary	Long-term investments accounted for under equity method	15,000	152,812	100.00%	10.19	
Lipers Enterprise Co., Ltd.	Equity securities	Advance Electronics Supply Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	50	173,992	100.00%	3,479.84	
Lipers Enterprise Co., Ltd.	Equity securities	Hatsushiba Tech Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	1,100	6,788	55.00%	6.17	
Lipers (Hong Kong) Enterprise Co., Ltd.	Equity securities	Dongguan Lipers Electronics Co., Ltd.	An indirect subsidiary	Long-term investments accounted for under equity method	(Note 2)	(HKD 3,713)	100.00%	(Note 2)	

Note 1: Market price is determined as follows:

1. The closing price at the balance sheet date. The fair value of open-end mutual funds is based on the net assets at the balance sheet date.
2. Without market price, equity securities are based on net assets.

Note 2: The investee is a limited company.

Note 3: There are 1,850 thousand shares of Kingpak Technology Inc. which have been pledged for purchases as of December 31, 2011. There are 1,133 thousand shares of Kingmac Technology Inc. which have been pledged for purchases as of December 31, 2011.

Note 4: The Company holds 100% of its shares through WPG International (CI) Ltd., WPI Investment Holding (BVI) Company Ltd. and World Peace International (BVI) Ltd.

(5) Marketable securities acquired or sold during the year ended December 31, 2011 in excess of \$100,000 or 20% of capital:

Name of transaction parties	Kind of marketable security	Name of marketable security	General ledger accounts	Name of transaction parties	Relationship	January 1, 2011		Addition		Disposal			December 31, 2011		
						Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Sales amount	Cost	Disposal gain (loss)	Number of shares (in thousands)	Amount
Yosun Hong Kong Corp. Ltd.	Equity securities	Sunwise Technology Limited	(Note 1)	Wise World Electronics Ltd.	None	4,000	USD 4,000	4,000	USD 6,053 (Note 2)	-	\$ -	\$ -	\$ -	8,000	USD10,053
Richpower Electronic Devices Co., Ltd.	Fund	HuaNan Phoenix Bond Fund	Financial assets at fair value through profit or loss - current	Hwa Nan Bank	None	-	\$ -	6,396	\$ 100,000	6,396	\$ 100,135	\$ 100,000	\$ 135	-	-
Richpower Electronic Devices Co., Ltd.	Fund	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	Taiwan Cooperative Bank	None	-	\$ -	19,261	\$ 250,000	19,261	\$ 250,555	\$ 250,000	\$ 555	-	-
Richpower Electronic Devices Co., Ltd.	Fund	082Mega Diamond Bond Fund	Financial assets at fair value through profit or loss - current	Taiwan Cooperative Bank	None	-	\$ -	12,442	\$ 150,000	12,442	\$ 150,109	\$ 150,000	\$ 109	-	-
Pernas Electronics Co., Ltd.	Equity securities	Everwiner Enterprise Co., Ltd.	(Note 1)	Lin, Jin-Quan	(Note 5)	21,712	\$ 672,686	6,288 (Note 3)	\$ 101,582 (Note 4)	-	\$ -	\$ -	\$ -	28,000	\$ 774,268
Genuine C&C (South Asia) Pte Ltd.	Equity securities	WPG C&C Computers And Peripheral (India) Private Limited	(Note 1)	WPG C&C Computers And Peripheral (India) Private Limited	Not applicable	4,500	\$ 27,069	43,920	222,507 (Note 6)	-	\$ -	\$ -	\$ -	48,420	\$ 249,576

Note 1: Long-term investments accounted for under equity method.

Note 2: The company invested USD5,351 thousand and recognized investment gain, etc. in the amount of USD702 thousand.

Note 3: The company purchased 1,143 thousand shares of Everwiner Enterprise Co., Ltd., including earnings appropriations of 5,145 thousand shares.

Note 4: The company invested \$101,428 and recognized investment gain and cash dividends, etc. in the amount of \$154.

Note 5: The general manager of Everwiner Enterprise Co., Ltd.

Note 6: The company invested \$251,238 and recognized gain on valuation of financial assets in the amount of \$28,731.

(6) Acquisition of real estate in excess of \$100,000 or 20% of capital: None.

(7) Disposal of real estate in excess of \$100,000 or 20% of Capital: None.

(8) Purchases from or sales to related parties in excess of \$100,000 or 20% of capital: (Note 1)

Purchaser/ seller	Name of transaction parties	Relationship	Transaction terms				Description of and reasons for difference in transaction terms compared to non-related party transactions		Accounts or notes receivable (payable)			Note
			Purchases (sales)	Amount	Percentage of total	Credit terms	Unit price	Credit period	Balance	Percentage of total accounts or notes		
				(in thousands)	purchases (sales)					(in thousands)	receivable (payable)	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	Same ultimate parent company	Sales	(USD 67,537)	(3.65%)	Note 2	Note 2	Note 2	USD 4,798		2.34%	
WPI International (Hong Kong) Limited	Silicon Application Company Limited	Same ultimate parent company	Sales	(USD 13,134)	(0.71%)	Note 2	Note 2	Note 2	USD 685		0.33%	
WPI International (Hong Kong) Limited	World Peace International (China) Limited	Same ultimate parent company	Sales	(USD 9,951)	(0.54%)	Note 2	Note 2	Note 2	USD 1,686		0.82%	
WPI International (Hong Kong) Limited	Teksel WPG Limited	Same ultimate parent company	Sales	(USD 5,254)	(0.28%)	Note 2	Note 2	Note 2	USD 653		0.32%	
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Same ultimate parent company	Sales	(USD 18,343)	(0.99%)	Note 2	Note 2	Note 2	USD 3,366		1.64%	
WPI International (Hong Kong) Limited	WPG Electronics Limited	Same ultimate parent company	Sales	(USD 3,619)	(0.20%)	Note 2	Note 2	Note 2	USD 374		0.18%	
WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte., Ltd.	Same ultimate parent company	Sales	(USD 20,009)	(1.08%)	Note 2	Note 2	Note 2	USD 6,082		2.97%	
Gain Tune Ltd.	World Peace Industrial Co., Ltd.	Same ultimate parent company	Sales	(USD 16,155)	(5.31%)	Note 2	Note 2	Note 2	USD 811		9.59%	
Gain Tune Ltd.	WPI International (Hong Kong) Limited	Same ultimate parent company	Sales	(USD 5,341)	(1.76%)	Note 2	Note 2	Note 2	USD 40		0.47%	
Gain Tune Ltd.	Sertek Incorporated	Same ultimate parent company	Sales	(USD 3,799)	(1.25%)	Note 2	Note 2	Note 2	USD -		0.00%	
Gain Tune Ltd.	WPG C&C Limited	Same ultimate parent company	Sales	(USD 184,107)	(60.52%)	Note 2	Note 2	Note 2	USD 7,068		83.50%	
World Peace International (South Asia) Pte., Ltd.	World Peace Industrial Co., Ltd.	Same ultimate parent company	Sales	(USD 5,901)	(1.62%)	Note 2	Note 2	Note 2	USD 404		0.63%	
World Peace International (South Asia) Pte., Ltd.	World Peace International (China) Limited	Same ultimate parent company	Sales	(USD 56,599)	(15.58%)	Note 2	Note 2	Note 2	USD 14,324		22.42%	
World Peace International (South Asia) Pte., Ltd.	World Peace International (India) Pvt., Ltd.	Same ultimate parent company	Sales	(USD 3,885)	(1.07%)	Note 2	Note 2	Note 2	USD 700		1.10%	

Purchaser/ seller	Name of transaction parties	Relationship	Transaction terms				Description of and reasons for difference in transaction terms compared to non-related party transactions			Accounts or notes receivable (payable)		Note
			Purchases (sales)	Amount	Percentage of total	Credit terms	Unit price	Credit period	Balance	Percentage of total accounts or notes		
				(in thousands)	purchases (sales)				(in thousands)	receivable (payable)		
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	Same ultimate parent company	Sales	(USD 13,602)	(7.29%)	Note 2	Note 2	Note 2	USD 1,689	14.06%		
WPG C&C Limited	WPI International (Hong Kong) Limited	Same ultimate parent company	Sales	(USD 8,300)	(4.45%)	Note 2	Note 2	Note 2	USD 234	1.95%		
Longview Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Same ultimate parent company	Sales	(\$ 415,791)	(17.09%)	Note 2	Note 2	Note 2	\$ 48,842	10.10%		
Longview Technology Co., Ltd.	WPI International (Hong Kong) Limited	Same ultimate parent company	Sales	(\$ 207,740)	(8.54%)	Note 2	Note 2	Note 2	\$ 40,415	8.35%		
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Malaysia) SDN BHD	Same ultimate parent company	Sales	(USD 15,823)	(8.98%)	Note 2	Note 2	Note 2	USD 2,260	12.72%		
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Thailand) Co., Ltd.	Same ultimate parent company	Sales	(USD 8,300)	(4.71%)	Note 2	Note 2	Note 2	USD 1,404	7.90%		
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Same ultimate parent company	Sales	(USD 73,606)	(41.76%)	Note 2	Note 2	Note 2	USD 7,453	41.94%		
Genuine C&C (South Asia) Pte., Ltd.	Genuine C&C (IndoChina) Pte Ltd.	Same ultimate parent company	Sales	(USD 7,030)	(3.99%)	Note 2	Note 2	Note 2	USD 6,411	36.07%		
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Same ultimate parent company	Sales	(\$ 1,330,370)	(13.34%)	Note 5	Note 5	Note 5	\$ 188,676	10.83%		
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	Same ultimate parent company	Sales	(\$ 1,355,179)	(13.59%)	Note 5	Note 5	Note 5	\$ 506,457	29.08%		
Richpower Electronic Devices Co., Ltd.	WPG Electronics Limited	Same ultimate parent company	Sales	(\$ 137,028)	(1.37%)	Note 5	Note 5	Note 5	\$ 1,178	0.07%		
Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Ltd.	Same ultimate parent company	Sales	(USD 24,759)	(6.77%)	Note 5	Note 5	Note 5	USD 2,406	4.43%		
Richpower Electronic Devices Co., Limited	WPI International (Hong Kong) Limited	Same ultimate parent company	Sales	(USD 6,111)	(1.67%)	Note 5	Note 5	Note 5	USD 119	0.22%		
Silicon Application Company Limited	Dstar Electronic Ltd.	Same ultimate parent company	Sales	(\$ 413,128)	(2.00%)	Note 6	Note 6	Note 6	\$ 4,042	0.00%		

Purchaser/ seller	Name of transaction parties	Relationship	Transaction terms				Description of and reasons for difference in transaction terms compared to non-related party transactions	Accounts or notes receivable (payable)				Note
			Purchases (sales)	Amount	Percentage of total	Credit terms		Unit price	Credit period	Balance	Percentage of total accounts or notes	
				(in thousands)	purchases (sales)					(in thousands)	receivable (payable)	
Silicon Application Company Limited	Silicon Application Corporation	Same ultimate parent company	Sales	(\$ 320,533)	(2.00%)	Note 6	Note 6	Note 6	\$ 42,073	2.00%		
MEC Technology Co., Ltd.	Richpower Electronic Devices Co., Ltd.	Same ultimate parent company	Sales	(\$ 103,760)	(5.93%)	Note 5	Note 5	Note 5	\$ 21,620	7.20%		
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Same ultimate parent company	Sales	(\$ 555,409)	(10.69%)	Paid 90 days or 15 days after sales	Note 6	Note 6	\$ 73,668	8.40%		
World Components Agent (Shanghai) Inc.	Pernas Electronics Co., Ltd.	Same ultimate parent company	Sales	(\$ 744,250)	(53.08%)	Note 6	Note 6	Note 6	\$ 1	100%		
World Components Agent (Shanghai) Inc.	Everwiner Enterprise Co., Ltd.	Same ultimate parent company	Sales	(\$ 655,939)	(46.78%)	Paid semimonthly	Note 6	Note 6	\$ -	-		
Asian Information Technology Inc.	AIT Japan, Inc.	Same ultimate parent company	Sales	(\$ 1,883,993)	(17.36%)	Note 5	Note 5	Note 5	\$ 251,237	17.18%		
AITG Electronic Limited	Frontek Technology Corporation	Same ultimate parent company	Sales	(\$ 389,742)	(100%)	Note 5	Note 5	Note 5	\$ 56,698	100.00%		
AIT Japan, Inc.	Asian Information Technology Inc.	Same ultimate parent company	Sales	(\$ 260,531)	(10.27%)	Note 5	Note 5	Note 5	\$ 21,962	7.36%		
Frontek Technology Corporation	WPG China Inc.	Same ultimate parent company	Sales	(\$ 115,780)	(0.75%)	Note 5	Note 5	Note 5	\$ 24,482	0.93%		
Frontek Technology Corporation	World Peace Industrial Co., Ltd.	Same ultimate parent company	Sales	(\$ 276,578)	(1.80%)	Note 5	Note 5	Note 5	\$ 41,864	1.59%		
Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	Same ultimate parent company	Sales	(USD 45,114)	(6.91%)	Note 7	Note 4	Note 4	USD -	0.00%		
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	Same ultimate parent company	Sales	(USD 66,941)	(10.25%)	75 days after sales	Note 4	Note 4	USD 3,029	5.41%		
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	Same ultimate parent company	Sales	(USD 15,517)	(2.38%)	75 days after sales	Note 4	Note 4	USD 3,506	6.27%		
Yosun Hong Kong Corp. Ltd.	Yosun Singapore Pte., Ltd.	Same ultimate parent company	Sales	(USD 10,765)	(1.65%)	75 days after sales	Note 4	Note 4	USD 363	0.65%		
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Same ultimate parent company	Sales	(USD 32,602)	(4.99%)	75 days after sales	Note 4	Note 4	USD 10,814	19.32%		

Purchaser/ seller	Name of transaction parties	Relationship	Transaction terms				Description of and reasons for difference in transaction terms compared to non-related party transactions		Accounts or notes receivable (payable)			Note
			Purchases (sales)	Amount	Percentage of total	Credit terms	Unit price	Credit period	Balance	Percentage of total accounts or notes		
				(in thousands)	purchases (sales)					(in thousands)	receivable (payable)	
Yosun Hong Kong Corp. Ltd.	Sunwise Technology Co., Ltd.	Same ultimate parent company	Sales	(USD 3,372)	(0.52%)	75 days after sales	Note 4	Note 4	USD	395	0.71%	
Yosun Singapore Pte., Ltd.	Yosun Industrial Corp.	Same ultimate parent company	Sales	(USD 6,629)	(3.09%)	Note 7	Note 4	Note 4	USD	-	0.00%	
Yosun Singapore Pte., Ltd.	Yosun Hong Kong Corp. Ltd.	Same ultimate parent company	Sales	(USD 4,767)	(2.22%)	75 days after sales	Note 4	Note 4	USD	646	3.25%	
Sunwise Technology Co., Ltd.	Yosun Hong Kong Corp. Ltd.	Same ultimate parent company	Sales	(USD 11,034)	(16.79%)	75 days after sales	Note 4	Note 4	USD	2,313	57.59%	
Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	Same ultimate parent company	Sales	(USD 48,515)	(16.45%)	75 days after sales	Note 4	Note 4	USD	-	0.00%	
Giatek Corp. Ltd.	Yosun South China Corp. Ltd.	Same ultimate parent company	Sales	(USD 10,885)	(3.69%)	75 days after sales	Note 4	Note 4	USD	2,718	12.68%	
Sertek Inc.	Sertek Limited	Same ultimate parent company	Sales	(\$ 4,131,726)	(24.63%)	90 days after sales	Note 4	Note 4	\$	476,224	21.94%	
Sertek Inc.	Yosun Industrial Corp.	Same ultimate parent company	Sales	(\$ 204,061)	(1.22%)	Paid 30 days	Note 4	Note 4	\$	-	0.00%	
Scope Technology Co., Ltd.	Lipers Enterprise Co., Ltd.	Same ultimate parent company	Sales	(\$ 114,376)	(3.09%)	Paid 95 days	Note 4	Note 4	\$	54,011	18.00%	
Siltrontech Electronics (HK) Corp. Limited	Siltrontech Electronics Corp.	Same ultimate parent company	Sales	(\$ 105,989)	(2.00%)	Paid 60 days from next month	Note 8	Note 4	\$	30,592	5.00%	
WPG China Inc.	WPI International (Hong Kong) Limited	Same ultimate parent company	Sales	(USD 17,995)	(35.00%)	Note 3	Note 3	Note 3	USD	3,529	26.56%	
WPG China Inc.	Frontek Technology Corporation	Same ultimate parent company	Sales	(USD 4,255)	(8.28%)	Note 3	Note 3	Note 3	USD	281	2.12%	

Note 1: For the information of related party purchases or sales transactions of World Peace Industrial Co., Ltd., please refer to Note 5 -3) (1). For the information of related party purchases or sales transactions of Silicon Application Corporation, please refer to the information of Silicon Application Corporation, on Note 5 -3) (2). For the information of related party purchases or sales transactions of Yosun Industrial Corp, please refer to Note 5-3) (3).

Note 2: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~60 days from the month of sales.

Note 3: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60 days from the month of sales.

Note 4: Similar to third parties.

Note 5: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the month of sales.

Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 7: The collection period is 45 days after sales, and the amount due for collection is the net amount after offsetting accounts receivable and payable.

Note 8: The sales price were based on product cost plus determined profit.

(9) Receivable from related parties in excess of \$100,000 or 20% of capital:

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties (Note)			Overdue receivables		Subsequent collections (in thousands)	Allowance for doubtful accounts provided
			(in thousands)	Turnover rate	Amount	Action adopted for overdue accounts			
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same ultimate parent company	Accounts receivable	\$ 1,200,153	7.49	\$ -	-	\$ 1,200,153	\$ -
World Peace Industrial Co., Ltd.	Gain Tune Ltd.	Same ultimate parent company	Accounts receivable	\$ 102,621	6.52	\$ -	-	\$ 102,621	\$ -
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Same ultimate parent company	Accounts receivable	\$ 188,676	4.62	\$ -	-	\$ 188,676	\$ -
Richpower Electronic Devices Co., Ltd.	WPG Electronic (HK) Limited	Same ultimate parent company	Accounts receivable	\$ 506,457	2.90	\$ -	-	\$ 393,024	\$ -
Asian Information Technology Inc.	AIT Japan, Inc.	Same ultimate parent company	Accounts receivable	\$ 251,237	7.96	\$ -	-	\$ 251,224	\$ -
Asian Information Technology Inc.	Frontek Technology Corporation	Same ultimate parent company	Other receivables	\$ 250,313	Not applicable	\$ -	-	\$ 8,821	\$ -
Apache Communication Inc.	Frontek Technology Corporgtion	Same ultimate parent company	Other receivables	\$ 100,969	Not applicable	\$ -	-	\$ 100,969	\$ -
World Peace International (South Asia) Pte., Ltd.	World Peace International (China) Limited	Same ultimate parent company	Accounts receivable	USD 14,324	4.61	\$ -	-	USD 14,324	\$ -
World Peace International (South Asia) Pte., Ltd.	WPG Americas Inc.	Same ultimate parent company	Other receivables	\$ 394,787	Not applicable	\$ -	-	\$ -	\$ -
World Peace International (South Asia) Pte., Ltd.	World Peace International Pte., Ltd.	Same ultimate parent company	Other receivables	\$ 130,802	Not applicable	\$ -	-	\$ -	\$ -
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	Same ultimate parent company	Accounts receivable	USD 4,798	14.08	\$ -	-	USD 4,798	\$ -
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Same ultimate parent company	Accounts receivable	USD 3,366	6.64	\$ -	-	USD 3,366	\$ -
WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte. Ltd.	Same ultimate parent company	Accounts receivable	USD 6,082	5.87	\$ -	-	USD 6,082	\$ -
Genuine C&C (South Asia) Pte., Ltd.	Genuine C&C (Indochina) Pte Ltd.	Same ultimate parent company	Accounts receivable	USD 6,411	2.19	\$ -	-	USD 6,411	\$ -
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Same ultimate parent company	Accounts receivable	USD 7,453	16.09	\$ -	-	USD 7,453	\$ -
Gain Tune Ltd.	WPG C&C Limited	Same ultimate parent company	Accounts receivable	USD 7,068	20.28	\$ -	-	USD 7,068	\$ -

Name of creditor	Transaction parties	Relationship	Balance of receivable from related parties (Note)		Turnover rate	Overdue receivables		Subsequent collections (in thousands)	Allowance for doubtful accounts provided
			(in thousands)			Amount	Action adopted for overdue accounts		
Gain Tune Ltd.	WPI International (Hong Kong) Limited	Same ultimate parent company	Other receivables	\$ 833,519	Not applicable	\$ -	-	\$ -	\$ -
WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	Same ultimate parent company	Other receivables	\$ 140,355	Not applicable	\$ -	-	\$ -	\$ -
Silicon Application Corporation	WPG Electronics (HK) Limited	Same ultimate parent company	Accounts receivable	\$ 307,568	3.76	\$ -	-	\$ 252,435	\$ -
Silicon Application (BVI) Corporation	Silicon Application Corp.	Same ultimate parent company	Other receivables	\$ 288,238	Not applicable	\$ -	-	\$ -	\$ -
Silicon Application (BVI) Corporation	Silicon Application Company Limited	Same ultimate parent company	Other receivables	\$ 196,788	Not applicable	\$ -	-	\$ -	\$ -
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Same ultimate parent company	Accounts receivable	\$ 1,934,727	3.68	\$ -	-	\$ 449,389	\$ -
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Same ultimate parent company	Accounts receivable	USD 10,814	3.90	\$ -	-	USD 4,932	\$ -
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	Same ultimate parent company	Accounts receivable	USD 3,506	6.57	\$ -	-	USD 1,333	\$ -
Sertek Incorporated	Sertek Limited	Same ultimate parent company	Accounts receivable	\$ 476,224	11.34	\$ -	-	\$ 466,226	\$ -
WPG China Inc.	WPI International (Hong Kong) Limited	Same ultimate parent company	Accounts receivable	USD 3,529	7.26	\$ -	-	\$ -	\$ -

(10) Information on derivative transactions (Unit: in thousands of dollars):

The information on derivative transactions of investee companies for the year ended December 31, 2011 are as follows:

1. Derivative transactions of World Peace Industrial Co., Ltd.

-There is no unsettled derivative transaction as of December 31, 2011.

-The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$2,889.

2. Derivative transactions of Silicon Application Corporation

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy NTD/Sell USD	USD 4,000	2011.11.23~2012.01.30

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$8,795.

3. Derivative transactions of Richpower Electronic Devices Co., Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy NTD/ Sell USD	USD 2,500	2011.12.23~2012.01.17

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$5,357.

4. Derivative transactions of Pemas Electronics Co., Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - SWAP - Buy NTD/Sell USD	USD 6,510	2011.12.21~2012.01.30
Forward foreign currency contract - Buy NTD/Sell USD	USD 3,000	2011.11.16~2012.02.17

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$9,083.

5. Derivative transactions of Everwiner Enterprise Co., Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - SWAP - Buy NTD/ Sell USD	USD 2,500	2011.11.15~2012.01.17

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$2,974.

6. Derivative transactions of Longview Technology Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - SWAP - Buy NTD/ Sell USD	USD 374	2011.11.07~2012.02.07

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$257.

7. Derivative transactions of Genuine C&C (South Asia) Pte. Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy USD/Sell MYR	USD 2,500	2011.11.30~2012.01.05

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to USD\$331 thousand.

8. Derivative transactions of WPG C&C (Thailand) Co., Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy USD/Sell THB	USD 700	2011.12.23~2012.01.31

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to THB\$1,494 thousand.

9. Derivative transactions of World Peace International (South Asia) Pte., Ltd.

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy SGD/Sell USD	USD 1,000	2011.09.14~2012.01.10

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to USD\$185 thousand.

10. Derivative financial instrument transactions which MEC Technology Co., Ltd. entered into are summarized as follows:

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy NTD/Sell USD	USD 1,600	2011.12.26~2012.01.18

-The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$607.

11. Derivative financial instrument transactions which World Peace International Pte Limited entered into are summarized as follows:

-There is no unsettled derivative transaction as of December 31, 2011.

-The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to USD\$36 thousand.

12. Derivative financial instrument transactions which Asian Information Technology Inc. entered into are summarized as follows:

-There is no unsettled derivative transaction as of December 31, 2011.

-The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$747.

13. Derivative financial instrument transactions which WPG C&C Computers And Peripheral (India) Private Limited entered into are summarized as follows:

<u>Derivative transactions</u>	<u>Principal amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy USD/Sell INR	USD 1,000	2011.12.21~2012.01.09

-The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to INR106 thousand.

14. Derivative financial instrument transactions which Siltrontech Electronics Corp. entered into are summarized as follows:

<u>Derivative transactions</u>	<u>Principal</u>	<u>amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy USD/Sell NTD	USD	1,000	2011.11.28~2012.01.04
Forward foreign currency contract - Buy USD/Sell NTD	USD	500	2011.12.01~2012.01.12
Forward foreign currency contract - Buy USD/Sell NTD	USD	500	2011.12.02~2012.01.06
Forward foreign currency contract - Buy USD/Sell NTD	USD	500	2011.12.22~2012.02.03

The net loss recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to USD72 thousand.

15. Derivative financial instrument transactions which Frontek Technology Corporation entered into are summarized as follows:

<u>Derivative transactions</u>	<u>Principal</u>	<u>amount</u>	<u>Contract period</u>
Forward foreign currency contract - Buy NTD/Sell USD	USD	1,000	2011.12.23~2012.02.06

The net gain recognized on forward foreign currency contracts for the year ended December 31, 2011 amounted to \$177.

3) Disclosure of information on indirect investments in Mainland China

The disclosure information of the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements.

(1) Basic information

Name of investee in Mainland China	Main activities of investee	Capital (Note 10) (in thousands)	Method of investment	Accumulated remittance as of January 1, 2011 (Note 10) (in thousands)	Remitted or collected during the year ended December 31, 2011		Accumulated remittance as of December 31, 2011 (Note 10) (in thousands)	Ownership held by the Company (direct and indirect)	Investment income (loss) recognized by the Company during the year (Note 11)	Ending balance of investment (in thousands)	Investment income (loss) remitted back as of December 31, 2011
					Remitted out (Note 10)	Collected					
WPG China Inc.	Sales of electronic components	\$ 402,052	Note 1	\$ 403,808	\$ -	\$ -	\$ 403,808	100.00%	\$ 31,149	\$ 548,578	\$ -
WPI International Trading (Shenzhen) Ltd.	Sales of electronic components	96,880	Note 1	96,880	\$ -	\$ -	96,880	100.00%	\$ 8,170	\$ 147,272	\$ -
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehouse business	30,275	Note 1	28,398	\$ -	\$ -	28,398	49.00%	(\$ 505)	\$ 38,391	\$ -
WPI Logistics (Shanghai) Ltd.	Warehouse business/extra work	38,358	Note 1	15,016	\$ -	\$ -	15,016	40.00%	\$ 1,241	\$ 17,480	\$ -
WPI International Trading (Shanghai) Ltd.	Sales of electronic components	201,329	Note 1	19,679	\$ -	\$ -	19,679	100.00%	\$ 20,729	\$ 137,511	\$ -
Suzhou Xinning Logistics Co., Ltd.	Warehouse business	64,062	Note 1	18,619	\$ -	\$ -	18,619	29.40%	\$ 1,294	\$ 30,233	\$ -
AIO (Shanghai) Components Company Limited	Sale of electronic components	6,055 (Note 8)	Note 1	-	\$ -	\$ -	-	100.00%	\$ 5,610	\$ 27,846	\$ -
Software World Limited	Sales of electronic components	- (Note 4)	Note 1	5,601	\$ -	\$ -	5,601	-	\$ -	\$ -	\$ -
Mec Technology (Shanghai) Co., Ltd.	Sales of electronic components	- (Note 2)	Note 1	15,138	\$ -	\$ -	15,138	-	\$ -	\$ -	\$ -
WPG China(SZ) Inc.	Sales of computer software and electronic components	85,734 (Note 9)	Note 1	47,193	\$ -	\$ -	47,193	100.00%	\$ 20,454	\$ 173,000	\$ -
Silicon Application (Shanghai) Ltd.	Sales of computer software and electronic components	- (Note 3)	Note 1	6,625	\$ -	\$ -	6,625	-	\$ -	\$ -	\$ -
Silicon Application (Wuhon) Ltd.	Sales of computer software information systems	- (Note 5)	Note 1	6,449	\$ -	\$ -	6,449	-	\$ -	\$ -	\$ -
World Components Agent (Shanghai) Inc.	Sales of electronic components	6,055	Note 1	6,055	\$ -	\$ -	6,055	100.00%	\$ 8,084	\$ 4,874	\$ -
Arise Component Corp.	Sales of electronic components	- (Note 7)	Note 1	24,220	\$ -	\$ -	24,220	-	\$ -	\$ -	\$ -
Asian Information Technology Co., Ltd. - SH	Sales of electronic components	- (Note 6)	Note 1	102,935	\$ -	\$ -	102,935	-	\$ -	\$ -	\$ -

Name of investee in Mainland China	Main activities of investee	Capital (Note 10) (in thousands)	Method of investment	Accumulated remittance as of January 1, 2011 (Note 10) (in thousands)	Remitted or collected during the year ended December 31, 2011		Accumulated remittance as of December 31, 2011 (Note 10) (in thousands)	Ownership held by the Company (direct and indirect)	Investment income (loss) recognized by the Company during the year (Note 11)	Ending balance of investment (in thousands)	Investment income (loss) remitted back as of December 31, 2011
					Remitted out (Note 10)	Collected					
Zheng Ding Technology (Shenzhen) Co., Ltd.	Sales of electronic components	\$ 38,752	Note 1	\$ 38,752	\$ -	\$ -	\$ 38,752	100.00%	(\$ 353)	\$ 43,384	\$ -
Jaking Technology Corp.	Sales of electronic components	- (Note 7)	Note 1	34,211	\$ -	\$ -	34,211	-	\$ -	\$ -	\$ -
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehouse business	233,121	Note 1	233,121	\$ -	\$ -	233,121	100.00%	\$ 19,688	\$ 311,621	\$ -
Yosun South China Corp. Ltd.	Sales of electronic components	130,183	Note 1	-	\$ -	\$ -	-	100.00%	\$ 12,685	\$ 164,514	\$ -
Sertek (Shanghai) Limited	Sales of electronic components	75,688	Note 1	-	\$ -	\$ -	-	100.00%	\$ 767	\$ 79,411	\$ -
Xiang Mao Electronics (SZ) Corp. Ltd.	Sales of electronic components	9,083	Note 1	9,083	\$ -	\$ -	9,083	32.22%	\$ 55	\$ 3,365	\$ -
Siltrontech Electronics (Shanghai) Corp.	Sales of electronic components	6,055	Note 1	6,055	\$ -	\$ -	6,055	32.22%	(\$ 332)	\$ 1,045	\$ -
Dongguan Lipers Electronics Co., Ltd.	Manufacturing	79,018	Note 1	79,018	\$ -	\$ -	79,018	43.08%	(\$ 7,914)	(\$ 6,233)	\$ -

(Note 1): Investment through a holding company registered in a country other than Taiwan and Mainland China.

(Note 2): It was liquidated in March, 2011.

(Note 3): It was liquidated in the fourth quarter, 2009.

(Note 4): It was liquidated in December, 2008.

(Note 5): It was dissolved in November, 2007.

(Note 6): It was disregistered in October, 2011.

(Note 7): It was disregistered in December, 2011.

(Note 8): WPI International (Hong Kong) Limited acquired AIO Components Company Limited as of July 1, 2010, and AIO (Shanghai) Company Limited became the Company's indirect subsidiary. The investment of USD469 thousand in AIO (Shanghai) Company Limited was permitted by Investment Commission.

(Note 9): WPI International (Hong Kong) Limited invested in WPG China (SZ) Inc. in the amount of HKD10 million, which is part of the distribution of earnings from WPG China Inc. The investment had been permitted by Investment Commission, and was excluded from the ceiling of investment amount in Mainland China.

(Note 10): Exchange rate as of December 31, 2011 was USD 1: NTD 30.275 and HKD 1: NTD 3.897. The unit expressed in thousands of dollars.

(Note 11): The investment income or loss was recognized based on the financial statements which were audited by independent accountants.

(Note 12): The ending balance of investments were calculated with combined ownership percentage held by the Company.

(2) The ceiling of investment amount in Mainland China

<u>Company</u>	<u>Accumulated amount remitted out of Taiwan to Mainland China (Note 1)</u>	<u>Investment amount approved by the Investment Commission (Note 4)</u>	<u>Ceiling of investment amount of the company (Note 2)</u>
WPG Holdings Limited	\$ 469,620	\$ 623,940	\$ 22,687,948
World Peace Industrial Co., Ltd.	159,973	403,233	7,639,157
Richpower Electronic Devices Co., Ltd.	20,739	15,138	1,216,328
Silicon Application Corp.	13,074	18,997	2,235,436
Pernas Electronics Co., Ltd.	30,275	30,275	533,591
Asian Information Technology Inc.	175,898	215,861	2,320,874
Yosun Industrial Corp.	233,121	446,980	5,532,998
Sertek Incorporated	-	75,688	822,127
Siltrontech Electronics Corp.	15,138	15,138	427,707
Lipers Enterprise Co., Ltd.	79,018	79,018	383,705

(Note 1): Exchange rate as of December 31, 2011 was USD 1: NTD 30.275 and HKD 1:3.897.

(Note 2): The investment ceiling of investment amount of the company is calculated by investor's net assets.

(Note 3): Richpower Electronic Devices Co., Ltd. had cancelled USD 185 thousand of the investment amount from Investment Commission. Since the investee had liquidated but the investment was not remitted back, the investment amount was included in the accumulated amount remitted out of Taiwan to Mainland China.

(3) Significant direct or indirect transactions of the Company with the investee companies in Mainland China: Please refer to Notes 5 3)(1) and 11 2) (8).

4) The relationship and significant transactions between the Company and its subsidiaries for the years ended December 31, 2011 and 2010.

The disclosure information of the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements.

2011:

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			
				Subject	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Commission	\$ 160,953	Note 11	0.05
0	WPG Holdings Limited	Yosun Industrial Corp.	1	Commission	113,755	Note 11	0.03
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Sales	6,610,195	Note 4	1.99
1	World Peace Industrial Co., Ltd.	World Peace International (China) Limited	3	Sales	900,898	Note 4	0.27
1	World Peace Industrial Co., Ltd.	Gain Tune Ltd.	3	Sales	735,116	Note 4	0.22
1	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte Ltd.	3	Sales	142,457	Note 4	0.04
1	World Peace Industrial Co., Ltd.	Silicon Application Corp.	3	Sales	103,622	Note 4	0.03
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	Sales	1,985,372	Note 12	0.60
2	WPI International (Hong Kong) Limited	WPG Electronics Limited	3	Sales	106,387	Note 12	0.03
2	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	Sales	588,201	Note 12	0.18
2	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	Sales	539,226	Note 12	0.16
2	WPI International (Hong Kong) Limited	Silicon Application Company Limited	3	Sales	386,098	Note 12	0.12
2	WPI International (Hong Kong) Limited	World Peace International (China) Limited	3	Sales	292,528	Note 12	0.09
2	WPI International (Hong Kong) Limited	Teksel WPG Limited	3	Sales	154,451	Note 12	0.05
3	Gain Tune Ltd.	WPG C&C Limited	3	Sales	5,412,157	Note 12	1.63
3	Gain Tune Ltd.	World Peace Industrial Co., Ltd.	3	Sales	474,905	Note 12	0.14
3	Gain Tune Ltd.	WPI International (Hong Kong) Limited	3	Sales	157,008	Note 12	0.05
3	Gain Tune Ltd.	Sertek Incorporated	3	Sales	111,678	Note 12	0.03
4	World Peace International (South Asia) Pte Ltd.	World Peace International (China) Limited	3	Sales	1,663,829	Note 12	0.50
4	World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	3	Sales	173,471	Note 12	0.05
4	World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt. Ltd.	3	Sales	114,207	Note 12	0.03
5	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	Sales	399,855	Note 12	0.12
5	WPG C&C Limited	WPI International (Hong Kong) Limited	3	Sales	243,993	Note 12	0.07

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			Percentage of total combined revenue or total assets (Note 3)
				Subject	Amount	Transaction terms	
6	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	Sales	\$ 415,791	Note 12	0.13
6	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	Sales	207,740	Note 12	0.06
7	Genuine C&C (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	Sales	216,371	Note 12	0.07
7	Genuine C&C (South Asia) Pte Ltd.	Genuine C&C (Indochina) Pte Ltd.	3	Sales	206,660	Note 12	0.06
7	Genuine C&C (South Asia) Pte Ltd.	WPG C&C (Malaysia) SDN BHD	3	Sales	465,146	Note 12	0.14
7	Genuine C&C (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	3	Sales	243,993	Note 12	0.07
8	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Sales	918,331	Note 7	0.28
9	Silicon Application Company Limited	Silicon Application Corp.	3	Sales	320,533	Note 6	0.10
10	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	Sales	1,330,370	Note 8	0.40
10	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	Sales	1,355,179	Note 8	0.41
10	Richpower Electronic Devices Co., Ltd.	WPG Electronics Limited	3	Sales	137,028	Note 8	0.04
11	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Ltd.	3	Sales	727,835	Note 8	0.22
11	Richpower Electronic Devices Co., Limited	WPI International (Hong Kong) Limited	3	Sales	179,644	Note 8	0.05
12	MEC Technology Co., Ltd.	Richpower Electronic Devices Co., Ltd.	3	Sales	103,760	Note 8	0.03
13	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	Sales	555,409	Note 6	0.17
14	World Components Agent (Shanghai) Inc.	Pernas Electronics Co., Ltd.	3	Sales	744,250	Note 6	0.22
14	World Components Agent (Shanghai) Inc.	Everwiner Enterprise Co., Ltd.	3	Sales	655,939	Note 6	0.20
15	Asian Information Technology Inc.	AIT Japan, Inc.	3	Sales	1,883,993	Note 8	0.57
16	AITG Electronic Limited	Frontek Technology Corporation	3	Sales	389,742	Note 8	0.12
17	AIT Japan, Inc.	Asian Information Technology Inc.	3	Sales	260,531	Note 8	0.08
18	Frontek Technology Corporation	WPG China Inc.	3	Sales	115,780	Note 8	0.03
18	Frontek Technology Corporation	World Peace Industrial Co., Ltd.	3	Sales	275,581	Note 8	0.08
19	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	Sales	3,626,288	Note 14	1.09
19	Yosun Industrial Corp.	Sertek Limited	3	Sales	1,283,254	Note 14	0.39
19	Yosun Industrial Corp.	Sertek Incorporated	3	Sales	536,314	Note 14	0.16
19	Yosun Industrial Corp.	Sunwise Technology Ltd.	3	Sales	174,115	Note 14	0.05
19	Yosun Industrial Corp.	Yosun Singapore Pte Ltd.	3	Sales	108,874	Note 14	0.03

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			Percentage of total combined revenue or total assets (Note 3)
				Subject	Amount	Transaction terms	
20	Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	3	Sales	\$ 1,967,851	Note 16	0.59
20	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	Sales	1,326,207	Note 15	0.40
20	Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	3	Sales	958,394	Note 16	0.29
20	Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	3	Sales	456,150	Note 16	0.14
20	Yosun Hong Kong Corp. Ltd.	Yosun Singapore Pte Ltd.	3	Sales	316,457	Note 16	0.10
21	Yosun Singapore Pte., Ltd.	Yosun Industrial Corp.	3	Sales	194,871	Note 15	0.06
21	Yosun Singapore Pte., Ltd.	Yosun Hong Kong Corp. Ltd.	3	Sales	140,135	Note 13	0.04
22	Sunwise Technology Ltd.	Yosun Hong Kong Corp. Ltd.	3	Sales	324,364	Note 13	0.10
23	Giaterk Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	Sales	1,426,186	Note 13	0.43
23	Giaterk Corp. Ltd.	Yosun South China Corp. Ltd.	3	Sales	319,984	Note 13	0.10
24	Sertek Incorporated	Sertek Limited	3	Sales	4,131,726	Note 17	1.24
24	Sertek Incorporated	Yosun Industrial Corp.	3	Sales	204,061	Note 16	0.06
25	Scope Technology Co., Ltd.	Lipers Enterprise Co., Ltd.	3	Sales	114,376	Note 10	0.03
26	WPG China Inc.	WPI International (Hong Kong) Limited	3	Sales	528,995	Note 5	0.16
26	WPG China Inc.	Frontek Technology Corporation	3	Sales	125,083	Note 5	0.04
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Ltd.	3	Accounts receivable	1,200,153	Note 4	1.10
1	World Peace Industrial Co., Ltd.	Gain Tune Ltd.	3	Accounts receivable	102,621	Note 4	0.09
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	Accounts receivable	145,259	Note 12	0.13
2	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	Accounts receivable	184,133	Note 12	0.17
2	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	Accounts receivable	101,906	Note 12	0.09
3	Gain Tune Ltd.	WPG C&C Limited	3	Accounts receivable	213,984	Note 12	0.20
4	World Peace International (South Asia) Pte Ltd.	World Peace International (China) Limited	3	Accounts receivable	433,659	Note 12	0.40
7	Genuine C&C (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	Accounts receivable	225,640	Note 12	0.21
7	Genuine C&C (South Asia) Pte Ltd.	Genuine C&C (Indo China) Pte Ltd.	3	Accounts receivable	194,093	Note 12	0.18
8	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Accounts receivable	307,568	Note 7	0.28
10	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	Accounts receivable	506,457	Note 8	0.46
10	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	Accounts receivable	188,676	Note 8	0.17

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			Percentage of total combined revenue or total assets (Note 3)
				Subject	Amount	Transaction terms	
15	Asian Information Technology Inc.	AIT Japan, Inc.	3	Accounts receivable	\$ 251,237	Note 8	0.23
19	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	Accounts receivable	1,934,727	Note 14	1.77
20	Yosun Hong Kong Corp Ltd.	Yosun Shanghai Corp. Ltd.	3	Accounts receivable	327,394	Note 16	0.30
20	Yosun Hong Kong Corp Ltd.	Yosun South China Corp. Ltd.	3	Accounts receivable	106,144	Note 16	0.10
24	Sertek Incorporated	Sertek Limited	3	Accounts receivable	476,224	Note 17	0.44
26	WPG China Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	106,840	Note 5	0.10
4	World Peace International (South Asia) Pte Ltd.	World Peace International Pte., Ltd.	3	Other receivables	130,183	Note 18	0.12
4	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	3	Other receivables	393,575	Note 18	0.36
3	Gain Tune Ltd.	WPI International (Hong Kong) Limited	3	Other receivables	832,563	Note 18	0.76
15	Asian Information Technology Inc.	Frontek Technology Corporation	3	Other receivables	250,313	Note 9	0.23
27	Apache Communication Inc.	Frontek Technology Corporation	3	Other receivables	100,969	Note 9	0.09
28	Silicon Application (BVI) Corporation	Silicon Application Corp.	3	Other receivables	288,238	Note 18	0.26
28	Silicon Application (BVI) Corporation	Silicon Application Company Limited	3	Other receivables	196,788	Note 18	0.18
29	WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	3	Other receivables	140,355	Note 18	0.13

Note 1: The transaction information of the Company and the consolidated subsidiaries are noted in column "Number". The number means:

1. Number 0 represents the Company.
2. The consolidated subsidiaries are in order from number 1.

Note 2: The relationship with the transaction parties are as follows:

1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

Note 3: Ratios of asset/liability are divided by consolidated total assets, and ratios of gain/loss accounts are divided by consolidated sales revenue.

Note 4: The price is based on the negotiation by both parties to the contract agreed to; collections are made within 30-75 days from the month of sale.

Note 5: The price is based on the negotiation by both parties to the contract agreed to; collections are made within 60 days from the month of sale.

Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions.

Note 7: The terms and sales prices are similar to third parties.

Note 8: The price is based on the negotiation by both parties to the contract agreed to; collections are made within 30-120 days from the month of sale.

Note 9: Mainly receivables arising from payment on behalf of others.

Note 10: The price is based on the cost plus a determined profit. The collection period is 95 days after sale.

Note 11: The commission revenue arose from providing administration resources and management service to related parties. Commission fees and collection terms are negotiated by both parties.

Note 12: The price is based on the negotiation by both parties to; the contract agreed to collection are made with 30-60 days from the month of sale.

Note 13: The price is based on the cost plus a determined profit. The collection period is 75 days after sale.

Note 14: The price is based on the cost plus a determined profit. The collection period is similar to third parties.

Note 15: The price is based on the cost plus a determined profit. The collection period is 45 days after sales, and the amount due for collection is the net amount after offsetting accounts receivable and payable.

Note 16: The price is based on the cost plus determined profit. The collection period is 30 days from the month of sale.

Note 17: The price is based on the cost plus determined profit. The collection period is 90 days after sale.

Note 18: Mainly accrued financing charges.

2010:

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			Percentage of total combined revenue or total assets (Note 3)
				Subject	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Commission revenue	\$ 187,298	Note 11	0.07
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Sales	4,336,129	Note 4	1.69
1	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte Ltd.	3	Sales	622,550	Note 4	0.24
1	World Peace Industrial Co., Ltd.	Gain Tune Ltd.	3	Sales	717,544	Note 4	0.28
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	Sales	290,239	Note 4	0.11
1	World Peace Industrial Co., Ltd.	World Peace International (China) Limited	3	Sales	224,633	Note 4	0.09
1	World Peace Industrial Co., Ltd.	Asian Information Technology Inc.	3	Sales	127,499	Note 4	0.05
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	Sales	2,630,126	Note 4	1.02
2	WPI International (Hong Kong) Limited	Silicon Application Company Limited	3	Sales	1,492,792	Note 4	0.58
2	WPI International (Hong Kong) Limited	World Peace International (China) Limited	3	Sales	300,265	Note 4	0.12
2	WPI International (Hong Kong) Limited	Teksel WPG Limited	3	Sales	239,009	Note 4	0.09
2	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	Sales	258,032	Note 4	0.10
2	WPI International (Hong Kong) Limited	WPG Electronics Limited	3	Sales	123,646	Note 4	0.05
3	World Peace International (South Asia) Pte Ltd.	World Peace International (China) Limited	3	Sales	2,135,399	Note 4	0.83
3	World Peace International (South Asia) Pte Ltd.	WPI International (Hong Kong) Limited	3	Sales	203,610	Note 4	0.08
3	World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	3	Sales	220,556	Note 4	0.09
4	Gain Tune Ltd.	WPG C&C Limited	3	Sales	349,207	Note 4	0.14
4	Gain Tune Ltd.	World Peace Industrial Co., Ltd.	3	Sales	1,037,577	Note 4	0.40
4	Gain Tune Ltd.	WPI International (Hong Kong) Limited	3	Sales	616,026	Note 4	0.24
4	Gain Tune Ltd.	WPI International Trading (Shanghai) Ltd.	3	Sales	548,975	Note 4	0.21
5	World Peace Industrial (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	Sales	369,332	Note 4	0.14
6	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	Sales	2,540,413	Note 5	0.99
6	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	Sales	1,413,036	Note 5	0.55
6	Richpower Electronic Devices Co., Ltd.	WPG Electronic Ltd.	3	Sales	315,354	Note 5	0.12
7	World Components Agent (Shanghai) Inc.	Pernas Electronics Co., Ltd.	3	Sales	1,254,904	Note 6	0.49
7	World Components Agent (Shanghai) Inc.	Everwiner Enterprise Co., Ltd.	3	Sales	1,048,696	Note 6	0.41
8	Asian Information Technology Inc.	AIT Japan, Inc.	3	Sales	1,006,302	Note 8	0.39

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			Percentage of total combined revenue or total assets (Note 3)
				Subject	Amount	Transaction terms	
9	AITG Electronic Limited	Frontek Technology Corporation	3	Sales	\$ 286,786	Note 8	0.11
10	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Sales	510,976	Note 7	0.20
10	Silicon Application Corp.	Win-Win Electronics Corp.	3	Sales	102,202	Note 12	0.04
11	Frontek Technology Corporation	World Peace Industrial Co., Ltd.	3	Sales	355,829	Note 4	0.14
12	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	Sales	230,508	Note 4	0.09
14	Silicon Application Company Limited	Silicon Application Corp.	3	Sales	129,940	Note 12	0.05
15	Richpower Electronic Devices Co., Limited	Richpower Electronic Devices Co., Limited	3	Sales	357,684	Note 5	0.14
16	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	Sales	132,899	Note 14	0.05
17	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	Sales	275,382	Note 14	0.11
18	WPG China Inc.	WPI International (Hong Kong) Limited	3	Sales	680,912	Note 5	0.26
18	WPG China Inc.	WPI International Trading (Shanghai) Ltd.	3	Sales	122,397	Note 5	0.05
18	WPG China Inc.	Frontek Technology Corporation	3	Sales	126,558	Note 5	0.05
1	World Peace Industrial Co., Ltd.	WPG Holdings Limited	2	Long-term Investment	194,996	Note 13	0.21
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	565,152	Note 4	0.60
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	Accounts receivable	186,247	Note 4	0.20
1	World Peace Industrial Co., Ltd.	Gain Tune Ltd.	3	Accounts receivable	122,806	Note 4	0.13
2	WPI International (Hong Kong) Limited	Silicon Application Company Limited	3	Accounts receivable	220,048	Note 4	0.24
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	Accounts receivable	139,765	Note 4	0.15
3	World Peace International (South Asia) Pte Ltd.	World Peace International (China) Limited	3	Accounts receivable	297,417	Note 4	0.32
4	Gain Tune Ltd.	World Peace International (China) Limited	3	Accounts receivable	322,964	Note 4	0.35
6	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	Accounts receivable	387,603	Note 4	0.41
6	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	Accounts receivable	428,688	Note 4	0.46
8	Asian Information Technology Inc.	AIT Japan, Inc.	3	Accounts receivable	222,315	Note 8	0.24
10	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Accounts receivable	180,614	Note 7	0.19
10	Silicon Application Corp.	Win-Win Electronics Corp.	3	Accounts receivable	107,312	Note 12	0.11
13	Yosun Industrial Corp.	Sertek Incorporated	3	Accounts receivable	151,937	Note 15	0.16
17	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	Accounts receivable	118,838	Note 14	0.13

Number (Note 1)	Name of counterparty	Name of transaction parties	Relationship (Note 2)	Transaction terms			Percentage of total combined revenue or total assets (Note 3)
				Subject	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Other receivables	\$ 134,752	Note 9	0.14
1	World Peace Industrial Co., Ltd.	WPG Americas Inc.	3	Other receivables	146,160	Note 10	0.16
3	World Peace International (South Asia) Pte. Ltd.	World Peace International Pte. Ltd.	3	Other receivables	224,592	Note 10	0.24
3	World Peace International (South Asia) Pte. Ltd.	Genuine C&C (South Asia) Pet., Ltd.	3	Other receivables	116,637	Note 10	0.12
6	Richpower Electronic Devices Co., Ltd.	WPG Holdings Limited	2	Other receivables	150,090	Note 11	0.16
8	Asian Information Technology Inc.	WPG Americas Inc.	3	Other receivables	145,813	Note 11	0.16
10	Silicon Application Corp.	Everwiner Enterprise Co., Ltd.	3	Other receivables	151,102	Note 11	0.16
10	Silicon Application Corp.	WPG Holdings Limited	2	Other receivables	300,107	Note 11	0.32
19	Apache Communication Inc.	Frontek Technology Corporation	3	Other receivables	197,181	Note 11	0.21
19	Apache Communication Inc.	WPG Holdings Limited	2	Other receivables	100,043	Note 11	0.11
20	Silicon Application (BVI) Corporation	Silicon Application Corp.	3	Other receivables	292,990	Note 11	0.31

Note 1: The transaction information of the Company and the consolidated subsidiaries are noted in column "Number". The number means:

1. Number 0 represents the Company.
2. The consolidated subsidiaries are in order from number 1.

Note 2: The relationship with the transaction parties are as follows:

1. The Company to the consolidated subsidiary.
2. The consolidated subsidiary to the Company.
3. The consolidated subsidiary to another consolidated subsidiary.

Note 3: Ratios of asset/liability are divided by consolidated total assets, and ratios of gain/loss accounts are divided by consolidated sales revenue.

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 30-60 days.

Note 5: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 60-90 days.

Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions.

Note 7: The terms and sales prices are similar to third parties.

Note 8: The price is based on the negotiation by both parties to the contract agreed to; collections are made within 30-120 days.

Note 9: Mainly receivables arising from filing consolidated income tax returns under the consolidated income tax return system and payments on behalf of others.

Note 10: Mainly accrued financing charges.

Note 11: The commission revenue arose from providing administration resources and management services to related parties. Commission fees and collection terms are negotiated by both parties.

Note 12: The terms and sales prices were negotiated by both parties.

Note 13: Please refer to Note 5 3) (2) J.

Note 14: The sales price is based on the negotiation by both parties.

Note 15: The sales price is same as the third parties.

12. OPERATING SEGMENT INFORMATION

1) General information

The Group is mainly engaged in the import and export of electronic components. The products include CPU, analog IC, discrete IC, logic IC, DRAM, Flash, optical component, etc. The chief operating decision-maker evaluates performance based on the separate net income of sub-groups, which includes World Peace Industrial Co., Ltd. and its subsidiaries, Silicon Application Corp. and its subsidiaries, Asian Information Technology Inc. and its subsidiaries, Yosun Industrial Corp. and its subsidiaries and others.

2) Measurement of segment information

The Group's chief operating decision-maker uses the net income as basis for assessing the performance of the Group's operating segments.

3) Information on segment profit (loss) and assets

The segment information of the reportable segments provided to the chief operating decision-maker for the years ended December 31, 2011 and 2010 is as follows:

2011:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	\$ 139,792,294	\$ 38,404,568	\$ 34,162,147	\$ 84,629,023	\$ 35,334,559	\$ -	\$ 332,322,591
Revenue from internal customers	1,118,537	1,128,421	656,046	105,988	3,268,617	(6,277,609)	-
Total revenue	<u>\$ 140,910,831</u>	<u>\$ 39,532,989</u>	<u>\$ 34,818,193</u>	<u>\$ 84,735,011</u>	<u>\$ 38,603,176</u>	<u>(\$ 6,277,609)</u>	<u>\$ 332,322,591</u>
Segment profit (loss)	<u>\$ 3,869,800</u>	<u>\$ 1,397,693</u>	<u>\$ 1,091,360</u>	<u>\$ 2,653,957</u>	<u>(\$ 286,026)</u>	<u>\$ 1,038,717</u>	<u>\$ 9,765,501</u>
Net income	<u>\$ 2,389,436</u>	<u>\$ 633,894</u>	<u>\$ 518,726</u>	<u>\$ 1,155,911</u>	<u>\$ 393,562</u>	<u>(\$ 11,096)</u>	<u>\$ 5,080,433</u>
Total assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2010:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Others	Eliminations	Total
Revenue from external customers	\$ 132,683,484	\$ 45,828,690	\$ 32,742,941	\$ 11,305,894	\$ 34,656,185	\$ -	\$ 257,217,194
Revenue from internal customers	916,371	773,847	752,081	29,984	4,578,689	(7,050,972)	-
Total revenue	<u>\$ 133,599,855</u>	<u>\$ 46,602,537</u>	<u>\$ 33,495,022</u>	<u>\$ 11,335,878</u>	<u>\$ 39,234,874</u>	<u>(\$ 7,050,972)</u>	<u>\$ 257,217,194</u>
Segment profit (loss)	<u>\$ 4,093,192</u>	<u>\$ 1,662,353</u>	<u>\$ 1,006,733</u>	<u>\$ 574,065</u>	<u>\$ 242,005</u>	<u>\$ 1,200,871</u>	<u>\$ 8,779,219</u>
Net income	<u>\$ 2,734,901</u>	<u>\$ 784,618</u>	<u>\$ 566,881</u>	<u>\$ 209,322</u>	<u>\$ 827,015</u>	<u>(\$ 157,775)</u>	<u>\$ 4,964,962</u>
Total assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: According to EITF 99-151, "Explanation for Segment Reporting", of the R.O.C. Accounting Research and Development Foundation, dated June 28, 2010, enterprises should disclose the measurement amount of reportable segments asset in accordance with paragraph 24 of R.O.C. SFAS No. 41, "Operating Segments". As the Company does not provide the measurement amount of assets to the chief operating decision-maker, measurement amount of assets to be disclosed is \$0.

4) Reconciliation information for segment profit (loss)

The net income reported to the chief operating decision-maker is measured in a manner consistent with revenues, costs and expenses in the statement of income. As a result, reconciliation is not needed.

(5) Information about products and services

The Group is mainly engaged in the import and export of electronic components. Revenues consist as follows:

	<u>2011</u>	<u>2010</u>
Core components	\$ 106,137,680	\$ 95,760,165
Analog IC and mixed signal component	54,620,518	32,825,194
Discrete, logic IC	54,561,019	43,802,586
Memory	43,189,706	32,330,016
Optical components	23,754,028	14,098,499
Passive component, connector and magnetic component	14,921,982	13,712,586
Others	35,137,658	24,688,148
Total	<u>\$ 332,322,591</u>	<u>\$ 257,217,194</u>

(6) Information about geographic areas

Information about geographic areas for the years ended December 31, 2011 and 2010 were as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Taiwan	\$ 71,906,419	\$ 8,612,271	\$ 43,101,933	\$ 7,203,192
Mainland China	233,978,626	674,446	192,585,551	981,970
Others	26,437,546	217,096	21,529,710	225,804
Total	<u>\$ 332,322,591</u>	<u>\$ 9,503,813</u>	<u>\$ 257,217,194</u>	<u>\$ 8,410,966</u>

(7) Information about major customers

No single customer contributes more than 10% of the Group's total consolidated operating revenues for the years ended December 31, 2011 and 2010.

13. DISCLOSURES RELATING TO THE ADOPTION OF IFRSs

Pursuant to the regulations of the Financial Supervisory Commission, Executive Yuan, R.O.C. (FSC) effective January 1, 2013, a public company whose stock is listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market should prepare financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins (IFRSs) that are ratified by FSC.

The Company discloses the following information in advance prior to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of FSC, dated February 2, 2010:

(1) Major contents and status of execution of the Company's plan for IFRSs adoption:

The Company has established the IFRSs taskforce headed by the Company's general manager, which is responsible for setting up a plan relative to the Company's transition to IFRSs. The major contents and status of execution of this plan are outlined below:

Working Items for IFRSs Adoption	Status of Execution
a. Establish the IFRSs taskforce	Completed
b. Setting up a plan relative to the Group's transition to IFRSs	Completed
c. Identification of the differences between current accounting policies and IFRSs	Completed
d. Identification of consolidated entities under IFRSs	Completed
e. Evaluation of the impact of each exemption and option on the Company under IFRS 1 - First-time Adoption of International Financial Reporting Standards	Completed
f. Evaluation of adjustments of information system	Completed
g. Evaluation of modification to the relevant internal controls	Completed
h. Determine IFRSs accounting policies	Completed
i. Selection of exemptions and options available under IFRS 1 - First-time Adoption of International Financial Reporting Standards	Completed
j. Preparation of statement of financial position on the opening date of IFRSs	In progress according to the plan
k. Preparation of comparative financial information under IFRSs for 2012	In progress according to the plan
l. Modification of relevant internal controls (including financial reporting process and relevant information system)	Completed

(2) Material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be used in the preparation of financial statements in the future:

The Company uses the IFRSs already ratified currently by FSC and the "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be applied in 2013 as

the basis for evaluation of material differences in accounting policies as mentioned above. However, the Company's current evaluation results may be different from the actual differences that may arise when new issuances of or amendments to IFRSs are subsequently ratified by FSC or relevant interpretations or amendments to the "Rules Governing the Preparation of Financial Statements by Securities Issuers" come in the future.

Material differences identified by the Company that may arise between current accounting policies used in the preparation of financial statements and IFRSs and "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be used in the preparation of financial statements in the future are set forth below:

A. Financial assets: equity instruments

Before the amendment of "Rules Governing the Preparation of Financial Statements by Securities Issuers", dated July 7, 2011, unlisted stocks and emerging stocks held by the Group should be measured at cost and recognized in "Financial assets carried at cost". However, in accordance with IAS 39, "Financial Instruments: Recognition and Measurement", investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value.

B. Business combinations

- (a) Although no rules concerning the recognition of costs related to the acquisition in a business combination are specified in current accounting standards in R.O.C., in practice, certain acquisition-related costs are usually viewed as part of the acquisition cost of the acquiring corporation. However, in accordance with IFRS 3, "Business Combinations", all acquisition-related costs must be expensed by the acquiring corporation when such costs are incurred and services are received.
- (b) The measurement date for the equity stock issued in a business combination is the announcement date of the combination agreement in accordance with current accounting standards in R.O.C. and is the acquisition date in accordance with IFRS 3, "Business Combinations".
- (c) In accordance with current accounting standards in R.O.C., when the fair value of identifiable net assets acquired exceeds the acquisition cost, the difference should be assigned to non-current assets acquired proportionate to their respective fair values. If the book values of those non-current assets are reduced to zero, the remaining excess should be recorded as extraordinary gains. However, in accordance with IFRS 3, "Business Combinations", the difference should be directly recognized in profit or loss.

- (d) In accordance with current accounting standards in R.O.C., the minority interest on the consolidated financial statements should be measured based on the book value of the acquired corporation. In accordance with IFRS 3, “Business Combinations”, the non-controlling interest in the acquired corporation should be measured at fair value (or at the non-controlling interest’s proportionate share of the acquired corporation’s identifiable net assets).
- (e) In accordance with current accounting standards in R.O.C., where the distribution of additional consideration may be contingent on maintaining or achieving specified future earnings level for the acquired corporation and it is reasonably certain that the event is likely to occur and the amount can be reasonably estimated, such contingent consideration should be included in the acquisition cost; where additional consideration may be contingent on the market price of a particular security issued as a result of a business combination, then the acquiring corporation should record the current fair value of the additional securities issued and simultaneously reduce the book value of the securities issued at acquisition date. In accordance with IFRS 3, “Business Combinations”, the acquiring corporation should recognize the contingent consideration at fair value at acquisition date as part of the consideration transferred to acquire a business. The acquiring corporation should classify the obligation to pay contingent consideration as a liability or as equity, and shall classify as an asset the right to the return of previously transferred consideration when certain criteria are met.

C. Consolidated financial statements

- (a) In accordance with current accounting standards in R.O.C., in case the parent company changes its share ownership of the subsidiary and loses control over the subsidiary, any investment retained in the former subsidiary is measured at the book value multiplied by the residual share ownership ratio at the date when control is lost. In accordance with IAS 27, “Consolidated and Separate Financial Statements”, any investment retained in the former subsidiary should be recognized at its fair value at the date when control is lost.
- (b) In accordance with current accounting standards in R.O.C., in case the parent company changes its share ownership of the subsidiary but does not lose control over the subsidiary after control was obtained, the purchase method of accounting is used to account for the increase in ownership interest, while the decrease in ownership interest is regarded as disposal of shares and the related disposal gain or loss is recognized in profit or loss. In accordance with IAS 27, “Consolidated and Separate Financial Statements”, changes in a parent company’s ownership interest that do not result in the parent company losing control of the subsidiary are equity

transactions, which would not affect profit or loss and goodwill would not be remeasured.

D. Investments in associates/long-term equity investments accounted for under equity method

- (a) The current accounting standards in R.O.C. do not prescribe that the investor and the associate should use uniform accounting policies in the preparation of financial statements. However, in accordance with IAS 28, “Investments in Associates”, an associate should use uniform accounting policies as the investor in the preparation of its financial statements for like transactions and other events in similar circumstances; otherwise, the associate’s financial statements should be adjusted to reflect the investor’s accounting policies for the purpose of applying the equity method.
- (b) In accordance with current accounting standards in R.O.C., if an investee company issues new shares and original shareholders do not purchase or acquire new shares proportionately, but the investor company does not lose its significant influence over the investee company, the investment percentage, and therefore the equity in net assets for the investment that an investor company has invested, will be changed. Such difference shall be used to adjust the ‘Additional paid-in capital’ and the ‘Long-term equity investments’ accounts. However, in accordance with IAS 28, “Investments in Associates”, increase in investment percentage is accounted for as an acquisition of investment; while, decrease in investment percentage is accounted for as a disposal of investment and any related disposal gain or loss is recognized.

E. Pensions

- (a) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits”, requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan; when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds (at the end day of the reporting period) instead.
- (b) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, as this is the Group’s first-time adoption of IFRSs, the transition regulations of IAS 19, “Employee Benefits” do not apply to the Group. The unrecognized transitional net benefit obligation should be zero.

- (c) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognized on the balance sheet (“minimum pension liability”). However, IAS 19, “Employee Benefits”, has no regulation regarding the minimum pension liability.
- (d) In accordance with current accounting standards in R.O.C., actuarial pension gain or loss of the Group is recognized as net pension cost of current period using the ‘corridor’ method. However, IAS 19, “Employee Benefits”, requires that actuarial pension gain or loss should be recognized immediately in other comprehensive income.

F. Employee benefits

The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulated unused compensated absences. The Group recognizes such costs as expenses upon actual payment. However, IAS 19, “Employee Benefits”, requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period.

G. Share-based payment

The share-based payment arrangements of the Group include employee stock options, cash capital increase reserved for employee preemption and employees’ bonus.

- (a) The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF 92-070, EITF 92-071 and EITF 92-072, “Accounting for Employee Stock Options”, of the R.O.C. Accounting Research and Development Foundation, dated March 17, 2003. Compensation cost of such employee stock options is recognized as an expense using the intrinsic value method. Compensation cost of cash capital increase reserved for employee preemption incurred and employee stock options before December 31, 2007 was not recognized as an expense by the Group. Employees’ bonus distributed before 2007 was accounted for as appropriation of earnings and was not recognized as an expense by the Group.
- (b) However, according to IFRS 2, “Share-based Payment”, the cost of the share-based payment arrangements stated above should be expensed at the fair value of the equity instruments over the vesting period.

H. Income taxes

- (a) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is

not related to an asset or liability for financial reporting, should be classified as current or noncurrent according to the expected period to realize or settle a deferred tax asset or liability. However, under IAS 1, “Presentation of Financial Statements”, an entity should not classify a deferred tax asset or liability as current.

- (b) In accordance with current accounting standards in R.O.C., when evidence shows that part or whole of the deferred tax asset with 50% probability or above will not be realized, an entity should reduce the amount of deferred tax asset by adjusting the valuation allowance account. In accordance with IAS 12, “Income Taxes”, a deferred tax asset should be recognized if, and only if, it is considered highly probable that it will be realized.

Some of the above differences may not have a material effect on the Company in transition to IFRSs due to the exemption rules in IFRS 1, “First-time Adoption of International Financial Reporting Standards”, adopted by the Company.