

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
SEPTEMBER 30, 2012 AND 2011

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.

Review Report of Independent Accountants Translated from Chinese

To the Board of Directors and Stockholders of
WPG Holdings Limited

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of September 30, 2012 and 2011, and the related consolidated statements of income and of cash flows for the nine-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Except as explained in the following paragraph, our reviews were made in accordance with the Generally Accepted Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As described in Note 2(1), the financial statements of certain consolidated subsidiaries were not reviewed by independent accountants. These unreviewed financial statements reflect total assets of \$15,609,526 thousand and \$12,318,291 thousand, constituting 12% and 10% of the consolidated total assets, and total liabilities of \$3,797,113 thousand and \$6,136,919 thousand, constituting 4% and 7% of the consolidated total liabilities as of September 30, 2012 and 2011, respectively, and net income of \$290,673 thousand and \$187,047 thousand, constituting 8% and 4% of the consolidated total net income for the nine-month periods then ended, respectively. In addition, as explained in Note 4(10), the financial statements of certain investee companies accounted for under the equity method were not reviewed by independent accountants. Long-term investments (Other liabilities) in these investee companies amounted to \$593,804 thousand and \$413,857 thousand (\$3,665 thousand) as of September 30, 2012 and 2011, respectively, with related investment income of \$28,341 thousand and \$36,135 thousand for the nine-month periods then ended, respectively. These amounts and the information disclosed in Note 11 related to these investees were based on their respective unreviewed financial statements.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of these investee companies been reviewed by independent accountants as explained in the preceding paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and generally accepted accounting principles in the Republic of China.

WPG Holdings Limited expects to adopt International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins (collectively referred herein as the “IFRSs”) that are ratified by the Former Financial Supervisory Commission, Executive Yuan, R.O.C., (FSC) and Rules Governing the Preparation of Financial Statements by Securities Issuers, effective January 1, 2013. Information relating to the adoption of IFRSs is disclosed in Note 13 under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of FSC, dated February 2, 2010. The IFRSs may be subject to changes during the time of transition; therefore, the actual impact of IFRSs adoption on the Company may also change.

PricewaterhouseCoopers, Taiwan
October 30, 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 review 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
SEPTEMBER 30, 2012 AND 2011

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED BUT REVIEWED)

| | September 30, | | | |
|---|-----------------------|------------|-----------------------|------------|
| | 2012 | | 2011 | |
| | Amount | % | Amount | % |
| ASSETS | | | | |
| <u>Current Assets</u> | | | | |
| Cash and cash equivalents (Note 4(1)) | \$ 8,476,225 | 7 | \$ 7,566,082 | 6 |
| Financial assets at fair value through profit or loss - current (Note 4(2)) | 52,162 | - | 281,471 | - |
| Available-for-sale financial assets - current | 18,279 | - | 20,578 | - |
| Financial assets carried at cost - current | 12,871 | - | 24,958 | - |
| Notes receivable, net (Notes 4(3) and 6) | 2,225,021 | 2 | 1,483,867 | 1 |
| Accounts receivable, net (Note 4(4)) | 58,548,776 | 47 | 52,921,657 | 44 |
| Accounts receivable - related parties, net (Note 5) | 198,375 | - | 21,801 | - |
| Other receivables (Notes 4(4) and 4(17)) | 2,408,578 | 2 | 2,993,331 | 3 |
| Other financial assets - current (Notes 4(5) and 6) | 1,469,135 | 1 | 3,831,991 | 3 |
| Inventories, net (Note 4(6)) | 36,723,475 | 29 | 39,805,120 | 33 |
| Deferred income tax assets - current (Note 4(17)) | 154,074 | - | 138,706 | - |
| Other current assets (Note 4(7)) | 2,152,237 | 2 | 1,848,384 | 2 |
| | <u>112,439,208</u> | <u>90</u> | <u>110,937,946</u> | <u>92</u> |
| <u>Funds and Investments</u> | | | | |
| Available-for-sale financial assets - non-current (Note 4(8)) | 186,879 | - | 188,468 | - |
| Held-to-maturity financial assets - non-current | 5,000 | - | 5,000 | - |
| Financial assets carried at cost - non-current (Notes 4(9), 4(14) and 6) | 523,610 | - | 332,859 | - |
| Long-term investments accounted for under the equity method (Note 4(10)) | 817,076 | 1 | 413,857 | 1 |
| Prepayments for long-term investment | 45,360 | - | 69,221 | - |
| Other financial assets - non-current (Notes 4(11) and 6) | 20,987 | - | - | - |
| | <u>1,598,912</u> | <u>1</u> | <u>1,009,405</u> | <u>1</u> |
| <u>Property, Plant and Equipment, net (Notes 4(12) and 6)</u> | | | | |
| Cost | | | | |
| Land | 2,721,324 | 2 | 1,931,084 | 2 |
| Buildings | 1,580,077 | 1 | 1,331,047 | 1 |
| Machinery and equipment | 86,299 | - | 88,094 | - |
| Transportation equipment | 27,412 | - | 26,828 | - |
| Office equipment | 482,468 | 1 | 530,867 | 1 |
| Leasehold improvements | 370,153 | - | 268,588 | - |
| Other equipment | 112,785 | - | 132,255 | - |
| | 5,380,518 | 4 | 4,308,763 | 4 |
| Less: Accumulated depreciation | (934,899) | (1) | (972,405) | (1) |
| Accumulated impairment | (24,049) | - | (54,774) | - |
| Prepayments for equipment | 738,866 | 1 | 8,338 | - |
| | <u>5,160,436</u> | <u>4</u> | <u>3,289,922</u> | <u>3</u> |
| <u>Intangible Assets</u> | | | | |
| Goodwill (Note 10) | 5,559,408 | 5 | 5,122,952 | 4 |
| Deferred pension cost | 7,171 | - | 8,929 | - |
| Other intangible assets | 374,938 | - | 163,038 | - |
| | <u>5,941,517</u> | <u>5</u> | <u>5,294,919</u> | <u>4</u> |
| <u>Other Assets</u> | | | | |
| Rental facilities, net (Notes 4(13) and 6) | 106,182 | - | 125,232 | - |
| Deposit-out (Note 6) | 262,610 | - | 477,221 | - |
| Other assets - others | 19,200 | - | 37,756 | - |
| | <u>387,992</u> | <u>-</u> | <u>640,209</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 125,528,065</u> | <u>100</u> | <u>\$ 121,172,401</u> | <u>100</u> |

(continued on next page)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2012 AND 2011
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED BUT REVIEWED)

| | September 30, | | | |
|---|-----------------------|------------|-----------------------|------------|
| | 2012 | | 2011 | |
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | | | |
| <u>Current Liabilities</u> | | | | |
| Short-term loans (Note 4(15)) | \$ 34,166,562 | 27 | \$ 35,582,552 | 29 |
| Commercial papers payable (Note 4(16)) | 3,547,544 | 3 | 3,652,950 | 3 |
| Financial liabilities at fair value through profit or loss - current (Note 4(2)) | 6,656 | - | 24,251 | - |
| Notes payable | 274,047 | - | 276,461 | - |
| Accounts payable | 36,518,072 | 29 | 32,006,948 | 26 |
| Accounts payable - related parties (Note 5) | 92,788 | - | 1,611 | - |
| Income tax payable (Note 4(17)) | 855,963 | 1 | 824,269 | 1 |
| Accrued expenses | 3,373,319 | 3 | 4,052,728 | 3 |
| Other payables | 435,869 | - | 947,692 | 1 |
| Current portion of long-term liabilities (Note 4(18)) | 2,812,287 | 2 | 53,067 | - |
| Other current liabilities | <u>745,266</u> | <u>1</u> | <u>661,697</u> | <u>1</u> |
| | <u>82,828,373</u> | <u>66</u> | <u>78,084,226</u> | <u>64</u> |
| <u>Long-term Liabilities</u> | | | | |
| Long-term loans (Note 4(19)) | <u>4,513,056</u> | <u>4</u> | <u>5,323,185</u> | <u>4</u> |
| <u>Other Liabilities</u> | | | | |
| Accrued pension liabilities (Note 4(20)) | 324,455 | - | 267,303 | 1 |
| Deferred income tax liabilities - non-current (Note 4(17)) | 190,318 | - | 197,456 | - |
| Other liabilities - others (Note 4(10)) | <u>62,983</u> | <u>-</u> | <u>164,780</u> | <u>-</u> |
| | <u>577,756</u> | <u>-</u> | <u>629,539</u> | <u>-</u> |
| <u>Total Liabilities</u> | <u>87,919,185</u> | <u>70</u> | <u>84,036,950</u> | <u>69</u> |
| <u>Stockholders' Equity</u> | | | | |
| Capital | | | | |
| Common stock (Note 1) | 16,557,092 | 13 | 15,838,501 | 13 |
| Capital reserve (Note 4(21)) | | | | |
| Common stock share premium | 14,886,934 | 12 | 13,270,105 | 11 |
| Treasury stock transactions | 45,083 | - | 45,083 | - |
| Long-term investments | 5,935 | - | 4,020 | - |
| Retained earnings (Note 4(22)) | | | | |
| Legal reserve | 1,967,819 | 2 | 1,459,776 | 1 |
| Special reserve | 1,485,407 | 1 | 2,728,889 | 2 |
| Undistributed earnings | 5,200,449 | 4 | 4,329,687 | 4 |
| Other adjustments to stockholders' equity | | | | |
| Cumulative translation adjustments | (2,645,485) | (2) | (1,279,380) | (1) |
| Net loss not recognized as pension cost | (2,106) | - | (7,878) | - |
| Unrealized gain or loss on financial instruments | <u>53,185</u> | <u>-</u> | <u>40,931</u> | <u>-</u> |
| | 37,554,313 | 30 | 36,429,734 | 30 |
| Minority interest | <u>54,567</u> | <u>-</u> | <u>705,717</u> | <u>1</u> |
| <u>Total Stockholders' Equity</u> | <u>37,608,880</u> | <u>30</u> | <u>37,135,451</u> | <u>31</u> |
| Commitments and contingent liabilities (Note 7) | | | | |
| Subsequent events (Note 9) | | | | |
| <u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u> | <u>\$ 125,528,065</u> | <u>100</u> | <u>\$ 121,172,401</u> | <u>100</u> |

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated October 30, 2012.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

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

| | For the nine-month periods ended September 30, | | | |
|--|--|------------------|-------------------|------------------|
| | 2012 | | 2011 | |
| | Amount | % | Amount | % |
| Operating revenues (Note 5) | | | | |
| Sales revenue | \$ 274,524,279 | 102 | \$ 253,842,732 | 102 |
| Sales returns | (2,138,625) | (1) | (1,448,892) | (1) |
| Sales allowances | (2,391,011) | (1) | (2,309,998) | (1) |
| Net sales revenue | 269,994,643 | 100 | 250,083,842 | 100 |
| Service revenue | 159,507 | - | 132,068 | - |
| Total operating revenues | 270,154,150 | 100 | 250,215,910 | 100 |
| Operating costs | | | | |
| Cost of goods sold (Notes 4(6) and 5) | (256,294,619) | (95) | (236,360,865) | (95) |
| Gross profit | 13,859,531 | 5 | 13,855,045 | 5 |
| Operating expenses (Note 4(24)) | | | | |
| Selling and marketing | (6,216,189) | (2) | (6,055,691) | (2) |
| General and administrative | (2,783,240) | (1) | (2,452,746) | (1) |
| Total operating expenses | (8,999,429) | (3) | (8,508,437) | (3) |
| Operating income | 4,860,102 | 2 | 5,346,608 | 2 |
| Non-operating income | | | | |
| Interest income | 23,236 | - | 30,986 | - |
| Investment income accounted for under the equity method (Note 4(10)) | 24,765 | - | 36,135 | - |
| Dividend income | 8,570 | - | 7,675 | - |
| Gain on disposal of property, plant and equipment | - | - | 30,565 | - |
| Gain on disposal of investments | 13,508 | - | 55,408 | - |
| Foreign exchange gain, net | 14,105 | - | 99,384 | - |
| Gain on valuation of financial assets (Note 4(2)) | 14,373 | - | 1,263 | - |
| Other non-operating income | 203,634 | - | 187,696 | - |
| Total non-operating income | 302,191 | - | 449,112 | - |
| Non-operating expenses | | | | |
| Interest expense | (575,450) | (1) | (450,659) | - |
| Loss on disposal of property, plant and equipment | (878) | - | - | - |
| Financing charges (Note 4(4)) | (105,905) | - | (116,127) | - |
| Impairment loss (Notes 4(9) and 4(14)) | (2,714) | - | (12,301) | - |
| Loss on valuation of financial liabilities (Note 4(2)) | (10,160) | - | (24,251) | - |
| Other losses | (71,027) | - | (126,593) | - |
| Total non-operating expenses | (766,134) | (1) | (729,931) | - |
| Income before income tax | 4,396,159 | 1 | 5,065,789 | 2 |
| Income tax expense (Note 4(17)) | (885,864) | - | (898,015) | - |
| Consolidated net income | \$ 3,510,295 | 1 | \$ 4,167,774 | 2 |
| Attributable to: | | | | |
| Equity holders of the Company | \$ 3,517,986 | 1 | \$ 4,158,252 | 2 |
| Minority interest | (7,691) | - | 9,522 | - |
| | \$ 3,510,295 | 1 | \$ 4,167,774 | 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(23)) | | | | |
| Net income from operations | \$ 2.69 | \$ 2.15 | \$ 3.20 | \$ 2.64 |
| Minority interest | - | - | (0.01) | (0.01) |
| Net income | \$ 2.69 | \$ 2.15 | \$ 3.19 | \$ 2.63 |
| Diluted earnings per share (In dollars) (Note 4(23)) | | | | |
| Net income from operations | \$ 2.68 | \$ 2.14 | \$ 3.20 | \$ 2.63 |
| Minority interest | - | - | (0.01) | (0.01) |
| Net income | \$ 2.68 | \$ 2.14 | \$ 3.19 | \$ 2.62 |

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated October 30, 2012.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED BUT REVIEWED)

| | <u>For the nine-month periods ended September 30,</u> | |
|---|---|----------------------|
| | <u>2012</u> | <u>2011</u> |
| <u>Cash flows from operating activities</u> | | |
| Consolidated net income | \$ 3,510,295 | \$ 4,167,774 |
| Adjustments to reconcile consolidated net income to net cash used in operating activities: | | |
| Changes in unrealized valuation of financial assets at fair value through profit or loss - current | (4,195) | 19,952 |
| Changes in unrealized valuation of financial liabilities at fair value through profit or loss - current | 5,310 | 24,251 |
| Bad debts expense | 84,643 | 13,479 |
| Provision for decline in market value and obsolescence of inventories | (175,153) | (32,125) |
| Gain on disposal of investments | (13,508) | (55,408) |
| Investment income accounted for under the equity method | (24,765) | (36,135) |
| Cash dividends received from investee companies accounted for under the equity method | 60,368 | 70,187 |
| Impairment loss | 2,714 | 12,301 |
| Depreciation | 185,207 | 161,669 |
| Loss (gain) on disposal of property, plant and equipment | 878 | (30,565) |
| Amortization | 85,012 | 57,531 |
| Changes in assets and liabilities: | | |
| Financial assets at fair value through profit or loss - current | 86,559 | (148,204) |
| Notes receivable, net | (543,157) | 61,285 |
| Accounts receivable, net | (13,114,774) | (16,626,064) |
| Accounts receivable - related parties, net | (223,204) | (21,801) |
| Other receivables | 892,708 | 1,993,059 |
| Inventories | (2,597,932) | (8,394,878) |
| Deferred income tax assets / liabilities | 7,627 | (8,390) |
| Other current assets | (291,416) | (711,245) |
| Notes payable | 53,539 | 58,420 |
| Accounts payable | 8,790,668 | 4,983,620 |
| Accounts payable - related parties | 110,733 | 1,611 |
| Income tax payable | 289,442 | (4,487) |
| Accrued expenses | (364,847) | 20,317 |
| Other payables | (114,211) | (629,832) |
| Other current liabilities | 17,727 | 227,254 |
| Accrued pension liability | <u>26,289</u> | <u>(13,020)</u> |
| Net cash used in operating activities | <u>(3,257,443)</u> | <u>(14,839,444)</u> |

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED BUT REVIEWED)

| | <u>For the nine-month periods ended September 30,</u> | |
|---|---|---------------------|
| | <u>2012</u> | <u>2011</u> |
| <u>Cash flows from investing activities</u> | | |
| Decrease in other financial assets - current | \$ 993,655 | \$ 1,553,253 |
| Proceeds from disposal of available-for-sale financial assets - non-current | 30,976 | 57,375 |
| Acquisition of financial assets carried at cost - non-current | (89,747) | (52,688) |
| Refund of capital received from financial assets carried at cost - non-current | 3,508 | 8,000 |
| Proceeds from disposal of financial assets carried at cost - non-current | - | 3,908 |
| Increase in long-term investment | (23,670) | - |
| Increase in prepayments for long-term investment | (45,360) | (69,221) |
| (Increase) decrease in other financial assets - non-current | (20,987) | 34,328 |
| Acquisition of property, plant and equipment | (1,856,955) | (230,651) |
| Proceeds from disposal of property, plant and equipment | 25,208 | 126,430 |
| Acquisition of other intangible assets | (222,503) | (14,379) |
| Decrease (increase) in deposit-out | 242,006 | (254,214) |
| Decrease in other assets - others | 3,536 | 7,373 |
| Purchase of minority interest | - | (101,428) |
| Net cash (used in) provided by investing activities | <u>(960,333)</u> | <u>1,068,086</u> |
| <u>Cash flows from financing activities</u> | | |
| Increase in short-term loans | 8,483,152 | 13,209,776 |
| Increase in commercial papers payable | 439,062 | 1,562,661 |
| Increase in long-term loans (including current portion of long-term liabilities) | 1,527,829 | 622,959 |
| Decrease in other liabilities - others | (32,139) | (32,005) |
| Payment of cash dividends | (4,304,844) | (3,051,454) |
| Increase (decrease) in minority interest | 25,579 | (20,533) |
| Net cash provided by financing activities | <u>6,138,639</u> | <u>12,291,404</u> |
| Cumulative translation adjustments | (1,120,929) | 1,144,922 |
| Cash flow from acquisition of subsidiaries | 397,651 | - |
| Effect of changes in consolidated subsidiaries | (507,334) | 328,135 |
| Net increase (decrease) in cash and cash equivalents | 690,251 | (6,897) |
| Cash and cash equivalents at beginning of period | 7,785,974 | 7,572,979 |
| Cash and cash equivalents at end of period | <u>\$ 8,476,225</u> | <u>\$ 7,566,082</u> |
| <u>Supplemental disclosures of cash flow information</u> | | |
| Cash paid during the period for interest | <u>\$ 556,817</u> | <u>\$ 475,004</u> |
| Cash paid during the period for income tax | <u>\$ 804,859</u> | <u>\$ 761,930</u> |
| <u>Financing activities that result in non-cash flows</u> | | |
| Capitalization from stock dividends | <u>\$ -</u> | <u>\$ 1,307,766</u> |

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED BUT REVIEWED)

| | <u>For the nine-month periods ended September 30,</u> | |
|---|---|-------------|
| | <u>2012</u> | <u>2011</u> |
| <u>Supplemental disclosures of partial payment of cash</u> | | |
| Acquisition of property, plant and equipment | \$ 1,260,695 | \$ - |
| Add: accounts payable at the beginning of period | 596,260 | - |
| Less: accounts payable at the end of period | - | - |
| Cash paid during the period for property, plant and equipment | <u>\$ 1,856,955</u> | <u>\$ -</u> |
| | | |
| <u>Fair value of assets and liabilities of the acquired subsidiary</u> | | |
| <u>were as follows:</u> | | |
| Cash and bank deposits | \$ 397,651 | \$ - |
| Other current assets | 2,564,072 | - |
| Funds and investments | 10,500 | - |
| Property, plant and equipment, net | 334,548 | - |
| Goodwill | 477,038 | - |
| Intangible assets and other assets | 25,492 | - |
| Other current liabilities | (1,088,722) | - |
| Long-term liabilities | (336,784) | - |
| Other liabilities | (48,375) | - |
| | <u>\$ 2,335,420</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated October 30, 2012.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

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

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., Yosun Industrial Corp. and AECO Technology Inc. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively.
- 2) The Company was organized to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. The Company's subsidiaries are mainly engaged in the distribution and sales of electronic / electrical components, sales of computer software and electrical products and sales of electronic / electrical components.
- 3) In accordance with the Company's Articles of Incorporation, the total shares of authorized common stock was 2,000,000,000 shares (including 200,000,000 shares of warrant, warrant preferred stock and warrant bond conversion). As of September 30, 2012, the Company and its consolidated subsidiaries had approximately 6,320 employees. As of September 30, 2012, the Company had issued capital of \$16,557,092 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.

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.

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 for the nine-month periods ended September 30, 2012 and 2011:

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|----------------------------------|---|--|--------------------------------------|--------|---------|
| | | | 2012 | 2011 | |
| 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 | |
| WPG Holdings Limited | AECO Technology Co., Ltd. | Sales of electronic / electrical components | 100.00 | - | Note 17 |
| 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 | |

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|---|--|---|--------------------------------------|--------|---------------|
| | | | 2012 | 2011 | |
| 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 15 |
| World Peace International Pte. Ltd. | Genuine C&C (IndoChina) Pte., Ltd. | Sales of electronic / electrical components | 80.00 | 100.00 | Note 14 |
| World Peace International Pte. Ltd. | WPG Americas Inc. | " | 6.73 | 6.73 | Note 2 |
| World Peace International Pte. Ltd. | World Peace International (South Asia) Pte Ltd. | " | 100.00 | 100.00 | Note 9 |
| World Peace International Pte. Ltd. | Genuine C&C (South Asia) Pte., Ltd. | " | 100.00 | 100.00 | |
| World Peace International Pte. Ltd. | World Peace International (China) Limited | " | 100.00 | 100.00 | Note 10 |
| World Peace International (South Asia) Pte Ltd. | WPG Malaysia Sdn. Bhd | " | - | 100.00 | Notes 3 and 4 |
| World Peace International (South Asia) Pte Ltd. | World Peace International (India) Pvt., Ltd. | " | 100.00 | 100.00 | Note 8 |
| World Peace International (South Asia) Pte Ltd. | WPG Electronics (Philippines) Inc. | " | 100.00 | 100.00 | Note 6 |
| World Peace International (South Asia) Pte Ltd. | WPG (Thailand) Co., Ltd. | " | - | 100.00 | Notes 3 and 7 |
| Genuine C&C (South Asia) Pte., Ltd. | WPG C&C (Malaysia) SDN BHD. | " | 100.00 | 100.00 | |
| Genuine C&C (South Asia) Pte., Ltd. | WPG C&C (Thailand) Co., Ltd. | Agent and sales of information products | 100.00 | 100.00 | Note 20 |
| 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 | |
| WPI Investment Holding | WPI International (HK) | " | 100.00 | 100.00 | |

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|---|--|--|--------------------------------------|--------|---------|
| | | | 2012 | 2011 | |
| (BVI) Company Ltd. | Limited | | | | |
| 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 International (Asia) Limited | " | 100.00 | 100.00 | Note 12 |
| 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 | |
| Longview Technology Inc. | Longview Technology GC Limited | Holding company | 100.00 | - | Note 18 |
| Longview Technology Inc. | Long-Think International Co., Ltd. | Sales of electronic components | 100.00 | - | Note 22 |
| Longview Technology GC Limited | Long-Think International (Hong Kong) Limited | " | 100.00 | 100.00 | Note 11 |
| Silicon Application Corporation | Silicon Application (BVI) Corp. | Holding company | 100.00 | 100.00 | |
| Silicon Application Corporation | Win-Win Systems Ltd. | Holding company | 100.00 | 100.00 | |
| Silicon Application Corporation | SAC Components (South Asia) Pte. Ltd. | Sales of computer software and electronic products | 100.00 | - | Note 19 |
| Silicon Application Corporation | Win-Win Electronic Corp. | " | 100.00 | 100.00 | |
| Silicon Application | Silicon Application | " | 100.00 | 100.00 | |

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|--|---|--|--------------------------------------|--------|---------|
| | | | 2012 | 2011 | |
| (BVI) Corp. | Company Limited | | | | |
| Silicon Application (BVI) Corp. | Alliance Broadcast Vision Pte. Ltd. | Sales and design of electronic components | - | 51.28 | Note 23 |
| 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 | |
| Pernas Electronics Co., Ltd. | Everwiner Enterprise Co., Ltd. | Sales of electronic components | 100.00 | 100.00 | |
| 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 13 |
| WPG Korea Co., Ltd. | Apache Communication Inc. | Investment company | 100.00 | 100.00 | |
| Apache Communication Inc. | Apache Korea Corp. | Sales of electronic / electrical products | 100.00 | 100.00 | |
| WPG International (CI) Limited | WPG International (Hong Kong) Limited | Holding company | 100.00 | 100.00 | |
| WPG International (CI) Limited | WPG Americas Inc. | Sales of electronic / electrical components | 93.27 | 93.27 | |
| WPG International (CI) Limited | WPG South Asia Pte. Ltd. | " | 100.00 | 100.00 | Note 24 |
| WPG International (Hong Kong) Limited | WPG Electronics (HK) Limited | " | 100.00 | 100.00 | |
| WPG International (Hong Kong) Limited | WPG China Inc. | " | 100.00 | 100.00 | |

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|---------------------------------------|--|--|--------------------------------------|--------|---------------|
| | | | 2012 | 2011 | |
| WPG 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 | 100.00 | 100.00 | |
| WPG South Asia Pte. Ltd. | WPG Malaysia Sdn. Bhd | " | 100.00 | - | Notes 3 and 4 |
| WPG South Asia Pte. Ltd. | WPG (Thailand) Co., Ltd. | " | 100.00 | - | Notes 3 and 7 |
| WPG South Asia Pte. Ltd. | Da & Da Components (India) Pvt. Ltd. | " | 99.99 | 99.99 | Note 16 |
| WPG Malaysia Sdn. Bhd | Da & Da Components (India) Pvt. Ltd. | " | 0.01 | 0.01 | Note 16 |
| Asian Information Technology Inc. | Apache Communication Inc. | Sales of electronic / electrical products | 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. | " | 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 | Note 25 |
| Frontek Technology Corporation | Frontek International Limited | " | 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. | " | 100.00 | 100.00 | |
| AITG Holding Corp. | Zheng Ding Technology (ShenZhen) Co., Ltd. | " | 100.00 | 100.00 | |

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|-------------------------------|--|---|--------------------------------------|--------|---------|
| | | | 2012 | 2011 | |
| AITG Holding Corp. | Asian Information Technology Co., Ltd. | " | - | 100.00 | Note 5 |
| Jarek International Corp. | Jaking Technology Corp. | Sales of electronic / electrical products | - | 100.00 | Note 13 |
| 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. | " | 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 | Note 21 |
| Suntek Investments Ltd. | Lipers Enterprise Co., Ltd. | " | - | 43.08 | Note 21 |
| Sertek Limited | Sertek (Shanghai) Limited | " | 100.00 | 100.00 | |
| Yosun Hong Kong Corp. Ltd. | Giatek Corp. Ltd. | " | 100.00 | 100.00 | |
| 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 | 100.00 | |
| Yosun Singapore Pte Ltd. | Yosun Industrial (Thailand) Co., Ltd. | " | 100.00 | 100.00 | |
| Yosun Singapore Pte | Yosun Industrial | " | 100.00 | 100.00 | |

| Name of investment company | Name of subsidiaries | Main activities | % of shares held as of September 30, | | Note |
|---|---|---|--------------------------------------|--------|-----------------|
| | | | 2012 | 2011 | |
| Ltd. | (Malaysia) SDN. BHD. | | | | |
| Yosun Singapore Pte Ltd. | Yosun India Private Limited | Sales of electronic / electrical products | 100.00 | 100.00 | |
| Siltrontech Electronics Corp. | Siltrontech Electronics (HK) Corp., Limited | Import and export business | - | 100.00 | Note 21 |
| Siltrontech Electronics (HK) Corp., Limited | Xiang Mao Electronics (SZ) Corp., Ltd. | Sales of electronic equipment products | - | 100.00 | Notes 21 |
| Siltrontech Electronics (HK) Corp., Limited | Siltrontech Electronics (SH) Corp., Ltd. | " | - | 100.00 | Note 21 |
| Lipers Enterprise Co., Ltd. | Lipers (Hong Kong) Enterprise Co., Ltd. | " | - | 100.00 | Note 21 |
| Lipers Enterprise Co., Ltd. | Scope Technology Co., Ltd. | " | - | 100.00 | Note 21 |
| Lipers Enterprise Co., Ltd. | Hatsushiba Tech Co., Ltd. | " | - | 85.00 | Note 21 |
| Lipers Enterprise Co., Ltd. | Advance Electronics Supply Inc. | " | - | 100.00 | Note 21 |
| Lipers Enterprise Co., Ltd. | Advance Electronics Supply Co., Ltd. | " | - | 100.00 | Note 21 |
| Lipers (Hong Kong) Enterprise Co., Ltd. | Dongguan Lipers Electronics Co., Ltd. | Manufacturing | - | 100.00 | Note 21 |
| Lipers (Hong Kong) Enterprise Co., Ltd. | Lipers Electronic (SZ) Co., Ltd. | Sales of electronic / electrical products | - | - | Notes 21 and 26 |
| AECO Technology Co., Ltd. | TECO Enterprise Holding (BVI) Co., Ltd. | Investment company | 100.00 | - | Note 17 |
| TECO Enterprise Holding (BVI) Co., Ltd. | AECO Electronic Co., Ltd. | Distribution of semiconductor products | 100.00 | - | Note 17 |
| AECO Electronic Co., Ltd. | AECO Electronic (Ningbo) Co., Ltd. | Trading of electronic / electrical products | 100.00 | - | Note 17 |

1)

Note 1: The combined ownership percentage of common shares held by the Company and its subsidiaries is more than 50%.

Note 2: World Peace Industrial Co., Ltd. held 6.73% of shares of WPG Americas through World Peace International (South Asia) Pte Ltd. and WPI International (HK) Limited as of September 30, 2012 and 2011, respectively.

- Note 3: Due to restructuring, the subsidiary was sold to WPG South Asia Pte. Ltd. by World Peace International (South Asia) Pte Ltd.
- Note 4: The subsidiary was formerly named WPG Electronics (Malaysia) SDN BHD. The name was changed in March, 2012.
- Note 5: The subsidiary was liquidated in October 2011.
- Note 6: Due to the 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 7: Due to the 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%. The subsidiary was formerly named WPG Electronics (Thailand) Co., Ltd. The name was changed in April, 2012.
- Note 8: The subsidiary was formerly named WPG Electronics (India) Pvt., Ltd. The name was changed in December, 2011.
- Note 9: The subsidiary was formerly named WPG Electronics (South Asia) Pte., Ltd. The name was changed in August, 2011.
- Note 10: The subsidiary was formerly named WPG SCM Limited. The name was changed in July, 2011.
- Note 11: The subsidiary was formerly named WPG Technology Ltd. The name was changed as World Peace Industrial (Hong Kong) Limited in August, 2011. The name was changed again in April, 2012. Due to restructuring, the subsidiary was sold to Longview Technology GC Limited by WPI Investment Holding (BVI) Company Ltd.
- Note 12: The subsidiary was established in August, 2011.
- Note 13: The subsidiary's deregistration took place in December, 2011.
- Note 14: World Peace International Pte. Ltd. did not participate in the capital increase of Genuine C&C (IndoChina) Pte., Ltd. As a result, the ownership percentage decreased from 100% to 80%.
- Note 15: The subsidiary was formerly named WPG International (South Asia) Pte., Limited. The name was changed in August, 2011.
- Note 16: The subsidiary was established in March 2011.
- Note 17: The Company acquired 100% ownership of AECO Technology Co., Ltd. by exchanging shares of common stock on March 1, 2012 and has control over the subsidiaries of AECO Technology Co., Ltd.
- Note 18: The subsidiary was established in May, 2012.
- Note 19: The subsidiary was established in June, 2012.
- Note 20: Due to restriction of local regulations, the Company holds 51% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.
- Note 21: Due to the re-election of Board members of Siltrontech Electronics Corp. on June 27, 2011, Yosun Industrial Corp. acquired majority control over Siltrontech Electronics Corp. Accordingly, the Company has effective control over Lipers Enterprise Co., Ltd. Due to the re-election of the Board of Directors of Siltrontech Electronics Corp., Yosun Industrial

Corp. no longer holds majority control over Siltrontech Electronics Corp. since June 5, 2012. Accordingly, the Company has no effective control over Siltrontech Electronics Corp. and its subsidiaries and Lipers Enterprise Co., Ltd. and its subsidiaries. Starting from June 5, 2012, the Company held the entity as an investment under equity method.

Note 22: The subsidiary was acquired in July 2012.

Note 23: The subsidiary was liquidated in September, 2012.

Note 24: The subsidiary was formerly named Da&Da Electronics Pte. Ltd. The name was changed in July, 2012.

Note 25: It was liquidated in August, 2012.

Note 26: The subsidiary was established in February, 2012.

(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:

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

B. Genuine C&C (IndoChina) Pte., Ltd. issued new shares totaling 5,631 thousand shares in the first quarter of 2012. World Peace International Pte. Ltd. did not participate in the capital increase. There is no significant impact to the Company's equity.

C. Long-Think International (HK) Limited increased capital by issuing 702 million shares of new stock at the second quarter of 2012. The Company's indirect subsidiary - Longview Technology GC Limited subscribed for the above shares which had no significant effect on the Company's equity.

D. Long-Think International Limited increased capital by issuing 3 million shares of new stock in the third quarter of 2012. The Company's indirect subsidiary - Longview Technology Inc. subscribed for the above shares which had no significant effect on 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 gains or losses are recognized in current year's profit.
- (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) Cash equivalents

- (1) Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.
- (2) The consolidated statement of cash flows is prepared on the basis of cash and cash equivalents.

6) 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.

7) 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 date 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.

8) 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.

9) 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.

10) 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.

11) 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) 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 decreases 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.

12) 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 and 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.

13) 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.

14) 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.

15) Property, plant and equipment and rental facilities

- (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.

16) Intangible assets

Intangible assets are stated at cost and amortized over the estimated life using the straight-line method, except for goodwill which is described in Note 2 13)1.

17) 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.

18) 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.

19) 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 vesting conditions when the retirement plan is effective. The minimum pension liability is remeasured by the net pension costs and the funds contributed when preparing the interim financial statements.

- (2) Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

20) 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, losses available for carryforward and income tax credits 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.

21) 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.

22) 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.

23) 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. The allocation period of the acquisition price shall not exceed one year after the date of acquisition.

24) Business combination

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. The allocation period of the acquisition price shall not exceed one year after the date of acquisition.

25) 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 nine-month period ended September 30, 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". However, this adoption had no effect on the Group's consolidated net income and earnings per share for the nine-month period ended September 30, 2011.

4. DETAILS OF SIGNIFICANT ACCOUNTS

1) CASH AND CASH EQUIVALENTS

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|-------------------|---------------------------|---------------------------|
| Cash on hand | \$ 6,978 | \$ 22,911 |
| Checking accounts | 1,657,729 | 1,257,862 |
| Demand deposits | 5,637,489 | 4,540,292 |
| Time deposits | 1,143,039 | 1,745,017 |
| Cash equivalents | 30,990 | - |
| | <u>\$ 8,476,225</u> | <u>\$ 7,566,082</u> |

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

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---|---------------------------|---------------------------|
| Current items: | | |
| Financial assets for trading | | |
| Listed stocks | \$ 29,868 | \$ 103,266 |
| Open-end mutual funds | 24,800 | 195,500 |
| Derivatives | <u>5,123</u> | <u>2,310</u> |
| | 59,791 | 301,076 |
| Adjustment of financial assets held for trading | <u>(7,629)</u> | <u>(19,605)</u> |
| | <u>\$ 52,162</u> | <u>\$ 281,471</u> |
| Current items: | | |
| Financial liabilities for trading | | |
| Derivatives | <u>\$ 6,656</u> | <u>\$ 24,251</u> |

1. The Group recognized net gain (loss) amounting to \$4,213 and (\$22,988) for the nine-

month periods ended September 30, 2012 and 2011, respectively.

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

| <u>Financial instruments</u> | <u>September 30, 2012</u> | | |
|------------------------------|------------------------------|------------------------|--|
| | <u>Amount (in thousands)</u> | <u>Contract period</u> | |
| Forward currency contracts | | | |
| - Sell | USD 14,990 | 2012.08.03~2012.11.28 | |
| - Sell - SWAP | USD 21,398 | 2012.08.30~2012.11.06 | |
| - Buy | USD 8,450 | 2012.08.09~2012.12.12 | |
| - Buy | EUR 600 | 2012.09.19~2012.10.12 | |

| <u>Financial instruments</u> | <u>September 30, 2011</u> | | |
|------------------------------|------------------------------|------------------------|--|
| | <u>Amount (in thousands)</u> | <u>Contract period</u> | |
| Forward currency contracts | | | |
| - Sell | USD 10,600 | 2011.08.30~2011.10.31 | |
| - Sell - SWAP | USD 8,510 | 2011.09.15~2011.10.31 | |
| - Buy | USD 10,050 | 2011.08.10~2012.01.10 | |

The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, the forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

3) NOTES RECEIVABLE, NET

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---------------------------------------|---------------------------|---------------------------|
| Notes receivable | \$ 2,226,022 | \$ 1,484,931 |
| Less: Allowance for doubtful accounts | (1,001) | (1,064) |
| | <u>\$ 2,225,021</u> | <u>\$ 1,483,867</u> |

Please refer to Note 6 for the pledged notes receivable.

4) ACCOUNTS RECEIVABLE, NET

| (1) | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---------------------------------|---------------------------|---------------------------|
| Accounts receivable | \$ 59,643,651 | \$ 53,947,917 |
| Less: | | |
| Allowance for doubtful accounts | (216,288) | (255,672) |
| Allowance for sales discount | (878,587) | (770,588) |
| | <u>\$ 58,548,776</u> | <u>\$ 52,921,657</u> |

(2)The subsidiaries entered into factoring of accounts receivable with banks. In accordance with the contract requirements, subsidiaries shall only be liable for the losses incurred on any commercial dispute and did not assume the risk of uncollectible accounts receivable. The requirements are in line with the criteria of derecognition of financial assets. The derecognized amounts had already deducted the estimated commercial disputes. The commercial papers and time deposits pledged to the banks are for losses incurred on only

commercial disputes or for the banks' practice of accounts receivable factoring. The pledged commercial papers and time deposits do not cover losses other than those arising from commercial disputes.

(3)The subsidiaries factored accounts receivable totaling \$15,124,013 and \$17,064,209 for the nine-month periods ended September 30, 2012 and 2011, respectively. As of September 30, 2012 and 2011, the reserve amounted to \$1,974,368 and \$2,238,954, respectively, which was booked as other receivables. The related management fees and financing expenses amounted to \$80,487 and \$91,652 for the nine-month periods ended September 30, 2012 and 2011, respectively, which were booked as other losses.

(4)As of September 30, 2012, details of factoring of accounts receivable are as follows:

Subsidiary – World Peace Industrial Co., Ltd.

| | Cathay | | Mega International | | Chinatrust | | Taishin International | | Taipei Fubon | |
|-------------------------|--------------------|--|------------------------|--|-------------|--------------------------------|-----------------------|-----------------------------------|--------------|---------------------|
| | <u>United Bank</u> | | <u>Commercial Bank</u> | | <u>Bank</u> | | <u>Bank</u> | | <u>Bank</u> | |
| Facility | USD | 34,000 | USD | 92,300 | \$ | 600,000 | \$ | 1,600,000 | \$ | 1,104,300 |
| | | (Thousands) | | (Thousands) | | | | | | |
| Amount factored | \$ | 506,930 | \$ | 1,991,821 | \$ | 418,232 | \$ | 1,421,013 | \$ | 693,524 |
| Proceeds from factoring | | 506,930 | | 1,991,821 | | 418,232 | | 1,421,013 | | 693,524 |
| Period | | 2012/06~ 2013/06 | | 2012/07~ 2013/07 | | 2012/05~ 2013/05 | | 2012/08~ 2013/08 | | 2012/03~ 2013/03 |
| Range of interest rates | | 1.50%~ 1.96% | | 0.84%~ 1.59% | | 1.18%~ 2.53% | | 1.81%~ 2.28% | | 0.94%~ 2.20% |
| Pledged assets | | Commercial papers USD 34,000 (Thousands) | | Commercial papers USD 92,300 (Thousands) | | Commercial papers \$ 60,000 | | Commercial papers \$ 1,600,000 | | - |

Subsidiary – Silicon Application Corporation

| | Taishin International | | Mega International | |
|-------------------------|-----------------------|-----------------------------------|------------------------|--|
| | <u>Bank</u> | | <u>Commercial Bank</u> | |
| Facility | \$ | 2,500,000 | USD | 37,000 |
| | | | | (Thousands) |
| Amount factored | \$ | 1,317,984 | \$ | 773,981 |
| Proceeds from factoring | | 1,317,984 | | 773,981 |
| Period | | 2012/05~2013/04 | | 2011/10~2012/09 |
| Range of interest rates | | 1.30%~1.97% | | 1.03%~1.20% |
| Pledged assets | | Commercial papers \$ 2,500,000 | | Commercial papers USD 37,000 (Thousands) |

Subsidiary – Richpower Electronic Devices Co., Ltd.

| | Taiwan Cooperative Bank | Sinopac Bank | Far Eastern International Bank | E. Sun Bank |
|----------------------------|---|---------------------------------|--|--|
| Facility | USD 6,700 (Thousands) | \$ 130,000 | USD 12,000 (Thousands) | USD 16,000 (Thousands) |
| Amount factored | \$ 90,643 | \$ 3,637 | \$ 83,996 | \$ 157,180 |
| Proceeds from factoring | 81,579 | 2,909 | 75,596 | 141,462 |
| Period | 2011/05~2013/06 | 2012/07~2013/07 | 2012/08~2013/08 | 2011/12~2012/12 |
| Range of interest rates | 0.92%~1.36% | 1.03%~1.07% | 1.57%~1.70% | 1.11%~1.57% |
| Pledged assets | Commercial papers USD 6,700 (Thousands) | Commercial papers \$ 130,000 | Commercial papers USD 12,000 (Thousands) | Commercial papers USD 16,000 (Thousands) |

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

| | Cathay United Bank | Chinatrust Bank | Mega International Commercial Bank | Tachong Bank |
|----------------------------|---|--------------------------------|---|---|
| Facility | USD 700 (Thousands) | \$ 35,000 | USD 2,500 (Thousands) | \$ 100,000 USD 6,200 (Thousands) |
| Amount factored | \$ 17,072 | \$ 7,865 | \$ 4,576 | \$ 31,355 |
| Proceeds from factoring | 15,365 | 7,078 | 4,119 | 28,220 |
| Period | 2012/01~2013/01 | 2012/06~2013/05 | 2012/05~2013/05 | 2012/07~2013/05 |
| Range of interest rates | 1.00%~1.21% | 1.18%~1.21% | 1.06% | 1.05%~1.55% |
| Pledged assets | Commercial papers USD 700 (Thousands) | Commercial papers \$ 35,000 | Commercial papers USD 2,500 (Thousands) | Commercial papers \$ 100,000 USD 6,200 (Thousands) |

Subsidiary – Pernas Electronics Co., Ltd.

| | Taishin International Bank | Mega International Commercial Bank | Tachong Bank | Taipei Fubon Bank | Yuanta Bank |
|----------------------------|------------------------------------|--|--|--|---|
| Facility | \$ 700,000 | \$ 240,000 | USD 9,500 (Thousands) | USD 5,280 (Thousands) | USD 24,000 (Thousands) |
| Amount factored | \$ 189,501 | \$ 58,533 | \$ 59,296 | \$ 21,352 | \$ 349,147 |
| Proceeds from factoring | 164,705 | 13,829 | 39,425 | - | 322,703 |
| Period | 2011/12~ 2012/12 | 2012/08~ 2013/08 | 2012/07~ 2013/05 | 2012/08~ 2013/08 | 2012/05~ 2013/06 |
| Range of interest rates | 1.45%~2.16% | 1.55%~1.60% | 1.48%~1.71% | - | 1.40%~1.45% |
| Pledged assets | Commercial papers \$ 700,000 | Commercial papers \$ 240,000 | Commercial papers USD 9,500 (Thousands) | Commercial papers USD 1,088 (Thousands) | Commercial papers USD 24,000 (Thousands) |

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

| | EnTie Commercial Bank | | Shin Kong Bank | | Far Eastern International Bank | | DBS Bank | | E. Sun Bank | |
|-------------------------|-----------------------------|---------------------|-------------------|---------------------|--------------------------------------|---------------------|-------------|---------------------|----------------|---------------------|
| Facility | USD | 2,000 | USD | 7,700 | USD | 7,000 | USD | 6,000 | USD | 5,500 |
| | | (Thousands) | | (Thousands) | | (Thousands) | | (Thousands) | | (Thousands) |
| Amount factored | \$ | 140,000 | | | | | | | | |
| Proceeds from factoring | \$ | 30,701 | \$ | 108,125 | \$ | 121,050 | \$ | 43,847 | \$ | 93,180 |
| Period | | - | | 17,033 | | - | | - | | 4,461 |
| Range of interest rates | | 2012/08~ 2013/08 | | 2012/01~ 2012/12 | | 2012/08~ 2013/08 | | 2012/08~ 2013/08 | | 2012/02~ 2013/02 |
| Pledged assets | | - | | 1.57% | | - | | - | | 1.34% |
| | | Commercial papers | | Commercial papers | | Commercial papers | | Commercial papers | | Commercial papers |
| | \$ | 140,000 | USD | 7,700 | USD | 7,000 | USD | 6,000 | USD | 5,500 |
| | USD | 2,000 | (Thousands) | (Thousands) | (Thousands) | (Thousands) | (Thousands) | (Thousands) | (Thousands) | (Thousands) |

Subsidiary – Asian Information Technology Inc.

| | Chinatrust Bank | | Taipei Fubon Bank | | Tachong Bank | | Yuanta Bank | |
|-------------------------|--------------------|-------------------|----------------------|-------------------|-----------------|-------------------|----------------|-------------------|
| Facility | \$ | 583,000 | \$ | 1,510,000 | \$ | 2,350,000 | \$ | 1,762,000 |
| Amount factored | \$ | 356,364 | \$ | 666,983 | \$ | 881,462 | \$ | 979,358 |
| Proceeds from factoring | | 257,356 | | 443,803 | | 488,468 | | 426,693 |
| Period | | 2012/05~2013/05 | | 2012/07~2013/07 | | 2012/05~2013/05 | | 2012/05~2013/05 |
| Range of interest rates | | 1.08%~1.10% | | 0.88%~1.15% | | 1.08%~1.18% | | 1.10% |
| Pledged assets | | Commercial papers | | Commercial papers | | Commercial papers | | Commercial papers |
| | \$ | 58,300 | \$ | 151,000 | \$ | 2,350,000 | \$ | 1,762,000 |

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

| | EnTie Commercial Bank | | Chang Hwa Bank | | Sinopac Bank | |
|-------------------------|--------------------------|-------------------|-------------------|-------------------|-----------------|-------------------|
| Facility | \$ | 26,366 | \$ | 70,308 | \$ | 102,533 |
| Amount factored | \$ | 37 | \$ | 29,335 | \$ | 58,254 |
| Proceeds from factoring | | - | | - | | 38,084 |
| Period | | 2011/12~2012/12 | | 2012/03~2013/03 | | 2012/08~2013/08 |
| Range of interest rates | | - | | - | | 0.80%~0.91% |
| Pledged assets | | Commercial papers | | Commercial papers | | Commercial papers |
| | \$ | 26,366 | \$ | 70,308 | \$ | 102,533 |

Subsidiary - Yosun Industrial Corp.

| | <u>Taishin International Bank</u> | <u>Far Eastern International Bank</u> | <u>Taipei Fubon Bank</u> | <u>Sinopac Bank</u> | <u>Tachong Bank</u> |
|-------------------------|---|---|--------------------------------|---------------------------------|---------------------------------|
| Facility | \$ 20,030,896 | \$ 1,000,000 | \$ 1,731,800 | \$ 900,000 | \$ 3,639,268 |
| Amount factored | \$ 1,595,957 | \$ - | \$ 360,172 | \$ - | \$ 280,781 |
| Proceeds from factoring | 1,581,097 | - | 360,172 | - | 280,781 |
| Period | 2012/04~ 2013/07 | 2012/06~ 2013/05 | 2011/11~ 2013/08 | 2012/06~ 2013/07 | 2012/03~ 2013/05 |
| Range of interest rates | 1.33%~ 2.11% | - | 0.87%~ 1.53% | - | 1.25%~ 2.04% |
| Pledged assets | Commercial papers \$ 4,469,437 | Commercial papers \$ 1,000,000 | Commercial papers \$ 33,000 | Commercial papers \$ 550,000 | Commercial papers \$ 650,869 |
| | Time deposits \$ 158,193 | | | | |

Subsidiary - Yosun Industrial Corp. (cont'd)

| | <u>Mega International Commercial Bank</u> | <u>Hang Seng Bank</u> | <u>EnTie Commercial Bank</u> | <u>First Commercial Bank</u> |
|-------------------------|---|----------------------------|----------------------------------|----------------------------------|
| Facility | \$ 880,000 | \$ 820,260 | \$ 770,000 | \$ 235,000 |
| Amount factored | \$ - | \$ 727,146 | \$ - | \$ - |
| Proceeds from factoring | - | 654,431 | - | - |
| Period | 2012/04~2013/07 | 2011/10~2012/10 | 2012/06~2013/08 | 2011/10~2012/10 |
| Range of interest rates | - | 1.22%~1.42% | - | - |
| Pledged assets | Commercial papers \$ 825,000 | Time deposits \$ 78,979 | Commercial papers \$ 450,507 | Commercial papers \$ 150,000 |

Subsidiary - Yosun Industrial Corp. (cont'd)

| | <u>DBS Bank</u> | <u>Standard Chartered Bank</u> | <u>Chinatrust Bank</u> | <u>China Development Industrial Bank</u> |
|-------------------------|----------------------------|------------------------------------|---------------------------------|--|
| Facility | \$ 1,984,440 | \$ 1,631,585 | \$ 761,520 | \$ 50,000 |
| Amount factored | \$ 55,646 | \$ 219,933 | \$ 318,044 | \$ - |
| Proceeds from factoring | 50,082 | 212,142 | 314,567 | - |
| Period | 2012/09~2013/09 | 2010/09~2013/06 | 2012/05~2013/05 | 2011/12~2012/12 |
| Range of interest rates | 1.24%~1.30% | 1.26%~1.34% | 1.22%~1.25% | - |
| Pledged assets | Time deposits \$ 22,674 | Time deposits \$ 23,436 | Commercial papers \$ 131,520 | Commercial papers \$ 5,000 |

(5)As of September 30, 2011, 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> |
|-------------------------|--|-------------|--|-------------|--------------------------------|-----------------------------------|--------------------------|
| | USD | | USD | | \$ | \$ | \$ |
| Facility | 34,000 | (Thousands) | 92,300 | (Thousands) | 470,000 | 1,600,000 | 1,104,300 |
| Amount factored | \$ 569,047 | | \$ 1,944,134 | | \$ 313,038 | \$ 1,446,110 | \$ 552,449 |
| Proceeds from factoring | 569,047 | | 1,944,134 | | 313,038 | 1,446,110 | 552,449 |
| 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%~2.21% | | 0.82%~1.95% | | 1.19%~2.00% | 1.05%~2.19% | 0.79%~2.00% |
| 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

| | <u>Taishin International Bank</u> | | <u>Mega International Commercial Bank</u> | <u>Sinopac Bank Taipei Branch</u> |
|-------------------------|-----------------------------------|-------------|--|--|
| | \$ | | USD | USD |
| Facility | 2,500,000 | (Thousands) | 37,000 | 12,000 |
| Amount factored | \$ 1,132,368 | | \$ 566,552 | \$ 29,281 |
| Proceeds from factoring | 1,132,368 | | 566,552 | 29,281 |
| Period | 2011/05~2012/04 | | 2011/03~2011/09 | 2011/09~2012/07 |
| Range of interest rates | 1.16%~1.73% | | 0.92%~1.13% | 0.94%~1.46% |
| 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.

| | <u>Taiwan Cooperative Bank</u> | | <u>E. Sun Bank</u> | <u>Far Eastern International Bank</u> | <u>Tachong Bank</u> |
|-------------------------|---|-------------|--|--|---|
| | USD | | USD | USD | USD |
| Facility | 6,700 | (Thousands) | 10,000 | 12,000 | 5,000 |
| Amount factored | \$ 31,969 | | \$ 181,903 | \$ 117,206 | \$ 15,729 |
| Proceeds from factoring | 28,772 | | 163,713 | 105,485 | 14,156 |
| Period | 2011/05~2012/05 | | 2010/12~2012/08 | 2011/06~2012/06 | 2011/05~2012/05 |
| Range of interest rates | 1.06%~1.48% | | 1.07%~1.85% | 1.20%~1.90% | 1.35%~1.90% |
| Pledged assets | Commercial papers USD 6,700 (Thousands) | | Commercial papers USD 10,000 (Thousands) | Commercial papers USD 12,000 (Thousands) | Commercial papers USD 5,000 (Thousands) \$ 100,000 |

Subsidiary – Pernas Electronics Co., Ltd.

| | Tachong Bank | Taishin International Bank | Yuanta Bank | Mega International Commercial Bank |
|-------------------------|--|-----------------------------------|--|--|
| Facility | USD 10,000 (Thousands) | \$ 840,000 | USD 21,000 (Thousands) | \$ 240,000 |
| Amount factored | \$ 55,692 | \$ 338,716 | \$ 398,433 | \$ 110,540 |
| Proceeds from factoring | 50,122 | 304,845 | 367,834 | 72,771 |
| Period | 2011/06~2012/05 | 2010/11~2011/11 | 2010/09~2012/05 | 2011/08~2012/08 |
| Range of interest rates | 1.35%~2.30% | 1.43%~2.45% | 1.22%~2.15% | 1.24%~1.28% |
| Pledged assets | Commercial papers USD 10,000 (Thousands) | Commercial papers \$ 1,000,000 | Commercial papers USD 18,000 (Thousands) | Commercial papers \$ 240,000 |

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

| | EnTie Commercial Bank | Taipei Fubon Bank | Far Eastern International Bank | DBS Bank |
|-------------------------|---|---|---|---|
| Facility | \$ 162,000 USD 2,950 (Thousands) | USD 10,280 (Thousands) | USD 7,000 (Thousands) | USD 1,000 (Thousands) |
| Amount factored | \$ 39,427 | \$ 199,382 | \$ - | \$ - |
| Proceeds from factoring | 35,465 | 175,922 | - | - |
| Period | 2010/12~2012/08 | 2011/08~2012/08 | 2011/09~2012/09 | 2011/05~2012/05 |
| Range of interest rates | 1.22%~2.00% | 1.21%~2.07% | - | - |
| Pledged assets | Commercial papers \$ 162,000 USD 2,950 (Thousands) | Commercial papers USD 1,088 (Thousands) | Commercial papers USD 1,400 (Thousands) | Commercial papers USD 1,000 (Thousands) |

Subsidiary – Asian Information Technology Inc.

| | Tachong Bank | Taipei Fubon Bank | Mega International Commercial Bank | Yuanta Bank |
|-------------------------|-----------------------------------|---------------------------------|---|-----------------------------------|
| Facility | \$ 2,350,000 | \$ 1,512,000 | \$ 213,360 | \$ 1,762,000 |
| Amount factored | \$ 973,963 | \$ 795,578 | \$ 108,066 | \$ 1,026,284 |
| Proceeds from factoring | 678,469 | 72,158 | 95,039 | 781,591 |
| Period | 2011/05~2012/05 | 2011/07~2012/07 | 2011/03~2011/12 | 2011/06~2012/06 |
| Range of interest rates | 1.06%~1.25% | 0.95%~1.27% | 1.00%~1.30% | 0.73%~1.45% |
| Pledged assets | Commercial papers \$ 2,350,000 | Commercial papers \$ 224,500 | Commercial papers \$ 213,360 | Commercial papers \$ 1,762,000 |

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

| | <u>EnTie Commercial Bank</u> | <u>Chang Hwa Bank</u> | <u>Chinatrust Bank</u> |
|-------------------------|----------------------------------|---------------------------|----------------------------|
| Facility | \$ 27,432 | \$ 73,152 | \$ 597,000 |
| Amount factored | \$ 21,772 | \$ 28,990 | \$ 329,819 |
| Proceeds from factoring | - | - | - |
| Period | 2010/12~2011/12 | 2011/06~2012/01 | 2011/05~2012/05 |
| Range of interest rates | - | - | - |
| Pledged assets | Commercial papers | Commercial papers | Commercial papers |
| | \$ 27,432 | \$ 73,152 | \$ 59,700 |

Subsidiary – Yosun Industrial Corp.

| | <u>Tachong Bank</u> | <u>Yuanta Bank</u> | <u>Standard Chartered Bank</u> | <u>Taishin International Bank</u> | <u>Far Eastern International Bank</u> |
|-------------------------|----------------------------|------------------------|--|---|---|
| Facility | \$ 4,031,665 | \$ 228,600 | \$ 1,766,358 | \$ 30,456,846 | \$ 6,440,340 |
| Amount factored | \$ 219,499 | \$ - | \$ 256,497 | \$ 3,022,902 | \$ 582,238 |
| Proceeds from factoring | 120,216 | - | 256,497 | 2,864,450 | 541,355 |
| Period | 2010/12~ 2012/05 | 2011/06~ 2012/06 | 2010/09~ 2012/09 | 2011/04~ 2012/06 | 2010/11~ 2012/08 |
| Range of interest rates | 1.80%~ 2.50% | - | 1.46%~ 2.87% | 1.04%~ 2.75% | 2.07%~ 2.69% |
| Pledged assets | Commercial papers | Commercial papers | Time deposits | Commercial papers | Commercial papers |
| | \$ 1,365,210 | \$ 228,600 | \$ 28,888 | \$ 18,017,680 | \$ 1,640,000 |
| | Time deposits \$ 30,480 | | | Time deposits \$ 235,137 | Time deposits \$ 64,034 |

Subsidiary – Yosun Industrial Corp. (cont'd)

| | <u>Sinopac Bank</u> | <u>Chinatrust Bank</u> | <u>Taipei Fubon Bank</u> | <u>Mega International Commercial Bank</u> | <u>EnTie Commercial Bank</u> |
|-------------------------|----------------------------|----------------------------|------------------------------|---|--------------------------------------|
| Facility | \$ 921,240 | \$ 2,760,104 | \$ 2,190,680 | \$ 970,000 | \$ 650,000 |
| Amount factored | \$ 51,346 | \$ - | \$ 651,354 | \$ 115,129 | \$ 55,022 |
| Proceeds from factoring | 49,445 | - | 651,354 | 76,907 | 55,022 |
| Period | 2010/10~ 2012/09 | 2011/05~ 2012/05 | 2010/10~ 2011/10 | 2010/10~ 2012/09 | 2011/05~ 2012/05 |
| Range of interest rates | 1.03%~ 2.22% | - | 1.05%~ 2.10% | 0.96%~ 1.53% | 1.33%~ 1.39% |
| Pledged assets | Commercial papers | Commercial papers | Commercial papers | Commercial papers | Commercial papers |
| | \$ 435,960 | \$ 289,192 | \$ 49,300 | \$ 765,000 | \$ 230,000 |
| | Time deposits \$ 10,000 | | Time deposits \$ 5,000 | Time deposits \$ 5,000 | Time deposits \$ 22,000 |

Subsidiary – Yosun Industrial Corp. (cont'd)

| | First Commercial Bank | Hang Seng Bank | DBS Bank | Hua Nan Bank | Chang Hwa Bank | E. Sun Bank |
|-------------------------|---|----------------------------|-----------------------------|---------------------------------|---------------------------------|--------------------------------|
| Facility | \$ 235,000 | \$ 853,479 | \$ 352,170 | \$ 15,000 | \$ 200,000 | \$ 50,000 |
| Amount factored | \$ 52,913 | \$ 561,048 | \$ 94,118 | - | \$ 75,695 | - |
| Proceeds from factoring | 52,913 | 504,943 | 84,706 | - | 68,126 | - |
| Period | 2011/05~ 2012/05 | 2010/10~ 2011/10 | 2011/09~ 2012/09 | 2011/07~ 2012/07 | 2010/08~ 2011/12 | 2011/07~ 2012/07 |
| Range of interest rates | 1.18%~ 1.30% | 1.15%~ 1.37% | 1.05%~ 1.18% | - | 1.19%~ 1.32% | - |
| Pledged assets | Commercial papers \$ 150,000 Time deposits \$ 10,000 | Time deposits \$ 49,529 | Time deposits \$ 110,017 | Commercial papers \$ 100,000 | Commercial papers \$ 180,000 | Commercial papers \$ 50,000 |

(6) As of September 30, 2012 and 2011, the accounts receivable of the subsidiary, Silicon Application Corporation, totaling \$311,682 and \$273,524, respectively, were pledged to the above banks.

(7) As of September 30, 2012 and 2011, the accounts receivable of the subsidiary, Yosun Industrial Corp., totaling \$89,669 and \$110,960, respectively, were sold to banks. Yosun Industrial Corp. did not derecognize those accounts receivable. The proceeds from the advance relating to the sale of these accounts receivable are included in “short-term loans”.

5) OTHER FINANCIAL ASSETS – CURRENT

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|--------------------------|---------------------------|---------------------------|
| Pledged time deposits | \$ 842,724 | \$ 2,133,917 |
| Restricted cash accounts | 626,411 | 1,695,076 |
| Others | - | 2,998 |
| | <u>\$ 1,469,135</u> | <u>\$ 3,831,991</u> |

As of September 30, 2012 and 2011, certain customers remitted \$134,070 and \$834,303, 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.

6) INVENTORIES, NET

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---|---------------------------|---------------------------|
| Inventories | \$ 36,013,890 | \$ 39,114,144 |
| Inventories in transit | 1,707,185 | 1,922,399 |
| | <u>37,721,075</u> | <u>41,036,543</u> |
| Less: Allowance for decline in market value and obsolescence of inventories | (<u>997,600</u>) | (<u>1,231,423</u>) |
| | <u>\$ 36,723,475</u> | <u>\$ 39,805,120</u> |

Expenses and losses incurred on inventories for the nine-month periods ended September 30, 2012 and 2011 were as follows:

| | <u>For the nine-month periods ended September 30,</u> | |
|---------------------------------------|---|-----------------------|
| | <u>2012</u> | <u>2011</u> |
| Cost of goods sold | \$ 256,464,330 | \$ 236,392,926 |
| Gain from price recovery of inventory | (175,153) | (32,125) |
| Loss on physical inventory | 5,442 | 64 |
| | <u>\$ 256,294,619</u> | <u>\$ 236,360,865</u> |

Note: Gains arose from price recovery of inventories and sales of obsolete and slow-moving inventories during the nine-month periods ended September 30, 2012 and 2011.

7) OTHER CURRENT ASSETS

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|--------------------|---------------------------|---------------------------|
| Prepaid expenses | \$ 285,842 | \$ 277,289 |
| Overpaid sales tax | 721,969 | 603,205 |
| Prepayments | 1,111,195 | 802,816 |
| Others | 33,231 | 165,074 |
| | <u>\$ 2,152,237</u> | <u>\$ 1,848,384</u> |

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

| September 30, 2012 | | | | | | | |
|--|---|----------------------|-------------------|-----------------------|---|-----------------|---------------------|
| <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. | 12,964 | \$ 149,130 | \$ 149,130 | 16.29% | \$ 12.70 | | Same chairman |
| Genesis Photonics Inc. | 672 | 5,181 | 5,181 | 0.23% | 26.80 | | None |
| Alpha & Omega Semiconductor Limited | 17 | <u>2,294</u> | <u>2,294</u> | - | 252.23 | Preferred stock | None |
| | | <u>\$ 156,605</u> | 156,605 | | | | |
| Add: valuation adjustment | | | <u>30,274</u> | | | | |
| | | | <u>\$ 186,879</u> | | | | |

| September 30, 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 | 15.59% | \$ 10.70 | | Same chairman |
| Genesis Photonics Inc. | 834 | <u>6,815</u> | <u>6,815</u> | 0.31% | 41.17 | | None |
| | | <u>\$ 172,515</u> | 172,515 | | | | |
| Add: valuation adjustment | | | <u>15,953</u> | | | | |
| | | | <u>\$ 188,468</u> | | | | |

9) FINANCIAL ASSETS CARRIED AT COST – NON-CURRENT

(1)

| | September 30, 2012 | | | | | | |
|---------------------------------------|---------------------------------|------------------------------|-----------|----------------|-------------------------------------|--------------------------------|---|
| | Number of shares (Thousands) | Original cost (Thousands) | Balance | % of ownership | Market value per share (Dollars) | Loss on impairment (Note 1) | Note |
| <u>Investee company</u> | | | | | | | |
| Kingpak Technology Inc. | 2,439 | \$ 28,335 | \$ 25,424 | 2.23% | 11.51 | \$ - | - |
| Kingmac Technology Inc. | 1,133 | 23,853 | 23,853 | 1.90% | 8.22 | - | 1,850 thousand shares utilized as payment guarantee |
| Centillion III Venture Capital Corp. | 5,000 | 50,000 | 50,000 | 9.23% | 6.71 | 1,100 | 1,133 thousand shares utilized as payment guarantee |
| Apollo Electronics Group Ltd. | 6,825 | 46,843 | 42,315 | 15.17% | 6.20 | - | - |
| 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% | 18.38 | - | Same chairman with the subsidiary |
| Ability I Venture Capital Corporation | 5,000 | 50,000 | 50,000 | 10.00% | 9.82 | - | - |
| M Cube Inc. | 528 | 45,560 | 45,043 | Note 3 | - | - | - |
| Jasper Display Corp. | 750 | 15,000 | 15,000 | 3.29% | 12.04 | - | - |
| 3CX Inc. | 1,025 | 31,251 | 31,251 | Note 2 | - | - | - |
| TouBu Inc. | 333 | 30,838 | 30,838 | Note 3 | - | - | - |
| GCS Holdings Inc. | 861 | 29,444 | 29,444 | 2.35% | 34.20 | - | - |
| SUNRISE Technology Co., Ltd. | 1,500 | 30,000 | 30,000 | 8.10% | 20.00 | - | - |
| Chlen Hwa Coating Technology Inc. | 1,250 | 20,000 | 20,000 | 1.25% | 16.00 | - | - |
| Battery Energy Technology Inc. | 1,800 | 18,000 | 18,000 | 6.70% | 10.00 | - | - |
| Others | | | 159,934 | | | 1,614 | - |
| | | | 650,094 | | | <u>\$ 2,714</u> | |

Less: Accumulated impairment (126,484)
\$ 523,610

| | September 30, 2011 | | | | | | |
|--------------------------------------|---------------------------------|------------------------------|-------------------|----------------|-------------------------------------|--------------------------------|---|
| | Number of shares (Thousands) | Original cost (Thousands) | Balance | % of ownership | Market value per share (Dollars) | Loss on impairment (Note 1) | Note |
| <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% | 11.47 | - | 1,850 thousand shares utilized as payment guarantee |
| Kingmac Technology Inc. | 1,133 | 23,853 | 23,853 | 1.90% | 9.55 | - | 1,133 thousand shares utilized as payment guarantee |
| Centillion III Venture Capital Corp. | 5,000 | 50,000 | 50,000 | 9.23% | 7.83 | 1,701 | - |
| Apollo Electronics Group Ltd. | 6,825 | 47,557 | 44,027 | 15.17% | 6.45 | - | - |
| Hou Pang Venture Capital Corp. | 1,300 | 13,000 | 12,372 | 2.50% | 7.59 | - | - |
| Promaster Technology Co., Ltd. | 4,108 | 49,605 | 49,605 | 12.46% | 11.79 | - | - |
| Everrich Capital Co., Ltd. | 895 | 29,387 | 29,387 | 11.82% | 26.91 | - | 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% | 13.33 | 5,000 | - |
| Bettery Energy Technology, Inc. | 1,800 | 18,000 | 18,000 | 6.70% | 0.96 | - | - |
| 3CX, Inc. | 1,025 | 31,251 | 31,251 | Note 2 | - | - | - |
| Others | | | <u>87,610</u> | | | <u>5,600</u> | - |
| | | | 428,825 | | | <u>\$ 12,301</u> | |
| Less: Accumulated impairment | | | (95,966) | | | | |
| | | | <u>\$ 332,859</u> | | | | |

Note 1: The impairment of assets is shown in Note 4(14).

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.

10)

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

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

| Investee company | September 30, 2012 | | | | | | |
|---|------------------------------|---------------|-------------------|----------------|----------------------------------|------|---|
| | Number of shares (Thousands) | Original cost | Balance | % of ownership | Market value per share (Dollars) | Note | Relationship |
| Lipers Enterprise Co., Ltd. | 13,310 | \$ 188,261 | \$ 170,577 | 28.37% | \$ 12.82 | | Subsidiary's investee accounted for under the equity method |
| Chain Power Technology Corp. | 14,820 | 116,650 | 200,645 | 39.00% | 13.54 | | " |
| Yosun Green Technology Corp. | 4,500 | 45,000 | 36,917 | 45.00% | 8.20 | | " |
| Pan-World Control Technologies, Inc. | 1,660 | 19,920 | 18,505 | 25.74% | 4.12 | | " |
| Yosun Japan Corp. | 5 | 14,728 | 12,038 | 50.00% | 2,407.71 | | " |
| Siltrontech Electronics Corp. | 24,551 | 149,992 | 223,272 | 32.22% | 11.50 | | Indirect subsidiary's investee accounted for under the equity method |
| Eesource Corp. | 2,160 | 23,040 | 59,048 | 40.00% | 27.34 | | Subsidiary's and indirect subsidiary's investee accounted for under the equity method |
| Suzhou Xinning Bonded Warehouse Co., Ltd. | Note | 31,952 | 36,965 | 49.00% | Note | | Indirect subsidiary's investee accounted for under the equity method |
| Gain Tune Logistic (Shanghai) Ltd. | " | 15,215 | 19,718 | 40.00% | " | | " |
| Suzhou Xinning Logistic Ltd. | " | 25,744 | 29,646 | 29.40% | " | | " |
| Others | | | <u>9,745</u> | | | | |
| | | | <u>\$ 817,076</u> | | | | |

| September 30, 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> |
| Chain Power Technology Corp. | 14,820 | \$ 116,650 | \$ 207,517 | 39.00% | \$ 14.00 | | Subsidiary's investee accounted for under the equity method |
| Yosun Green Technology Corp. | 4,500 | 45,000 | 40,210 | 45.00% | 8.94 | | " |
| Yosun Japan Corp. | 5 | 14,728 | 13,530 | 50.00% | 2,706.01 | | " |
| Eesource Corp. | 2,160 | 23,040 | 65,518 | 40.00% | 30.33 | | Subsidiary's and indirect subsidiary's investee accounted for under the equity method |
| Great Time Electronics Co., Ltd. | 1,890 | 8,037 (| 3,665) | 30.00% | - | | Indirect subsidiary's investee accounted for under the equity method |
| Suzhou Xinning Bonded Warehouse Co., Ltd. | Note | 31,952 | 37,073 | 49.00% | Note | | " |
| Gain Tune Logistic (Shanghai) Ltd. | " | 15,215 | 19,763 | 40.00% | " | | " |
| Suzhou Xinning Logistic Ltd. | " | 25,744 | 30,246 | 29.40% | " | | " |
| | | | <u>\$ 410,192</u> | | | | |

Note: The investee company is a limited company.

(2) Long-term investments accounted for under the equity method were based on the unreviewed financial statements of the investees as of September 30, 2012 and 2011, and the related investment income was \$28,341 and \$36,135 for the nine-month periods then ended, respectively. Long-term investments in these investee companies (other liabilities-others) amounted to \$593,804 and \$413,857 (\$3,665) as of September 30, 2012 and 2011, respectively.

11) OTHER FINANCIAL ASSETS – NON-CURRENT

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---------------------------------|---------------------------|---------------------------|
| Pledged bank deposits | \$ 20,987 | \$ - |
| Overdue receivables | 238,258 | 440,439 |
| Allowance for doubtful accounts | (238,258) | (440,439) |
| | <u>\$ 20,987</u> | <u>\$ -</u> |

Please refer to Note 6 for details of pledged assets.

12) PROPERTY, PLANT AND EQUIPMENT, NET

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---------------------------------|---------------------------|---------------------------|
| <u>Cost</u> | | |
| Land | \$ 2,721,324 | \$ 1,931,084 |
| Buildings | 1,580,077 | 1,331,047 |
| Machinery and equipment | 86,299 | 88,094 |
| Transportation equipment | 27,412 | 26,828 |
| Furniture and fixtures | 482,468 | 530,867 |
| Leasehold improvements | 370,153 | 268,588 |
| Other equipment | 112,785 | 132,255 |
| Prepayments for equipment | 738,866 | 8,338 |
| | <u>6,119,384</u> | <u>4,317,101</u> |
| <u>Accumulated depreciation</u> | | |
| Buildings | (333,502) | (320,568) |
| Machinery and equipment | (52,351) | (50,338) |
| Transportation equipment | (19,639) | (21,691) |
| Furniture and fixtures | (297,058) | (316,296) |
| Leasehold improvements | (163,534) | (191,274) |
| Other equipment | (68,815) | (72,238) |
| | <u>(934,899)</u> | <u>(972,405)</u> |
| Accumulated impairment | (24,049) | (54,774) |
| | <u>\$ 5,160,436</u> | <u>\$ 3,289,922</u> |

Please refer to Note 6 for details of pledged assets.

13) RENTAL FACILITIES, NET

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---------------------------------|---------------------------|---------------------------|
| <u>Cost</u> | | |
| Land | \$ 37,167 | \$ 41,479 |
| Buildings | 105,693 | 118,321 |
| | <u>142,860</u> | <u>159,800</u> |
| <u>Accumulated depreciation</u> | | |
| Buildings | (36,678) | (34,568) |
| | <u>\$ 106,182</u> | <u>\$ 125,232</u> |

Please refer to Note 6 for details of pledged assets.

14) IMPAIRMENT LOSS

(1) Details of impairment loss recognized for the nine-month periods ended September 30, 2012 and 2011 are set forth below:

| | <u>Amount included in statements of income for the nine-month periods ended September 30,</u> | |
|---|---|------------------|
| | <u>2012</u> | <u>2011</u> |
| Impairment loss - financial assets carried at cost - non-current | \$ <u>2,714</u> | \$ <u>12,301</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.

15) SHORT-TERM LOANS

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|-----------------------------|---------------------------|---------------------------|
| Loan for overseas purchases | \$ 14,970,518 | \$ 7,779,005 |
| Short-term loans | <u>19,196,044</u> | <u>27,803,547</u> |
| | <u>\$ 34,166,562</u> | <u>\$ 35,582,552</u> |
| Annual interest rates | <u>0.75%~3.50%</u> | <u>0.70%~2.98%</u> |

16) COMMERCIAL PAPERS PAYABLE

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|----------------------------|---------------------------|---------------------------|
| Commercial papers payable | \$ 3,550,000 | \$ 3,654,900 |
| Less: Unamortized discount | (<u>2,456</u>) | (<u>1,950</u>) |
| | <u>\$ 3,547,544</u> | <u>\$ 3,652,950</u> |
| Annual interest rates | <u>0.79%~1.40%</u> | <u>0.71%~1.22%</u> |

The commercial papers payable are guaranteed by financial institutions.

17) INCOME TAX

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

| | <u>For the nine-month periods ended September 30,</u> | |
|--|---|-------------------|
| | <u>2012</u> | <u>2011</u> |
| Income tax expense | \$ 734,761 | \$ 898,015 |
| Additional 10% surtax on undistributed retained earnings | <u>151,103</u> | <u>-</u> |
| | 885,864 | 898,015 |
| Prepaid income tax | (290,233) | (515,326) |
| Over (under) provision of prior year's income tax | 32,518 | (6,919) |
| Income tax payable of prior years | 247,218 | 436,752 |
| Change in deferred income tax | (11,449) | (6,299) |
| Change in consolidated entities | (24,205) | 9,295 |
| Others | <u>4,602</u> | <u>8,222</u> |
| Income tax payable - net | <u>\$ 844,315</u> | <u>\$ 823,740</u> |
| Other receivable - income tax refundable | (\$ 11,648) | (\$ 529) |
| Income tax payable | <u>855,963</u> | <u>824,269</u> |
| | <u>\$ 844,315</u> | <u>\$ 823,740</u> |

(2) Deferred income tax assets and liabilities as of September 30, 2012 and 2011 are as follows:

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---|---------------------------|---------------------------|
| Deferred income tax assets - current | \$ 194,591 | \$ 152,532 |
| Less: Valuation allowance | (<u>40,517</u>) | (<u>13,826</u>) |
| | <u>\$ 154,074</u> | <u>\$ 138,706</u> |
| | | |
| Deferred income tax liabilities - non-current | \$ 277,512 | (\$ 122,060) |
| Less: Valuation allowance | (<u>467,830</u>) | (<u>75,396</u>) |
| | <u>(\$ 190,318)</u> | <u>(\$ 197,456)</u> |

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

| | <u>September 30, 2012</u> | |
|--|---------------------------|---------------------|
| | <u>Amount</u> | <u>Tax effect</u> |
| Current items: | | |
| Temporary differences | | |
| Unrealized allowance for inventory | | |
| obsolescence | \$ 454,135 | \$ 86,448 |
| Bad debts expense | 204,350 | 34,740 |
| Unrealized exchange loss | 87,428 | 15,848 |
| Unrealized sales discount | 214,009 | 36,382 |
| Deferred gross loss | (1,702) | (294) |
| Unrealized expense | 43,023 | 7,314 |
| Others | 44,048 | 13,995 |
| Loss carryforwards | 932 | <u>158</u> |
| | | 194,591 |
| Less: Valuation allowance | | (<u>40,517</u>) |
| | | <u>\$ 154,074</u> |
| Non-current items: | | |
| Temporary differences | | |
| Investment income | (\$ 1,264,205) | (\$ 214,915) |
| Investment loss | 64,486 | 10,963 |
| Reserve for building increment | (140,617) | (23,905) |
| Amortization differences of intangible | | |
| assets | (123,603) | (20,394) |
| Pension cost | 117,143 | 19,914 |
| Cumulative translation adjustments | 146,887 | 24,971 |
| Others | 29,172 | 7,034 |
| Loss carryforwards | 1,294,358 | <u>473,844</u> |
| | | 277,512 |
| Less: Valuation allowance | | (<u>467,830</u>) |
| | | <u>(\$ 190,318)</u> |

| | <u>September 30, 2011</u> | |
|------------------------------------|---------------------------|-------------------|
| | <u>Amount</u> | <u>Tax effect</u> |
| Current items: | | |
| Temporary differences | | |
| Unrealized allowance for inventory | | |
| obsolescence | \$ 532,062 | \$ 90,450 |
| Bad debts expense | 194,344 | 33,040 |
| Unrealized exchange loss | (82,207) | (13,975) |
| Unrealized sales discount | 118,401 | 20,128 |
| Deferred gross loss | (17,389) | (765) |
| Unrealized expense | 94,802 | 16,116 |
| Others | 7,818 | 6,847 |
| Loss carryforwards | 4,062 | <u>691</u> |
| | | 152,532 |
| Less: Valuation allowance | | (<u>13,826</u>) |
| | | <u>\$ 138,706</u> |

| | | |
|--|----------------|---------------------|
| Non-current items: | | |
| Temporary differences | | |
| Investment income | (\$ 1,262,929) | (\$ 214,698) |
| Investment loss | 178,963 | 30,424 |
| Reserve for building increment | (140,617) | (23,905) |
| Amortization differences of intangible | | |
| assets | (141,048) | (23,273) |
| Pension cost | 84,788 | 14,412 |
| Others | 39,469 | 6,647 |
| Loss carryforwards | 502,697 | 85,458 |
| Investment tax credit | | <u>2,875</u> |
| | | (122,060) |
| Less: Valuation allowance | | (<u>75,396</u>) |
| | | <u>(\$ 197,456)</u> |

(4) Loss carryforwards of subsidiaries and indirect subsidiaries start to expire from 2018, and the financial year tax credits are due is in 2021.

(5) Imputation tax information

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|---|---------------------------|---------------------------|
| A. Balance of the imputation tax credit | | |
| account | <u>\$ 237,515</u> | <u>\$ 23,796</u> |
| | <u>2011 (Actual)</u> | <u>2010 (Actual)</u> |
| B. Creditable ratio | <u>14.35%</u> | <u>10.61%</u> |

(6) Unappropriated retained earnings

| | <u>September 30, 2012</u> | <u>September 30, 2011</u> |
|--|---------------------------|---------------------------|
| On and after January 1, 1998 | | |
| -Not yet subjected to 10% additional tax | \$ 3,517,986 | \$ 4,158,252 |
| -Subjected to 10% additional tax | <u>1,682,463</u> | <u>171,435</u> |
| Total | <u>\$ 5,200,449</u> | <u>\$ 4,329,687</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) The Company's income tax returns through 2007 have been assessed and approved by the Tax Authority. However, the provisional income tax assessed by the Tax Authority for the 2007 income tax return was different from the Company's filing amount. In addition, the Tax Authority attributed all the Company's income and related operating costs and expenses arising from the provision of administrative resources and management services to its related parties to the "tax-exempt income" category for the 2007 income tax return; while, the Company attributed the above income and related operating costs and expenses to the "taxable income" category. The Company had raised an objection to the Tax Authority's assessments and requested corrections to the assessment. As of October 30, 2012, the Company had not yet gained the approval of the Tax Authority for corrections.

18) CURRENT PORTION OF LONG-TERM LOANS

| <u>Type</u> | <u>Facility</u> | <u>September 30, 2012</u> | <u>Period</u> | <u>Annual interest rate</u> |
|---|--------------------------|---------------------------|---------------------------|-----------------------------|
| Medium to long-term loan (Bank of Taiwan) | \$ 3,000,000 (Note 1) | \$ 2,391,513 | 2009/12/08~ 2012/12/08 | 1.34%~1.77% |
| Credit loan (Mega International Commercial Bank and Taipei Fubon Bank) | 1,000,000 (Note 2) | 380,835 | 2012/08/14~ 2012/11/29 | 1.35%~1.36% |
| Mortgage loan (RESONA Bank) | 94,425 (Note 3) | 9,939 | 2012/03/30~ 2022/03/31 | 1.73% |
| Medium to long-term loan (Mega International Commercial Bank) | 80,000 (Note 4) | 30,000 | 2010/11/30~ 2013/11/30 | 2.29% |
| | | <u>\$ 2,812,287</u> | | |

| Type | Facility | September 30, 2011 | Period | Annual interest rate |
|-----------------------------------|------------------------|--------------------|---------------------------|----------------------|
| Mortgage loan (Chang Hwa Bank) | \$ 130,268 (Note 5) | \$ 13,067 | 2007/12/10~ 2021/11/10 | 2.06%~2.34% |
| Mortgage Loan (Chang Hwa Bank) | 40,000 (Note 6) | 40,000 | 2010/06/18~ 2012/06/18 | 2.58% |
| | | <u>\$ 53,067</u> | | |

Note 1: Please refer to Note 4 19), Note 1.

Note 2: Please refer to Note 4 19), Note 3.

Note 3: Please refer to Note 4 19), Note 4.

Note 4: Please refer to Note 4 19), Note 7.

Note 5: Lipers Enterprise Co., Ltd. had entered into a long-term, non-revolving loan agreement with a financial institution. The principal should be repaid in equal monthly installments.

Note 6: Lipers Enterprise Co., Ltd. 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.

19) LONG-TERM LOANS

| Type | Facility | September 30, 2012 | Period | Annual interest rate |
|---|--------------------------|---------------------|---------------------------|----------------------|
| Medium to long-term loan (Taiwan Cooperative Bank) | \$ 3,550,000 (Note 1) | \$ 3,000,000 | 2011/09/30~ 2014/09/30 | 1.51% |
| Medium to long-term loan (Bank of Taiwan) | 3,000,000 (Note 1) | 2,391,513 | 2009/12/08~ 2012/12/08 | 1.34%~1.77% |
| Medium to long-term loan (E. Sun Bank, etc.) | 1,800,000 (Note 2) | 665,070 | 2011/01/13~ 2014/01/13 | 1.18%~1.57% |
| Credit loan (Mega International Commercial Bank and Taipei Fubon Bank) | 1,000,000 (Note 3) | 380,835 | 2012/08/14~ 2012/11/29 | 1.35%~1.36% |
| Mortgage loan (RESONA Bank) | 94,425 (Note 4) | 94,425 | 2012/03/30~ 2022/03/31 | 1.73% |
| Medium to long-term loan (Chang Hwa Bank) | 576,000 (Note 5) | 576,000 | 2012/01/02~ 2027/01/02 | Note 6 |
| Medium to long-term loan (Mega International Commercial Bank) | 80,000 (Note 7) | 37,500 | 2010/11/30~ 2013/11/30 | 2.29% |
| Medium to long-term loan (Taipei Fubon Bank) | 400,000 (Note 8) | 180,000 | 2012/08/08~ 2015/08/08 | 2.04% |
| Medium to long-term loan (Taipei Fubon Bank, etc.) | 440,000 (Note 9) | - | 2010/03/22~ 2015/03/22 | - |
| | | 7,325,343 | | |
| Less: Current portion of long-term loans | | (2,812,287) | | |
| | | <u>\$ 4,513,056</u> | | |

| Type | Facility | September 30, 2011 | Period | Annual interest rate |
|---|--------------------------|--------------------|---------------------------|----------------------|
| Medium to long-term loan (Bank of Taiwan) | \$ 3,000,000 (Note 1) | \$ 1,447,800 | 2009/12/08~ 2012/12/08 | 1.25% |
| Medium to long-term loan (Taiwan Cooperative Bank) | 3,550,000 (Note 1) | 2,600,000 | 2011/09/30~ 2014/09/30 | 1.50% |
| Credit loan (Mega International Commercial Bank and Taipei Fubon Bank) | 1,000,000 (Note 3) | 670,560 | 2010/05/12~ 2013/05/11 | 1.11%~1.23% |
| Medium to long-term loan (E. Sun Bank) | 1,800,000 (Note 2) | 494,158 | 2011/01/13~ 2014/01/13 | 1.11%~1.57% |
| Mortgage loan (Chang Hwa Bank) | 130,268 (Note 10) | 123,734 | 2010/12/10~ 2021/11/10 | 2.06%~2.34% |
| Mortgage loan (Chang Hwa Bank) | 40,000 (Note 11) | 40,000 | 2010/06/18~ 2012/06/18 | 2.58% |
| | | 5,376,252 | | |
| Less: Current portion of long-term loans | | (53,067) | | |
| | | \$ 5,323,185 | | |

Note 1: (1) This pertains to 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: 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. 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%.
- (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 bank are submitted to the lead bank. The lead banks shall notify the related banks which had participated in the syndicated loan.

- (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 3: 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 \$1,800,000 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 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 bank 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 4: AIT Japan Inc., the Company's indirect subsidiary, had entered into a long-term loan agreement for a period of ten years with a financial institution on March 28, 2012, and the facility is JPY 250,000,000. The pledged assets are land, and furniture and fixtures (see Note 6). The principal should be repaid in equal

monthly installments (totaling 114 months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY 2,191,000.

Note 5: The Company had entered into a long-term agreement for fifteen years with a financial institution. The pledged assets are the land and building of Linkou warehouse. The principal should be repaid in equal monthly installments starting 2015.

Note 6: The interest rate is the index interest rate plus 0.21% from the borrowing day to January 2, 2013, plus 0.4% from January 2, 2013 and plus 1.5% from January 2, 2014.

Note 7: AECO Technology Inc., the Company's subsidiary, had entered into a long-term loan agreement with a financial institution. The principal should be repaid in equal quarterly installments after 15 months of the first drawdown date.

Note 8: AECO Technology Inc., the Company's subsidiary, had entered into a long-term loan agreement with financial institutions on July 6, 2012. The facility is \$400,000 and the contract term is three years. AECO Technology Inc. is required to maintain liquidity ratio, debt ratio and time interest earned ratio based on consolidated financial statements, and net value should not be less than \$1,400,000 during the contract period.

Note 9: AECO Technology Inc., the Company's subsidiary, had entered into a syndicated loan agreement with financial institutions on March 10, 2010. The facility is \$880,000 and the contract term is five years. AECO Technology Inc. had early repayment for the six-month period ended June 30, 2012.

Note 10: Please refer to Note 4 18), Note 5.

Note 11: Please refer to Note 4 18), Note 6.

20) 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 balance of the retirement fund deposited with the Bank of Taiwan was \$319,587 and \$311,927 as of September 30, 2012 and 2011, respectively.
- (4)Effective July 1, 2005, in accordance with the Labor Pension Act, the Company and its 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.
- (5)For the nine-month periods ended September 30, 2012 and 2011, the pension costs of the Company and its subsidiaries were \$249,002 and \$259,032, respectively.

21) 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. Further, in the year the shares were exchanged, such distribution was not subject to restrictions provided in Article 8 of Securities and Exchange Law Enforcement Rules. 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 September 30, 2012, 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 on 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 \$733,856 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 \$653,883 (recorded as “capital reserve-common stock share premium”).

22) 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 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.

- B. Pursuant to a resolution approved in the stockholders' meeting on June 22, 2012, the Company made the following appropriations of 2011 net income:

- a) Legal reserve of \$508,043;
- b) Reversal of special reserve of \$1,243,482; and
- c) Cash dividends of \$4,304,844 or a dividend of \$2.6 (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 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 of bonus to employees and remunerations to directors and supervisors as approved during the stockholders' meeting were consistent with the amounts charged against earnings in 2010.

- D. With regard to the appropriations of 2011 net income, employees' bonuses and directors' and supervisors' remuneration, as approved by the Board of Directors and stockholders in 2012, amounted to \$41,000 and \$36,000, respectively. The amounts of bonus to employees and remunerations to directors and supervisors as approved during the stockholders' meeting were consistent with the amounts charged against earnings in 2011.

- E. The employees' bonuses are \$36,000 and \$27,900 and directors' and supervisors'

distribution of stock dividends, the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.

24) PERSONNEL EXPENSES, DEPRECIATION AND AMORTIZATION

| | <u>For the nine-month periods ended September 30,</u> | |
|--|---|---------------------|
| | <u>2012</u> | <u>2011</u> |
| Personnel expenses | | |
| Salaries | \$ 4,654,368 | \$ 4,824,449 |
| Labor and medical insurances | 249,182 | 204,651 |
| Pension | 249,002 | 259,032 |
| Others | 197,548 | 192,957 |
| | <u>\$ 5,350,100</u> | <u>\$ 5,481,089</u> |
| Depreciation (including rental facilities) | \$ 185,207 | \$ 161,669 |
| Amortization | 85,012 | 57,531 |
| | <u>\$ 270,219</u> | <u>\$ 219,200</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 |
| P.T WPG Electrindo Jaya (WPG PT) | Investor of indirect subsidiary accounted for under the equity method |
| Siltrontech Electronics Corp. (Siltrontech) | Investee accounted for under the equity method (Note) |
| Lipers (Hong Kong) Enterprise Co., Ltd. (Lipers (Hong Kong)) | Investee accounted for under the equity method (Note) |

Note: The relationship from indirect subsidiary became subsidiary investee accounted for under the equity method since June 5, 2012.

2) Significant related party transactions

(1) Sales

| | <u>For the nine-month periods ended September 30,</u> | | | |
|---------|---|---|-------------------|---|
| | <u>2012</u> | | <u>2011</u> | |
| | <u>Amount</u> | <u>Percentage of consolidated net sales</u> | <u>Amount</u> | <u>Percentage of consolidated net sales</u> |
| WPG PT | \$ 742,120 | - | \$ - | - |
| Genuine | 100,380 | - | 93,739 | - |
| Others | 42,043 | - | 32,122 | - |
| | <u>\$ 884,543</u> | <u>-</u> | <u>\$ 125,861</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 60 days. The other subsidiaries deal with its related parties using general terms and sales prices.

(2)Purchases

| | For the nine-month periods ended September 30, | | | |
|-------------|--|--|-----------------|--|
| | 2012 | | 2011 | |
| | Amount | Percentage of consolidated net purchases | Amount | Percentage of consolidated net purchases |
| Siltrontech | \$ 102,924 | - | \$ - | - |
| Others | 30,896 | - | 4,214 | - |
| | <u>\$ 133,820</u> | <u>-</u> | <u>\$ 4,214</u> | <u>-</u> |

The purchase terms and prices of the subsidiary - Yosun Industrial Corp. with its related parties were negotiated in consideration of purchase price and gross margin. The purchase terms are the same with third parties. The purchase terms and 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 payment period was 30 to 75 days. The other subsidiaries deal with its related parties using general terms and purchase prices.

(3)Accounts receivable

| | September 30, | | | |
|--------|-------------------|--|------------------|--|
| | 2012 | | 2011 | |
| | Amount | Percentage of consolidated accounts receivable | Amount | Percentage of consolidated accounts receivable |
| WPG PT | \$ 164,517 | - | \$ - | - |
| Others | 33,858 | - | 21,801 | - |
| | <u>\$ 198,375</u> | <u>-</u> | <u>\$ 21,801</u> | <u>-</u> |

(4)Accounts payable

| | For the nine-month periods ended September 30, | | | |
|--------------------|--|---|-----------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of consolidated accounts payable | Amount | Percentage of consolidated accounts payable |
| Siltrontech | \$ 69,698 | - | \$ - | - |
| Lipers (Hong Kong) | 17,287 | - | - | - |
| Others | 5,803 | - | 1,611 | - |
| | <u>\$ 92,788</u> | <u>-</u> | <u>\$ 1,611</u> | <u>-</u> |

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 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 |
| WPI International (HK) Limited (WPI- Int’1 (HK)) | Indirect subsidiary |
| Gain Tune Ltd. (GT) | ” |
| World Peace International (South Asia) Pte Ltd. (World Peace (S)) | ” |
| Longview 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’1 - SH) | ” |
| WPG Americas Inc. (WPG Americas) | Same ultimate parent company |
| Frontek Technology Corporation (Frontek) | ” |
| Genuine C&C Inc. (Genuine) | Same chairman |

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

a. Sales

| | <u>For the nine-month periods ended September 30,</u> | | | |
|---------------------|---|--|---------------------|--|
| | <u>2012</u> | | <u>2011</u> | |
| | <u>Amount</u> | <u>Percentage of net sales of subsidiary</u> | <u>Amount</u> | <u>Percentage of net sales of subsidiary</u> |
| WPI Int’1 (HK) | \$ 6,738,683 | 14 | \$ 4,476,206 | 9 |
| GT | 1,055,792 | 2 | 486,563 | 1 |
| Long View | 132,738 | - | 7,049 | - |
| Genuine | 100,380 | - | 93,739 | - |
| World Peace (China) | 96,130 | - | 862,232 | 2 |
| World Peace (S) | 48,105 | - | 131,545 | - |
| | <u>\$ 8,171,828</u> | <u>16</u> | <u>\$ 6,057,334</u> | <u>12</u> |

The terms and sales prices were negotiated in consideration of factors including product,

cost, market and competition. The collection period for related parties was 30 to 60 days.

b. Purchases

| | For the nine-month periods ended September 30, | | | |
|-----------------|--|---|---------------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of net purchases of subsidiary | Amount | Percentage of net purchases of subsidiary |
| WPI Int'l (HK) | \$ 1,374,381 | 3 | \$ 1,631,073 | 3 |
| Long View | 353,400 | 1 | 331,859 | 1 |
| Frontek | 218,411 | 1 | 194,971 | - |
| GT | 186,867 | - | 366,356 | 1 |
| World Peace (S) | 100,029 | - | 132,155 | - |
| | <u>\$ 2,233,088</u> | <u>5</u> | <u>\$ 2,656,414</u> | <u>5</u> |

The purchase terms and prices were negotiated in consideration of factors including product, cost, market and competition. The payment period for related parties was 30 to 60 days.

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

| | For the nine-month periods ended September 30, | | | |
|------|--|--|------------|--|
| | 2012 | | 2011 | |
| | Amount | Percentage of management fee of subsidiary | Amount | Percentage of management fee of subsidiary |
| WPGH | \$ 171,575 | 47 | \$ 122,045 | 42 |

d. Accounts receivable

| | September 30, | | | |
|---------------------|---------------------|---|---------------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of accounts receivable of subsidiary | Amount | Percentage of accounts receivable of subsidiary |
| WPI Int'l (HK) | \$ 1,729,249 | 13 | \$ 1,940,038 | 14 |
| GT | 287,309 | 2 | 83,089 | 1 |
| World Peace (China) | 25,358 | - | 138,168 | 1 |
| | <u>\$ 2,041,916</u> | <u>15</u> | <u>\$ 2,161,295</u> | <u>16</u> |

e. Other receivables - financing activities

| | For the nine-month period ended September 30, 2012 | | | | |
|-----------|--|-------------------|---------------|-----------------|---------------------|
| | Maximum balance | Ending balance | Interest rate | Interest income | Interest receivable |
| Long View | <u>\$ 120,000</u> | <u>\$ 120,000</u> | 1.50% | <u>\$ 611</u> | <u>\$ 611</u> |

| | For the nine-month period ended September 30, 2011 | | | | |
|--|--|----------------|---------------|-----------------|---------------------|
| | Maximum balance | Ending balance | Interest rate | Interest income | Interest receivable |
| | | | | | |

| | | | | | | | | | |
|--------------|----|----------------|----|----------------|-----------------|----|--------------|----|--------------|
| WPG Americas | \$ | <u>152,400</u> | \$ | <u>152,400</u> | 1.95%~ 2.20% | \$ | <u>2,225</u> | \$ | <u>2,701</u> |
|--------------|----|----------------|----|----------------|-----------------|----|--------------|----|--------------|

f. Accounts payable

| | September 30, | | | |
|----------------|-------------------|---|-------------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of accounts payable of subsidiary | Amount | Percentage of accounts payable of subsidiary |
| WPI Int'l (HK) | \$ 250,113 | 4 | \$ 260,450 | 4 |
| Long View | <u>108,512</u> | <u>2</u> | <u>85,960</u> | <u>1</u> |
| | <u>\$ 358,625</u> | <u>6</u> | <u>\$ 346,410</u> | <u>5</u> |

g. Commitments

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

| | September 30, | | | |
|----------------|----------------------------------|--------|----------------------------------|--------|
| | 2012 | | 2011 | |
| | <u>(in thousands of dollars)</u> | | <u>(in thousands of dollars)</u> | |
| GCC(SA) | USD | 22,000 | USD | 22,000 |
| WPI Int'l - SH | USD | 14,194 | USD | 9,425 |

(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

| <u>Names of related parties</u> | <u>Relationship with Silicon Application Corporation</u> |
|---|--|
| WPG Holdings Limited (WPGH) | Parent company |
| WPG Electronics (HK) Limited (WPG EL (HK)) | Affiliated company |
| Everwiner Enterprise Co., Ltd. (EE) | " |
| Silicon Application (BVI) Corp. (SAC (BVI)) | Subsidiary |
| Silicon Application Company Limited (SACL) | Indirect subsidiary |

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

a. Sales

| | For the nine-month periods ended September 30, | | | |
|-------------|--|---|------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of net sales of subsidiary | Amount | Percentage of net sales of subsidiary |
| WPG EL (HK) | \$ 1,093,038 | 8 | \$ 653,730 | 5 |

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

b. Purchases

| | For the nine-month periods ended September 30, | | | |
|------|--|---|------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of net purchases of subsidiary | Amount | Percentage of net purchases of subsidiary |
| SACL | \$ 516,869 | 4 | \$ 218,184 | 2 |

The term and purchase prices were negotiated between the related parties.

c. Accounts receivable

| | September 30, | | | |
|-------------|---------------|---|------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of accounts receivable of subsidiary | Amount | Percentage of accounts receivable of subsidiary |
| WPG EL (HK) | \$ 522,680 | 12 | \$ 261,148 | 7 |

d. Other receivables - financing activities

| | For the nine-month period ended September 30, 2011 | | | | |
|------|--|----------------|---------------|-----------------|---------------------|
| | Maximum balance | Ending balance | Interest rate | Interest income | Interest receivable |
| WPGH | \$ 300,000 | \$ - | 1.45% | \$ 2,233 | \$ - |
| EE | 150,000 | - | 1.55% | 338 | - |
| | \$ 450,000 | \$ - | | \$ 2,571 | \$ - |

There was no transaction in excess of \$100,000 for the nine-month period ended September 30, 2012.

e. Other payables - Financing activities

| | For the nine-month period ended September 30, 2012 | | | | |
|-----------|--|----------------|---------------|------------------|------------------|
| | Maximum balance | Ending balance | Interest rate | Interest expense | Interest payable |
| SAC (BVI) | \$ 585,900 | \$ 585,900 | 1.10% | \$ 3,329 | \$ 1,307 |

| | For the nine-month period ended September 30, 2011 | | | | |
|-----------|--|----------------|---------------|------------------|------------------|
| | Maximum balance | Ending balance | Interest rate | Interest expense | Interest payable |
| SAC (BVI) | \$ 304,800 | \$ - | 1.10% | \$ 1,795 | \$ - |

f. Commitments

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

| September 30, 2012 (in thousands of dollars) | September 30, 2011 (in thousands of dollars) |
|---|---|
|---|---|

The term and purchase prices were the same as third parties.

c. Management fee

| | For the nine-month periods ended September 30, | | | |
|------|--|--|-----------|--|
| | 2012 | | 2011 | |
| | Amount | Percentage of management fee of subsidiary | Amount | Percentage of management fee of subsidiary |
| WPGH | \$ 100,459 | 100 | \$ 85,316 | 100 |

d. Accounts receivable

| | September 30, | | | |
|------------|---------------|---|------------|---|
| | 2012 | | 2011 | |
| | Amount | Percentage of accounts receivable of subsidiary | Amount | Percentage of accounts receivable of subsidiary |
| Yosun-H.K. | \$ 1,195,495 | 18 | \$ 494,451 | 8 |

e. Other receivable-financing activities

| | For the nine-month period ended September 30, 2012 | | | | |
|------|--|----------------|---------------|-----------------|---------------------|
| | Maximum balance | Ending balance | Interest rate | Interest income | Interest receivable |
| WPGH | \$ 850,000 | \$ - | 1.75% | \$ 2,649 | \$ - |

There was no transaction in excess of \$100,000 for the nine-month period ended September 30, 2011.

f. Commitments

Yosun Industrial Corp. has provided guarantees relating to the credit lines and purchase transactions of a subsidiary as shown below:

| | September 30, 2012 | | September 30, 2011 | |
|-------------------|---------------------------|---------|---------------------------|---------|
| | (in thousands of dollars) | | (in thousands of dollars) | |
| Yosun-H.K. | USD | 13,500 | USD | 35,101 |
| | | | HKD | 15,000 |
| | | | \$ | 270,000 |
| Yosun (Singapore) | USD | 8,000 | USD | 21,000 |
| | \$ | 124,000 | \$ | 120,000 |
| Sertek | USD | 30,000 | USD | 40,000 |
| | \$ | 80,000 | \$ | 60,000 |
| Giatak | USD | 32,100 | USD | 48,620 |
| | HKD | 16,000 | HKD | 52,020 |
| Sunwise | USD | 2,500 | USD | 3,250 |
| | HKD | 40,000 | HKD | 40,000 |

(4)The related party transactions in excess of \$100,000 for the significant subsidiary - WPI (BVI): None.

6. PLEDGED ASSETS

As of September 30, 2012 and 2011, the details of pledged assets were as follows:

| <u>Assets (Note 1)</u> | <u>September 30, 2012</u> | <u>Purpose of Collateral</u> |
|---|---------------------------|--|
| Other financial assets - current | | |
| -Bank deposits | \$ 492,341 | Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring |
| -Time deposits | 842,724 | Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card |
| Financial assets carried at cost - non-current (Note 2) | 9,504 | Security for purchases |
| Other financial assets - non-current | | |
| -Bank deposit | 20,987 | Earmarked for employee pension |
| Land (including rental facilities) | 1,206,258 | Long-term and short-term loans, import loans and security for import |
| Buildings (including rental facilities) | 771,638 | " |
| Deposit-out | <u>13,025</u> | Tariff security deposit |
| | <u>\$ 3,356,477</u> | |
| | | |
| <u>Assets (Note 1)</u> | <u>September 30, 2011</u> | <u>Purpose of Collateral</u> |
| Notes receivable | \$ 15,260 | Short-term loans |
| Other financial assets - current | | |
| -Bank deposits | 860,773 | Short-term loans, import loans, security for purchases, guarantee for customs and deposits for factoring |
| -Time deposits | 2,133,917 | Short-term loans, import loan, security for purchases, guarantee for customs, deposits for litigation, oil card and factoring |
| -Repurchase commercial papers | 2,998 | Commercial papers payable |
| Financial assets carried at cost - non-current (Note 2) | 30,700 | Security for purchases |
| Land (including rental facilities) | 578,963 | Long-term and short-term loans, import loans and security for import |
| Buildings (including rental facilities) | <u>538,990</u> | " |
| | <u>\$ 4,161,601</u> | |

Note 1: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases as of September 30, 2012 and 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 September 30, 2011. There are 1,133 thousand shares of Kingmac Technology Inc., which have been pledged for purchases as of September 30, 2012.

7. COMMITMENTS AND CONTINGENT LIABILITIES

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

- 1) As of September 30, 2012, the Group has future commitments for rentals and acquisition of computer software totaling \$321,893.
- 2) As of September 30, 2012, the subsidiaries has future commitments for construction contracts and lease of parking lots totaling \$749,401.
- 3) As of September 30, 2012, the subsidiaries have letters of credit issued but not negotiated amounting to \$1,001,142 and USD82,447 thousand for purchases.
- 4) 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 were defective. 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. Taiwan Taipei District Court rendered a judgement that Pernas Electronics Co., Ltd. needed to pay \$20,901, plus interests with 5% annual interest rate and litigation fees of \$548 on May 13, 2011. Pernas Electronics Co., Ltd. had filed an appeal with Taiwan High Court, but the litigation is still pending as of the report date.

8. SIGNIFICANT CATASTROPHE

None.

9. SUBSEQUENT EVENT

Long-Think International (Hong Kong) Limited, an indirect subsidiary of Longview Technology Inc., entered into a share purchase agreement with Long-Think Technology (HK) Limited on May 31, 2012, and acquired 100% ownership of Long-Think International Trading (Shanghia) Limited. Under the agreement, the effective date of acquisition is October 2, 2012.

10. OTHERS

1) Financial statement presentation

Certain accounts in the September 30, 2011 consolidated financial statements were reclassified to conform with the September 30, 2012 consolidated financial statement presentation.

2) Fair values of the financial instruments:

| Financial instruments | September 30, 2012 | | | September 30, 2011 | | |
|--|--------------------|--------------------------------|-----------------|--------------------|--------------------------------|-----------------|
| | 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 | \$ 73,006,680 | \$ - | \$ 73,006,680 | \$ 68,565,968 | \$ - | \$ 68,565,968 |
| Financial assets at fair value through profit or loss | 47,039 | 47,039 | - | 279,161 | 279,161 | - |
| Available-for-sale financial assets - current | 18,279 | 18,279 | - | 20,578 | 20,578 | - |
| Available-for-sale financial assets - non-current | 186,879 | 186,879 | - | 188,468 | 188,468 | - |
| Financial assets carried at cost - current | 12,871 | - | - | 24,958 | - | - |
| Financial assets carried at cost - non-current | 523,610 | - | - | 332,859 | - | - |
| Held-to-maturity financial assets - non-current | 5,000 | - | 5,000 | 5,000 | - | 5,000 |
| Other financial assets - non-current | 20,987 | - | 20,987 | - | - | - |
| Deposits-out | 262,610 | - | 262,610 | 477,221 | - | 477,221 |
| Liabilities: | | | | | | |
| Financial liabilities with book value equal to fair value | 79,153,467 | - | 79,153,467 | 77,182,639 | - | 77,182,639 |
| Deposits-in (recorded as "other liabilities - others") | 10,971 | - | 10,971 | 3,973 | - | 3,973 |
| Long-term interest-bearing liabilities (including current portion) | 7,325,343 | - | 7,325,343 | 5,376,252 | - | 5,376,252 |

| Financial instruments | September 30, 2012 | | | September 30, 2011 | | |
|---|--------------------|--------------------------------|-----------------|--------------------|--------------------------------|-----------------|
| | Book value | Fair value | | Book value | Fair value | |
| | | Quotations in an active market | Estimated value | | Quotations in an active market | Estimated value |
| Assets: | | | | | | |
| Financial assets at fair value through profit or loss - Forward exchange contracts | \$ 5,123 | \$ - | \$ 5,123 | \$ 2,310 | \$ - | \$ 2,310 |
| Liabilities: | | | | | | |
| Financial liabilities at fair value through profit or loss - Forward exchange contracts | 6,656 | - | 6,656 | 24,251 | - | 24,251 |

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 and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties and 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 or the net asset value at the balance sheet date.
 - (4) The fair value of financial assets carried at cost-current and non-current are measured at cost since the value cannot be measured reliably.
 - (5) 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.
 - (6) Other financial assets - non-current include overdue receivables and pledged time deposits. The book value is approximate to the fair value.
 - (7) The fair values of deposits-out and deposits-in are based on book values, which approximate fair value.
 - (8) As floating interest rates are adopted for most of the long-term loans, their fair value is based on their book value.
 - (9) 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 was provided by financial institutions.
- 3) As of September 30, 2012 and 2011, the financial assets with fair value risk due to the change of interest rate amounted to \$1,951,731 and \$3,642,134, respectively, and the financial liabilities are \$25,687,604 and \$21,850,770, respectively; financial assets with cash flow risk due to the change of interest rate amounted to \$47,057 and \$236,800, respectively, and the financial liabilities are \$19,351,845 and \$22,760,984, respectively.
- 4) The Group recognized the adjustment in equity from available-for-sale financial assets amounting to \$34,164 and \$33,353, and the amount removed from equity and recognized in profit or loss was (\$12,561) and (\$51,236) for the nine-month periods ended September 30, 2012 and 2011, 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. Under the procedure for acquisition and disposal of assets of the Company, the Group could only enter into derivative transaction contracts which fulfills 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 subsidiaries 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.
 - B. Credit risk

As long as the subsidiaries place 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 (including pledged notes receivable), accounts receivable (including related parties), and other receivables.

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 would be changed due to exchange in market interest rate.

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

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>September 30, 2012</u> | | <u>September 30, 2011</u> | |
|---------------------------------------|---|------------------|---|------------------|
| | Foreign currency amount <u>(In thousands)</u> | Exchange rate | Foreign currency amount <u>(In thousands)</u> | Exchange rate |
| Foreign currency: Functional currency | | | | |
| <u>Financial Assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:TWD | \$ 767,129 | 29.30 | \$ 718,199 | 30.48 |
| USD:HKD | 89,072 | 7.75 | 114,015 | 7.79 |
| RMB:HKD | 208,854 | 1.23 | 198,514 | 1.23 |
| RMB:USD | 174,760 | 0.16 | 125,202 | 0.16 |
| <u>Financial Liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:TWD | 771,726 | 29.30 | 682,436 | 30.48 |
| USD:HKD | 75,437 | 7.75 | 219,316 | 7.79 |
| RMB:HKD | 42,625 | 1.23 | - | - |

7) Business combination

1. To integrate the electronic component distribution industry and enhance the Group's competitiveness, the Company absorbed Aeco Technology Co., Ltd. through share swap on March 1, 2012, as approved by the Board of Directors on October 4, 2011, and issued 71,859 thousand shares. The transaction was recognized using purchase method accounting. The difference amount between purchase price and fair value of identified net assets was recorded as goodwill totaling \$477,038.
2. To integrate the electronic component distribution industry and enhance the Group's competitiveness, Longview Technology Inc., the indirect subsidiary of the Company, acquired all outstanding shares of Long-Think International Co., Ltd. which was accounted for by the purchase method. The difference amount between fair value of net

assets and purchase price was recorded as goodwill totaling \$773.

2. The business activities of each subsidiary were as follows:
 - A. Aeco Technology Inc.: Please refer to Note 11 2) (1).
 - B. Long-Think International Co., Ltd.: sales of electronic / electrical components.
3. Pro forma supplemental information were as follows:
 - A. Effective March 1, 2012, the operating results of Aeco Technology Inc. were 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 Aeco Technology Inc. since January 1, 2011.
 - B. Effective July 1, 2012, the operating results of Long-Think International Co., 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 Long-Think International Co., Ltd. since January 1, 2011.
 - C. Pro forma consolidated statement of income for the nine-month period ended September 30, 2012 and 2011 are as follows:

WPG HOLDINGS LIMITED
PRO FORMA CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011
(UNREVIEWED)

| | For the nine-month period ended <u>September 30, 2012</u> | | For the nine-month period ended <u>September 30, 2011</u> | |
|---|---|-------------------------|---|-------------------------|
| Operating revenues | | | | |
| Sales revenue | \$ | 270,763,711 | \$ | 255,659,240 |
| Service revenue | | <u>159,507</u> | | <u>132,068</u> |
| Total operating revenues | | 270,923,218 | | 255,791,308 |
| Operating costs | | | | |
| Cost of goods sold | | <u>(257,122,238)</u> | | <u>(241,407,472)</u> |
| Gross profit | | 13,800,980 | | 14,383,836 |
| Operating expenses | | <u>(9,163,108)</u> | | <u>(8,919,773)</u> |
| Operating income | | 4,637,872 | | 5,464,063 |
| Non-operating income | | 313,578 | | 505,803 |
| Non-operating expenses | | <u>(786,863)</u> | | <u>(760,387)</u> |
| Income before income tax | | 4,164,587 | | 5,209,479 |
| Income tax expense | | <u>(907,128)</u> | | <u>(917,222)</u> |
| Consolidated net income | \$ | <u><u>3,257,459</u></u> | \$ | <u><u>4,292,257</u></u> |
| Attributable to: | | | | |
| Equity holders of the Company | \$ | 3,265,304 | \$ | 4,283,291 |
| Minority interest | | <u>(7,845)</u> | | <u>8,966</u> |
| | \$ | <u><u>3,257,459</u></u> | \$ | <u><u>4,292,257</u></u> |
| | | <u>Before tax</u> | <u>After tax</u> | <u>Before tax</u> |
| | | | | <u>After tax</u> |
| Basic earnings per share (In dollars) | | | | |
| Net income from operations | \$ | 2.52 | \$ | 1.97 |
| Minority interest | | <u>-</u> | | <u>(0.01)</u> |
| Net income | \$ | <u><u>2.52</u></u> | \$ | <u><u>1.97</u></u> |
| Diluted earnings per share (In dollars) | | | | |
| Net income from operations | \$ | 2.52 | \$ | 1.97 |
| Minority interest | | <u>-</u> | | <u>(0.01)</u> |
| Net income | \$ | <u><u>2.52</u></u> | \$ | <u><u>1.97</u></u> |

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

(1) World Peace Industrial Co., Ltd.

| <u>World Peace Industrial Co., Ltd.</u> | | | | | |
|---|---------------|---------------|--|---------------|---------------|
| <u>Condensed Balance Sheets</u> | | | | | |
| <u>September 30, 2012 and 2011</u> | | | | | |
| <u>Assets</u> | <u>2012</u> | <u>2011</u> | <u>Liabilities and</u> | <u>2012</u> | <u>2011</u> |
| | | | <u>Stockholder's Equity</u> | | |
| Current assets | \$ 21,377,653 | \$ 22,408,694 | Current liabilities | \$ 18,035,935 | \$ 16,115,505 |
| Funds and long-term investments | 10,738,285 | 9,441,447 | Long-term liabilities | 3,000,000 | 4,047,800 |
| Property, plant and equipment, net | 722,099 | 730,645 | Other liabilities | 173,766 | 168,802 |
| Intangible assets and other assets | 93,922 | 99,550 | Total liabilities | 21,209,701 | 20,332,107 |
| | | | Common stock | 6,290,000 | 6,290,000 |
| | | | Capital reserve | 3,600,674 | 3,600,273 |
| | | | Retained earnings | 3,274,331 | 3,182,035 |
| | | | Other adjustments to stockholder's equity | (1,442,747) | (724,079) |
| | | | Total stockholder's equity | 11,722,258 | 12,348,229 |
| | | | Total liabilities and stockholder's equity | \$ 32,931,959 | \$ 32,680,336 |
| Total assets | \$ 32,931,959 | \$ 32,680,336 | | | |

World Peace Industrial Co., Ltd.
Condensed Statements of Income
For The Nine-Month Periods Ended September 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|------------------------------|---------------|---------------|
| Operating revenue | \$ 49,920,919 | \$ 49,882,810 |
| Operating costs | (47,988,000) | (47,710,079) |
| Unrealized intercompany loss | 2,712 | 23,487 |
| Realized intercompany loss | (1,990) | (11,420) |
| Gross profit | 1,933,641 | 2,184,798 |
| Operating expenses | (1,286,972) | (1,205,435) |
| Operating income | 646,669 | 979,363 |
| Non-operating income | 1,366,842 | 1,195,857 |
| Non-operating expenses | (183,616) | (133,501) |
| Income before income tax | 1,829,895 | 2,041,719 |
| Income tax expense | (89,651) | (154,827) |
| Net income | \$ 1,740,244 | \$ 1,886,892 |

(2) Silicon Application Corporation

Silicon Application Corporation

Condensed Balance Sheets

September 30, 2012 and 2011

| <u>Assets</u> | | | <u>Liabilities and</u> | |
|------------------------------------|---------------|--------------|--|---------------|
| | <u>2012</u> | <u>2011</u> | <u>Stockholder's Equity</u> | |
| Current assets | \$ 7,288,748 | \$ 6,406,840 | Current liabilities | \$ 6,704,743 |
| Funds and long-term investments | 2,573,169 | 2,285,695 | Other liabilities | 64,079 |
| Property, plant and equipment, net | 249,873 | 250,828 | Total liabilities | 6,768,822 |
| Intangible assets and other assets | 5,457 | 4,724 | Common stock | 2,300,000 |
| | | | Capital reserve | 522,237 |
| | | | Retained earnings | 950,427 |
| | | | Other adjustments to stockholder's equity | (424,239) |
| | | | Total stockholder's equity | 3,348,425 |
| Total assets | \$ 10,117,247 | \$ 8,948,087 | Total liabilities and stockholder's equity | \$ 10,117,247 |

Silicon Application Corporation

Condensed Statements of Income

For The Nine-Month Periods Ended September 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--------------------------|---------------|---------------|
| Operating revenue | \$ 14,104,007 | \$ 12,568,042 |
| Operating costs | (13,326,546) | (11,805,830) |
| Gross profit | 777,461 | 762,212 |
| Operating expenses | (532,967) | (518,238) |
| Operating income | 244,494 | 243,974 |
| Non-operating income | 260,027 | 354,014 |
| Non-operating expenses | (52,532) | (44,200) |
| Income before income tax | 451,989 | 553,788 |
| Income tax expense | (37,478) | (40,160) |
| Net income | \$ 414,511 | \$ 513,628 |

(3) Yosun Industrial Corp.

Yosun Industrial Corp.

Condensed Balance Sheets

September 30, 2012 and 2011

| <u>Assets</u> | | | <u>Liabilities and</u> | |
|------------------------------------|---------------|---------------|--|-----------------------------|
| | <u>2012</u> | <u>2011</u> | <u>Stockholder's Equity</u> | |
| Current assets | \$ 10,584,213 | \$ 12,929,836 | Current liabilities | \$ 8,931,883 \$ 10,691,408 |
| Funds and long-term investments | 5,743,321 | 5,654,576 | Other liabilities | 175,290 166,223 |
| Property, plant and equipment, net | 622,215 | 665,151 | Total liabilities | 9,107,173 10,857,631 |
| Intangible assets and other assets | 3,900 | 3,721 | Common stock | 4,161,692 4,161,692 |
| | | | Capital reserve | 2,570,901 2,570,901 |
| | | | Retained earnings | 1,365,937 1,776,977 |
| | | | Other adjustments to stockholder's equity | (252,054) (113,917) |
| | | | Total stockholder's equity | 7,846,476 8,395,653 |
| Total assets | \$ 16,953,649 | \$ 19,253,284 | Total liabilities and stockholder's equity | \$ 16,953,649 \$ 19,253,284 |

Yosun Industrial Corp.

Condensed Statements of Income

For The Nine-Month Periods Ended September 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--------------------------|---------------|---------------|
| Operating revenue | \$ 24,683,038 | \$ 26,925,125 |
| Operating costs | (23,681,954) | (25,434,100) |
| Gross profit | 1,001,084 | 1,491,025 |
| Operating expenses | (707,549) | (835,380) |
| Operating income | 293,535 | 655,645 |
| Non-operating income | 465,081 | 570,652 |
| Non-operating expenses | (180,190) | (119,754) |
| Income before income tax | 578,426 | 1,106,543 |
| Income tax expense | (28,976) | (117,940) |
| Net income | \$ 549,450 | \$ 988,603 |

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

WPI Investment Holdings (BVI) Company Ltd.

Condensed Balance Sheets

September 30, 2012 and 2011

Unit: USD thousand

| <u>Assets</u> | | | <u>Liabilities and</u> | | |
|---------------------------------|-------------------|-------------------|--|-------------------|-------------------|
| | <u>2012</u> | <u>2011</u> | <u>Stockholder's Equity</u> | <u>2012</u> | <u>2011</u> |
| Current assets | \$ 2,841 | \$ 462 | Current liabilities | \$ 5 | \$ 127 |
| Funds and long-term investments | <u>254,942</u> | <u>207,638</u> | Common stock | 85,169 | 85,169 |
| | | | Capital reserve | 3,755 | 3,755 |
| | | | Retained earnings | 168,063 | 118,351 |
| | | | Other adjustments to stockholder's equity | <u>791</u> | <u>698</u> |
| | | | Total stockholder's equity | <u>257,778</u> | <u>207,973</u> |
| Total assets | <u>\$ 257,783</u> | <u>\$ 208,100</u> | Total liabilities and stockholder's equity | <u>\$ 257,783</u> | <u>\$ 208,100</u> |

WPI Investment Holdings (BVI) Company Ltd.

Condensed Statements of Income

For The Nine-Month Periods Ended September 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--------------------------|------------------|------------------|
| Operating revenue | \$ 38,402 | \$ 35,524 |
| Operating costs | <u>-</u> | <u>-</u> |
| Gross profit | 38,402 | 35,524 |
| Operating expenses | <u>(6)</u> | <u>(13)</u> |
| Operating income | 38,396 | 35,511 |
| Non-operating income | 59 | 66 |
| Non-operating expenses | <u>-</u> | <u>-</u> |
| Income before income tax | 38,455 | 35,577 |
| Income tax expense | <u>-</u> | <u>-</u> |
| Net income | <u>\$ 38,455</u> | <u>\$ 35,577</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 reviewed or unreviewed 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 nine-month period ended September 30, 2012: None.

(2) Guarantee information for the nine-month period ended September 30, 2012:

| Number | Guarantor | Party being guaranteed | | | Limit on guarantee provided for such party | Maximum outstanding guarantee balance for the nine-month period ended September 30, 2012 | Outstanding guarantee amount at September 30, 2012 | 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 | \$ 18,777,157 | \$ 350,000 | \$ 350,000 | None | 0.93 | \$ 18,777,157 | Note 2 | |
| 0 | WPG Holdings Limited | WPG Korea Co., Ltd. | Note 1 | " | \$ 58,590 | \$ 58,590 | None | 0.16 | " | Note 2 | |
| 0 | WPG Holdings Limited | World Peace Industrial Co., Ltd. | Note 1 | " | \$ 92,572 | \$ 92,294 | \$ 92,294 | 0.25 | " | 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 \$92,294.

(3) Marketable securities held by the Company at September 30, 2012:

| Name of investor | Type of marketable securities | Name of marketable securities | Relationship of the issuer with the Company | General ledger accounts | September 30, 2012 | | | | Market value (in dollars) | Note |
|----------------------|-------------------------------|--|---|--|---------------------------------|---------------|-------------------------|----------|---------------------------|------|
| | | | | | Number of shares (in thousands) | Book value | Percentage of ownership | | | |
| WPG Holdings Limited | Equity securities | World Peace Industrial Co., Ltd. | A subsidiary | Long-term equity investments accounted for under the equity method | 629,000 | \$ 11,720,884 | 100 | \$ 18.64 | Note 1 | |
| " | " | Asian Information Technology Inc. | " | " | 253,822 | 3,643,337 | 100 | 14.35 | " | |
| " | " | Silicon Application Corporation | " | " | 230,000 | 3,348,425 | 100 | 14.56 | " | |
| " | " | Richpower Electronic Devices Co., Ltd. | " | " | 85,000 | 2,011,872 | 100 | 23.67 | " | |
| " | " | Pernas Electronics Co., Ltd. | " | " | 73,500 | 1,020,830 | 100 | 13.67 | " | |
| " | " | WPG Electronics Ltd. | " | " | 3,920 | 51,002 | 100 | 13.01 | " | |
| " | " | WPG Korea Co., Ltd. | " | " | 769 | 182,064 | 100 | 236.75 | " | |

| Name of investor | Name and type of marketable securities | | | | September 30, 2012 | | | | |
|----------------------|--|---------------------------------------|---|--|---------------------------------|--------------|-------------------------|---------------------------|---------------|
| | 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 | 92,016 | \$ 2,066,094 | 100 | \$ 22.45 | Note 1 |
| " | " | Yosun Industrial Corp. | " | " | 416,169 | 12,831,959 | 100 | 18.85 | " |
| " | " | WPG Investment Co., Ltd. | " | " | 34,200 | 350,756 | 100 | 10.26 | Notes 1 and 2 |
| " | " | AECO Technology Co., Ltd. | " | " | 172,000 | 2,210,902 | 100 | 9.31 | Note 1 |
| " | " | Ability I Venture Capital Corporation | None | Financial assets carried at cost - non-current | 4,000 | 40,000 | 8 | 9.82 | 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 nine-month period ended September 30, 2012 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, 2012 | | Addition | | Disposal | | | September 30, 2012 | | |
|----------------------|--------------------------------|-------------------------|--------------------------------|--------------|------------------|-------------|----------------------|---------------------|------------------|---------------|------------|----------------------|------------------|-------------|
| | | | | | Number of shares | Amount | Number of shares | Amount | Number of shares | Selling price | Book value | Disposal gain/(loss) | Number of shares | Amount |
| WPG Holdings Limited | WPG International (CI) Limited | Note 1 | WPG International (CI) Limited | NA | 57,016,236 | \$1,190,224 | 35,000,000 | \$ 875,870 (Note 2) | - | \$ - | \$ - | - | 92,016,236 | \$2,066,094 |
| " | AECO Technology Co., Ltd. | " | AECO Technology Co., Ltd. | " | - | - | 172,000,000 (Note 3) | 2,210,902 (Note 4) | - | - | - | - | 172,000,000 | 2,210,902 |

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

Note 2: The Company invested \$1,027,380 and recognized investment loss and cumulative translation adjustments amounting to \$151,510.

Note 3: The Company acquired 157,932,068 shares, including stock dividends of 14,067,932 shares.

Note 4: The Company invested \$2,335,420 and recognized investment gain, cash dividends and cumulative translation adjustments amounting to (\$124,518).

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

(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:

| <u>Purchaser / seller</u> | <u>Name of transaction parties</u> | <u>Relationship</u> | <u>Transaction terms</u> | | | <u>Credit terms</u> | <u>Description of and reasons for difference in transaction terms compared to non-related party transactions</u> | | <u>Accounts or notes receivable (payable)</u> | |
|---------------------------|------------------------------------|---------------------|--------------------------|------------------------------|--|---------------------|--|----------------------|---|---|
| | | | <u>Purchases (sales)</u> | <u>Amount (in thousands)</u> | <u>Percentage of total purchases (sales)</u> | | <u>Unit price</u> | <u>Credit period</u> | <u>Balance (in thousands)</u> | <u>Percentage of total accounts or notes receivable (payable)</u> |
| WPG Holdings Limited | World Peace Industrial Co., Ltd. | A Subsidiary | Service revenue | \$ 171,575 | 42 | Note | Note | Note | \$ 18,383 | 31 |
| " | Yosun Industrial Corp. | " | " | 100,459 | 25 | " | " | " | 25,131 | 42 |

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: None.

(9) Information on derivative transactions: None.

2) Disclosure information of investee companies

The disclosure information of World Peace Industrial Co., Ltd., World Peace International (South Asia) Pte Ltd., WPI Investment Holding (BVI) Company Ltd., WPI International (HK) Limited, WPG C&C Limited, Gain Tune Ltd., Longview Technology Inc., WPG Americas Inc., Asian Information Technology Inc., Frontek Technology Corporation, Apache Communication Inc., Richpower Electronic Devices Co., Ltd., Richpower Electronic Devices Co., Limited, Pernas Electronics Co., Ltd., Everwiner Enterprise Co., Ltd., Yosun Industrial Corp., Sertek Incorporated, Sertek Limited, Suntop Investment Ltd. Giatek Corp. Ltd., Yosun Hong Kong Corp. Ltd., Yosun Singapore Pte. Ltd., Silicon Application Corporation, Silicon Application Company Limited, Silicon Application (BVI) Corp. and AECO Technology Co., Ltd. was based on their reviewed financial statements while the disclosure information of other investee companies was based on their unreviewed financial statements. In addition, 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 September 30, 2012 | | | | Investment income (loss) recognized by the Company (Note 1) (in thousands) | Note |
|----------------------|--|----------------|--|--|---|-------------------------------|-------------------------|------------------------------|---|---|--------|
| | | | | Balance as of September 30, 2012 (in thousands) | Balance as of December 31, 2011 (in thousands) | Number of shares | Percentage of ownership | Book value (in thousands) | Income (loss) of the investee company (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 | \$ 11,720,884 | \$ 1,740,244 | \$ 1,740,244 | 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 | 3,643,337 | 410,226 | 410,226 | 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 | 3,348,425 | 414,511 | 414,511 | 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 | 2,011,872 | 291,446 | 291,446 | Note 4 |
| WPG Holdings Limited | Pernas Electronics Co., Ltd. | Taiwan | Sales of electronic /electrical components | 318,473 | 318,473 | 73,500,000 | 100.00 | 1,020,830 | 195,456 | 195,182 | Note 4 |
| WPG Holdings Limited | WPG Electronics Ltd. | Taiwan | Sales of electronic /electrical components | 14,735 | 14,735 | 3,920,000 | 100.00 | 51,002 | 9,301 | 9,301 | Note 4 |
| WPG Holdings Limited | WPG Korea Co., Ltd. | South Korea | Sales of electronic /electrical components | 125,566 | 125,566 | 769,164 | 100.00 | 182,064 | 18,232 | 18,232 | Note 4 |
| WPG Holdings Limited | WPG International (CI) Limited | Cayman Islands | Holding company | 2,810,338 | 1,782,958 | 92,016,236 | 100.00 | 2,066,094 (| 115,299) (| 115,299) | 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 | 12,831,959 | 549,450 | 541,030 | Note 4 |

| Name of investor | Name of investee company | Region | Main activities | Original investment | | Held as of September 30, 2012 | | | | | Investment income (loss) recognized by the Company (Note 1) (in thousands) | Note |
|-----------------------------------|---|------------------------|---|----------------------------------|---------------------------------|-------------------------------|-------------------------|------------|---------------------------------------|----------------|---|------|
| | | | | Balance as of September 30, 2012 | 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) | | |
| WPG Holdings Limited | WPG Investment Co., Ltd. | Taiwan | Investment company | \$ 344,997 | \$ 344,997 | 34,200,000 | 100.00 | \$ 350,756 | \$ 6,705 | \$ 6,705 | Note 4 | |
| WPG Holdings Limited | AECO Technology Co., Ltd. | Taiwan | Sales of electronic / electrical components | 2,335,420 | - | 172,000,000 | 100.00 | 2,210,902 | (180,145) | 71,723 | Note 4 | |
| World Peace Industrial Co., Ltd. | WPI Investment Holding (BVI) Company Ltd. | British Virgin Islands | Holding company | 2,833,198 | 2,833,198 | 85,169,066 | 100.00 | 7,556,361 | 1,142,567 | - | Notes 2 and 5 | |
| 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 | 2,324,157 | 72,185 | - | Notes 2 and 5 | |
| World Peace Industrial Co., Ltd. | Longview Technology Inc. | Taiwan | Sales of electronic /electrical components | 364,290 | 364,290 | 26,760,000 | 100.00 | 456,122 | 80,961 | - | 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 | 200,645 | 33,536 | - | Notes 2 and 3 | |
| Longview Technology Inc. | Longview Technology GC Limited | British Virgin Islands | Holding company | 335,328 | - | 11,300,000 | 100.00 | 335,151 | 4,176 | - | Notes 2 and 5 | |
| Longview Technology Inc. | Long-Think International Co., Ltd. | Taiwan | Sales of electronic / electrical components | 37,302 | - | 4,000,000 | 100.00 | 35,230 | (2,879) | - | Notes 2 and 5 | |
| Asian Information Technology Inc. | Frontek Technology Corporation | Taiwan | Sales of electronic /electrical components | 1,515,256 | 1,515,256 | 191,790,352 | 100.00 | 2,038,794 | 165,168 | - | Notes 2 and 5 | |
| Asian Information Technology Inc. | Apache Communication Inc. | Taiwan | Sales of electronic /electrical components | 280,312 | 280,312 | 52,005,510 | 100.00 | 699,890 | 99,405 | - | 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 | 405,553 | 19,758 | - | Notes 2 and 5 | |

| Name of investor | Name of investee company | Region | Main activities | Original investment | | Held as of September 30, 2012 | | | | Investment income (loss) of the investee company (in thousands) | Investment income (loss) recognized by the Company (Note 1) (in thousands) | Note |
|-----------------------------------|---|------------------------|--|----------------------------------|---------------------------------|-------------------------------|-------------------------|------------|---------------------------------------|---|--|------------------|
| | | | | Balance as of September 30, 2012 | Balance as of December 31, 2011 | Number of shares | Percentage of ownership | Book value | Income (loss) of the investee company | | | |
| | | | | (in thousands) | (in thousands) | | | | | | | |
| Asian Information Technology Inc. | AITG Holding Corp. | Mauritius | Investment company | USD 2,702 | USD 2,702 | 2,701,790 | 100.00 | \$ 81,435 | (\$ 4,807) | \$ - | 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 | 191,960 | | 10,536 | - | 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 | 6,012 | (11,940) | - | Notes 2 and 5 | |
| Adivic Technology Co., Ltd. | Advance Digital Communication Co., Ltd. | U.S.A. | Sales of electronic / electrical 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 | \$ 103,573 | | 540 | - | Notes 2 and 5 |
| Frontek Technology Corporation | Jarek International Corp. | Samoa | Investment company | USD - | USD 250 | - | - | - | | 47 | - | Notes 2, 5 and 6 |
| Silicon Application Corp. | Silicon Application (BVI) Corp. | British Virgin Islands | Investment company | USD 22,000 | USD 22,000 | 22,000,000 | 100.00 | 2,356,749 | | 227,787 | - | Notes 2 and 5 |
| Silicon Application Corp. | WIN-WIN Systems Ltd. | British Virgin Islands | Investment company | USD 740 | USD 740 | 765,000 | 100.00 | 30,112 | | 135 | - | 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 | 10,554 | (36) | - | Notes 2 and 5 | |
| Silicon Application Corp. | SAC Components (South Asia) Pte. Ltd. | Singapore | Sale of computer software and electronic products | USD 3,500 | USD - | 3,500,000 | 100.00 | 102,422 | (112) | - | Notes 2 and 5 | |
| Pernas Electronics Co., Ltd. | Everwiner Enterprise Co., Ltd. | Taiwan | Sale of electronic / electrical components | \$ 343,959 | \$ 343,959 | 28,000,000 | 100.00 | 754,749 | | 180,427 | - | 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 | 4,605 | (152) | - | Notes 2 and 5 | |

| Name of investor | Name of investee company | Region | Main activities | Original investment | | Held as of September 30, 2012 | | | | Investment income (loss) recognized by the Company (Note 1) (in thousands) | Note |
|--|---|----------------|---|--|---|-------------------------------|-------------------------|------------------------------|---|---|---------------|
| | | | | Balance as of September 30, 2012 (in thousands) | Balance as of December 31, 2011 (in thousands) | Number of shares | Percentage of ownership | Book value (in thousands) | Income (loss) of the investee company (in thousands) | | |
| | | | | | | | | | | | |
| 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 | \$ 927,641 | \$ 163,188 | - | 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 | 392,866 | 48,524 | - | 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 | 8,221 | (78) | - | 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 | 175,272 | 13,529 | - | 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 | 3,485,265 | 128,312 | - | 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 | 1,697,221 | 280,413 | - | Notes 2 and 5 |
| Yosun Industrial Corp. | Suntek Investments Ltd. | Taiwan | Investment company | 70,000 | 70,000 | 26,000,000 | 100.00 | 308,890 | 30,064 | - | 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 | 36,917 | (5,285) | - | Notes 2 and 3 |
| Yosun Industrial Corp. | Yosun Japan Corp. | Japan | Sales of electronic components | 14,728 | 14,728 | 5,000 | 50.00 | 12,039 | (2,241) | - | Notes 2 and 3 |
| Yosun Industrial Corp. | Lipers Enterprise Co., Ltd. | Taiwan | Sales of electronic components | 188,261 | 188,261 | 13,310,445 | 28.37 | 170,577 | (3,927) | - | Notes 2 and 3 |
| Yosun Industrial Corp. | Pan-World Control Technology, Inc. | Taiwan | Wholesale of machinery | 19,920 | - | 1,660,000 | 25.74 | 18,505 | (9,408) | - | Notes 2 and 3 |
| Suntek Investments Ltd. | Eesource Corp. | Taiwan | Sales of office machinery and electronic components | 11,520 | 11,520 | 1,080,000 | 20.00 | 29,524 | 30,571 | - | Notes 2 and 3 |

| Name of investor | Name of investee company | Region | Main activities | Original investment | | Held as of September 30, 2012 | | | | Investment income (loss) recognized by the Company (Note 1) (in thousands) | Note |
|---------------------------|---|------------------------|---|--|---|-------------------------------|-------------------------|------------------------------|---|---|---------------|
| | | | | Balance as of September 30, 2012 (in thousands) | Balance as of December 31, 2011 (in thousands) | Number of shares | Percentage of ownership | Book value (in thousands) | Income (loss) of the investee company (in thousands) | | |
| Suntek Investments Ltd. | Siltrontech Electronics Corp. | Taiwan | Sales of electronic components | \$ 149,992 | \$ 149,992 | 24,551,450 | 32.22 | \$ 223,272 | \$ 16,811 | - | Notes 2 and 3 |
| Sertek Incorporated | Sertek Limited | Hong Kong | Sales of electronic components | 83,494 | 83,494 | 19,500,000 | 100.00 | 297,327 | 63,798 | - | Notes 2 and 5 |
| Sertek Incorporated | Digital Computer System Co., Ltd. | Taiwan | Sales of electronic components | 14,800 | 14,800 | 12,495 | 100.00 | 12,419 (| 137) | - | Notes 2 and 5 |
| WPG Investment Co., Ltd. | Eesource Corp. | Taiwan | Sales of office machinery and electronic components | 11,520 | 11,520 | 1,080,000 | 20.00 | 29,524 | 30,571 | - | Notes 2 and 3 |
| WPG Investment Co., Ltd. | Hatsushiba Tech Co., Ltd. | Taiwan | Wholesale and retail of electronic components | 11,010 | 7,260 | 975,0200 | 32.50 | 6,919 (| 9,447) | - | Notes 2 and 3 |
| AECO Electronic Co., Ltd. | TECO Enterprise Holding (BVI) Co., Ltd. | British Virgin Islands | Investment company | 436,280 | 436,280 | 12,610,000 | 100.00 | 659,197 (| 27,422) | - | Notes 2 and 5 |

(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.

(Note 6): The company was liquidated in August, 2012.

(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 doubtful accounts provided | Collateral placed | | Limit on financing activities for such party (in thousands) | Ceiling of the financing activities provided to all parties | Note |
|--------|---|--|-------------------------------------|--|--|----------------------|-----------------|---------------------------------------|----------------------|--|-------------------|--------|---|---|--|
| | | | | balance during the period (in thousands) | balance at September 30, 2012 (in thousands) | | | | | | Item | Amount | | (in thousands) | |
| 1 | Gain Tune Ltd. | WPI International (Hong Kong) Limited | Other receivables - related parties | \$ 864,203 | \$ 864,203 | 0.90%~1.00% | Working capital | \$ - | Operation | \$ - | None | None | \$ 977,595 | \$ 977,595 | (Outstanding balance of loan: \$864,203) Note 2 |
| 2 | World Peace International (South Asia) Pte Ltd. | Genuine C & C (South Asia) Pte., Ltd. | Other receivables - related parties | 351,540 | 292,950 | 1.54% | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$190,418) Note 3 |
| 2 | World Peace International (South Asia) Pte Ltd. | World Peace International Pte., Ltd. | Other receivables - related parties | 585,900 | 292,950 | 1.54% | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$250,472) Note 3 |
| 2 | World Peace International (South Asia) Pte Ltd. | WPG Americas Inc. | Other receivables - related parties | 966,735 | 732,375 | 2.23% | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$307,598) NoteS 3 and 7 |
| 2 | World Peace International (South Asia) Pte Ltd. | WPG C&C (Malaysia) Sdn Bhd | Other receivables - related parties | 58,590 | - | - | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$0) Note 3 |
| 2 | World Peace International (South Asia) Pte Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | Other receivables - related parties | 58,590 | - | - | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$0) Note 3 |
| 2 | World Peace International (South Asia) Pte Ltd. | Yosun Singapore Pte. Ltd. | Other receivables - related parties | 439,425 | 439,425 | - | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$0) Note 3 |
| 2 | World Peace International (South Asia) Pte Ltd. | WPG South Asia Pte. Ltd. | Other receivables - related parties | 292,950 | 146,475 | - | Working capital | - | Operation | - | None | None | 3,931,955 | 3,931,955 | (Outstanding balance of loan: \$0) Note 3 |
| 3 | World Peace International Pte. Ltd. | Genuine C&C (South Asia) Pte., Ltd. | Other receivables - related parties | 146,475 | - | - | Working capital | - | Operation | - | None | None | 1,958,203 | 1,958,203 | (Outstanding balance of loan: \$0) Note 3 |
| 3 | World Peace International Pte. Ltd. | WPG Americas Inc. | Other receivables - related parties | 146,475 | - | - | Working capital | - | Operation | - | None | None | 1,958,203 | 1,958,203 | (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 period (in thousands) | balance at September 30, 2012 (in thousands) | | | | | doubtful accounts provided | Item | Amount | activities for such party (in thousands) | financing activities provided to all parties (in thousands) | |
| 3 | World Peace International Pte. Ltd. | World Peace International (South Asia) Pte Ltd. | Other receivables - related parties | \$ 146,475 | - | - | Working capital | \$ - | Operation | \$ - | None | None | \$ 1,958,203 | \$ 1,958,203 | (Outstanding balance of loan: \$0) Note 3 |
| 3 | World Peace International Pte. Ltd. | Genuine C&C (IndoChina) Pte Ltd. | Other receivables - related parties | 14,648 | - | - | Working capital | - | Operation | - | None | None | 391,641 | 391,641 | (Outstanding balance of loan: \$0) Note 3 |
| 3 | World Peace International Pte. Ltd. | WPG C&C (Malaysia) Sdn Bhd | Other receivables - related parties | 29,295 | - | - | Working capital | - | Operation | - | None | None | 1,958,203 | 1,958,203 | (Outstanding balance of loan: \$0) Note 3 |
| 3 | World Peace International Pte. Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | Other receivables - related parties | 58,590 | - | - | Working capital | - | Operation | - | None | None | 1,958,203 | 1,958,203 | (Outstanding balance of loan: \$0) Note 3 |
| 3 | World Peace International Pte. Ltd. | WPG South Asia Pte. Ltd. | Other receivables - related parties | 146,475 | - | - | Working capital | - | Operation | - | None | None | 1,958,203 | 1,958,203 | (Outstanding balance of loan: \$0) Note 3 |
| 4 | WPI International Trading (Shenzhen) Ltd. | WPI International Trading (Shanghai) Ltd. | Other receivables - related parties | 136,072 | 136,072 | 3.00% | Working capital | - | Operation | - | None | None | 143,962 | 143,962 | (Outstanding balance of loan: \$136,072) Note 11 |
| 5 | Long-Think International (Hong Kong) Limited | WPI International (HK) Limited | Other receivables - related parties | 322,245 | 322,245 | - | Working capital | - | Operation | - | None | None | 334,118 | 334,118 | (Outstanding balance of loan: \$0) Note 11 |
| 6 | WPI Investment Holding (BVI) Company Ltd. | World Peace Industrial Co., Ltd. | Other receivables - related parties | 11,718 | - | - | Working capital | - | Operation | - | None | None | 3,020,645 | 7,551,612 | (Outstanding balance of loan: \$0) Note 11 |
| 6 | WPI Investment Holding (BVI) Company Ltd. | Long-Think International (Hong Kong) Limited | Other receivables - related parties | 82,026 | 82,026 | 1.00% | Working capital | - | Operation | - | None | None | 7,551,612 | 7,551,612 | (Outstanding balance of loan: \$82,026) Note 11 |
| 7 | World Peace International (BVI) Ltd. | World Peace Industrial Co., Ltd. | Other receivables - related parties | 57,125 | - | - | Working capital | - | Operation | - | None | None | 929,857 | 2,324,643 | (Outstanding balance of loan: \$0) Note 11 |
| 8 | Genuine C&C (South Asia) Pte., Ltd. | World Peace International Pte. Ltd. | Other receivables - related parties | 14,648 | - | - | Working capital | - | Operation | - | None | None | 354,859 | 354,859 | (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 period (in thousands) | balance at September 30, 2012 (in thousands) | | | | | doubtful accounts provided | Item | Amount | activities for such party (in thousands) | financing activities provided to all parties (in thousands) | |
| 8 | Genuine C&C (South Asia) Pte., Ltd. | WPG C&C (Malaysia) Sdn Bhd | Other receivables – related parties | \$ 14,648 | \$ - | - | Working capital | \$ - | Operation | \$ - | None | None | \$ 354,859 | \$ 354,859 | (Outstanding balance of loan: \$0) Note 3 |
| 8 | Genuine C&C (South Asia) Pte., Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | Other receivables – related parties | 14,648 | - | - | Working capital | - | Operation | - | None | None | 354,859 | 354,859 | (Outstanding balance of loan: \$0) Note 3 |
| 9 | Genuine C&C (IndoChina) Pte., Ltd. | World Peace International (South Asia) Pte Ltd. | Other receivables – related parties | 14,648 | - | - | Working capital | - | Operation | - | None | None | 61,273 | 61,273 | (Outstanding balance of loan: \$0) Note 3 |
| 10 | World Peace International (China) Limited | World Peace International Pte. Ltd. | Other receivables – related parties | 29,295 | - | - | Working capital | - | Operation | - | None | None | 499,177 | 499,177 | (Outstanding balance of loan: \$0) Note 3 |
| 10 | World Peace International (China) Limited | World Peace International (South Asia) Pte Ltd. | Other receivables – related parties | 29,295 | - | - | Working capital | - | Operation | - | None | None | 499,177 | 499,177 | (Outstanding balance of loan: \$0) Note 3 |
| 11 | World Peace International (India) Pvt., Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | Other receivables – related parties | 1,465 | - | - | Working capital | - | Operation | - | None | None | 36,124 | 36,124 | (Outstanding balance of loan: \$0) Note 3 |
| 12 | WPI International (HK) Limited | AIO Components Company Limited | Other receivables – related parties | 58,590 | 29,295 | - | Working capital | - | Operation | - | None | None | 6,582,207 | 6,582,207 | (Outstanding balance of loan: \$0) Note 11 |
| 12 | WPI International (HK) Limited | WPG C&C Limited | Other receivables – related parties | 572,310 | 527,310 | 1.45% | Working capital | - | Operation | - | None | None | 6,585,207 | 6,585,207 | (Outstanding balance of loan: \$351,540) Note 11 |
| 12 | WPI International (HK) Limited | WPI International Trading (Shanghai) Ltd. | Other receivables – related parties | 175,770 | 175,770 | 1.65% | Working capital | - | Operation | - | None | None | 6,585,207 | 6,585,207 | (Outstanding balance of loan: \$175,770) Note 11 |
| 12 | WPI International (HK) Limited | Long-Think International (Hong Kong) Limited | Other receivables – related parties | 79,097 | 79,097 | - | Working capital | - | Operation | - | None | None | 6,585,207 | 6,585,207 | (Outstanding balance of loan: \$0) Note 11 |

| 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 period (in thousands) | balance at September 30, 2012 (in thousands) | | | | | doubtful accounts provided | Item | Amount | activities for such party (in thousands) | financing activities provided to all parties (in thousands) | |
| 13 | World Peace Industrial Co., Ltd. | Longview Technology Inc. | Other receivables – related parties | \$ 200,000 | \$ 200,000 | 1.5% | Working capital | \$ - | Operation | \$ - | None | None | \$ 1,172,226 | \$ 4,688,903 | (Outstanding balance of loan: \$120,000) Note 9 |
| 14 | Longview Technology Inc. | Long-Think International Co., Ltd. | Other receivables – related parties | 50,000 | 50,000 | 1.65% | Working capital | - | Operation | - | None | None | 182,230 | 182,230 | (Outstanding balance of loan: \$30,000) Note 4 |
| 15 | Richpower Electronic Co., Ltd. | WPG Holdings Limited | Other receivables – related parties | 200,000 | 200,000 | 1.90% | Working capital | - | Operation | - | None | None | 804,749 | 804,749 | (Outstanding balance of loan: \$200,000) Note 4 |
| 15 | Richpower Electronic Co., Ltd. | Richpower Electronic Devices Co., Limited | Other receivables – related parties | 292,950 | - | - | Working capital | - | Operation | - | None | None | 804,749 | 804,749 | (Outstanding balance of loan: \$0) Note 4 |
| 16 | Mec Technology Co., Limited | Richpower Electronic Devices Pte., Ltd. | Other receivables – related parties | 117,180 | 29,295 | 2.18% | Working capital | - | Operation | - | None | None | 138,014 | 138,014 | (Outstanding balance of loan: \$29,295) Note 4 |
| 17 | Apache Communication Inc. | Frontek Technology Corporation | Other receivables – related parties | 100,000 | - | - | Working capital | - | Operation | - | None | None | 174,973 | 279,956 | (Outstanding balance of loan: \$0) Note 6 |
| 17 | Apache Communication Inc. | Adivic Technology Co., Ltd. | Other receivables – related parties | 40,000 | 25,000 | 1.47% | Working capital | - | Operation | - | None | None | 174,973 | 279,956 | (Outstanding balance of loan: \$25,000) Note 6 |
| 18 | Henshen Electric Trading Co., Ltd. | Frontek Technology Corporation | Other receivables – related parties | 90,000 | 50,000 | 1.28%~1.33% | Working capital | - | Operation | - | None | None | 101,388 | 162,221 | (Outstanding balance of loan: \$50,000) Note 6 |
| 18 | Henshen Electric Trading Co., Ltd. | WPG China Inc. | Other receivables – related parties | 58,590 | - | - | Working capital | - | Operation | - | None | None | 101,388 | 162,221 | (Outstanding balance of loan: \$0) Note 6 |
| 18 | Henshen Electric Trading Co., Ltd. | Apache Communication Inc. | Other receivables – related parties | 87,885 | 87,885 | - | Working capital | - | Operation | - | None | None | 101,388 | 162,221 | (Outstanding balance of loan: \$87,885) Note 6 |
| 18 | Henshen Electric Trading Co., Ltd. | Adivic Technology Co., Ltd. | Other receivables – related parties | 10,000 | 10,000 | - | Working capital | - | Operation | - | None | None | 101,388 | 162,221 | (Outstanding balance of loan: \$10,000) 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 | Ceiling of the | Note |
|--------|-----------------------------------|-------------------------------------|-------------------------------------|--|--|----------------------|-----------------|---------------------------------------|----------------------|----------------------------|-------------------|--------|--|---|--|
| | | | | balance during the period (in thousands) | balance at September 30, 2012 (in thousands) | | | | | doubtful accounts provided | Item | Amount | activities for such party (in thousands) | financing activities provided to all parties (in thousands) | |
| 19 | Asian Information Technology Inc. | Frontek Technology Corporation | Other receivables – related parties | \$ 360,000 | \$ - | - | Working capital | \$ - | Operation | \$ - | None | None | \$ 910,834 | \$ 1,457,335 | (Outstanding balance of loan: \$0) Note 6 |
| 19 | Asian Information Technology Inc. | WPG Americas Inc. | Other receivables – related parties | 175,770 | - | - | Working capital | - | Operation | - | None | None | 910,834 | 1,457,335 | (Outstanding balance of loan: \$0) Notes 6 and 7 |
| 19 | Asian Information Technology Inc. | Apache Communication Inc. | Other receivables – related parties | 468,720 | 234,360 | 1.33% | Working capital | - | Operation | - | None | None | 910,834 | 1,457,335 | (Outstanding balance of loan: \$234,360) Note 6 |
| 20 | AIT Japan Inc. | Frontek Technology Corporation | Other receivables – related parties | 29,295 | - | - | Working capital | - | Operation | - | None | None | 39,180 | 62,689 | (Outstanding balance of loan: \$0) Note 6 |
| 21 | Silicon Application Corporation | WPG Korea Co., Ltd. | Other receivables – related parties | 58,590 | 58,590 | 2.50% | Working capital | - | Operation | - | None | None | 1,339,370 | 1,339,370 | (Outstanding balance of loan: \$58,590) Note 5 |
| 21 | Silicon Application Corporation | WPG China Inc. | Other receivables – related parties | 87,885 | - | - | Working capital | - | Operation | - | None | None | 1,339,370 | 1,339,370 | (Outstanding balance of loan: \$0) Note 5 |
| 22 | Silicon Application (BVI) Corp. | Silicon Application Corporation | Other receivables – related parties | 585,900 | 585,900 | 1.10% | Working capital | - | Operation | - | None | None | 942,700 | 2,356,749 | (Outstanding balance of loan: \$585,900) Note 11 |
| 22 | Silicon Application (BVI) Corp. | Silicon Application Company Limited | Other receivables – related parties | 439,425 | 439,425 | 1.40% | Working capital | - | Operation | - | None | None | 2,356,749 | 2,356,749 | (Outstanding balance of loan: \$292,950) Note 11 |
| 23 | Sunwise Technology Ltd. | Yosun Hong Kong Corp. Ltd. | Other receivables – related parties | 257,796 | 257,796 | 0.90% | Working capital | - | Operation | - | None | None | 266,257 | 266,257 | (Outstanding balance of loan: \$257,796) Note 8 |
| 24 | Sertek (Shanghai) Limited | Yosun Shanghai Corp. Ltd. | Other receivables – related parties | 54,782 | - | - | Working capital | - | Operation | - | None | None | 78,427 | 78,427 | (Outstanding balance of loan: \$0) Note 8 |
| 25 | Yosun Industrial Corp. | WPG Holdings Limited | Other receivables – related parties | 850,000 | - | - | Working capital | - | Operation | - | None | None | 1,569,295 | 3,138,590 | (Outstanding balance of loan: \$0) Note 10 |

| 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 period | balance at September 30, 2012 | | | | | doubtful accounts provided | Item | Amount | activities for such party (in thousands) | financing activities provided to all parties (in thousands) | |
| | | | | (in thousands) | (in thousands) | | | | | | | | | | |
| 26 | Apache Korea Corp. | WPG Korea Co., Ltd. | Other receivables – related parties | \$ 58,590 | \$ 58,590 | 2.50% | Working capital | \$ - | Operation | \$ - | None | None | \$ 72,325 | \$ 72,325 | (Outstanding balance of loan: \$58,590) Note 1 |

Note 1: Accumulated financing activities and the individual limit to any company or person should not be in excess of 100% of creditors' 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 100% directly or indirectly 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 and 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 and 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, 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.

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 financing activities to an overseas company which is 100% directly or indirectly 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 financing activities to an overseas company which is 100% directly or indirectly 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 USD36.5 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:

a: The financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets.

b: For borrower not fulfilling said criteria, the limit should not exceed 10% of the creditor's net assets.

Note 9: (1) Accumulated financing activities to any company should not be in excess of 40% 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, financing activities to a single company should not be in excess of 10% 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, financing activities to a single company 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) 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 100% directly or indirectly 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.

(3) Guarantee information:

| Number | Name of the company providing guarantee | | Parties being guaranteed | | Limit of guarantee for such party (in thousands) | Maximum outstanding guarantee balance during the period (in thousands) | Outstanding guarantee balance at September 30, 2012 (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 |
|--------|---|--|-------------------------------|--|--|--|--|--------------------------------------|---|---|-----------------|
| | Name | Name | Relationship with the Company | | | | | | | | |
| 1 | World Peace Industrial Co., Ltd. | Genuine C&C (South Asia) Pte., Ltd. | Note 1 | | \$ 5,861,129 | \$ 644,490 | \$ 644,490 | None | 5.50 | \$ 9,377,806 | Note 20 |
| 1 | World Peace Industrial Co., Ltd. | WPI International (HK) Limited | Note 1 | | 5,861,129 | 38,500 | 38,500 | None | 0.33 | 9,377,806 | Note 20 |
| 1 | World Peace Industrial Co., Ltd. | TEKSEL WPG Limited | Note 1 | | 5,861,129 | 65,914 | 65,914 | None | 0.56 | 9,377,806 | Note 20 |
| 1 | World Peace Industrial Co., Ltd. | WPI International Trading (Shanghai) Ltd. | Note 1 | | 5,861,129 | 415,813 | 415,813 | None | 3.55 | 9,377,806 | Note 20 |
| 2 | World Peace International Pte. Ltd. | World Peace International (China) Limited | Note 1 | | 4,403,970 | 213,854 | 213,854 | None | 9.71 | 4,403,970 | Note 13 |
| 2 | World Peace International Pte. Ltd. | World Peace International (South Asia) Pte., Ltd. | Note 1 | | 4,403,970 | 1,852,909 | 1,757,700 | None | 79.82 | 4,403,970 | Note 13 |
| 2 | World Peace International Pte. Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | Note 1 | | 4,403,970 | 225,572 | 225,572 | None | 10.24 | 4,403,970 | Note 13 |
| 2 | World Peace International Pte. Ltd. | Genuine C&C (South Asia) Pte., Ltd. | Note 1 | | 4,403,970 | 29,295 | 29,295 | None | 1.33 | 4,403,970 | Note 13 |
| 2 | World Peace International Pte. Ltd. | WPG C&C (Malaysia) SDN BHD | Note 1 | | 4,403,970 | 1,266 | - | None | - | 4,403,970 | Note 13 |
| 2 | World Peace International Pte. Ltd. | WPG Americas Inc. | Note 3 | | 4,403,970 | 221,177 | 205,065 | None | 9.31 | 4,403,970 | Notes 13 and 19 |
| 3 | WPI International (HK) Limited | WPI International Trading (Shanghai) Ltd. | Note 1 | | 3,292,603 | 279,600 | 186,400 | None | 2.83 | 5,268,165 | Notes 14 and 15 |
| 3 | WPI International (HK) Limited | WPG China Inc. | Note 3 | | 3,292,603 | 77,339 | 67,379 | None | 1.02 | 5,268,165 | Notes 14 and 15 |
| 4 | Richpower Electronic Devices Co., Ltd. | Richpower Electronic Devices Co., Limited | Note 1 | | 1,609,498 | 465,000 | 300,000 | None | 14.91 | 1,609,498 | Notes 7 and 8 |
| 5 | Asian Information Technology Inc. | Frontek Technology Corporation | Note 1 | | 1,457,335 | 250,000 | 200,000 | None | 5.49 | 1,821,669 | Notes 9 and 10 |
| 6 | Frontek Technology Corporation | AITG Electronic Limited | Note 1 | | 815,518 | 37,790 | 37,790 | None | 1.85 | 1,019,397 | Notes 16 and 17 |
| 6 | Frontek Technology Corporation | Asian Information Technology Inc. | Note 1 | | 815,518 | 200,000 | 200,000 | None | 9.81 | 1,019,397 | Notes 16 and 17 |
| 7 | Pernas Electronics Co., Ltd. | World Components Agent (Shanghai) Inc. | Note 1 | | 502,404 | 14,648 | - | None | - | 502,404 | Notes 11 and 12 |
| 8 | Silicon Application Corporation | Silicon Electronics Company Limited | Note 1 | | 2,678,740 | 1,523,340 | 1,523,340 | None | 45.49 | 3,348,425 | Notes 5 and 6 |
| 8 | Silicon Application Corporation | WPG South Asia Pte. Ltd. | Note 3 | | 2,678,740 | 58,590 | - | None | - | 3,348,425 | Notes 5 and 6 |

| Number | Name of the company providing guarantee | | Relationship with the Company | Limit of guarantee for such party (in thousands) | Maximum outstanding guarantee balance during the period (in thousands) | Outstanding guarantee balance at September 30, 2012 (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 |
|--------|---|--------------------------------------|-------------------------------|--|--|--|--------------------------------------|---|---|---------------|
| | Name | Parties being guaranteed | | | | | | | | |
| 8 | Silicon Application Corporation | SAC Componets (South Asia) Pte. Ltd. | Note 1 | \$ 2,678,740 | \$ 58,590 | \$ 58,590 | None | 1.75 | \$ 3,348,425 | Notes 5 and 6 |
| 9 | Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | Note 2 | 7,846,476 | 800,240 | 395,483 | None | 5.04 | 15,692,952 | Note 4 |
| 9 | Yosun Industrial Corp. | Yosun Singapore Pte. Ltd. | Note 2 | 7,846,476 | 534,130 | 358,360 | None | 4.57 | 15,692,952 | Note 4 |
| 9 | Yosun Industrial Corp. | Sertek Incorporated | Note 1 | 7,846,476 | 1,251,800 | 958,850 | None | 12.22 | 15,692,952 | Note 4 |
| 9 | Yosun Industrial Corp. | Giatek Corp. Ltd. | Note 2 | 7,846,476 | 1,106,296 | 1,000,834 | None | 12.76 | 15,692,952 | Note 4 |
| 9 | Yosun Industrial Corp. | Sunwise Technology Limited | Note 2 | 7,846,476 | 224,398 | 224,398 | None | 2.86 | 15,692,952 | Note 4 |
| 10 | Sertek Incorporated | Sertek Limited | Note 1 | 1,401,801 | 556,605 | 205,065 | None | 14.63 | 2,803,602 | Note 4 |
| 11 | AECO Technology Co., Ltd. | AECO Electronic Co., Ltd. | Note 2 | 800,694 | 541,868 | 424,778 | None | 26.53 | 800,694 | Note 18 |

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 an affiliate of guarantee.

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

Note 12: The guarantor is held by the Company more than 90% but less than 100% directly or indirectly, the cumulative guarantee amount to the other affiliate of guarantee should not be in excess of 10% of the Company'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 and the cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 19: The limit amount of financing activities and guarantee from the Company and subsidiaries (including indirect subsidiaries) to WPG Americas Inc. is USD36.5 million.

Note 20: 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 September 30, 2012

| Name of investor | Name and type of marketable securities | | | September 30, 2012 | | | | Market value (in dollars) (Note 1) | Note |
|---|--|---|--|---|------------------------------------|------------------------------|----------------------------|--|------|
| | 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 | | |
| 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 | \$ 7,556,361 | 100.00 | \$ 88.67 | |
| 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 | 2,324,157 | 100.00 | 65.57 | |
| World Peace Industrial Co., Ltd. | Equity securities | Longview Technology Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | 26,760 | 456,122 | 100.00 | 17.02 | |
| 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 | 200,645 | 39.00 | 13.54 | |
| World Peace Industrial Co., Ltd. | Equity securities | Genuine C&C, Inc. | Same chairman | Available-for-sale financial assets - non-current | 12,964 | 164,644 | 16.29 | 12.70 | |
| World Peace Industrial Co., Ltd. | Equity securities | Prohubs International Corp., etc. | None | Financial assets carried at cost - non-current, etc. | - | 36,356 | - | - | |
| WPI Investment Holding (BVI) Company Ltd. | Equity securities | WPI International (HK) Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 4,053,564 | 6,594,662 | 100.00 | 1.63 | |
| WPI Investment Holding (BVI) Company Ltd. | Equity securities | Gain Tune Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 500,000 | 651,730 | 100.00 | 1.3 | |
| 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 | 143,962 | 100.00 | Note 2 | |
| WPI Investment Holding (BVI) Company Ltd. | Equity securities | Teksel WPG Limited, etc. | An indirect subsidiary, etc. | Long-term investments accounted for under equity method | - | 78,185 | - | - | |

| Name of investor | Name and type of marketable securities | | | General ledger accounts | September 30, 2012 | | | 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 | | |
| WPI International (HK) Limited | Equity securities | WPI International Trading (Shanghai) Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | \$ 174,402 | 100.00 | \$ | Note 2 |
| WPI International (HK) Limited | Equity securities | WPG C&C Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 6,500 | 273,861 | 100.00 | \$ | 42.13 |
| WPI International (HK) Limited | Equity securities | AIO Components Company Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 1,362 | 175,077 | 100.00 | | 104.69 |
| WPI International (HK) Limited | Equity securities | WPG Americas Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | 4,000 | (109) | 2.67 | (| 0.01) |
| AIO Components Company Limited | Equity securities | AIO (Shanghai) Components Company Limited | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | 31,787 | 100.00 | | Note 2 |
| World Peace International (BVI) Ltd. | Equity securities | Prime Future Technology Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 36,448 | 2,288,561 | 100.00 | | 62.79 |
| Prime Future Technology Limited | Equity securities | World Peace International Pte. Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 248,633 | 2,284,017 | 100.00 | | 9.19 |
| 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 | 1,979,228 | 100.00 | | 57.68 |
| 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 | 249,588 | 100.00 | | 19.50 |
| World Peace International Pte. Ltd. | Equity securities | Genuine C&C (IndoChina) Pte. Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 5,359 | 122,547 | 80.00 | | 22.87 |
| World Peace International Pte., Ltd. | Equity securities | WPG Americas Inc., etc. | An indirect subsidiary | Long-term investments accounted for under equity method | - | 70,404 | - | | - |

| Name of investor | Name and type of marketable securities | | | General ledger accounts | September 30, 2012 | | | 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 | | |
| Genuine C&C (South Asia) Pte., Ltd. | Equity securities | WPG C&C Computers And Peripheral (India) Private Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 48,420 | \$ 261,353 | 100.00 | \$ 5.40 | |
| Genuine C&C (South Asia) Pte., Ltd. | Equity securities | WPG C&C (Malaysia) SDN BHD, etc. | An indirect subsidiary | Long-term investments accounted for under equity method | - | 3,962 | - | - | |
| World Peace International (South Asia) Pte. Ltd. | Equity securities | World Peace International (India) Pvt., Ltd., etc. | An indirect subsidiary | Long-term investments accounted for under equity method | - | 19,839 | - | - | |
| Longview Technology Inc. | Equity securities | Longview Technology GC Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 11,300 | 335,151 | 100.00 | 29.66 | |
| Longview Technology Inc. | Equity securities | Long-Think International Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 4,000 | 35,230 | 100.00 | 8.61 | |
| Longview Technology GC Limited | Equity securities | Long-Think International (Hong Kong) Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 780,000 | 334,105 | 100.00 | 0.43 | |
| WPG Investment Co., Ltd. | Equity securities | Eesource Corp. | An investee company of long-term investment accounted for under equity method | Long-term investments accounted for under equity method | 1,080 | 29,524 | 20.00 | 27.34 | |
| WPG Investment Co., Ltd. | Equity securities, etc. | Hatsushiba Tech Co., Ltd., 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. | - | 227,490 | - | - | |
| Silicon Application Corporation | Equity securities | Silicon Application (BVI) Corp. | An indirect subsidiary | Long-term investments accounted for under equity method | 22,000 | 2,356,749 | 100.00 | 107.12 | |
| Silicon Application Corporation | Equity securities | SAC Components (South Asia) Pte. Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 3,500 | 102,422 | 100.00 | 29.26 | |
| Silicon Application Corporation | Equity securities | Genesis Photonics Inc., etc. | None | Financial assets carried at cost-non-current, etc. | - | 73,331 | - | - | Note 3 |

| Name of investor | Name and type of marketable securities | | | September 30, 2012 | | | | | |
|---|--|--|---|---|---------------------------------|---------------------------|-------------------------|------------------------------------|------|
| | 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 |
| Silicon Application Corporation | Equity securities | Win-Win Electronic Corp., etc. | An indirect subsidiary | Long-term investments accounted for under equity method | - | \$ 40,666 | - | \$ - | |
| Silicon Application (BVI) Corp. | Equity securities | Silicon Application Company Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 100,000 | 1,387,778 | 100.00 | 13.88 | |
| Silicon Application (BVI) Corp. | Equity securities, etc. | Silicon Electronics Company of Japan, etc. | An indirect subsidiary, etc. | Long-term investments accounted for under equity method, etc. | - | 67,009 | - | - | |
| Silicon Application Company Limited | Equity securities | Dstar Electronic Company Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 6,000 | 24,085 | 100.00 | 4.01 | |
| Win-Win Systems Ltd. | Equity securities | Silicon Electronics Company(s) Pte. Ltd. | None | Financial assets carried at cost - non-current | 180 | 6,676 | 10.00 | 37.09 | |
| 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 | 927,641 | 100.00 | 14.72 | |
| Richpower Electronics Devices Co., Ltd. | Equity securities | Mec Technology Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 24,300 | 392,866 | 100.00 | 14.20 | |
| Richpower Electronics Devices Co., Ltd. | Equity securities, etc. | Promaster Technology Corp., etc. | None | Financial assets carried at cost - non-current, etc. | - | 69,669 | - | - | |
| Mec Technology Co., Ltd. | Equity securities | Richpower Electronic Devices Pte., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 10 | 175,272 | 100.00 | 17,527.20 | |
| Mec Technology Co., Ltd. | Equity securities | Mec Technology Co., Limited, etc. | An indirect subsidiary, etc. | Long-term investments accounted for under equity method, etc. | - | 24,363 | - | - | |

| Name of investor | Name and type of marketable securities | | | General ledger accounts | September 30, 2012 | | | | 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) | |
| Pernas Electronics Co., Ltd. | Equity securities | Everwiner Enterprise Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 28,000 | 754,749 | 100.00 | 20.09 | |
| Pernas Electronics Co., Ltd. | Equity securities | Pernas Enterprise (Samoa) Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 1,000 | \$ 4,605 | 100.00 | \$ 4.61 | |
| Pernas Enterprise (Samoa) Limited | Equity securities | World Components Agent (Shanghai) Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | 4,586 | 100.00 | Note 2 | |
| Asian Information Technology Inc. | Equity securities | Frontek Technology Corporation | An indirect subsidiary | Long-term investments accounted for under equity method | 191,790 | 2,038,794 | 100.00 | 10.63 | |
| Asian Information Technology Inc. | Equity securities | Apache Communication Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | 52,006 | 699,890 | 100.00 | 13.46 | |
| Asian Information Technology Inc. | Equity securities | Henshen Electric Trading Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 38,471 | 405,553 | 100.00 | 10.54 | |
| Asian Information Technology Inc. | Equity securities | Fame Hall International Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 4,703 | 191,960 | 100.00 | 40.82 | |
| Asian Information Technology Inc. | Equity securities | AITG Holding Corp. | An indirect subsidiary | Long-term investments accounted for under equity method | 2,702 | 81,435 | 100.00 | 30.14 | |
| Asian Information Technology Inc. | Equity securities | Adivic Technology Co., Ltd., etc. | An indirect subsidiary, etc. | Long-term investments accounted for under equity method, etc. | - | 53,304 | - | - | |
| Adivic Technology Co., Ltd. | Equity securities | Advance Digital Communication Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 75 | USD 11 | 100.00 | USD 0.14 | |

| Name of investor | Name and type of marketable securities | | | General ledger accounts | September 30, 2012 | | | 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 | | |
| Frontek Technology Corporation | Equity securities | Frontek International Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 2,970 | 103,573 | 100.00 | 34.87 | |
| Frontek Technology Corporation | Equity securities | Alpha & Omega Semiconductor Ltd. | None | Available-for-sale financial assets-non-current | 17 | 4,216 | Note 5 | 252.23 | |
| Fame Hall International Co., Ltd. | Equity securities | AIT Japan Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | 6 | \$ 156,722 | 100.00 | \$ 26,115.90 | |
| 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 | 32,247 | 100.00 | 2.98 | |
| AITG Holding Corp. | Equity securities | Zheng Ding Technology (Shenzhen) Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | 40,950 | 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 | 94,376 | 100.00 | 4.14 | |
| WPG International (CI) Limited | Equity securities | WPG International (Hong Kong) Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 406,877 | 1,937,616 | 100.00 | 4.76 | |
| WPG International (CI) Limited | Equity securities | WPG Americas Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | 140,000 | (6,004) | 93.27 | (0.32) | Note 4 |
| WPG International (CI) Limited | Equity securities | WPG South Asia Pte. Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 6,656 | 128,116 | 100.00 | 19.67 | |
| WPG International (Hong Kong) Limited | Equity securities | WPG Electronics (HK) Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 31,640 | 149,405 | 100.00 | 4.72 | |
| WPG International (Hong Kong) Limited | Equity securities | WPG China Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | 1,570,835 | 100.00 | Note 2 | |

| Name of investor | Name and type of marketable securities | | | General ledger accounts | September 30, 2012 | | | 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 | | |
| WPG International (Hong Kong) Limited | Equity securities | WPG China (SZ) Inc. | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | 178,596 | 100.00 | Note 2 | |
| WPG 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 | 29,646 | 29.40 | Note 2 | |
| WPG South Asia Pte. Ltd. | Equity securities | WPG Malaysia SDN BHD, etc. | An indirect subsidiary | Long-term investments accounted for under equity method | - | \$ 80,438 | - | \$ - | |
| Yosun Industrial Corp. | Equity securities | Suntop Investments Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 50,700 | 3,485,265 | 100.00 | 68.74 | |
| Yosun Industrial Corp. | Equity securities | Sertek Incorporated | An indirect subsidiary | Long-term investments accounted for under equity method | 94,828 | 1,697,221 | 100.00 | 14.78 | |
| Yosun Industrial Corp. | Equity securities | Suntek Investments Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 26,000 | 308,890 | 100.00 | 11.88 | |
| Yosun Industrial Corp. | Equity securities | Lipers Enterprise Co., Ltd. | Investee accounted for under equity method | Long-term investments accounted for under equity method | 13,310 | 170,577 | 28.37 | 12.82 | |
| 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. | - | 81,368 | - | - | |
| Suntop Investments Ltd. | Equity securities | Yosun Hong Kong Corp. Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 295,270 | USD 108,582 | 100.00 | USD 0.24 | |
| Suntop Investments Ltd. | Equity securities | Yosun Singapore Pte Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 20,600 | USD 10,279 | 100.00 | USD 0.34 | |
| Suntek Investments Ltd. | Equity securities | Siltrontech Electronics Corp. | Investee accounted for under equity method | Long-term investments accounted for under equity method | 24,551 | 223,272 | 32.22 | 11.50 | |

| Name of investor | Name and type of marketable securities | | | Relationship of the issuer with the Company | General ledger accounts | September 30, 2012 | | | Market value (in dollars) (Note 1) | Note |
|------------------------------------|--|---|--|---|-------------------------|---------------------------------|---------------------------|-------------------------|------------------------------------|------|
| | Type of marketable securities | Name of marketable securities | | | | Number of shares (in thousands) | Book value (in thousands) | Percentage of ownership | | |
| Suntek Investments Ltd. | Equity securities | Eesource Corp., etc. | Investee accounted for under equity method, etc. | Long-term investments accounted for under equity method, etc. | - | 60,556 | - | - | - | |
| Yosun Singapore Pte Ltd. | Equity securities | Yosun Industrial (Malaysia) SDN. BHD., etc. | An indirect subsidiary | Long-term investments accounted for under equity method | - | USD 521 | - | - | - | |
| 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 10,402 | 100.00 | Note 2 | Note 2 | |
| Yosun Hong Kong Corp. Ltd. | Equity securities | Giatek Corp. Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 39,000 | USD 37,126 | 100.00 | USD | 0.88 | |
| 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 5,524 | 100.00 | Note 2 | 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 10,058 | 100.00 | USD | 1.14 | |
| Sertek Incorporated | Equity securities | Sertek Limited | An indirect subsidiary | Long-term investments accounted for under equity method | 19,500 | 297,327 | 100.00 | | 15.25 | |
| Sertek Incorporated | Equity securities | Digital Computer Systems Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 12 | 12,419 | 100.00 | | 993.93 | |
| Sertek Limited | Equity securities | Sertek (Shanghai) Limited | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | USD 2,677 | 100.00 | Note 2 | Note 2 | |
| Digital Computer Systems Co., Ltd. | Fund | Taishin Lucky Money Market Fund | None | Available-for-sale financial asset - current | 941 | 10,156 | - | | 10.79 | |

| Name of investor | Name and type of marketable securities | | | General ledger accounts | September 30, 2012 | | | 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 | | |
| AECO Technology Co., Ltd. | Equity securities | Hua-Jie (Taiwan) Corp. | None | Financial assets carried at cost - non-current | 1,050 | 10,500 | 3.58 | 7.30 | |
| AECO Technology Co., Ltd. | Equity securities | Teco Enterprise Holding (BVI) Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 12,610 | 659,197 | 100.00 | 52.28 | |
| Teco Enterprise Holding (BVI) Co., Ltd. | Equity securities | AECO Electronic Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | 98,280 | 659,071 | 100.00 | 6.71 | |
| AECO Electronic Co., Ltd. | Equity securities | AECO Electronic (Ningbo) Co., Ltd. | An indirect subsidiary | Long-term investments accounted for under equity method | Note 2 | \$ 99,857 | 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 1,133 thousand shares of Kingmac Technology Inc. which have been pledged for purchases as of September 30, 2012.

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

Note 5: This pertains to preferred stocks.

(5) Marketable securities acquired or sold during the nine-month period ended September 30, 2012 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, 2012 | | Addition | | Disposal | | | September 30, 2012 | | |
|--|-----------------------------|--|---|--|----------------|---------------------------------|---------|---------------------------------|--------------------|---------------------------------|--------------|------------|----------------------|---------------------------------|------------------|
| | | | | | | 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 |
| Richpower Electronic Devices Co., Ltd. | Fund | Yuanta Wan Tai Bond Fund | Financial assets at fair value through profit or loss - current | Taiwan Cooperative Bank | None | - | \$ - | 13,683 | \$ 200,000 | 13,683 | \$ 200,142 | \$ 200,000 | \$ 142 | - | \$ - |
| Richpower Electronic Devices Co., Ltd. | Fund | Taishin Lucky Money Market Fund | Financial assets at fair value through profit or loss - current | Taiwan Cooperative Bank | None | - | - | 11,177 | 120,000 | 11,177 | 120,143 | 120,000 | 143 | - | - |
| Richpower Electronic Devices Co., Ltd. | Fund | 082Mega Diamond Bond Fund | Financial assets at fair value through profit or loss - current | Taiwan Cooperative Bank | None | - | - | 11,602 | 140,000 | 11,602 | 140,193 | 140,000 | 193 | - | - |
| Longview Technology Inc. | Equity Securities | Longview Technology GC Limited | Long-term investments accounted for under equity method | Longview Technology GC Limited | Not applicable | - | - | 11,300 | 335,151 | - | - | - | - | 11,300 | 335,151 (Note 1) |
| Longview Technology GC Limited | Equity Securities | Long-Think International (Hong Kong) Limited | Long-term investments accounted for under equity method | Long-Think International (Hong Kong) Limited | Not applicable | - | - | 780,000 | 334,105 | - | - | - | - | 780,000 | 334,105 (Note 2) |
| Silicon Application Corp. | Equity Securities | SAC Components (South Asia) Pte. Ltd. | Long-term investments accounted for under equity method | SAC Components (South Asia) Pte. Ltd. | Not applicable | - | - | 3,500 | 102,422 | - | - | - | - | 3,500 | 102,422 (Note 3) |
| WPG International (CI) Limited | Equity Securities | WPG International (Hong Kong) Limited | Long-term investments accounted for under equity method | WPG International (Hong Kong) Limited | Subsidiary | 135,627 | 889,512 | 271,250 | 1,048,104 (Note 4) | - | - | - | - | 406,877 | 1,937,616 |

| Name of transaction parties | Kind of marketable security | Name of marketable security | General ledger accounts | Name of transaction parties | Relationship | January 1, 2012 | | Addition | | Disposal | | | September 30, 2012 | | |
|---------------------------------------|-----------------------------|-----------------------------|---|-----------------------------|--------------|---------------------------------|------------|---------------------------------|----------------------|---------------------------------|--------------|------|----------------------|---------------------------------|-------------|
| | | | | | | 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 |
| WPG International (Hong Kong) Limited | Note 6 | WPG China Inc. | Long-term investments accounted for under equity method | WPG China Inc. | Subsidiary | Note 6 | \$ 548,578 | Note 6 | \$1,022,257 (Note 5) | - | \$ - | \$ - | \$ - | Note 6 | \$1,570,835 |

Note 1: The Company invested \$335,328 and recognized investment loss and cumulative translation adjustment totaling (\$177).

Note 2: Including cost of acquisition, capital increase, investment gain and cumulative translation adjustment amounting to \$67,467, \$268,920 and (\$2,282), respectively, for this period.

Note 3: The Company invested \$104,510 and recognized investment gain and cumulative translation adjustment totaling (\$2,088).

Note 4: The Company invested \$1,045,800 and recognized investment loss and cumulative translation adjustment totaling \$2,304.

Note 5: The Company invested \$1,045,800 and recognized investment loss and cumulative translation adjustment totaling (\$23,543).

Note 6: The investee is a limited company.

(6) Acquisition of real estate in excess of \$100,000 or 20% of capital:

If the counterparty is a related party, information as to the last transaction of the property is disclosed below:

| Name of purchaser | Real Estate | Date of transaction | Contract Amount | Amount paid | Transaction party | Relationship | Owner | Relationship | Date | Amount | Amount Decided | Purpose | Arrangement |
|-------------------|-------------|---------------------|-----------------|-------------|-------------------|--------------|----------------|----------------|----------------|----------------|----------------|------------|---|
| AIT Japan Inc. | Building | 2012.3.30 | \$ 110,396 | \$ 110,396 | Kume Katsuhiro | None | Not applicable | Not applicable | Not applicable | Not applicable | Market Price | Office use | The seller can use the building until June 30, 2012 |

(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) | | |
|---|---|------------------------------|-------------------|----------------|----------|---------------------------------------|--------------|---|---------------|--|--|--------|
| | | | Purchases (sales) | Amount | | Percentage of total purchases (sales) | Credit terms | Unit price | Credit period | Balance | | Note |
| | | | | (in thousands) | | | | | | (in thousands) | Percentage of total accounts or notes receivable (payable) | |
| WPI International (HK) Limited | World Peace International (China) Limited | Same ultimate parent company | Sales | (USD | 9,065) | (0.57%) | Note 2 | Note 2 | Note 2 | USD | 1,895 | 0.73% |
| WPI International (HK) Limited | World Peace Industrial Co., Ltd. | Same ultimate parent company | Sales | (USD | 46,257) | (2.93%) | Note 2 | Note 2 | Note 2 | USD | 8,538 | 3.27% |
| WPI International (HK) Limited | WPI International Trading (Shanghai) Ltd. | Same ultimate parent company | Sales | (USD | 25,011) | (1.58%) | Note 2 | Note 2 | Note 2 | USD | 13,777 | 5.28% |
| WPI International (HK) Limited | World Peace International (South Asia) Pte Ltd. | Same ultimate parent company | Sales | (USD | 20,193) | (1.28%) | Note 2 | Note 2 | Note 2 | USD | 3,785 | 1.45% |
| WPI International (HK) Limited | WPG China (SZ) Inc. | Same ultimate parent company | Sales | (USD | 3,678) | (0.23%) | Note 2 | Note 2 | Note 2 | USD | 1,994 | 0.76% |
| WPI International (HK) Limited | TEKSEL WPG Limited | Same ultimate parent company | Sales | (USD | 4,233) | (0.27%) | Note 2 | Note 2 | Note 2 | USD | 1,036 | 0.40% |
| World Peace International (South Asia) Pte Ltd. | World Peace International (China) Limited | Same ultimate parent company | Sales | (USD | 51,819) | (18.44%) | Note 2 | Note 2 | Note 2 | USD | 21,893 | 28.06% |
| World Peace International (South Asia) Pte Ltd. | World Peace Industrial Co., Ltd. | Same ultimate parent company | Sales | (USD | 3,367) | (1.20%) | Note 2 | Note 2 | Note 2 | USD | 510 | 0.65% |
| WPG C&C Limited | WPI International Trading (Shanghai) Ltd. | Same ultimate parent company | Sales | (USD | 30,947) | (17.23%) | Note 2 | Note 2 | Note 2 | USD | 15,490 | 46.52% |
| WPG C&C Limited | WPI International (HK) Limited | Same ultimate parent company | Sales | (USD | 12,866) | (7.16%) | Note 2 | Note 2 | Note 2 | USD | 1,314 | 3.95% |
| Longview Technology Ltd. | World Peace Industrial Co., Ltd. | Same ultimate parent company | Sales | (\$ | 353,400) | (12.67%) | Note 2 | Note 2 | Note 2 | \$ | 108,512 | 14.72% |

| 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 | | |
| | | | | (in thousands) | purchases (sales) | | | | | | (in thousands) | |
| Longview Technology Ltd. | WPI International (HK) Limited | Same ultimate parent company | Sales | (\$ 685,268) | (24.57%) | Note 2 | Note 2 | Note 2 | \$ 46,701 | 6.33% | | |
| Genuine C&C (South Asia) Pte., Ltd. | WPG C&C (Malaysia) SDN BHD | Same ultimate parent company | Sales | (USD 14,246) | (10.47%) | Note 2 | Note 2 | Note 2 | USD 3,061 | 18.11% | | |
| Genuine C&C (South Asia) Pte., Ltd. | WPG C&C (Thailand) Co., Ltd. | Same ultimate parent company | Sales | (USD 7,520) | (5.52%) | Note 2 | Note 2 | Note 2 | USD 2,202 | 13.03% | | |
| Genuine C&C (South Asia) Pte., Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | Same ultimate parent company | Sales | (USD 52,074) | (38.25%) | Note 2 | Note 2 | Note 2 | USD 6,649 | 39.34% | | |
| Genuine C&C (South Asia) Pte., Ltd. | Geniue C&C (IndoChina) Pte., Ltd. | Same ultimate parent company | Sales | (USD 24,097) | (17.70%) | Note 2 | Note 2 | Note 2 | USD 3,039 | 17.98% | | |
| Gain Tune Ltd. | World Peace Industrial Co., Ltd. | Same ultimate parent company | Sales | (USD 6,289) | (6.00%) | Note 2 | Note 2 | Note 2 | USD 974 | 37.24% | | |
| Geniune C&C (Indochina) Pte., Ltd. | P.T. WPG Electindo Jaya | Investor company which accounts for under equity method | Sales | (USD 24,977) | (92.49%) | Note 2 | Note 2 | Note 2 | USD 5,615 | 97.38% | | |
| Silicon Application Company Limited | Silicon Application Corp. | Same ultimate parent company | Sales | (\$ 516,869) | (2.58%) | Note 6 | Note 6 | Note 6 | \$ 71,849 | 1.56% | | |
| Silicon Application Company Limited | Dstar Electronic Company Limited | Same ultimate parent company | Sales | (\$ 329,324) | (1.64%) | Note 6 | Note 6 | Note 6 | \$ 124,465 | 2.70% | | |
| Silicon Application Company Limited | WPG China Inc. | Same ultimate parent company | Sales | (\$ 176,079) | (0.88%) | Note 6 | Note 6 | Note 6 | \$ 80,338 | 1.74% | | |
| Richpower Electronic Devices Co., Ltd. | Richpower Electronic Devices Co., Limited | Same ultimate parent company | Sales | (\$ 1,322,188) | (17.79%) | Note 5 | Note 5 | Note 5 | \$ 365,654 | 16.19% | | |

| 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 | | |
| | | | | (in thousands) | purchases (sales) | | | | | | (in thousands) | |
| Richpower Electronic Devices Co., Ltd. | WPG Electronics (HK) Limited | Same ultimate parent company | Sales | (\$ 1,392,038) | (18.73%) | Note 5 | Note 5 | Note 5 | \$ 810,364 | 35.89% | | |
| Richpower Electronic Devices Co., Ltd. | WPG Korea Co., Ltd. | Same ultimate parent company | Sales | (\$ 136,031) | (1.83%) | Note 5 | Note 5 | Note 5 | \$ 52,179 | 2.31% | | |
| Mec Technology Co., Ltd. | Richpower Electronic Devices Co., Ltd. | Same ultimate parent company | Sales | (\$ 270,383) | (16.63%) | Note 5 | Note 5 | Note 5 | \$ 75,353 | 19.67% | | |
| Richpower Electronic Devices Co., Limited | Richpower Electronic Devices Co., Ltd. | Same ultimate parent company | Sales | (USD 5,762) | (1.77%) | Note 5 | Note 5 | Note 5 | USD 1,286 | 2.08% | | |
| Everwiner Enterprise Co., Ltd. | Pernas Electronics Co., Ltd. | Same ultimate parent company | Sales | (\$ 935,068) | (22.80%) | Paid 90 days or 15 days after sales | Note 6 | Note 6 | \$ 92,258 | 9.59% | | |
| Asian Information Technology Inc. | AIT Japan Inc. | Same ultimate parent company | Sales | (\$ 1,228,697) | (13.22%) | Note 7 | Note 7 | Note 7 | \$ 205,381 | 9.68% | | |
| AITG Electronic Limited | Frontek Technology Corporation | Same ultimate parent company | Sales | (\$ 312,883) | (100.00%) | Note 7 | Note 7 | Note 7 | \$ 88,122 | 100.00% | | |
| Apache Communication Inc. | Asian Information Technology Inc. | Same ultimate parent company | Sales | (\$ 368,706) | (4.15%) | Note 7 | Note 7 | Note 7 | \$ 99,936 | 4.64% | | |
| AIT Japan Inc. | Asian Information Technology Inc. | Same ultimate parent company | Sales | (\$ 191,663) | (8.87%) | Note 7 | Note 7 | Note 7 | \$ 9,739 | 1.63% | | |
| Frontek Technology Corporation | World Peace Industrial Co., Ltd. | Same ultimate parent company | Sales | (\$ 218,411) | (1.76%) | Note 7 | Note 7 | Note 7 | \$ 28,340 | 1.04% | | |
| Frontek Technology Corporation | WPG Electronics (HK) Limited | Same ultimate parent company | Sales | (\$ 199,684) | (1.61%) | Note 7 | Note 7 | Note 7 | \$ 155,580 | 5.70% | | |
| Yosun Hong Kong Corp. Ltd. | Yosun Industrial Corp. | Same ultimate parent company | Sales | (USD 25,955) | (3.84%) | 75 days after sales | Note 4 | Note 4 | USD 1,275 | 0.88% | | |

| 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 | | |
| | | | | (in thousands) | purchases (sales) | | | | (in thousands) | or notes receivable (payable) | | |
| Yosun Hong Kong Corp. Ltd. | Giatek Corp. Ltd. | Same ultimate parent company | Sales | (USD 75,442) | (11.17%) | 75 days after sale | Note 4 | Note 4 | USD 3,693 | | 2.56% | |
| Yosun Hong Kong Corp. Ltd. | Yosun South China Corp. Ltd. | Same ultimate parent company | Sales | (USD 15,846) | (2.35%) | 75 days after sale | Note 4 | Note 4 | USD 7,990 | | 5.53% | |
| Yosun Hong Kong Corp. Ltd. | Yosun Singapore Pte Ltd. | Same ultimate parent company | Sales | (USD 13,064) | (1.93%) | 75 days after sale | Note 4 | Note 4 | USD 2,957 | | 2.05% | |
| Yosun Hong Kong Corp. Ltd. | Yosun Shanghai Corp. Ltd. | Same ultimate parent company | Sales | (USD 30,165) | (4.47%) | 75 days after sale | Note 4 | Note 4 | USD 22,431 | | 15.54% | |
| Yosun Singapore Pte Ltd. | Yosun Hong Kong Corp. Ltd. | Same ultimate parent company | Sales | (USD 5,960) | (4.09%) | 45 days after sales | Note 4 | Note 4 | USD 349 | | 1.44% | |
| Yosun Singapore Pte Ltd. | Yosun Industrial Corp. | Same ultimate parent company | Sales | (USD 3,565) | (2.45%) | 45 days after sales | Note 4 | Note 4 | USD 86 | | 0.35% | |
| Giatek Corp. Ltd. | Yosun Hong Kong Corp. Ltd. | Same ultimate parent company | Sales | (USD 33,945) | (16.68%) | 75 days after sales | Note 4 | Note 4 | \$ - | | - | |
| Giatek Corp. Ltd. | Yosun South China Corp. Ltd. | Same ultimate parent company | Sales | (USD 3,960) | (1.95%) | 75 days after sales | Note 4 | Note 4 | USD 1,022 | | 2.94% | |
| Sertek Incorporated | Sertek Limited | Same ultimate parent company | Sales | (\$ 1,756,095) | (15.35%) | 75 days after sales | Note 6 | Note 6 | \$ 427,524 | | 14.13% | |
| Sertek Incorporated | Yosun Industrial Corp. | Same ultimate parent company | Sales | (\$ 195,192) | (1.71%) | 75 days after sales | Note 6 | Note 6 | \$ 4,783 | | 0.16% | |
| Sertek Limited | Yosun Hong Kong Corp. Ltd. | Same ultimate parent company | Sales | (USD 7,692) | (5.88%) | 75 days after sales | Note 6 | Note 6 | USD 385 | | 1.48% | |

| 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 purchases (sales) | Credit terms | Unit price | Credit period | Balance | Percentage of total accounts or notes receivable (payable) | | |
| | | | | (in thousands) | | | | | | | (in thousands) | |
| WPG China Inc. | WPI International (HK) Limited | Same ultimate parent company | Sales | (USD 12,084) | (26.44%) | Note 3 | Note 3 | Note 3 | USD 227 | 1.69% | | |
| WPG China Inc. | Frontek Technology Corporation | Same ultimate parent company | Sales | (USD 3,768) | (8.25%) | Note 3 | Note 3 | Note 3 | USD 618 | 3.77% | | |
| AECO Electronic Co., Ltd. | AECO Electronic (Ningbo) Co., Ltd. | Same ultimate parent company | Sales | (USD 5,474) | (16.91%) | Note 8 | Note 8 | Note 8 | USD 3,778 | 44.32% | | |

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 30~75 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 60~120 days from the end of 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 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 end of the month of sales.

Note 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 90~180 days after monthly billings.

(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 (HK) Limited | Same ultimate parent company | Accounts receivable | \$ 1,729,249 | 6.13 | \$ - | - | \$ 833,938 | \$ - |
| " | Gain Tune Ltd. | " | Accounts receivable | \$ 287,309 | 7.22 | \$ - | - | \$ 189,645 | \$ - |
| " | Longview Technology Inc. | " | Other receivables | \$ 121,404 | Not applicable | \$ - | - | \$ 793 | \$ - |
| Longview Technology Inc. | World Peace Industrial Co., Ltd. | " | Accounts receivable | \$ 108,512 | 5.99 | \$ - | - | \$ 44,828 | \$ - |
| World Peace International (South Asia) Pte., Ltd. | World Peace International (China) Limited | " | Accounts receivable | USD 21,893 | 3.82 | \$ - | - | USD 4,600 | \$ - |
| " | World Peace International Pte., Ltd. | " | Other receivables | USD 8,561 | Not applicable | \$ - | - | \$ - | \$ - |
| " | WPG Americas Inc. | " | Other receivables | USD 10,717 | Not applicable | \$ - | - | USD 510 | \$ - |
| " | Genuine C&C (South Asia) Pte Ltd. | " | Other receivables | USD 6,670 | Not applicable | \$ - | - | \$ - | \$ - |
| WPI International (HK) Limited | World Peace Industrial Co., Ltd. | " | Accounts receivable | USD 8,538 | 9.25 | \$ - | - | USD 7,455 | \$ - |
| " | World Peace International (South Asia) Pte Ltd. | " | Accounts receivable | USD 3,785 | 5.46 | \$ - | - | \$ - | \$ - |
| " | WPI International Trading (Shanghai) Ltd. | " | Accounts receivable | USD 13,777 | 3.89 | \$ - | - | USD 3,666 | \$ - |
| " | WPG C&C Limited | " | Other receivables | USD 12,089 | Not applicable | \$ - | - | \$ - | \$ - |
| " | WPI International Trading (Shanghai) Ltd. | " | Other receivables | USD 6,018 | Not applicable | \$ - | - | \$ - | \$ - |
| WPI International Trading (Shenzhen) Ltd. | WPI International Trading (Shanghai) Ltd. | " | Other receivables | USD 4,605 | Not applicable | \$ - | - | \$ - | \$ - |
| Genuine C&C (South Asia) Pte Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | " | Accounts receivable | USD 6,649 | 9.85 | \$ - | - | USD 6,093 | \$ - |

| 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 | | | |
| Genuine C&C (IndoChina) Pte Ltd. | P.T. WPG Electrindo Jaya | Investor company which accounts for the counterparty under the equity method | Accounts receivable | USD | 5,615 | 11.86 | \$ - | - | USD 2,487 | \$ - |
| WPG C&C Limited | WPI International Trading (Shanghai) Ltd. | Same ultimate parent company | Accounts receivable | USD | 15,490 | 4.80 | \$ - | - | USD 3,804 | \$ - |
| Gain Tune Ltd. | WPI International (HK) Limited | " | Other receivables | USD | 29,683 | Not applicable | \$ - | - | \$ - | \$ - |
| Silicon Application Corporation | WPG Electronics (HK) Limited | " | Accounts receivable | \$ | 522,680 | 3.51 | \$ - | - | \$ 125,458 | \$ - |
| Silicon Application (BVI) Corporation | Silicon Application Corporation | " | Other receivables | \$ | 585,900 | Not applicable | \$ - | - | \$ - | \$ - |
| " | Silicon Application Company Limited | " | Other receivables | \$ | 292,950 | Not applicable | \$ - | - | \$ - | \$ - |
| Silicon Application Company Limited | Dstar Electronic Company Limited | " | Accounts receivable | \$ | 124,465 | 6.84 | \$ - | - | \$ - | \$ - |
| Richpower Electronic Devices Co., Ltd. | Richpower Electronic Devices Co., Limited | " | Accounts receivable | \$ | 365,654 | 6.36 | \$ - | - | \$ 142,707 | \$ - |
| " | WPG Electronics (HK) Limited | " | Accounts receivable | \$ | 810,364 | 2.82 | \$ - | - | \$ 130,399 | \$ - |
| " | WPG Holdings Limited | Subsidiary Company | Other receivables | \$ | 201,510 | Not applicable | \$ - | - | \$ - | \$ - |
| Asian Information Technology Inc. | AIT Japan Inc. | Same ultimate parent company | Accounts receivable | \$ | 205,381 | 7.18 | \$ - | - | \$ 115 | \$ - |
| " | Apache Communication Inc. | " | Other receivables | \$ | 236,781 | Not applicable | \$ - | - | \$ - | \$ - |
| Frontek Technology Corporation | WPG Electronics (HK) Limited | " | Accounts receivable | \$ | 155,580 | 3.05 | \$ - | - | \$ 1,580 | \$ - |
| Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | " | Accounts receivable | \$ | 1,195,495 | 2.38 | \$ - | - | \$ 84,633 | \$ - |

| 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 | | |
| Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | Same ultimate parent company | Other receivables | \$ 6,146 | Not applicable | \$ - | - | \$ 6,011 | \$ - |
| Sertek Incorporated | Sertek Limited | " | Accounts receivable | \$ 427,524 | 5.18 | \$ - | - | \$ 197,013 | \$ - |
| Yosun Hong Kong Corp. Ltd. | Yosun Shanghai Corp. Ltd. | " | Accounts receivable | USD 22,431 | 2.42 | \$ - | - | USD 1,570 | \$ - |
| " | Giatek Corp. Ltd. | " | Accounts receivable | USD 3,693 | 29.93 | \$ - | - | USD 3,693 | \$ - |
| " | Yosun South China Corp. Ltd. | " | Accounts receivable | USD 7,990 | 3.68 | \$ - | - | USD 2,163 | \$ - |
| AECO Electronic Co., Ltd. | AECO Electronic (Ningbo) Co., Ltd. | " | Accounts receivable | USD 3,778 | 1.89 | \$ - | - | USD 64 | \$ - |

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

The information on derivative transactions of investee companies for the nine-month period ended September 30, 2012 are as follows:

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

-There are no unsettled derivative transactions as of September 30, 2012.

-The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$1,279.

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 5,000 | 2012.08.03~2012.11.28 |
| Forward foreign currency contract - Buy EUR/Sell USD | EUR 600 | 2012.09.19~2012.10.12 |

The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$505.

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 1,500 | 2012.09.27~2012.11.31 |

The net gain recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$701.

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 8,510 | 2012.09.28~2012.10.31 |
| Forward foreign currency contract - Buy NTD/Sell USD | USD 1,000 | 2012.09.17~2012.10.25 |

The net gain recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$9,134.

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

-There are no unsettled derivative transactions as of September 30, 2012.

The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$771.

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 12,188 | 2012.08.30~2012.11.06 |

The net gain recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$270.

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 | 2012.09.10~2012.10.15 |
| Forward foreign currency contract - Buy USD/Sell INR | USD 1,000 | 2012.09.21~2012.10.25 |

The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to USD94 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 1,950 | 2012.08.09~2012.12.12 |

The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to THB1,350 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 USD/Sell INR | USD 2,000 | 2012.09.07~2012.10.18 |

The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to USD123 thousand.

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

-There is no unsettled derivative transaction as of September 30, 2012.

-The net gain recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$167.

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

-There is no unsettled derivative transaction as of September 30, 2012.

-The net gain recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$285.

12. 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 3,500 | 2012.09.11~2012.10.17 |

-The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to INR5,638 thousand.

13. Derivative financial instrument transactions which AECO 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 4,990 | 2012.08.17~2012.09.19 |

The net gain recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to \$4,661.

14. Derivative financial instrument transactions which WPG Korea Co., Ltd. entered into are summarized as follows:

| <u>Derivative transactions</u> | <u>Principal amount</u> | <u>Contract period</u> |
|---|-------------------------|------------------------|
| Forward foreign currency contract - SWAP-Buy USD/Sell KRW | USD 700 | 2012.09.27~2012.10.30 |

The net loss recognized on forward foreign currency contracts for the nine-month period ended September 30, 2012 amounted to KRW18,271 thousand.

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 3) (in thousands) | Method of investment | Accumulated remittance as of January 1, 2012 (in thousands) | Remitted or collected during the nine-month period ended September 30, 2012 | | Accumulated remittance as of September 30, 2012 (in thousands) | Ownership held by the Company (direct and indirect) | Investment income (loss) recognized by the Company during the period | Ending balance of investment (in thousands) | Investment income (loss) remitted back as of September 30, 2012 |
|---|--|------------------------------------|----------------------|--|---|-----------|---|---|--|--|---|
| | | | | | Remitted out | Collected | | | | | |
| WPG China Inc. | Sales of electronic components | \$ 1,414,363 | Note 1 | \$ 390,735 | \$ 1,025,325 | \$ - | \$ 1,416,060 | 100.00% | \$ 14,898 | \$ 1,570,835 | \$ - |
| WPI International Trading (Shenzhen) Ltd. | Sales of electronic components | \$ 93,744 | Note 1 | \$ 93,744 | \$ - | \$ - | \$ 93,744 | 100.00% | \$ 1,478 | \$ 143,962 | \$ - |
| Suzhou Xinning Bonded Warehouse Co., Ltd. | Warehousing services | \$ 29,295 | Note 1 | \$ 27,487 | \$ - | \$ - | \$ 27,487 | 49.00% | (\$ 233) | \$ 36,965 | \$ - |
| WPI Logistics (Shanghai) Ltd. | Warehousing services/extra work | \$ 37,117 | Note 1 | \$ 14,518 | \$ - | \$ - | \$ 14,518 | 40.00% | \$ 2,790 | \$ 19,717 | \$ - |
| WPI International Trading (Shanghai) Ltd. | Sales of electronic components | \$ 194,812 | Note 1 | \$ 19,042 | \$ - | \$ - | \$ 19,042 | 100.00% | \$ 41,353 | \$ 174,402 | \$ - |
| Suzhou Xinning Logistics Co., Ltd. | Warehousing services | \$ 61,989 | Note 1 | \$ 18,009 | \$ - | \$ - | \$ 18,009 | 29.40% | \$ 2,483 | \$ 29,646 | \$ - |
| AIO (Shanghai) Components Company Limited | Sales of electronic components | \$ 5,859 (Note 8) | Note 1 | \$ - | \$ - | \$ - | \$ - | 100.00% | \$ 4,752 | \$ 31,787 | \$ - |
| Software World Limited | Sales of electronic components | \$ - (Note 4) | Note 1 | \$ 5,420 | \$ - | \$ - | \$ 5,420 | - | \$ - | \$ - | \$ - |
| Mec Technology (Shanghai) Co., Ltd. | Sales of electronic components | \$ - (Note 2) | Note 1 | \$ 14,648 | \$ - | \$ - | \$ 14,648 | - | \$ - | \$ - | \$ - |
| WPG China (SZ) Inc. | Sales of computer software and electronic components | \$ 83,138 (Note 9) | Note 1 | \$ 45,764 | \$ - | \$ - | \$ 45,764 | 100.00% | \$ 14,597 | \$ 178,596 | \$ - |
| Silicon Application (Shanghai) Ltd. | Sales of computer software and electronic components | \$ - (Note 3) | Note 1 | \$ 6,424 | \$ - | \$ - | \$ 6,424 | - | \$ - | \$ - | \$ - |
| Silicon Application (Wuhan) Ltd. | Sales of computer software information systems | \$ - (Note 5) | Note 1 | \$ 6,240 | \$ - | \$ - | \$ 6,240 | - | \$ - | \$ - | \$ - |
| World Components Agent (Shanghai) Inc. | Sales of electronic components | \$ 5,859 | Note 1 | \$ 5,859 | \$ - | \$ - | \$ 5,859 | 100.00% | (\$ 152) | \$ 4,586 | \$ - |
| Arise Component Corp. | Sales of electronic components | \$ - (Note 7) | Note 1 | \$ 23,436 | \$ - | \$ - | \$ 23,436 | - | \$ - | \$ - | \$ - |
| Asian Information Technology Co., Ltd. | Sales of electronic components | \$ - (Note 6) | Note 1 | \$ 99,603 | \$ - | \$ 58,590 | \$ 41,013 | - | \$ - | \$ - | \$ - |

| Name of investee in Mainland China | Main activities of investee | Capital (Note 3) (in thousands) | Method of investment | Accumulated remittance as of January 1, 2012 (in thousands) | Remitted or collected during the nine-month period ended September 30, 2012 | | Accumulated remittance as of September 30, 2012 (in thousands) | Ownership held by the Company (direct and indirect) | Investment income (loss) recognized by the Company during the period | Ending balance of investment (in thousands) | Investment income (loss) remitted back as of September 30, 2012 |
|---|--|------------------------------------|-------------------------|--|---|-----------|---|---|--|---|--|
| | | | | | Remitted out | Collected | | | | | |
| Zheng Ding Technology (Shenzhen) Co., Ltd. | Sales of electronic components | \$ 37,486 | Note 1 | \$ 37,486 | \$ - | \$ - | \$ 37,486 | 100.00% | (\$ 1,117) | \$ 40,950 | \$ - |
| Jaking Technology Corp. | Sales of electronic components | \$ - (Note 7) | Note 1 | \$ 33,103 | \$ - | \$ 36,476 | \$ - | - | \$ - | \$ - | \$ - |
| AECO Electronics (Ningbo) Co., Ltd. | Sales of electronic components | \$ 114,836 | Note 1 | \$ 114,836 | \$ - | \$ - | \$ 114,836 | 100.00% | (\$ 16,995) | \$ 99,857 | \$ - |
| Yosun Shanghai Corp. Ltd. | Sales of electronic components and warehousing services | \$ 225,574 | Note 1 | \$ 225,574 | \$ - | \$ - | \$ 225,574 | 100.00% | \$ 2,661 | \$ 304,727 | \$ - |
| Yosun South China Corp. Ltd. | Sales of electronic components | \$ 125,969 | Note 1 | \$ - | \$ - | \$ - | \$ - | 100.00% | \$ 2,340 | \$ 161,814 | \$ - |
| Sertek (Shanghai) Limited | Sales of electronic components | \$ 73,238 | Note 1 | \$ - | \$ - | \$ - | \$ - | 100.00% | \$ 1,441 | \$ 78,428 | \$ - |

(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 deregistered in October, 2011.

(Note 7): It was deregistered in December, 2011. Due to the effect of currency exchange, the return on investment in TWD was more than the original investment cost.

(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): WPG International (Hong Kong) Limited invested in WPG (Shenzhen) 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 September 30, 2012 was USD 1: NTD 29.295 and HKD 1: NTD 3.779. The unit expressed is in thousands of dollars.

(Note 11): The ending balance of investment was calculated based on combined ownership percentage held by the Company.

(Note 12): The investment income or loss was recognized based on the unreviewed financial statements.

(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 1)</u> | <u>Ceiling of investment amount of the company (Note 2)</u> |
|--|---|---|---|
| WPG Holdings Limited | \$ 1,479,840 | \$ 1,978,903 | \$ 22,565,328 |
| World Peace Industrial Co., Ltd. | 154,791 | 401,897 | 7,064,671 |
| Richpower Electronic Devices Co., Ltd. | 20,068 | 14,648 | 1,207,123 |
| Silicon Application Corp. | 12,664 | 18,409 | 2,009,055 |
| Pernas Electronics Co., Ltd. | 29,295 | 29,295 | 602,885 |
| Asian Information Technology Inc. | 78,499 | 117,180 | 2,186,002 |
| Yosun Industrial Corp. | 225,574 | 432,514 | 4,707,886 |
| Sertek Incorporated | - | 73,238 | 841,081 |
| AECO Technology Co., Ltd. | 114,836 | 114,836 | 960,833 |

(Note 1): Exchange rate as of September 30, 2012 was USD 1: NTD 29.295 and HKD 3.779.

(Note 2): The ceiling of investment amount of the company is calculated based on the 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 Note 11 2) (8).

- 4) The relationship and significant transactions between the Company and its subsidiaries for the nine-month periods ended September 30, 2012 and 2011.

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

2012:

| 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 | Sales | \$ 171,575 | Note 4 | 0.06 |
| 0 | WPG Holdings Limited | Yosun Industrial Corp. | 1 | " | 100,459 | " | 0.04 |
| 1 | World Peace Industrial Co., Ltd. | WPI International (HK) Limited | 3 | " | 6,738,683 | Note 5 | 2.49 |
| 1 | " | Gain Tune Ltd. | 3 | " | 1,055,792 | " | 0.39 |
| 1 | " | Longview Technology Inc. | 3 | " | 132,738 | " | 0.05 |
| 1 | " | Genuine C&C Inc. | 3 | " | 100,380 | " | 0.04 |
| 2 | WPI International (HK) Limited | World Peace International (China) Limited | 3 | " | 269,340 | Note 6 | 0.10 |
| 2 | " | World Peace Industrial Co., Ltd. | 3 | " | 1,374,390 | " | 0.51 |
| 2 | " | WPI International Trading (Shanghai) Ltd. | 3 | " | 743,128 | " | 0.28 |
| 2 | " | World Peace International (South Asia) Pte Ltd. | 3 | " | 599,975 | " | 0.22 |
| 2 | " | WPG China (SZ) Inc. | 3 | " | 109,281 | " | 0.04 |
| 2 | " | TEKSEL WPG Limited | 3 | " | 125,771 | " | 0.05 |
| 3 | World Peace International (South Asia) Pte Ltd. | World Peace International (China) Limited | 3 | " | 1,539,649 | " | 0.57 |
| 3 | " | World Peace Industrial Co., Ltd. | 3 | " | 100,040 | " | 0.04 |
| 4 | WPG C&C Limited | WPI International Trading (Shanghai) Ltd. | 3 | " | 919,499 | " | 0.34 |
| 4 | " | WPI International (HK) Limited | 3 | " | 382,275 | " | 0.14 |
| 5 | Longview Technology Inc. | World Peace Industrial Co., Ltd. | 3 | " | 353,400 | " | 0.13 |
| 5 | " | WPI International (HK) Limited | 3 | " | 685,268 | " | 0.25 |
| 6 | Genuine C&C (South Asia) Pte Ltd. | WPG C&C (Malaysia) SDN BHD | 3 | " | 423,278 | " | 0.16 |
| 6 | " | WPG C&C (Thailand) Co., Ltd. | 3 | " | 223,435 | " | 0.08 |
| 6 | " | WPG C&C Computers And Peripheral (India) Private Limited | 3 | " | 1,547,225 | " | 0.57 |
| 6 | " | Genuine C&C (IndoChina) Pte Ltd. | 3 | " | 715,971 | " | 0.27 |
| 7 | Gain Tune Ltd. | World Peace Industrial Co., Ltd. | 3 | " | 186,859 | Note 6 | 0.07 |
| 8 | Silicon Application Corp. | WPG Electronics (HK) Limited | 3 | " | 1,093,038 | Note 7 | 0.40 |
| 9 | Silicon Application Company Limited | Silicon Application Corp. | 3 | " | 516,869 | Note 8 | 0.19 |

| 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 | Silicon Application Company Limited | Dstar Electronic Company Limited | 3 | Sales | \$ 329,324 | Note 8 | 0.12 |
| 9 | " | WPG China Inc. | 3 | " | 176,079 | " | 0.07 |
| 10 | Richpower Electronic Devices Co., Ltd. | Richpower Electronic Devices Co., Limited | 3 | " | 1,322,188 | Note 9 | 0.49 |
| 10 | " | WPG Electronics (HK) Limited | 3 | " | 1,392,038 | " | 0.52 |
| 10 | " | WPG Korea Co., Ltd. | 3 | " | 136,031 | " | 0.05 |
| 11 | Mec Technology Co., Ltd. | Richpower Electronic Devices Co., Ltd. | 3 | " | 270,383 | " | 0.10 |
| 12 | Richpower Electronic Devices Co., Limited | Richpower Electronic Devices Co., Ltd. | 3 | " | 171,201 | " | 0.06 |
| 13 | Everwiner Enterprise Co., Ltd. | Pernas Electronics Co., Ltd. | 3 | " | 935,068 | Notes 8 and 10 | 0.35 |
| 14 | Asian Information Technology Inc. | AIT Japan Inc. | 3 | " | 1,228,697 | Note 11 | 0.45 |
| 15 | AITG Electronic Limited | Frontek Technology Corporation | 3 | " | 312,883 | " | 0.12 |
| 16 | Apache Communication Inc. | Asian Information Technology Inc. | 3 | " | 368,706 | " | 0.14 |
| 17 | AIT Japan Inc. | Asian Information Technology Inc. | 3 | " | 191,663 | " | 0.07 |
| 18 | Frontek Technology Corporation | World Peace Industrial Co., Ltd. | 3 | " | 218,411 | " | 0.08 |
| 18 | " | WPG Electronics (HK) Limited | 3 | " | 199,684 | " | 0.07 |
| 19 | Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | 3 | " | 2,796,639 | Notes 12 and 13 | 1.04 |
| 19 | " | Sertek Limited | 3 | " | 1,539,804 | " | 0.57 |
| 19 | " | Sertek Incorporated | 3 | " | 886,697 | " | 0.33 |
| 20 | Yosun Hong Kong Corp. Ltd. | Yosun Industrial Corp. | 3 | " | 771,176 | " | 0.29 |
| 20 | " | Giatek Corp. Ltd. | 3 | " | 2,241,536 | " | 0.83 |
| 20 | " | Yosun South China Corp. Ltd. | 3 | " | 470,817 | " | 0.17 |
| 20 | " | Yosun Singapore Pte Ltd. | 3 | " | 388,158 | " | 0.14 |
| 20 | " | Yosun Shanghai Corp. Ltd. | 3 | " | 896,264 | " | 0.33 |
| 21 | Yosun Singapore Pte Ltd. | Yosun Hong Kong Corp. Ltd. | 3 | " | 177,084 | Notes 12 and 14 | 0.07 |
| 21 | " | Yosun Industrial Corp. | 3 | " | 105,923 | " | 0.04 |
| 22 | Giatek Corp. Ltd. | Yosun Hong Kong Corp. Ltd. | 3 | " | 1,008,575 | Notes 12 and 13 | 0.37 |
| 22 | " | Yosun South China Corp. Ltd. | 3 | " | 117,660 | " | 0.04 |
| 23 | Sertek Incorporated | Sertek Limited | 3 | " | 1,756,095 | Notes 8 and 13 | 0.65 |
| 23 | " | Yosun Industrial Corp. | 3 | " | 195,192 | " | 0.07 |
| 24 | Sertek Limited | Yosun Hong Kong Corp. Ltd. | 3 | " | 228,545 | " | 0.08 |

| 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 | |
| 25 | WPG China Inc. | WPI International (HK) Limited | 3 | Sales | \$ 359,040 | Note 15 | 0.13 |
| 25 | " | Frontek Technology Corporation | 3 | " | 111,955 | " | 0.04 |
| 26 | AECO Technology Co., Ltd. | AECO Electronic (Ningbo) Co., Ltd. | 3 | " | 162,644 | Note 16 | 0.06 |
| 1 | World Peace Industrial Co., Ltd. | WPI International (HK) Limited | 3 | Accounts receivable | 1,729,249 | Note 5 | 1.38 |
| 1 | World Peace Industrial Co., Ltd. | Gain Tune Ltd. | 3 | " | 287,309 | Note 5 | 0.23 |
| 5 | Longview Technology Inc. | World Peace Industrial Co., Ltd. | 3 | " | 108,512 | Note 6 | 0.09 |
| 2 | WPI International (HK) Limited | World Peace Industrial Co., Ltd. | 3 | " | 250,121 | " | 0.20 |
| 2 | " | WPI International Trading (Shanghai) Ltd. | 3 | " | 403,597 | " | 0.32 |
| 2 | " | World Peace International (South Asia) Pte Ltd. | 3 | " | 110,882 | " | 0.09 |
| 3 | World Peace International (South Asia) Pte Ltd. | World Peace International (China) Limited | 3 | " | 641,355 | " | 0.51 |
| 6 | Genuine C&C (South Asia) Pte Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | 3 | " | 194,782 | " | 0.16 |
| 4 | WPG C&C Limited | WPI International Trading (Shanghai) Ltd. | 3 | " | 453,780 | " | 0.36 |
| 8 | Silicon Application Corp. | WPG Electronics (HK) Limited | 3 | " | 522,680 | Note 7 | 0.42 |
| 9 | Silicon Application Company Limited | Dstar Electronic Company Limited | 3 | " | 124,465 | Note 8 | 0.10 |
| 10 | Richpower Electronic Devices Co., Ltd. | Richpower Electronic Devices Co., Limited | 3 | " | 365,654 | Note 9 | 0.29 |
| 10 | " | WPG Electronics (HK) Limited | 3 | " | 810,364 | " | 0.65 |
| 14 | Asian Information Technology Inc. | AIT Japan Inc. | 3 | " | 205,381 | Note 11 | 0.16 |
| 18 | Frontek Technology Corporation | WPG Electronics (HK) Limited | 3 | " | 155,580 | " | 0.12 |
| 19 | Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | 3 | " | 1,195,495 | Notes 12 and 13 | 0.95 |
| 23 | Sertek Incorporated | Sertek Limited | 3 | " | 427,524 | Notes 8 and 13 | 0.34 |
| 20 | Yosun Hong Kong Corp. Ltd. | Yosun Shanghai Corp. Ltd. | 3 | " | 657,116 | Notes 12 and 13 | 0.52 |
| 20 | " | Giatek Corp. Ltd. | 3 | " | 108,186 | " | 0.09 |
| 20 | " | Yosun South China Corp. Ltd. | 3 | " | 234,067 | " | 0.19 |
| 26 | AECO Electronic Co., Ltd. | AECO Electronic (Ningbo) Co., Ltd. | 3 | " | 110,677 | Note 16 | 0.09 |
| 1 | World Peace Industrial Co., Ltd. | Longview Technology Inc. | 3 | Other receivables | 121,404 | Note 17 | 0.10 |
| 3 | World Peace International (South Asia) Pte Ltd. | World Peace International Pte. Ltd. | 3 | " | 250,794 | " | 0.20 |
| 3 | " | WPG Americas Inc. | 3 | " | 313,955 | " | 0.25 |
| 3 | " | Genuine C&C (South Asia) Pte Ltd. | 3 | " | 195,398 | " | 0.16 |

| 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 | |
| 2 | WPI International (HK) Limited | WPG C&C Limited | 3 | Other receivables | \$ 354,147 | Note 17 | 0.28 |
| 2 | " | WPI International Trading (Shanghai) Ltd. | 3 | " | 176,297 | " | 0.14 |
| 27 | WPI International Trading (Shenzhen) Ltd. | WPI International Trading (Shanghai) Ltd. | 3 | " | 134,903 | " | 0.11 |
| 7 | Gain Tune Limited | WPI International (HK) Limited | 3 | " | 869,563 | " | 0.69 |
| 28 | Silicon Application (BVI) Corporation | Silicon Application Corporation | 3 | " | 585,900 | " | 0.47 |
| 28 | " | Silicon Application Company Limited | 3 | " | 292,950 | " | 0.23 |
| 10 | Richpower Electronic Devices Co., Ltd. | WPG Holdings Limited | 3 | " | 201,510 | " | 0.16 |
| 18 | Asian Information Technology Inc. | Apache Communication Inc. | 3 | " | 236,781 | " | 0.19 |

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 commission revenue arose from providing administration resources and management service for related parties. Commission fees and collection terms are negotiated by both parties.

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 30-60 days.

Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 30-75 days.

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

Note 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions.

Note 9: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 60-120 days.

Note 10: The collection is within 90 days from the month of sale or 15 days after sale.

Note 11: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 30-120 days.

Note 12: The terms and sales prices are similar to third parties.

Note 13: The collection period is 75 days after sale.

Note 14: The collection period is 45 days after sale.

Note 15: 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 days.

Note 16: The terms and sales prices were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 90-180 days.

Note 17: Mainly accrued financing charges.

2011:

| 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 | \$ 122,045 | Note 4 | 0.05 |
| 1 | World Peace Industrial Co., Ltd. | WPI International (HK) Limited | 3 | Sales | 4,476,206 | Note 5 | 1.79 |
| 1 | " | World Peace International (China) Limited | 3 | " | 862,232 | " | 0.34 |
| 1 | " | Gain Tune Ltd. | 3 | " | 486,563 | " | 0.19 |
| 1 | " | World Peace International (South Asia) Pte., Ltd. | 3 | " | 131,545 | " | 0.05 |
| 2 | WPI International (HK) Limited | World Peace Industrial Co., Ltd. | 3 | " | 1,631,073 | " | 0.65 |
| 2 | " | World Peace International (South Asia) Pte Ltd. | 3 | " | 394,017 | " | 0.16 |
| 2 | " | WPI International Trading (Shanghai) Ltd. | 3 | " | 389,273 | " | 0.16 |
| 2 | " | Silicon Application Company Limited | 3 | " | 357,464 | " | 0.14 |
| 2 | " | World Peace International (China) Limited | 3 | " | 206,190 | " | 0.08 |
| 2 | " | Teksel WPG Limited | 3 | " | 123,772 | " | 0.05 |
| 3 | World Peace International (South Asia) Pte Ltd. | World Peace International (China) Limited | 3 | " | 1,212,200 | " | 0.48 |
| 3 | " | World Peace Industrial Co., Ltd. | 3 | " | 132,155 | " | 0.05 |
| 4 | Genuine C&C (South Asia) Pte Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | 3 | " | 1,614,831 | " | 0.65 |
| 4 | " | WPG C&C (Malaysia) SDN BHD | 3 | " | 338,053 | " | 0.14 |
| 4 | " | WPG C&C (Thailand) Co., Ltd. | 3 | " | 203,571 | " | 0.08 |
| 5 | Gain Tune Ltd. | WPG C&C Limited | 3 | " | 4,556,002 | " | 1.82 |
| 5 | " | World Peace Industrial Co., Ltd. | 3 | " | 366,356 | " | 0.15 |
| 5 | " | WPI International (HK) Limited | 3 | " | 154,592 | " | 0.06 |
| 6 | Richpower Electronic Devices Co., Ltd. | Richpower Electronic Devices Co., Limited | 3 | " | 1,075,205 | Note 8 | 0.43 |
| 6 | " | WPG Electronics (HK) Limited | 3 | " | 955,947 | " | 0.38 |
| 6 | " | WPG Electronics Limited | 3 | " | 140,368 | " | 0.06 |
| 7 | Richpower Electronic Devices Co., Limited | Richpower Electronic Devices Co., Limited | 3 | " | 630,008 | " | 0.25 |
| 7 | " | WPI International (HK) Limited | 3 | " | 173,159 | " | 0.07 |
| 8 | Everwiner Enterprise Co., Ltd. | Pernas Electronics Co., Ltd. | 3 | " | 326,210 | Note 7 (Paid 90 days) | 0.13 |
| 9 | World Components Agent (Shanghai) Inc. | Pernas Electronics Co., Ltd. | 3 | " | 729,991 | Note 7 | 0.29 |

| 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 | World Components Agent (Shanghai) Inc. | Everwiner Enterprise Co., Ltd. | 3 | Sales | \$ 648,943 | Note 7 (Paid semimonthly) | 0.26 |
| 10 | Asian Information Technology Inc. | AIT Japan Inc. | 3 | " | 1,460,151 | Note 8 | 0.58 |
| 11 | AITG Electronic Limited | Frontek Technology Corporation | 3 | " | 302,454 | " | 0.12 |
| 12 | AIT Japan Inc. | Asian Information Technology Inc. | 3 | " | 220,911 | " | 0.09 |
| 13 | WPG China Inc. | WPI International (HK) Limited | 3 | " | 299,383 | Note 6 | 0.12 |
| 13 | " | Frontek Technology Corporation | 3 | " | 102,797 | " | 0.04 |
| 14 | Longview Technology Inc. | World Peace Industrial Co., Ltd. | 3 | " | 331,859 | Note 5 | 0.13 |
| 14 | " | WPI International (HK) Limited | 3 | " | 135,927 | " | 0.05 |
| 15 | WPG C&C Limited | WPI International Trading (Shanghai) Ltd. | 3 | " | 322,541 | " | 0.13 |
| 16 | Yosun Hong Kong Corp. Ltd. | Giatek Corp. Ltd. | 3 | " | 1,394,206 | Notes 9 and 11 | 0.56 |
| 16 | " | Yosun Industrial Corp. | 3 | " | 1,045,069 | " | 0.42 |
| 16 | " | Yosun Shanghai Corp. Ltd. | 3 | " | 759,891 | " | 0.30 |
| 16 | " | Yosun South China Corp. Ltd. | 3 | " | 334,270 | " | 0.13 |
| 16 | " | Yosun Singapore Pte., Ltd. | 3 | " | 236,340 | " | 0.09 |
| 17 | Yosun Singapore Pte., Ltd. | Yosun Industrial Corp. | 3 | " | 143,217 | " | 0.06 |
| 18 | Sunwise Technology Limited | Yosun Hong Kong Corp. Ltd. | 3 | " | 114,081 | " | 0.05 |
| 19 | Giatek Corporation Ltd. | Yosun Hong Kong Corp. Ltd. | 3 | " | 1,162,523 | " | 0.46 |
| 19 | " | Yosun South China Corp. Ltd. | 3 | " | 262,241 | " | 0.10 |
| 20 | Sertek Incorporated | Sertek Limited | 3 | " | 3,442,895 | Notes 9 and 12 | 1.38 |
| 20 | " | Yosun Industrial Corp. | 3 | " | 136,348 | Note 9 | 0.05 |
| 21 | Silicon Application Corp. | WPG Electronics (HK) Limited | 3 | " | 653,730 | " | 0.26 |
| 22 | Silicon Application Company Limited | Silicon Application Corp. | 3 | " | 218,184 | Note 7 | 0.09 |
| 23 | Frontek Technology Corporation | World Peace Industrial Co., Ltd. | 3 | " | 194,971 | Notes 7 and 14 | 0.08 |
| 24 | Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | 3 | " | 1,726,259 | Notes 9 and 13 | 0.69 |
| 24 | " | Sertek Limited | 3 | " | 773,297 | " | 0.31 |
| 24 | " | Sertek Incorporated | 3 | " | 305,017 | Notes 9 and 14 | 0.12 |
| 24 | " | Sunwise Technology Limited | 3 | " | 156,879 | Notes 9 and 13 | 0.06 |
| 1 | World Peace Industrial Co., Ltd. | WPI International (HK) Limited | 3 | Accounts receivable | 1,940,038 | Note 5 | 1.60 |

| 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 | |
| 1 | World Peace Industrial Co., Ltd. | World Peace International (China) Limited | 3 | Accounts receivable | \$ 138,168 | Note 5 | 0.11 |
| 2 | WPI International (HK) Limited | World Peace Industrial Co., Ltd. | 3 | " | 260,450 | " | 0.21 |
| 2 | " | World Peace International (South Asia) Pte. Ltd. | 3 | " | 100,523 | " | 0.08 |
| 2 | " | WPI International Trading (Shanghai) Ltd. | 3 | " | 102,596 | " | 0.08 |
| 3 | World Peace International (South Asia) Pte Ltd. | World Peace International (China) Limited | 3 | " | 581,345 | " | 0.48 |
| 4 | Genuine C&C (South Asia) Pte., Ltd. | WPG C&C Computers And Peripheral (India) Private Limited | 3 | " | 457,627 | " | 0.38 |
| 4 | " | WPG C&C (Malaysia) SDN BHD | 3 | " | 115,885 | " | 0.10 |
| 5 | Gain Tune Ltd. | WPG C&C Limited | 3 | " | 584,484 | " | 0.48 |
| 6 | Richpower Electronic Devices Co., Ltd. | WPG Electronics (HK) Limited | 3 | " | 462,725 | Note 8 | 0.38 |
| 6 | " | Richpower Electronic Devices Co., Ltd. | 3 | " | 193,313 | " | 0.16 |
| 10 | Asian Information Technology Inc. | AIT Japan Inc. | 3 | " | 384,194 | " | 0.32 |
| 16 | Yosun Hong Kong Corp. Ltd. | Yosun Shanghai Corp. Ltd. | 3 | " | 237,226 | Notes 9 and 11 | 0.20 |
| 20 | Sertek Incorporated | Sertek Limited | 3 | " | 806,550 | Notes 9 and 12 | 0.67 |
| 21 | Silicon Application Corp. | WPG Electronics (HK) Limited | 3 | " | 261,148 | Note 9 | 0.22 |
| 24 | Yosun Industrial Corp. | Yosun Hong Kong Corp. Ltd. | 3 | " | 494,451 | Notes 9 and 13 | 0.41 |
| 1 | World Peace Industrial Co., Ltd. | WPG Americas Inc. | 3 | Other receivables | 155,101 | Note 10 | 0.13 |
| 3 | World Peace International (South Asia) Pte Ltd. | World Peace International Pte., Ltd. | 3 | " | 247,498 | " | 0.20 |
| 3 | " | Genuine C&C (South Asia) Pte., Ltd. | 3 | " | 193,853 | " | 0.16 |
| 5 | Gain Tune Ltd. | WPI International (HK) Limited | 3 | " | 244,267 | " | 0.20 |
| 10 | Asian Information Technology Inc. | Frontek Technology Corporation | 3 | " | 246,903 | " | 0.20 |
| 10 | " | WPG Americas Inc. | 3 | " | 185,987 | " | 0.15 |
| 16 | Yosun Hong Kong Corp. Ltd. | Yosun Shanghai Corp. Ltd. | 3 | " | 121,920 | " | 0.10 |
| 25 | Mec Technology Co., Limited | Richpower Electronic Devices Pte., Ltd. | 3 | " | 107,044 | " | 0.09 |
| 26 | WPI International Trading (Shenzhen) Ltd. | WPI International Trading (Shanghai) Ltd. | 3 | " | 140,178 | " | 0.12 |
| 27 | Apache Communication Inc. | Frontek Technology Corporation | 3 | " | 100,621 | " | 0.08 |

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 commission revenue arose from providing administration resources and management services to related parties. Commission fees and collection terms were negotiated by both parties.

Note 5: The sales prices were based on the negotiation by both parties to the contract agreed to; collections are made within 30-60 days from the month of sale.

Note 6: The sales prices were based on the negotiation by both parties to the contract agreed to; collections are made within 60-90 days from the month of sale.

Note 7: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 8: The sales prices were 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: The sales prices are similar to third parties.

Note 10: Mainly accrued financing charges.

Note 11: The collection period was 75 days after netting payment.

Note 12: The collection period was 90 days after netting payment.

Note 13: The collection period was 45 days after netting payment.

Note 14: The collection period was 30 days after sales.

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 nine-month periods ended September 30, 2012 and 2011 is as follows:

2012:

| | <u>World Peace Industrial Co., Ltd. and its subsidiaries</u> | <u>Silicon Application Corp. and its subsidiaries</u> | <u>Asian Information Technology Inc. and its subsidiaries</u> | <u>Yosun Industrial Corp. and its subsidiaries</u> | <u>Others</u> | <u>Eliminations</u> | <u>Total</u> |
|---------------------------------|--|---|---|--|----------------------|-----------------------|-----------------------|
| Revenue from external customers | \$ 112,609,496 | \$ 32,318,162 | \$ 30,536,855 | \$ 61,832,470 | \$ 32,857,167 | \$ - | \$ 270,154,150 |
| Revenue from internal customers | 551,318 | 1,414,445 | 757,436 | 108,948 | 2,690,713 | (5,522,860) | - |
| Total revenue | <u>\$ 113,160,814</u> | <u>\$ 33,732,607</u> | <u>\$ 31,294,291</u> | <u>\$ 61,941,418</u> | <u>\$ 35,547,880</u> | <u>(\$ 5,522,860)</u> | <u>\$ 270,154,150</u> |
| Segment profit (loss) | <u>\$ 2,850,445</u> | <u>\$ 1,094,724</u> | <u>\$ 754,537</u> | <u>\$ 1,644,121</u> | <u>\$ 469,236</u> | <u>\$ 830,279</u> | <u>\$ 7,643,342</u> |
| Net income (loss) | <u>\$ 1,740,244</u> | <u>\$ 414,511</u> | <u>\$ 410,226</u> | <u>\$ 549,450</u> | <u>\$ 412,258</u> | <u>(\$ 8,703)</u> | <u>\$ 3,517,986</u> |
| Total assets (Note) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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 | \$ 105,003,747 | \$ 28,257,525 | \$ 26,023,876 | \$ 64,529,700 | \$ 26,401,062 | \$ - | \$ 250,215,910 |
| Revenue from internal customers | 883,684 | 777,886 | 457,820 | 105,685 | 2,292,610 | (4,517,685) | - |
| Total revenue | <u>\$ 105,887,431</u> | <u>\$ 29,035,411</u> | <u>\$ 26,481,696</u> | <u>\$ 64,635,385</u> | <u>\$ 28,693,672</u> | <u>(\$ 4,517,685)</u> | <u>\$ 250,215,910</u> |
| Segment profit (loss) | <u>\$ 3,006,404</u> | <u>\$ 1,067,658</u> | <u>\$ 756,494</u> | <u>\$ 2,197,229</u> | <u>(\$ 89,635)</u> | <u>\$ 338,573</u> | <u>\$ 7,276,723</u> |
| Net income | <u>\$ 1,886,892</u> | <u>\$ 513,628</u> | <u>\$ 421,939</u> | <u>\$ 988,603</u> | <u>\$ 356,028</u> | <u>(\$ 8,838)</u> | <u>\$ 4,158,252</u> |
| Total assets (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.

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 GrTai Securities Market should prepare financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, relevant interpretations and interpretative bulletins (IFRSs) and Regulations Governing the Preparation of Financial Reports by Securities Issuers which is applicable in 2013 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 | Completed |

| Working Items for IFRSs Adoption | Status of Execution |
|---|-----------------------------------|
| 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.

In consideration of exemptions and options available under IFRS 1, “First-time Adoption of International Financial Reporting Standards (please refer to 13.(3))”, 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. Reconciliation of material differences in the balance sheet as of January 1, 2012

| | Current Accounting Policies | Adjustments | IFRSs | Explanation |
|---|-----------------------------|--------------|------------|-------------|
| Deferred income tax assets - current | \$ 171,216 | (\$ 171,216) | \$ - | (a) |
| Other current assets | 97,784,483 | (16) | 97,784,467 | |
| Available-for-sale financial assets - non-current | 182,545 | (10,961) | 171,584 | (b) and (c) |
| Financial assets carried at cost - non-current | 440,575 | (135,966) | 304,609 | (c) and (d) |
| Long-term investments accounted for under the equity method | 423,657 | 193,343 | 617,000 | (d) |
| Property, plant and equipment, net | 4,022,749 | 8 | 4,022,757 | |

| | Current Accounting Policies | Adjustments | IFRSs | Explanation |
|---|-----------------------------|--------------|---------------|-----------------------|
| Deferred pension cost | \$ 14,922 | (\$ 14,922) | \$ - | (e) |
| Deferred income tax assets - non-current | - | 322,017 | 322,017 | (f) |
| Other non-current assets (including other assets) | 5,981,306 | 1,747 | 5,983,053 | |
| Total Assets | \$109,021,453 | \$ 184,034 | \$109,205,487 | |
| Accrued expenses | 3,628,085 | 89,486 | 3,717,571 | (g) |
| Other current liabilities | 63,051,607 | - | 63,051,607 | |
| Accrued pension liabilities | 289,122 | 180,890 | 470,012 | (h) |
| Deferred income tax liabilities - non-current | 165,329 | 95,994 | 261,323 | (i) |
| Other non-current liabilities (including other liabilities) | 4,074,064 | - | 4,074,064 | |
| Total liabilities | \$ 71,208,207 | \$ 366,370 | \$ 71,574,577 | |
| Undistributed earnings | 5,251,868 | (227,598) | 5,024,270 | (b), (f), (g) and (h) |
| Other stockholders' equity | 32,561,378 | 45,262 | 32,606,640 | |
| Total stockholders' equity | \$ 37,813,246 | (\$ 182,336) | \$ 37,630,910 | |

B. Reconciliation of material differences in the balance sheet as of September 30, 2012

| | Current Accounting Policies | Adjustments | IFRSs | Explanation |
|---|-----------------------------|--------------|-------------|-------------|
| Deferred income tax assets - current | \$ 154,074 | (\$ 154,074) | \$ - | (a) |
| Other current assets | 112,285,134 | 28 | 112,285,162 | |
| Available-for-sale financial assets - non-current | 186,879 | (25,893) | 160,986 | (b) and (c) |
| Financial assets carried at cost - non-current | 523,610 | (138,751) | 384,859 | (c) and (d) |
| Long-term investments accounted for under the equity method | 817,076 | 177,511 | 994,587 | (d) |
| Property, plant and equipment, net | 5,160,436 | - | 5,160,436 | |

| | Current Accounting Policies | Adjustments | IFRSs | Explanation |
|---|-----------------------------|--------------|---------------|-----------------------|
| Deferred pension cost | \$ 7,171 | (\$ 7,171) | \$ - | (e) |
| Deferred income tax assets - non-current | - | 267,008 | 267,008 | (f) |
| Other non-current assets (including other assets) | 6,393,685 | (4,264) | 6,389,421 | |
| Total Assets | \$125,528,065 | \$ 114,394 | \$125,642,459 | |
| Accrued expenses | 3,373,319 | 43,962 | 3,417,281 | (g) |
| Other current liabilities | 79,455,054 | - | 79,455,054 | |
| Accrued pension liabilities | 324,455 | 175,575 | 500,030 | (h) |
| Deferred income tax liabilities - non-current | 190,318 | 69,190 | 259,508 | (i) |
| Other non-current liabilities (including other liabilities) | 4,576,039 | - | 4,576,039 | |
| Total liabilities | \$ 87,919,185 | \$ 288,727 | \$ 88,207,912 | |
| Undistributed earnings | 5,200,449 | (187,034) | 5,013,415 | (b), (f), (g) and (h) |
| Other stockholders' equity | 32,408,431 | 12,701 | 32,421,132 | |
| Total stockholders' equity | \$ 37,608,880 | (\$ 174,333) | \$ 37,434,547 | |

C. Reconciliation of significant differences in the income statement for the nine-month period ended September 30, 2012:

| | Current Accounting Policies | Adjustments | IFRSs | Explanation |
|--------------------------|-----------------------------|-------------|----------------|-------------|
| Operating revenues | \$270,154,150 | \$ - | \$270,154,150 | |
| Operating costs | (256,294,619) | - | (256,294,619) | |
| Gross profit | 13,859,531 | - | 13,859,531 | |
| Operating expenses | (8,999,429) | 40,641 | (8,958,788) | (g) and (h) |
| Operating income | 4,860,102 | 40,641 | 4,900,743 | |
| Non-operating expenses | (463,943) | 2,111 | (461,832) | (b) |
| Income before income tax | 4,396,159 | 42,752 | 4,438,911 | |
| Income tax expense | (885,864) | (2,188) | (888,052) | (f) |
| Consolidated Net Income | \$ 3,510,295 | \$ 40,564 | \$ 3,550,859 | |

Description of the reconciliation of significant differences:

- (a) The decrease in deferred income tax assets - current in the amount of \$171,216 and \$154,074 as of January 1, 2012 and September 30, 2012, respectively, are as follows:

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) The decrease in available-for-sale financial assets - non-current in the amount of \$10,961 and \$25,893 as of January 1, 2012 and September 30, 2012, respectively, are as follows:

- 1) Before the amendment of "Rules Governing the Preparation of Financial Statements by Securities Issuers", dated July 7, 2011, unlisted 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. According to "Rules Governing the Preparation of Financial Statements by Securities Issuers" revised as of December 22, 2011, the subsidiaries designated "Financial assets carried at cost - non current" as "Available-for-sale financial assets - non-current" at the date of transition to IFRSs.
- 2) The subsidiary did not use equity method on its investee which the subsidiary holds less than 20% ownership as the subsidiary does not have significant influence under the current accounting standards. However, in accordance with IAS 28, "Investments in Associates", after considering the criteria for significant influence, the accounting treatment for a certain investment was changed from "Financial assets carried at cost" to "Long-term investments accounted for under equity method". Accordingly, there is an increase in undistributed earnings at the date of transition to IFRSs and an increase in undistributed earnings and other non-operating income as of and for the nine-month period ended September 30, 2012.

- (c) Please refer to (b) 1) for the explanation for the decrease in financial assets carried at cost - non-current in the amount of \$135,966 and \$138,751 as of January 1, 2012 and September 30, 2012, respectively.
- (d) Please refer to (b) 2) for the explanation for the increase in long-term investments accounted for under the equity method in the amount of \$193,343 and \$177,511 as of January 1, 2012 and September 30, 2012, respectively.
- (e) Please refer to (h) for the explanation for the decrease in deferred pension cost in the amount of \$14,922 and \$7,171 as of January 1, 2012 and September 30, 2012, respectively.
- (f) The increase in deferred income tax assets-non current in the amount of \$322,017 and \$267,008 as of January 1, 2012 and September 30, 2012, respectively, are due to the following:
 - 1) Please refer to (a) for the reclassification from “Deferred income tax assets - current” to “Deferred income tax assets - non-current”.
 - 2) The Group calculated the tax effects of the differences between IFRSs and the current accounting policies, therefore, an increase in deferred income tax assets and undistributed earnings at the date of transition to IFRSs, and an increase in deferred income tax assets, income tax expense and undistributed earnings as of and for the nine-month period ended September 30, 2012.
 - 3) The deferred income tax assets and liabilities should not be offset unless they meet the netting criteria under IAS 12, “Income Tax”. Therefore, the Group reclassified deferred income tax assets and liabilities at the date of transition to IFRSs.
- (g) The increase in accrued expenses in the amount of \$89,486 and \$43,962 as of January 1, 2012 and September 30, 2012, respectively, are due to the following:
 - 1) 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. Therefore, the Group increased accrued expenses and decreased undistributed earnings at the date of transition to IFRSs. The Group also increased accrued expenses and decreased operating expenses and undistributed earnings as of and for the nine-month period ended September 30, 2012.
 - 2) The subsidiaries recognized variable rental expense for long-term lease agreements in accordance with current accounting standards. However, in accordance with IAS 17, “Lease”, the rental expenses should be recognized using the straight-line method which is total rental expenses divided by the

lease term. The Group increased accrued expenses and decreased undistributed earnings at the date of transition to IFRSs. The Group also increased accrued expenses and decreased undistributed earnings and operating expenses as of and for the nine-month period ended September 30, 2012.

- (h) The increase in accrued pension liabilities in the amount of \$180,890 and \$175,575 as of January 1, 2012 and September 30, 2012, respectively are due to the following:
- 1) 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.
 - 2) 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. Therefore, the Company decreased non-current assets and accrued pension liabilities at the date of transition to IFRSs and as of September 30, 2012.
 - 3) 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.
 - 4) In accordance with the exemptions applied under IFRS 1, the Group recognized all accumulated actuarial gain or loss in retained earnings at the date of transition to IFRSs.
- (i) The increase in deferred income tax liabilities in the amount of \$95,994 and \$69,190 as of January 1, 2012 and September 30, 2012, respectively, are due to the following:
- Please refer to (f) 3) for the reclassification from netting “Deferred income tax assets - current and non-current”.

D. The Group selected the following exemptions in accordance with IFRS 1, “First-time Adoption of International Financial Reporting Standards”, and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that are expected to be applied in 2013:

(a) Business combinations

The Group selected not to apply the requirements in IFRS 3, “Business Combinations”, retroactively to business combinations that occur before the date of transition to IFRSs.

(b) Share-based payment

The Group selected not to apply the requirements in IFRS 2, “Share-based Payment”, retroactively to the equity instruments that are vested and liabilities that are settled before the date of transition to IFRSs, arising from share-based payment transactions.

(c) Employee benefits

The Group selected to recognize all accumulated actuarial gains and losses associated with employee benefit plans in retained earnings at the date of transition to IFRSs, and disclose the information of present value of defined benefit obligation, fair value of plan assets, gain or loss on plan assets and experience adjustments in accordance with paragraph 120A, (P) IAS 19, “Employee Benefits”, based on their prospective amounts for each accounting period from the date of transition to IFRSs.

(d) Designation of financial instruments recognized previously

The Group selected to designate part of “Financial assets carried at cost - non-current” as “Available-for-sale financial assets - non-current” at the date of transition to IFRSs.

Some of the above exemptions may be different from the actual selection at the date of transition to IFRSs due to the issuance of related regulations by the competent authority, changes in economic environment, or changes in the evaluation of effect of the Company’s selection of exemptions.