

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**REPORT OF INDEPENDENT ACCOUNTANTS**

**MARCH 31, 2014 AND 2013**

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

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of March 31, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our 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 explained in Notes 4(3)2 and 6(10), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method, which statements reflect total assets (including long-term equity investments accounted for under the equity method) of \$19,606,706 thousand and \$17,933,002 thousand, both constituting 14% of the consolidated total assets, and total liabilities of \$6,201,508 thousand and \$5,268,189 thousand, both constituting 6% of the consolidated total liabilities as of March 31, 2014 and 2013, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of \$91,684 thousand and \$111,112 thousand, constituting 4% and 5% of the consolidated total comprehensive income for the three-month periods then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of March 31, 2014 and 2013.

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 certain insignificant consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 been audited or reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, and IAS 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

May 13, 2014

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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 in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2014, DECEMBER 31, 2013, AND MARCH 31, 2013**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2014 AND 2013 WERE REVIEWED**  
**BUT NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)**

ASSETS	Notes	March 31, 2014		December 31, 2013		March 31, 2013	
		Amount	%	Amount	%	Amount	%
<u>Current Assets</u>							
Cash and cash equivalents	6(1)	\$ 10,078,211	7	\$ 9,458,603	7	\$ 7,729,821	6
Financial assets at fair value through profit or loss -	6(2)						
current		29,699	-	30,818	-	16,079	
Available-for-sale financial assets - current	6(3)	-	-	94,158	-	10,342	-
Financial assets carried at cost - current		6,897	-	6,897	-	10,193	-
Notes receivable, net	6(4)	2,772,416	2	2,894,722	2	2,557,535	2
Accounts receivable, net	6(5) and 8	67,038,765	47	68,544,814	51	58,131,061	47
Accounts receivable - related parties, net	7	266,249	-	265,060	-	200,877	-
Other receivables		2,153,911	2	1,743,264	1	2,172,289	2
Other receivables - related parties	7	483,071	-	399,546	-	2,502	-
Current income tax assets		4,408	-	10,497	-	18,616	-
Inventories, net	6(6)	41,296,910	29	35,056,488	26	36,417,183	29
Prepayments	7	2,222,663	2	1,744,650	1	2,275,277	2
Non-current assets held for sale, net	6(7)	-	-	-	-	256,727	-
Other current assets	8	<u>919,142</u>	<u>1</u>	<u>527,461</u>	<u>1</u>	<u>1,145,229</u>	<u>1</u>
		<u>127,272,342</u>	<u>90</u>	<u>120,776,978</u>	<u>89</u>	<u>110,943,731</u>	<u>89</u>
<u>Non-current Assets</u>							
Available-for-sale financial assets - non-current	6(8) and 8	147,288	-	186,547	-	166,191	-
Financial assets carried at cost - non-current	6(9)	493,882	-	467,581	1	454,590	-
Investments in bonds without active market - non-							
current		5,000	-	5,000	-	5,000	-
Investments accounted for under the equity method	6(10)	1,048,592	1	1,039,601	1	943,398	1
Property, plant and equipment	6(11) and 8	4,909,882	4	5,055,011	4	5,963,689	5
Investment property, net	6(12)	1,161,128	1	1,018,200	1	-	-
Intangible assets	6(13)	5,835,553	4	5,842,880	4	5,946,539	5
Deferred income tax assets		475,919	-	313,067	-	303,779	-
Other non-current assets	6(15) and 8	<u>433,217</u>	<u>-</u>	<u>400,976</u>	<u>-</u>	<u>315,183</u>	<u>-</u>
		<u>14,510,461</u>	<u>10</u>	<u>14,328,863</u>	<u>11</u>	<u>14,098,369</u>	<u>11</u>
TOTAL ASSETS		\$141,782,803	100	\$135,105,841	100	\$125,042,100	100

(Continued)

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2014, DECEMBER 31, 2013, AND MARCH 31, 2013**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2014 AND 2013 WERE REVIEWED  
BUT NOT AUDITED IN CONFORMITY WITH R.O.C. GAAS)

		<u>March 31, 2014</u>		<u>December 31, 2013</u>		<u>March 31, 2013</u>	
<u>LIABILITIES AND EQUITY</u>	<u>Notes</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Current Liabilities</u>							
Short-term borrowings	6(5)(16)	\$ 40,260,899	28	\$ 38,865,842	29	\$ 31,759,764	25
Commercial papers payable	6(17)	4,949,695	3	4,879,919	4	3,667,424	3
Financial liabilities at fair value through profit or loss - current	6(2)	9,219	-	6,885	-	4,139	-
Notes payable		301,550	-	456,174	-	510,612	1
Accounts payable		39,920,539	28	37,855,857	28	36,206,698	29
Accounts payable - related parties	7	4,379	-	11,252	-	23,150	-
Other payables		4,072,671	3	3,908,939	3	3,538,162	3
Current income tax liabilities		774,846	1	511,258	-	761,483	1
Other current liabilities	6(18)	4,028,736	3	4,645,833	3	1,716,829	1
		<u>94,322,534</u>	<u>66</u>	<u>91,141,959</u>	<u>67</u>	<u>78,188,261</u>	<u>63</u>
<u>Non-current Liabilities</u>							
Long-term borrowings	6(18)	4,155,652	3	3,224,738	3	5,809,654	5
Deferred income tax liabilities		529,486	1	356,865	-	339,076	-
Other non-current liabilities		475,659	-	445,641	-	561,487	-
		<u>5,160,797</u>	<u>4</u>	<u>4,027,244</u>	<u>3</u>	<u>6,710,217</u>	<u>5</u>
Total Liabilities		<u>99,483,331</u>	<u>70</u>	<u>95,169,203</u>	<u>70</u>	<u>84,898,478</u>	<u>68</u>
<u>Equity Attributable to Owners of Parent</u>							
<u>Capital</u>							
Common stock	1 and 6(20)	16,557,092	12	16,557,092	12	16,557,092	13
Capital reserve	6(21)						
Capital reserve		14,951,793	11	14,951,793	11	14,937,606	12
Retained earnings	6(22)						
Legal reserve		2,414,390	2	2,414,390	2	1,967,819	2
Special reserve		2,943,004	2	2,943,004	2	1,485,407	1
Undistributed earnings		6,346,446	4	4,950,399	4	7,066,009	6
Other equity interest							
Other equity interest	6(23)	( 969,197)	( 1)	( 1,937,752)	( 1)	( 1,924,899)	( 2)
Total equity attributable to owners of parent		42,243,528	30	39,878,926	30	40,089,034	32
<u>Non-controlling interests</u>							
Total equity		55,944	-	57,712	-	54,588	-
		<u>42,299,472</u>	<u>30</u>	<u>39,936,638</u>	<u>30</u>	<u>40,143,622</u>	<u>32</u>
Commitments and contingent liabilities	9						
Significant events after the balance sheet date	11						
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>\$141,782,803</u>	<u>100</u>	<u>\$135,105,841</u>	<u>100</u>	<u>\$125,042,100</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See review report of independent accountants dated May 13, 2014.

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)**  
**(UNAUDITED)**

Items	Notes	For the three-month periods ended March 31,			
		2014		2013	
		Amount	%	Amount	%
Operating revenues	6(24) and 7	\$102,341,579	100	\$ 86,563,382	100
Operating costs	6(6) and 7	( 97,534,464)	( 95)	( 82,347,642)	( 95)
Gross profit		<u>4,807,115</u>	<u>5</u>	<u>4,215,740</u>	<u>5</u>
Operating expenses	6(28)(29)				
Selling and marketing		( 1,928,453)	( 2)	( 1,893,844)	( 3)
General and administrative		( 969,924)	( 1)	( 941,657)	( 1)
Total operating expenses		( 2,898,377)	( 3)	( 2,835,501)	( 4)
Operating income		<u>1,908,738</u>	<u>2</u>	<u>1,380,239</u>	<u>1</u>
Non-operating income and expenses					
Other income	6(12)(25)	33,239	-	39,069	-
Other gains or losses	6(26)	69,342	-	36,762	-
Financial costs	6(27)	( 281,226)	-	( 199,633)	-
Share of profit of associates and joint ventures accounted for under equity method		<u>2,092</u>	<u>-</u>	<u>18,431</u>	<u>-</u>
Total non-operating income and expenses		( 176,553)	-	( 105,371)	-
Income before income tax		1,732,185	2	1,274,868	1
Income tax expense	6(30)	( 336,642)	( 1)	( 234,608)	-
Consolidated net income		<u>\$ 1,395,543</u>	<u>1</u>	<u>\$ 1,040,260</u>	<u>1</u>
Other comprehensive income / (loss)					
Financial statements translation differences of foreign operations		\$ 1,040,501	1	\$ 1,002,647	1
Unrealized (loss) gain on available-for-sale financial assets		( 63,486)	-	13,605	-
Share of other comprehensive income of associates and joint venture accounted for under equity method		2,177	-	21,702	-
Income tax relating to the components of other comprehensive income	6(30)	( 9,327)	-	( 14,331)	-
Total other comprehensive income		<u>\$ 969,865</u>	<u>1</u>	<u>\$ 1,023,623</u>	<u>1</u>
Total comprehensive income		<u>\$ 2,365,408</u>	<u>2</u>	<u>\$ 2,063,883</u>	<u>2</u>
Consolidated net income (loss) attributable to:					
Owners of parent		\$ 1,396,047	1	\$ 1,039,983	1
Non-controlling interests		( 504)	-	277	-
		<u>\$ 1,395,543</u>	<u>1</u>	<u>\$ 1,040,260</u>	<u>1</u>
Comprehensive income attributable to:					
Owners of parent		\$ 2,364,602	2	\$ 2,062,888	2
Non-controlling interests		806	-	995	-
		<u>\$ 2,365,408</u>	<u>2</u>	<u>\$ 2,063,883</u>	<u>2</u>
Earnings per share (In dollars)	6(31)				
Basic earnings per share		<u>\$ 0.84</u>		<u>\$ 0.63</u>	
Diluted earnings per share		<u>\$ 0.84</u>		<u>\$ 0.63</u>	

The accompanying notes are an integral part of these consolidated financial statements.  
See review report of independent accountants dated May 13, 2014.

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(UNAUDITED)

Attributable to owners of the Company												
Notes	Capital Reserve				Retained Earnings			Other Equity Adjustments		Total	Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock transactions	Changes in share of other comprehensive income of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Undistributed earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets			
<u>For the three-month period ended March 31, 2013</u>												
Balance at January 1, 2013	\$ 16,557,092	\$ 14,886,934	\$ 45,083	\$ 5,589	\$ 1,967,819	\$ 1,485,407	\$ 6,029,167	(\$ 2,982,030 )	\$ 34,226	\$ 38,029,287	\$ 53,593	\$ 38,082,880
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(20)	-	-	-	-	-	( 3,141 )	-	-	( 3,141 )	-	( 3,141 )
Net income	-	-	-	-	-	-	1,039,983	-	-	1,039,983	277	1,040,260
Net other comprehensive income	-	-	-	-	-	-	-	1,007,382	15,523	1,022,905	718	1,023,623
Balance at March 31, 2013	<u>\$ 16,557,092</u>	<u>\$ 14,886,934</u>	<u>\$ 45,083</u>	<u>\$ 5,589</u>	<u>\$ 1,967,819</u>	<u>\$ 1,485,407</u>	<u>\$ 7,066,009</u>	<u>(\$ 1,974,648 )</u>	<u>\$ 49,749</u>	<u>\$ 40,089,034</u>	<u>\$ 54,588</u>	<u>\$ 40,143,622</u>
<u>For the three-month period ended March 31, 2014</u>												
Balance at January 1, 2014	\$ 16,557,092	\$ 14,886,934	\$ 45,083	\$ 19,776	\$ 2,414,390	\$ 2,943,004	\$ 4,950,399	(\$ 2,027,129 )	\$ 89,377	\$ 39,878,926	\$ 57,712	\$ 39,936,638
Net income	-	-	-	-	-	-	1,396,047	-	-	1,396,047	( 504 )	1,395,543
Net other comprehensive income	-	-	-	-	-	-	-	1,032,041	( 63,486 )	968,555	1,310	969,865
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 2,574 )	( 2,574 )
Balance at March 31, 2014	<u>\$ 16,557,092</u>	<u>\$ 14,886,934</u>	<u>\$ 45,083</u>	<u>\$ 19,776</u>	<u>\$ 2,414,390</u>	<u>\$ 2,943,004</u>	<u>\$ 6,346,446</u>	<u>(\$ 995,088 )</u>	<u>\$ 25,891</u>	<u>\$ 42,243,528</u>	<u>\$ 55,944</u>	<u>\$ 42,299,472</u>

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

See review report of independent accountants dated May 13, 2014.

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(UNAUDITED)**

	Notes	For the three-month periods ended March 31,	
		2014	2013
<b>Cash flows from operating activities</b>			
Income before income tax		\$ 1,732,185	\$ 1,274,868
Adjustments to reconcile consolidated net income to net cash used in operating activities:			
Non-cash flows from income and expenses			
Depreciation	6(28)	67,939	55,725
Amortization	6(28)	30,179	28,201
Bad debts expense		11,357	55,746
Interest expense	6(27)	252,352	176,586
Net loss on financial assets or liabilities at fair value through profit or loss	6(26)	26,851	20,389
Interest income	6(25)	( 4,528 )	( 5,254 )
Share of profit of associates and joint ventures accounted for under equity method		( 2,092 )	( 18,431 )
Loss on disposal of property, plant and equipment and investment property	6(26)	1,579	2,403
Gain on disposal of investments	6(26)	( 87,703 )	( 14,113 )
Impairment loss	6(26)	15,030	5,781
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		( 23,398 )	14,475
Notes receivable, net		122,306	( 796,880 )
Accounts receivable, net		1,494,692	( 502,440 )
Accounts receivable - related parties, net		( 1,189 )	( 54,679 )
Other receivables		( 411,178 )	( 843,990 )
Other receivables - related parties		( 83,525 )	2,125
Inventories		( 6,240,422 )	( 3,112,004 )
Prepayments		( 478,013 )	( 588,677 )
Other current assets		( 10,708 )	( 4,201 )
Changes in operating liabilities			
Notes payable		( 154,624 )	166,511
Accounts payable		2,064,682	3,313,053
Accounts payable - related parties		( 6,873 )	7,773
Other payables		143,530	( 445,354 )
Other current liabilities		102,694	297,141
Other non-current liabilities		30,018	29,925
Cash used in operations		( 1,408,859 )	( 935,321 )
Interest paid		( 242,740 )	( 179,985 )
Income tax paid		( 64,983 )	( 55,267 )
Interest received		7,304	7,272
Net cash used in operating activities		( 1,709,278 )	( 1,163,301 )

(Continued)



**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(UNAUDITED)**

	Notes	For the three-month periods ended March 31, 2014	2013
<b><u>Cash flows from investing activities</u></b>			
Proceeds from disposal of available-for-sale financial assets			
- current		\$ 114,119	\$ 10,189
Proceeds from disposal of available-for-sale financial assets			
- non-current		49,945	4,207
Increase in financial assets carried at cost - non-current		-	( 61,092 )
(Increase) decrease in other financial assets	(	380,973 )	367,433
Proceeds from disposal of property, plant and equipment		7,168	2,565
Acquisition of property, plant and equipment and intangible assets	(	27,097 )	( 784,226 )
Disposal of subsidiaries		-	( 6,391 )
Increase in deposits out	(	102,284 )	-
Decrease (increase) in other non-current assets		70,043	( 40,214 )
Net cash used in investing activities	(	269,079 )	( 507,529 )
<b><u>Cash flows from financing activities</u></b>			
Increase in short-term borrowings		371,029,283	59,444,654
Decrease in short-term borrowings	(	369,634,226 )	( 59,375,724 )
Increase (decrease) in commercial papers payable		69,776	( 334,279 )
Increase in long-term borrowings (including current portion of long-term liabilities)		1,446,472	7,452,701
Decrease in long-term borrowings (including current portion of long-term liabilities)	(	1,235,349 )	( 7,524,799 )
Net cash provided by (used in) financing activities		1,675,956	( 337,447 )
Effect of exchange rate changes on cash and cash equivalents		922,009	865,920
Net increase (decrease) in cash and cash equivalents		619,608	( 1,142,357 )
Cash and cash equivalents at beginning of period		9,458,603	8,872,178
Cash and cash equivalents at end of period	\$	10,078,211	\$ 7,729,821

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated May 13, 2014.

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014 AND 2013  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)  
(UNAUDITED)

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 Co., Ltd. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Group's organisation restructure on January 1, 2014, World Peace Industrial Co., Ltd., Silicon Application Corp. and Yosun Industrial Corp. acquired 100% shares in AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and the AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries.
- (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). The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group". As of March 31, 2014, the Company had issued capital of \$16,557,092 with a par value of \$10 (in dollars) per share.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorised for issuance by the Board of Directors on May 13, 2014.

### 3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

#### (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

None.

#### (2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, ‘Financial instruments’) as endorsed by the FSC in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below:

<u>New Standards, Interpretations and Amendments</u>	<u>IASB Effective Date</u>
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures-Transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures-Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013
IFRS 10, ‘Consolidated financial statements’	January 1, 2013
	(Investment entities: January 1, 2014)
IFRS 11, ‘Joint arrangements’	January 1, 2013
IFRS 12, ‘Disclosure of interests in other entities’	January 1, 2013
IFRS 13, ‘Fair value measurement’	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendment to IAS 12)	January 1, 2012
IAS 19 (revised), ‘Employee benefits’	January 1, 2013
IAS 27, ‘Separate financial statements’ (as amended in 2011)	January 1, 2013
IAS 28, ‘Investments in associates and joint ventures’ (as amended in 2011)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, ‘Stripping costs in the production phase of a surface mine’	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009—2011	January 1, 2013

Based on the Group’s assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except the following:

A. IAS 19 (revised), 'Employee benefits'

The revised standard eliminates the corridor approach and requires actuarial gains and losses to be recognised immediately in other comprehensive income. Past service cost will be recognised immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expense, is recognised in other comprehensive income. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs. Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows.

B. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

E. Disclosures - Transfers of financial assets (amendment to IFRS 7)

The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in transferred assets, existing at the reporting date.

For the above items, the Group is assessing their impact on the consolidated financial statements and will disclose the affected amounts accordingly.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

<u>New Standards, Interpretations and Amendments</u>	<u>IASB Effective Date</u>
IFRS 9, 'Financial instruments'	Not yet been decided
IFRIC 14, 'Regulatory deferral accounts'	January 1, 2016
Services related contributions from employees or third parties (amendments to IAS 19R)	July 1, 2014
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.	

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, 'Interim Financial Reporting' as endorsed by the FSC.

##### (2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
  - a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - b) Available-for-sale financial assets measured at fair value.
  - c) Defined benefit liabilities recognised based on the net amount of pension fund assets plus unrecognised past period's service cost less present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.
- b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
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	Note 2
WPG Holdings Limited	Pernas Electronics Co., Ltd.	"	-	100.00	Note 3
WPG Holdings Limited	WPG Korea Co., Ltd.	"	100.00	100.00	Note 5
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	Note 5
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	Note 5
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	Note 5
WPG Holdings Limited	AECO Technology Co., Ltd.	Sales of electronic / electrical components	-	100.00	Note 4
WPG Holdings Limited	WPG Core Investment Co., Ltd.	Investment company	100.00	-	Notes 5 and 7
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	Note 5
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	"	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	100.00	-	Note 4
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	Notes 4 and 5
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Distribution of semiconductor products	100.00	100.00	Notes 4 and 5

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	Notes 4 and 5
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	Note 5
Prime Future Technology Limited	World Peace International Pte. Ltd.	"	100.00	100.00	Note 5
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Sales of electronic / electrical components	80.00	80.00	Note 5
World Peace International Pte. Ltd.	WPG Americas Inc.	"	5.10	5.10	Note 6
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	Sales of electronic / electrical components	100.00	100.00	Note 5
World Peace International Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00	Note 5
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	"	100.00	100.00	Notes 5 and 8
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	Notes 5, 8 and 9
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Sales of electronic / electrical components	100.00	100.00	Notes 5 and 8
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	"	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	Gain Tune Ltd.	"	100.00	100.00	Note 5



Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	Sales of electronic / electrical components	100.00	100.00	Note 5
WPI Investment Holding (BVI) Company Ltd.	TEKSEL WPG Limited	"	50.00	50.00	Note 5
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00	Note 5
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	100.00	Note 5
WPI International (Hong Kong) Limited	WPG C&C Limited	"	100.00	100.00	
WPI International (Hong Kong) Limited	AIO Components Company Limited	Sales of electronic / electrical components	100.00	100.00	Note 5
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	100.00	Note 5
Longview Technology Inc.	Longview Technology Holding company GC Limited		100.00	100.00	Note 5
Longview Technology Inc.	Long-Think International Co., Ltd	Sales of electronic / electrical components	100.00	100.00	Note 5
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	100.00	Note 5
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	100.00	100.00	Note 5
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	Note 5
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	Note 5

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
Silicon Application Corporation	Win-Win Electronic Corp.	Sales of computer software and electronic products	100.00	100.00	Note 5
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Sales of electronic / electrical components	100.00	-	Note 3
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	"	100.00	100.00	Note 3
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investment	100.00	100.00	Notes 3 and 5
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	100.00	Notes 3 and 5
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	
Silicon Application Company Limited	Dstar Electronic Company Limited	"	100.00	100.00	Note 5
WPG Korea Co., Ltd.	Apache Communication Inc.	Investment company	100.00	100.00	Note 5
Apache Communication Inc.	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	Note 5
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	Note 5
WPG International (CI) Limited	WPG Americas Inc.	Sales of electronic / electrical components	94.90	94.90	Note 6
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	"	100.00	100.00	Note 5
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	Note 5
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	Sales of electronic / electrical components	100.00	100.00	Note 5
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	Note 5

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	Note 5
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic /electrical products	100.00	100.00	Note 5
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Sales of electronic / electrical components	100.00	100.00	Note 5
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	"	100.00	100.00	Notes 5 and 12
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	"	99.99	99.99	Note 5
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	Notes 5, 10 and 11
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	0.01	Note 5
Asian Information Technology Inc.	Apache Communication Inc.	"	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	Note 5
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	Note 5
Asian Information Technology Inc.	AITG Holding Corp.	"	100.00	100.00	Note 5
Frontek Technology Corporation	Frontek International Limited	Investment company	100.00	100.00	Note 5
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	Note 5
Frontek International Limited	AITG Electronic Limited	"	100.00	100.00	Note 5
Yosun Industrial Corp.	Sertek Incorporated	Sales of electronic / electrical products	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical products	100.00	-	Note 2

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2014	December 31, 2013	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	”	100.00	100.00	Note 2
Mec Technology Co., Ltd.	Mec Technology Co., Limited	”	100.00	100.00	Notes 2 and 5
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	”	100.00	100.00	Notes 2 and 5
Sertek Incorporated	Digital Computer System Co., Ltd.	”	-	100.00	Notes 5 and 18
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	Note 5
Sertek Limited	Sertek (Shanghai) Limited	”	100.00	100.00	Note 5
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	Note 5
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	Note 5
Yosun Singapore Pte Ltd.	Yosun Industrial (Thailand) Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	Note 5
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) SDN. BHD.	”	100.00	100.00	Note 5
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	”	100.00	100.00	Note 5
Name of investment company	Name of subsidiaries	Main activities	Ownership (%)		Note
			March 31, 2013		
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Sales of electronic / electrical components	100.00		

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	Note
			March 31, 2013	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	
WPG Holdings Limited	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	
WPG Holdings Limited	Pernas Electronics Co., Ltd.	"	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	"	100.00	Note 5
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	Note 5
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	Note 5
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	Note 5
WPG Holdings Limited	AECO Technology Co., Ltd.	Sales of electronic / electrical components	100.00	
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	Note 5
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	"	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Sales of electronic / electrical components	100.00	
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	Note 5
Prime Future Technology Limited	World Peace International Pte. Ltd.	Holding company	100.00	Note 5
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Sales of electronic / electrical components	80.00	Note 5
World Peace International Pte. Ltd.	WPG Americas Inc.	"	6.73	Note 6

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	Note
			March 31, 2013	
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	Sales of electronic / electrical components	100.00	
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	"	100.00	Note 5
World Peace International Pte. Ltd.	WPG SCM Limited	"	100.00	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	Note 5
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	Notes 5, 10 and 11
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Malaysia) Sdn Bhd	"	100.00	Notes 5 and 8
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	Notes 5, 8 and 9
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Sales of electronic / electrical components	100.00	Notes 5 and 8
WPI Investment Holding (BVI) Company Ltd.	WPI International (HK) Limited	"	100.00	
WPI Investment Holding (BVI) Company Ltd.	Gain Tune Ltd.	"	100.00	Note 5
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	"	100.00	Note 5
WPI Investment Holding (BVI) Company Ltd.	TEKSEL WPG Limited	Sales of electronic / electrical components	50.00	Note 5
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	Note 5
WPI International (HK) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	Note 5

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	Note
			March 31, 2013	
WPI International (HK) Limited	WPG C&C Limited	"	100.00	
WPI International (HK) Limited	AIO Components Company Limited	Sales of electronic / electrical components	100.00	Note 5
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	Note 5
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	Notes 5
Longview Technology Inc.	Long-think International Co., Ltd	Sales of electronic / electrical components	100.00	Notes 5
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	Notes 5
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	100.00	Notes 5
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	Note 5
Silicon Application Corporation	SAC Component (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	Note 5
Silicon Application Corporation	Win-Win Electronic Corp.	"	100.00	Note 5
Silicon Application (BVI) Corp.	Silicon Application Company Limited	"	100.00	
Silicon Application Company Limited	Dstar Electronic Company Limited	"	100.00	Note 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	100.00	Note 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	Note 5
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Sales of electronic / electrical products	100.00	Note 5

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	Note
			March 31, 2013	
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Sales of electronic / electrical components	100.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investments	100.00	Note 5
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	Note 5
WPG Korea Co., Ltd.	Apache Communication Inc.	Investment company	100.00	Note 5
Apache Communication Inc.	Apache Korea Corp.	Sales of electronic / electrical products	100.00	Note 5
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	Note 5
WPG International (CI) Limited	WPG Americas Inc.	Sales of electronic / electrical components	93.27	Note 6
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	"	100.00	Note 5
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	Note 5
WPG International (Hong Kong) Limited	WPG Electronics (HK) Limited	Sales of electronic / electrical components	100.00	Note 5
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	Note 5
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	Note 5
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic / electrical products	100.00	Note 5
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd.	"	100.00	Note 5
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	Sales of electronic / electrical products	100.00	Notes 5 and 12
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	"	99.99	Note 5
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	Note 5
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	



Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	Note
			March 31, 2013	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Sales of electronic / electrical products	100.00	Note 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Sale of RF device	-	Notes 5 and 13
Asian Information Technology Inc.	Frontek Technology Corporation	Sales of electronic / electrical products	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	Note 5
Asian Information Technology Inc.	AITG Holding Corp.	"	100.00	Note 5
Adivic Technology Co., Ltd.	Advance Digital Communication Co., Ltd.	Sales of electronic / electrical products	-	Notes 5 and 13
Frontek Technology Corporation	Frontek International Limited	Investment company	100.00	Note 5
Fame Hall International Co., Ltd.	Fame Hall International Co., Ltd.	Sales of electronic / electrical products	100.00	Notes 5 and 14
Fame Hall International Co., Ltd.	AIT Japan Inc.	"	100.00	Note 5
AITG Holding Corp.	Zheng Ding Technology (ShenZhen) Co., Ltd.	Sales of electronic / electrical products	100.00	Notes 5 and 15
Frontek International Limited	AITG Electronic Limited	"	100.00	Note 5
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	
Yosun Industrial Corp.	Suntek Investments Ltd.	"	100.00	Notes 5 and 16
Sertek Incorporated	Digital Computer System Co., Ltd.	Sales of electronic / electrical products	100.00	Note 5
Sertek Incorporated	Sertek Limited	"	100.00	
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	"	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	Note 5

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	Note
			March 31, 2013	
Sertek Limited	Sertek (Shanghai) Limited	Sales of electronic / electrical products	100.00	Note 5
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	Note 5
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	Note 5
Yosun Hong Kong Corp. Ltd.	Sunwise Technology Ltd.	Sales of electronic / electrical products	100.00	Notes 5 and 17
Yosun Singapore Pte Ltd.	Yosun Industrial (Thailand) Co., Ltd.	"	100.00	Note 5
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) SDN. BHD.	"	100.00	Note 5
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	"	100.00	Note 5
AECO Technology Co., Ltd.	Teco Enterprise Holding (BVI) Co., Ltd.	Investment company	100.00	Notes 5
Teco Enterprise Holding (BVI) Co., Ltd.	AECO Electronic Co., Ltd.	Distribution of semiconductor products	100.00	Notes 5
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	Notes 5

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

Note 2: The Company has sold all its shares in Richpower Electronic Devices Co., Ltd. to acquire additional shares from capital increase of Yosun Industrial Corp. Share exchange was effective on January 1, 2014 and Yosun Industrial Corp. holds the ownership of Richpower Electronic Devices Co., Ltd. and its indirect subsidiaries starting on the same date.

Note 3: The Company has sold all its shares in Pernas Electronics Co., Ltd. to acquire additional shares from capital increase of Silicon Application Corp. Share exchange was effective on January 1, 2014 and Silicon Application Corp. holds the ownership of Pernas Electronics Co., Ltd. and its indirect subsidiaries starting on the same date.

- Note 4: The Company has sold all its shares in AECO Technology Co., Ltd. to acquire additional shares from capital increase of World Peace Industrial Co., Ltd. Share exchange was effective on January 1, 2014 and World Peace Industrial Co., Ltd. holds the ownership of AECO Technology Co., Ltd. and its indirect subsidiaries starting on the same date.
- Note 5: The financial statements as of March 31, 2014 and 2013 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.
- Note 6: WPG International (CI) Limited increased its capital in WPG Americas Inc. by cash in August, 2013. World Peace Industrial Co., Ltd. did not subscribe new shares proportionately to the cash capital increase. World Peace Industrial Co., Ltd. totally held 5.1%, 5.1% and 6.73% of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited as of March 31, 2014, December 31, 2013 and March 31, 2013, respectively.
- Note 7: The subsidiary was established in January, 2014.
- Note 8: Due to restructuring, the subsidiary was sold to World Peace International (South Asia) Pte Ltd. by Genuine C&C (South Asia) Pte Ltd.
- Note 9: 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 10: Due to restriction of local regulations, the Company holds 62% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.
- Note 11: Due to restructuring, the subsidiary was sold to WPG South Asia Pte. Ltd. by World Peace International (South Asia) Pte Ltd.
- Note 12: Due to restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.
- Note 13: Asian Information Technology Inc. did not participate in the capital increase of Adivic Technology Co., Ltd. in February 2013. As a result, the Company's ownership percentage of the subsidiary decreased from 100% to 49% and lost control. The remaining investment in Adivic Technology Co., Ltd. was recognised at fair value at the date control was lost and gain of \$11,906 was incurred.
- Note 14: It was liquidated in July, 2013.
- Note 15: It was liquidated in August, 2013.
- Note 16: Yosun Industrial Corp. and its 100% owned subsidiary, Suntek Investments Ltd., merged in accordance with the Business Mergers and Acquisitions Act on July 1,

2013. The surviving company was Yosun Industrial Corp.

Note 17: It was liquidated in November, 2013.

Note 18: On February 11, 2014, Sertek Incorporated and its wholly owned subsidiary - Digital Computer System Co., Ltd. conducted a short-form merger in accordance with Enterprise Merger and Acquisition Act. The surviving company was Sertek Incorporated.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

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

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains or losses.

B. Translation of foreign operations

- a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the

presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- b) When a foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
  - c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.
  - d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. 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 realised, or are intended to be sold or consumed within the normal operating cycle;
  - b) Assets held mainly for trading purposes;
  - c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - 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.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - a) Liabilities 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;
  - d) Liabilities for which the repayment date cannot be extended unconditionally to more

than twelve months after the balance sheet date.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.
- B. On a regular way purchase or sale basis, financial assets held for trading are recognised and derecognised using trade date accounting. Derivatives are recognised and derecognised using settlement date accounting.
- C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(8) Available-for-sale financial assets

- A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
- B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
- C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(9) Loans and receivables

A. Accounts receivable

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

B. Bond investments without active market

- a) Bond investments without active market are loans and receivables not originated by the entity. They are bond investments with fixed or determinable payments that are not quoted in an active market, and also meet all of the following conditions:
  - i. Not designated on initial recognition as at fair value through profit or loss;
  - ii. Not designated on initial recognition as available-for-sale;
  - iii. Not for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.
- b) On a regular way purchase or sale basis, bond investments without active market are recognised and derecognised using trade date accounting.
- c) Bond investments without active market are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(10) Impairment of financial assets

- A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:
  - a) Significant financial difficulty of the issuer or debtor;
  - b) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
  - c) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
  - d) The disappearance of an active market for that financial asset because of financial difficulties;
  - e) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
  - f) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates,

and indicates that the cost of the investment in the equity instrument may not be recovered; or

- g) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.
- C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

a) Financial assets measured at amortised cost

The amount of the impairment loss is 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, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

b) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

c) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost less any principal repayment and amortisation and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred



and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving-average method. The item by item approach is used in applying the lower of cost and net realisable 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 estimated selling expenses.

(13) Investments accounted for using the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate, and it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate, and it loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	10 ~ 55 years
Machinery and equipment	1 ~ 10 years
Transportation equipment	2 ~ 10 years
Furniture and fixtures	1 ~ 10 years

Leasehold improvements	2 ~ 5 years
Remaining property, plant and equipment	2 ~ 10 years

(15) Leases

If substantially all the significant risks and rewards of rental object remain to lessor, the Group accounts for this kind of leases as operating lease. Rental revenues and expenses made under an operating lease are recognised in profit or loss on a straight-line basis over the lease term.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10~55 years.

(17) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Intangible assets, other than goodwill, are software and business right which are amortised on a straight-line basis over their estimated useful lives of 3 ~ 5 years.

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

- A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

- A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading except for derivatives which are categorized as financial liabilities held for trading unless they are designated as hedges.
- B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value and recognized in profit or loss.

(25) Employee benefits

- A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

## B. Pensions

### a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

### b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Actuarial gains and losses arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise.
- iii. Past service costs are recognised immediately in profit or loss if vested immediately; if not, the past service costs are amortised on a straight-line basis over the vesting period.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

## C. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their

stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share 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.

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current

tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

The Group manufactures and sells computer software, electrical components products and so on. Revenue is measured at the fair value of the consideration received or receivable taking into account the value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(29) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill

at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(30) Operating segments

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

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

A. Financial assets-impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset-equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the decline of the fair value of an individual equity investment below cost was considered significant or prolonged, the Group would suffer an additional loss of \$648,067 in its 2014 financial statements, being the transfer of the accumulated fair value adjustments recognised in other comprehensive income on the impaired available-for-sale financial assets to profit or loss or being the recognition of the impairment loss on the impaired financial assets measured at cost in profit or loss.

B. Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of the Group's exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. Where the Group acts as a principal, the amount received or receivable from customer is recognised as revenue on a gross basis.



Where the Group acts as an agent, net revenue is recognised representing commissions earned.

The following characteristics of a principal are used as indicators to determine whether the Group shall recognise revenue on a gross basis:

- a. The Group has primary responsibilities for the goods or services it provides;
- b. The Group bears inventory risk;
- c. The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.
- d. The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(13) for the information of goodwill impairment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Cash on hand and petty cash	\$ 3,385	\$ 6,440	\$ 5,703
Checking accounts	2,279,641	1,577,187	1,156,101
Demand deposits	7,485,480	6,978,840	5,939,311
Time deposits	309,705	896,136	554,769
Short-term transaction instruments	<u>-</u>	<u>-</u>	<u>73,937</u>
Cash and cash equivalents as per consolidated balance sheet	<u>\$ 10,078,211</u>	<u>\$ 9,458,603</u>	<u>\$ 7,729,821</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. Details of deposits pledged as collateral that have been transferred to 'other current assets' by the Group are provided in Note 8.

(2) Financial assets / liabilities at fair value through profit or loss

<u>Items</u>	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Current items:			
Financial assets held for trading			
Listed stocks	\$ 26,722	\$ 13,650	\$ 20,244
Derivatives	<u>1,370</u>	<u>22,606</u>	<u>2,270</u>
	28,092	36,256	22,514

Items	March 31, 2014	December 31, 2013	March 31, 2013
Valuation adjustment of financial assets held for trading	1,607	(5,438)	(6,435)
	<u>\$ 29,699</u>	<u>\$ 30,818</u>	<u>\$ 16,079</u>

Current items:

Financial liabilities held for trading

Derivatives	<u>\$ 9,219</u>	<u>\$ 6,885</u>	<u>\$ 4,139</u>
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- A. The Group recognized net loss of \$26,851 and \$20,389 on financial assets and liabilities held for trading for the three-month periods ended March 31, 2014 and 2013, respectively.
- B. The counterparties of the Group's debt instrument investments are mostly listed companies or financial institutions which have good credit quality so the Group expects that the counterparties would not default on the contract. The maximum exposure to credit risk at balance sheet date is the carrying amount of financial assets at fair value through profit or loss.
- C. The non-hedging derivative instruments transaction and contract information are as follows:

Derivative Instruments	March 31, 2014			December 31, 2013		
	Contract Amount (Notional Principal)	Contract Period		Contract Amount (Notional Principal)	Contract Period	
Forward foreign exchange contracts						
- Sell	EUR 2,450	2014.03.19~ 2014.04.23		EUR 4,150	2013.10.23~ 2014.02.24	
- Sell	USD 4,000	2014.02.27~ 2014.05.05		USD 11,200	2013.11.12~ 2014.02.14	
- Sell-SWAP	USD 39,400	2014.02.27~ 2014.04.30		USD 29,400	2013.11.29~ 2014.02.03	
- Buy	USD 5,135	2014.01.13~ 2014.07.15		USD 12,117	2013.11.12~ 2014.03.31	
- Buy	EUR 1,500	2014.03.21~ 2014.04.14				

Derivative Instruments	March 31, 2013		
	Contract Amount (Notional Principal)	Contract Period	
Forward foreign exchange contracts			
- Sell	EUR 3,050	2012.10.31~ 2013.07.15	
- Sell	USD 10,500	2013.02.26~ 2013.05.28	
- Sell-SWAP	USD 12,450	2013.01.23~ 2013.05.07	
- Buy	USD 8,950	2013.02.15~ 2013.07.30	

Note: expressed in thousands.

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) Available-for-sale financial assets-current

Items	March 31, 2014	December 31, 2013	March 31, 2013
Listed stocks	\$ -	\$ 68,116	\$ 214
Adjustment of available-for-sale financial assets	-	26,042	10,128
	<u>\$ -</u>	<u>\$ 94,158</u>	<u>\$ 10,342</u>

A. The Group recognised \$20,223 and \$17,306 in other comprehensive income for fair value change of current and noncurrent available-for-sale financial assets for the three-month periods ended March 31, 2014 and 2013, respectively.

B. The counterparties of the Group's debt instrument investments are mostly listed companies or financial institutions which have good credit quality so the Group expected the counterparties would not default on the contract. The maximum exposure to credit risk at balance sheet date is the carrying amount of available-for-sale financial assets.

(4) Notes receivable

	March 31, 2014	December 31, 2013	March 31, 2013
Notes receivable	\$ 2,772,416	\$ 2,894,722	\$ 2,558,574
Less: Allowance for doubtful accounts	-	-	(1,039)
	<u>\$ 2,772,416</u>	<u>\$ 2,894,722</u>	<u>\$ 2,557,535</u>

The notes receivable are mostly the checks collected from the counterparties or from financial institutions which have good credit quality so the Group does not expect any contract default. The maximum exposure to credit risk at balance sheet date is the carrying amount of notes receivable.

(5) Accounts receivable

	March 31, 2014	December 31, 2013	March 31, 2013
Accounts receivable	\$ 68,865,372	\$ 70,026,174	\$ 59,429,670
Less: Allowance for doubtful accounts	(542,724)	(572,834)	(277,981)
Allowance for sales discounts and sales returns	(1,283,883)	(908,526)	(1,020,628)
	<u>\$ 67,038,765</u>	<u>\$ 68,544,814</u>	<u>\$ 58,131,061</u>

A. 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. The ending retention balance was classified as other receivables.

- B. The subsidiaries of Yosun Industrial Corp. entered into an agreement to sell its accounts receivable. Under the agreement, the Group is liable for the losses incurred if these accounts receivable are not collected. Therefore, the Group did not derecognise such accounts receivable sold to the bank which has recourse. The proceeds from the advance were included in 'short-term loans'. As of March 31, 2013, outstanding accounts receivable were as follows:

March 31, 2013			
Purchaser of accounts receivable	Accounts receivable sold	Amount retained	Collateral (Amount in thousands)
Hang Seng Bank	\$ 644,785	\$ 64,479	Time deposits USD 2,696
Standard Chartered Bank	94,511	9,451	Time deposits USD 800
DBS Bank	43,559	4,356	Time deposits HKD 6,000

March 31, 2014 and December 31, 2013: None.

(6) Inventories

March 31, 2014			
	Cost	Allowance for valuation	Book value
Inventories	\$ 40,454,778	(\$ 742,255)	\$ 39,712,523
Inventories in transit	1,584,387	-	1,584,387
	<u>\$ 42,039,165</u>	<u>(\$ 742,255)</u>	<u>\$ 41,296,910</u>

December 31, 2013			
	Cost	Allowance for valuation	Book value
Inventories	\$ 34,257,385	(\$ 836,578)	\$ 33,420,807
Inventories in transit	1,635,681	-	1,635,681
	<u>\$ 35,893,066</u>	<u>(\$ 836,578)</u>	<u>\$ 35,056,488</u>

March 31, 2013			
	Cost	Allowance for valuation	Book value
Inventories	\$ 35,483,366	(\$ 958,350)	\$ 34,525,016
Inventories in transit	1,892,167	-	1,892,167
	<u>\$ 37,375,533</u>	<u>(\$ 958,350)</u>	<u>\$ 36,417,183</u>

Expenses and losses incurred on inventories for the three-month periods ended March 31,

2014 and 2013 were as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Cost of goods sold	\$ 97,638,324	\$ 82,371,438
Gain from price recovery of inventory	( 104,323)	( 27,579)
Loss on physical inventory	463	3,783
Cost of goods sold	<u>\$ 97,534,464</u>	<u>\$ 82,347,642</u>

Gain arose from price recovery of inventories and sales of obsolete and slow-moving inventories during the three-month periods ended March 31, 2014 and 2013.

(7) Non-current assets held for sale

The Board of Directors of the subsidiary, Yosun Industrial Corp., adopted a resolution on February 21, 2013 to dispose its investee - Siltrontech Electronics Corp. accounted for using equity method. Starting from February 21, 2013, the Group discontinued accounting for the investee using equity method and transferred the investment to available-for-sale non-current assets at the lower of carrying amount and fair value less costs to sell. The transaction was completed in April 2013.

(8) Available-for-sale financial assets - non-current

<u>Investee company</u>	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Promaster Technology Corp.	\$ 48,452	\$ 48,452	\$ 48,452
Apollo Electronics Group Ltd.	44,012	43,052	43,080
Kingpak Technology Inc.	25,197	25,197	25,197
Kingmac Technology Inc.	9,504	9,504	9,504
Others	<u>15,682</u>	<u>18,464</u>	<u>18,465</u>
	142,847	144,669	144,698
Add: valuation adjustment	11,089	48,526	24,761
Less: accumulated impairment	( 6,648)	( 6,648)	( 3,268)
	<u>\$ 147,288</u>	<u>\$ 186,547</u>	<u>\$ 166,191</u>

- A. There is no investment in available-for-sale financial asset attributed to debt instruments.
- B. As of March 31, 2014, December 31, 2013 and March 31, 2013, the Group's available-for-sale financial assets serve as security for purchase guarantee. Please refer to Note 8.
- C. The amounts recognised in other comprehensive income for fair value change of current and noncurrent available-for-sale financial assets for the three-month periods ended March 31, 2014 and 2013 are described in Note 6(3).

(9) Financial assets measured at cost - non-current

<u>Investee company</u>	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Ability I Venture Capital Corporation	\$ 100,000	\$ 100,000	\$ 100,000
Centillion III Venture Capital Corp.	50,000	50,000	50,000
SUNRISE Technology Co., Ltd.	50,000	50,000	30,000
CDIB CME Fund Ltd.	50,000	50,000	50,000
M Cube Inc.	45,630	45,298	45,308
Silicon Line GmbH	40,851	-	-
GCS Holdings, Inc.	30,535	30,535	30,535
Everrich Capital Co., Ltd.	29,387	29,387	29,387
Chlen Hwa Coating Technology Inc.	20,000	20,000	20,000
GEC Technology Hong Kong Company Limited	19,994	19,994	19,994
Better Energy Technology Inc.	18,000	18,000	18,000
Fantasy Story Inc.	15,047	15,047	-
Liefco Optical Inc.	15,000	15,000	15,000
Phostek Inc.	14,377	14,377	14,377
FineMat Applied Materials Co., Ltd. (Note)	11,941	11,941	11,941
PTR-Tech Technology Co., Ltd.	10,000	10,000	-
Hou Pang Venture Capital Corp.	7,887	7,887	7,887
Others	<u>90,114</u>	<u>89,604</u>	<u>84,616</u>
	618,763	577,070	527,045
Less: Accumulated impairment	( <u>124,881</u> )	( <u>109,489</u> )	( <u>72,455</u> )
	<u>\$ 493,882</u>	<u>\$ 467,581</u>	<u>\$ 454,590</u>

- A. As of March 31, 2014, December 31, 2013 and March 31, 2013, no financial assets measured at cost held by the Group were pledged to others.
- B. Based on the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as these stocks are not traded in active market, and sufficient industry information of companies similar to the investee or the investee's financial information cannot be obtained, the fair value of the investment in stocks cannot be measured reliably. The Group classified those stocks as 'financial assets measured at cost'.
- C. For details of impairment of financial assets measured as cost, please refer to Note 6(14).

(10) Investments accounted for under the equity method

A. Details of investments:

<u>Investee company</u>	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Lipers Enterprise Co., Ltd.	\$ 251,898	\$ 246,422	\$ 214,618
ChainPower Technology Corp.	214,383	208,480	207,498
Genuine C&C, Inc.	174,827	172,771	175,654
Eesource Corp.	65,654	63,912	63,964
Shenzhen HQPG Electronic Information Co., Ltd.	65,073	68,525	-
Yosun Japan Corp.	48,379	43,693	13,796
Adivic Technology Co., Ltd.	42,552	50,917	66,222
Suzhou Xinning Bonded Warehouse Co., Ltd.	41,481	39,902	34,650
Suzhou Xinning Logistics Co., Ltd.	39,908	39,376	34,330
Genuine Trading (Hong Kong) Company Limited	32,725	35,211	41,711
Gain Tune Logistics (Shanghai) Co., Ltd.	29,120	26,375	21,860
Yosun Green Technology Corp.	17,782	17,630	36,746
Others	24,810	26,387	32,349
	<u>\$ 1,048,592</u>	<u>\$ 1,039,601</u>	<u>\$ 943,398</u>

B. The financial information of the Group's principal associates is summarized below:

	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total operating revenue</u>	<u>Net income (loss)</u>	<u>% of ownership</u>
<u>March 31, 2014</u>					
Lipers Enterprise Co., Ltd.	\$ 3,333,799	\$ 2,310,337	\$ 1,190,715	\$ 22,494	20.16%
ChainPower Technology Corp.	1,095,468	545,782	374,209	7,920	39.00%
Genuine C&C, Inc.	2,031,832	958,800	1,766,800	7,047	16.29%
Eesource Corp.	267,960	97,954	106,594	10,226	40.00%
Shenzhen HQPG Electronic Information Co., Ltd.	134,743	1,942	1,889	( 6,601)	49.00%
Yosun Japan Corp.	711,712	614,954	125,032	5,616	50.00%
Adivic Technology Co., Ltd.	105,794	18,953	1,685	( 10,758)	49.00%
Suzhou Xinning Bonded Warehouse Co., Ltd.	106,022	45,453	38,001	2,438	49.00%
Suzhou Xinning Logistics Co., Ltd.	153,921	23,043	35,897	2,133	29.40%
Genuine Trading (Hong Kong) Company Limited	83,624	5,673	-	( 7,088)	39.92%
Gain Tune Logistics (Shanghai) Co., Ltd.	77,433	4,581	17,740	7,258	40.00%
Yosun Green Technology Corp.	44,917	5,401	2,248	337	45.00%
Others	58,379	5,086	3,358	( 6,640)	
	<u>\$ 8,205,604</u>	<u>\$ 4,637,959</u>	<u>\$ 3,664,168</u>	<u>\$ 34,382</u>	

	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total operating revenue</u>	<u>Net income (loss)</u>	<u>% of ownership</u>
<u>December 31, 2013</u>					
Lipers Enterprise Co., Ltd.	\$ 3,376,483	\$ 2,381,674	\$ 4,734,764	\$ 21,477	20.16%
ChainPower Technology Corp.	1,053,398	518,848	1,583,573	43,546	39.00%
Genuine C&C, Inc.	2,502,406	1,357,137	9,945,494	4,265	16.29%
Eesource Corp.	262,724	102,944	519,402	37,230	40.00%
Shenzhen HQPG Electronic Information Co., Ltd.	141,868	2,022	1,221	( 7,597)	49.00%
Yosun Japan Corp.	495,810	408,424	768,029	21,431	50.00%
Adivic Technology Co., Ltd.	120,325	16,412	29,116	( 38,027)	49.00%
Suzhou Xinning Bonded Warehouse Co., Ltd.	106,640	48,248	126,516	4,451	49.00%
Suzhou Xinning Logistics Co., Ltd.	151,382	22,107	194,193	23,246	29.40%
Genuine Trading (Hong Kong) Company Limited	90,265	5,961	-	( 24,919)	39.92%
Gain Tune Logistics (Shanghai) Co., Ltd.	69,444	3,489	79,661	10,270	40.00%
Yosun Green Technology Corp.	47,144	7,966	4,352	( 441)	45.00%
Others	66,691	7,219	29,279	( 37,481)	
	<u>\$ 8,484,580</u>	<u>\$ 4,882,451</u>	<u>\$ 18,015,600</u>	<u>\$ 57,451</u>	
	<u>Total assets</u>	<u>Total liabilities</u>	<u>Total operating revenue</u>	<u>Net income (loss)</u>	<u>% of ownership</u>
<u>March 31, 2013</u>					
Lipers Enterprise Co., Ltd.	\$ 2,973,341	\$ 2,343,928	\$ 1,113,721	\$ 5,760	28.37%
ChainPower Technology Corp.	910,997	378,965	332,565	5,967	39.00%
Genuine C&C, Inc.	2,604,842	1,414,429	2,692,213	9,102	16.29%
Eesource Corp.	232,669	75,259	82,342	9,715	40.00%
Yosun Japan Corp.	99,841	72,248	52,614	3,174	50.00%
Adivic Technology Co., Ltd.	149,057	13,909	9,269	( 6,762)	49.00%
Suzhou Xinning Bonded Warehouse Co., Ltd.	68,293	20,652	20,515	( 5,706)	49.00%
Suzhou Xinning Logistics Co., Ltd.	133,819	21,714	46,066	8,786	29.40%
Genuine Trading (Hong Kong) Company Limited	109,757	5,271	-	( 5,780)	39.92%
Gain Tune Logistics (Shanghai) Co., Ltd.	63,688	9,019	15,133	434	40.00%
Yosun Green Technology Corp.	85,635	3,977	1,657	( 342)	45.00%
Others	277,485	88,639	92,247	( 3,944)	
	<u>\$ 7,709,424</u>	<u>\$ 4,448,010</u>	<u>\$ 4,458,342</u>	<u>\$ 20,404</u>	

C. The Company's investment in Genuine C&C Inc. has quoted market price. The fair value of Genuine C&C Inc. as at March 31, 2014, December 31, 2013 and March 31, 2013 was \$193,165, \$175,015 and \$138,716, respectively.



- D. Except for Genuine C&C Inc., the investment balance of the abovementioned investees accounted for using equity method as of March 31, 2014 and 2013 and for the three-month periods ended March 31, 2014 and 2013 were assessed based on the investees' unreviewed financial statements of the same periods.

(11) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>At January 1, 2014</u>									
Cost	\$2,539,520	\$2,393,148	\$ 97,563	\$ 12,707	\$ 444,461	\$ 452,865	\$ 105,077	\$ -	\$6,045,341
Accumulated depreciation	-	( 384,551)	( 56,959)	( 10,217)	( 257,351)	( 190,103)	( 67,404)	-	( 966,585)
Accumulated impairment	( 1,582)	( 10,764)	( 2,214)	-	( 2,232)	( 2,050)	( 4,903)	-	( 23,745)
	<u>\$2,537,938</u>	<u>\$1,997,833</u>	<u>\$ 38,390</u>	<u>\$ 2,490</u>	<u>\$ 184,878</u>	<u>\$ 260,712</u>	<u>\$ 32,770</u>	<u>\$ -</u>	<u>\$5,055,011</u>
<u>For the three-month period ended March 31, 2014</u>									
Opening net book amount	\$2,537,938	\$1,997,833	\$ 38,390	\$ 2,490	\$ 184,878	\$ 260,712	\$ 32,770	\$ -	\$5,055,011
Additions	-	4,912	9,464	1,464	6,649	2,592	1,748	1,937	28,766
Disposals	-	-	( 770)	-	( 1,549)	-	( 6,514)	-	( 8,833)
Transfer	( 134,358)	( 530)	( 1,350)	-	11	-	1,339	-	( 134,888)
Depreciation charge	-	( 21,242)	( 3,788)	( 418)	( 19,344)	( 12,516)	( 2,672)	-	( 59,980)
Effect due to changes in exchange rates	<u>4,049</u>	<u>21,639</u>	<u>2,112</u>	<u>56</u>	<u>3,482</u>	<u>411</u>	<u>( 1,956)</u>	<u>13</u>	<u>29,806</u>
Closing net book amount	<u>\$2,407,629</u>	<u>\$2,002,612</u>	<u>\$ 44,058</u>	<u>\$ 3,592</u>	<u>\$ 174,127</u>	<u>\$ 251,199</u>	<u>\$ 24,715</u>	<u>\$ 1,950</u>	<u>\$4,909,882</u>
<u>At March 31, 2014</u>									
Cost	\$2,409,211	\$2,415,699	\$ 92,136	\$ 14,356	\$ 440,372	\$ 457,059	\$ 107,254	\$ 1,950	\$5,938,037
Accumulated depreciation	-	( 402,322)	( 45,864)	( 10,764)	( 264,904)	( 203,809)	( 77,636)	-	( 1,005,299)
Accumulated impairment	( 1,582)	( 10,765)	( 2,214)	-	( 1,341)	( 2,051)	( 4,903)	-	( 22,856)
	<u>\$2,407,629</u>	<u>\$2,002,612</u>	<u>\$ 44,058</u>	<u>\$ 3,592</u>	<u>\$ 174,127</u>	<u>\$ 251,199</u>	<u>\$ 24,715</u>	<u>\$ 1,950</u>	<u>\$4,909,882</u>

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>At January 1, 2013</u>									
Cost	\$2,748,394	\$1,679,338	\$ 92,632	\$ 22,196	\$ 483,316	\$ 452,400	\$ 91,226	\$ 652,767	\$6,222,269
Accumulated depreciation	-	( 390,529)	( 44,136)	( 15,191)	( 300,383)	( 171,342)	( 53,877)	-	( 975,458)
Accumulated impairment	( 1,582)	( 10,765)	( 2,214)	-	( 2,457)	( 2,051)	( 4,903)	-	( 23,972)
	<u>\$2,746,812</u>	<u>\$1,278,044</u>	<u>\$ 46,282</u>	<u>\$ 7,005</u>	<u>\$ 180,476</u>	<u>\$ 279,007</u>	<u>\$ 32,446</u>	<u>\$ 652,767</u>	<u>\$5,222,839</u>
<u>For the three-month period ended December 31, 2013</u>									
Opening net book amount	\$2,746,812	\$1,278,044	\$ 46,282	\$ 7,005	\$ 180,476	\$ 279,007	\$ 32,446	\$ 652,767	\$5,222,839
Additions	20,282	88,187	4,759	-	12,295	5,137	90	650,793	781,543
Effect of consolidated entity's movement	-	-	( 5,036)	-	( 11)	-	-	-	( 5,047)
Disposals	-	-	-	-	( 3,052)	( 64)	( 1,810)	-	( 4,926)
Transfer	-	11,692	1,940	-	-	1,242	( 1,940)	( 12,934)	-
Depreciation charge	-	( 15,092)	( 4,179)	( 586)	( 19,285)	( 13,396)	( 3,187)	-	( 55,725)
Effect due to changes in exchange rates	( 4,560)	( 2,899)	597	87	1,861	5,090	( 467)	25,296	25,005
Closing net book amount	<u>\$2,762,534</u>	<u>\$1,359,932</u>	<u>\$ 44,363</u>	<u>\$ 6,506</u>	<u>\$ 172,284</u>	<u>\$ 277,016</u>	<u>\$ 25,132</u>	<u>\$ 1,315,922</u>	<u>\$5,963,689</u>
<u>At March 31, 2013</u>									
Cost	\$2,764,116	\$1,775,609	\$ 92,125	\$ 22,594	\$ 469,426	\$ 467,190	\$ 83,228	\$ 1,315,922	\$6,990,210
Accumulated depreciation	-	( 404,912)	( 45,548)	( 16,088)	( 294,685)	( 188,123)	( 53,193)	-	( 1,002,549)
Accumulated impairment	( 1,582)	( 10,765)	( 2,214)	-	( 2,457)	( 2,051)	( 4,903)	-	( 23,972)
	<u>\$2,762,534</u>	<u>\$1,359,932</u>	<u>\$ 44,363</u>	<u>\$ 6,506</u>	<u>\$ 172,284</u>	<u>\$ 277,016</u>	<u>\$ 25,132</u>	<u>\$ 1,315,922</u>	<u>\$5,963,689</u>

Information on property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(12) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2014</u>			
Cost	\$ 215,610	\$ 880,677	\$ 1,096,287
Accumulated depreciation	-	( 78,087)	( 78,087)
	<u>\$ 215,610</u>	<u>\$ 802,590</u>	<u>\$ 1,018,200</u>
<u>2014</u>			
Opening net book amount	\$ 215,610	\$ 802,590	\$ 1,018,200
Depreciation charge	-	( 7,958)	( 7,958)
Transfer (Note)	134,358	530	134,888
Effect due to changes in exchange rates	-	15,998	15,998
Closing net book amount	<u>\$ 349,968</u>	<u>\$ 811,160</u>	<u>\$ 1,161,128</u>
<u>At March 31, 2014</u>			
Cost	\$ 349,968	\$ 898,298	\$ 1,248,266
Accumulated depreciation	-	( 87,138)	( 87,138)
	<u>\$ 349,968</u>	<u>\$ 811,160</u>	<u>\$ 1,161,128</u>

Note: Transferred from property, plant and equipment to investment property. Details are provided in Note 6(11).

March 31, 2013: None.

- A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>For the three-month period ended March 31, 2014</u>
Rental revenue from the lease of the investment property	<u>\$ 3,708</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 1,613</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 6,345</u>

- B. As the transfer occurred at the end of December, there was no rental revenue and direct operating expenses for the three-month period ended March 31, 2013.
- C. The fair value of the investment property held by the Group as at March 31, 2014 and December 31, 2013 was \$1,541,767 and \$1,527,590, respectively, which was based on the average value of nearby areas.
- D. There is no impairment loss on investment property.
- E. None of the investment property is pledged for guarantee.

(13) Intangible assets

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2014</u>					
Cost	\$ 399,383	\$ 199,071	\$ 5,607,154	\$ 65,245	\$6,270,853
Accumulated amortisation and impairment	( 184,502)	( 141,205)	( 66,462)	( 35,804)	( 427,973)
	<u>\$ 214,881</u>	<u>\$ 57,866</u>	<u>\$ 5,540,692</u>	<u>\$ 29,441</u>	<u>\$5,842,880</u>
<u>For the three-month period ended March 31, 2014</u>					
Opening net book amount	\$ 214,881	\$ 57,866	\$ 5,540,692	\$ 29,441	\$5,842,880
Additions-acquired separately	-	8,921	-	-	8,921
Disposals	-	( 469)	-	-	( 469)
Amortisation charge	( 20,343)	( 6,117)	-	( 3,037)	( 29,497)
Effect due to changes in exchange rates	4,905	565	5,757	2,491	13,718
Closing net book amount	<u>\$ 199,443</u>	<u>\$ 60,766</u>	<u>\$ 5,546,449</u>	<u>\$ 28,895</u>	<u>\$5,835,553</u>
<u>At March 31, 2014</u>					
Cost	\$ 404,809	\$ 205,732	\$ 5,612,911	\$ 61,434	\$6,284,886
Accumulated amortisation and impairment	( 205,366)	( 144,966)	( 66,462)	( 32,539)	( 449,333)
	<u>\$ 199,443</u>	<u>\$ 60,766</u>	<u>\$ 5,546,449</u>	<u>\$ 28,895</u>	<u>\$5,835,553</u>
	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2013</u>					
Cost	\$ 429,675	\$ 189,495	\$ 5,623,062	\$ 28,141	\$6,270,373
Accumulated amortisation and impairment	( 141,480)	( 127,097)	( 32,823)	( 10,172)	( 311,572)
	<u>\$ 288,195</u>	<u>\$ 62,398</u>	<u>\$ 5,590,239</u>	<u>\$ 17,969</u>	<u>\$5,958,801</u>
<u>For the three-month period ended March 31, 2013</u>					
Opening net book amount	\$ 288,195	\$ 62,398	\$ 5,590,239	\$ 17,969	\$5,958,801
Additions-acquired separately	-	2,403	-	280	2,683
Amortisation charge	( 19,768)	( 5,762)	-	( 1,428)	( 26,958)
Impairment loss	-	-	( 3,241)	-	( 3,241)
Effect due to changes in exchange rates	7,377	( 633)	8,226	284	15,254
Closing net book amount	<u>\$ 275,804</u>	<u>\$ 58,406</u>	<u>\$ 5,595,224</u>	<u>\$ 17,105</u>	<u>\$5,946,539</u>
<u>At March 31, 2013</u>					
Cost	\$ 435,034	\$ 189,837	\$ 5,631,288	\$ 29,139	\$6,285,298
Accumulated amortisation and impairment	( 159,230)	( 131,431)	( 36,064)	( 12,034)	( 338,759)
	<u>\$ 275,804</u>	<u>\$ 58,406</u>	<u>\$ 5,595,224</u>	<u>\$ 17,105</u>	<u>\$5,946,539</u>

The details of amortisation charge are as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Selling and marketing expenses	\$ 19,128	\$ 17,874
General and administrative expenses	11,051	10,327
	<u>\$ 30,179</u>	<u>\$ 28,201</u>

The amortisation charge above includes amortisation of deferred expenses accounted as ‘Other non-current asset’.

- A. Goodwill is allocated as follows to the Group’s cash-generating units identified according to operating segment:

	March 31, 2014	December 31, 2013	March 31, 2013
Yosun subgroup (Note 1)	\$ 4,701,629	\$ 4,650,108	\$ 4,680,797
Aeco subgroup (Note 2)	472,290	472,290	472,290
Others	372,530	418,294	442,137
	<u>\$ 5,546,449</u>	<u>\$ 5,540,692</u>	<u>\$ 5,595,224</u>

Note 1: Due to the Group’s organisation restructuring on January 1, 2014, goodwill which belonged to Richpower sub-subgroup was classified as Yosun subgroup starting from January 1, 2014.

Note 2: Due to the Group’s organisation restructuring on January 1, 2014, Aceo subgroup was changed to AECO sub-subgroup.

- B. Goodwill is allocated to the Group’s cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

Except for goodwill arising from investing in Yosun Group’s indirect subsidiary-Yosun Singapore Pte Ltd. which had been impaired based on the estimated recoverable amount, the remaining goodwill was not impaired as the recoverable amount calculated using the value-in-use exceeded the carrying amount. The key assumptions used for value-in-use calculations are gross margin, growth rate and discount rate.

Management determined budgeted gross margin based on past performance and its expectations of market development. The assumptions used for weighted average growth rates are past historical experience and expectations of industry; the assumption used for discount rates is weighted average capital cost of the Group. As of March 31, 2014, December 31, 2013 and March 31, 2013, the key valuations used for pre-tax discount rate were 6.06%, 6.51% and 5.87%, respectively.

(14) Impairment of financial assets and non-financial assets

- A. The Group recognised impairment loss amounting to \$15,030 and \$5,781 for the three-month periods ended March 31, 2014 and 2013, respectively. Details of such loss are as follows:

	For the three-month periods ended March 31,			
	2014		2013	
	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in profit or loss	Recognised in other comprehensive income
Impairment loss-financial assets carried at cost- non-current	\$ 15,030	\$ -	\$ 2,540	\$ -
Impairment loss-goodwill	-	-	3,241	-
	<u>\$ 15,030</u>	<u>\$ -</u>	<u>\$ 5,781</u>	<u>\$ -</u>

B. The Group recognized an impairment loss on certain assets because the book value exceeded their recoverable amount. Investments accounted for under the equity method and goodwill of the Company's subsidiary were evaluated based on value in use as its recoverable amount. The net fair value was estimated based on the optimal information available at the balance sheet date.

(15) Overdue receivables (Shown as "Other non-current assets")

	March 31, 2014	December 31, 2013	March 31, 2013
Overdue receivables	\$ 258,241	\$ 237,434	\$ 190,132
Less: Allowance for doubtful accounts	( 237,739)	( 214,984)	( 188,838)
	<u>\$ 20,502</u>	<u>\$ 22,450</u>	<u>\$ 1,294</u>

Movement analysis of financial assets that were impaired is as follows:

	For the three-month periods ended March 31,	
	2014 Group provision	2013 Group provision
At January 1	\$ 214,984	\$ 174,918
Provision for impairment	2,190	11,167
Transferred from accounts receivable	19,084	-
Effect due to changes in exchange rates	1,481	2,753
At March 31	<u>\$ 237,739</u>	<u>\$ 188,838</u>

(16) Short-term borrowings

Type of borrowings	March 31, 2014	December 31, 2013	March 31, 2013
Other short-term loans			
Loans for overseas purchases	\$ 14,788,148	\$ 16,016,665	\$ 11,964,745
Short-term loans	25,472,751	22,849,177	19,795,019
	<u>\$ 40,260,899</u>	<u>\$ 38,865,842</u>	<u>\$ 31,759,764</u>
Annual interest rates	<u>0.76%~4.00%</u>	<u>0.78%~4.00%</u>	<u>0.75%~3.50%</u>

For information on pledged assets, please refer to Note 8.

(17) Short-term commercial papers payable

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Commercial papers payable	\$ 4,953,000	\$ 4,883,000	\$ 3,670,000
Less: Unamortized discount	( 3,305)	( 3,081)	( 2,576)
	<u>\$ 4,949,695</u>	<u>\$ 4,879,919</u>	<u>\$ 3,667,424</u>
Annual interest rates	<u>0.64%~1.30%</u>	<u>0.66%~1.26%</u>	<u>0.75%~1.28%</u>

The commercial papers payable are guaranteed by financial institutions.

(18) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period repayment term</u>	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Secured bank borrowings	2012.01.02~ 2027.01.02	\$ 607,316	\$ 725,000	\$ 853,626
Unsecured bank borrowings	2011.09.30~ 2017.01.10	<u>6,926,011</u> <u>7,533,327</u>	<u>6,597,204</u> <u>7,322,204</u>	<u>5,931,876</u> <u>6,785,502</u>
Less : current portion of long-term borrowings (shown as other current liabilities)		( <u>3,377,675</u> ) <u>\$ 4,155,652</u>	( <u>4,097,466</u> ) <u>\$ 3,224,738</u>	( <u>975,848</u> ) <u>\$ 5,809,654</u>
Interest rate range		<u>1.5%~2.33%</u>	<u>1.22%~2.06%</u>	<u>1.20%~2.29%</u>

For information on pledged assets, please refer to Note 8.

(19) Pensions

A. a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

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.

b) For the aforementioned pension plan, the Group recognised pension costs of \$5,599 and \$5,454 for the three-month periods ended March 31, 2014 and 2013, respectively.



Details of cost and expenses recognised in statements of comprehensive income are as follows:

	For the three-month periods ended March 31,	
	2014	2013
Selling and marketing expenses	\$ 3,300	\$ 3,616
General and administrative expenses	2,299	1,838
	<u>\$ 5,599</u>	<u>\$ 5,454</u>

- c) Expected contributions to the defined benefit pension plans of the Group within one year from March 31, 2014 are \$20,138.
- B. a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on not less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- b) The pension costs of the Group under the defined contribution pension plans for the three-month periods ended March 31, 2014 and 2013 were \$82,304 and \$77,215, respectively.
- (20) Share capital

As of March 31, 2014, the Company’s authorized capital was \$20,000,000 (including \$2,000,000 for stock options, convertible preferred stock and convertible bonds), and the paid-in capital was \$16,557,092 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

The Company’s ordinary shares outstanding for the three-month periods ended March 31, 2014 and 2013 both were 1,655,709 thousand shares.

(21) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized as mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(22) Retained earnings

- A. 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.

B. 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.

C. Details of unallocated net income are set forth as follows:

- a) Pursuant to a resolution approved in the stockholders' meeting on June 19, 2013, the Company made the following appropriations of 2012 net income:
  - i. Legal reserve of \$446,571;
  - ii. Special reserve of \$1,457,597; and
  - iii. Cash dividends of \$3,973,703 or a dividend of \$2.40 (in dollars) per share.

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

- b) Pursuant to a resolution approved by the Board of Directors during its meeting on April 29, 2014, the Company made the following appropriations of 2013 net income:
  - i. Legal reserve of \$475,631;
  - ii. Cash dividends of \$3,808,131 or a dividend of \$2.3 (in dollars) per share; and
  - iii. Reversal of special reserve of \$1,005,252.

The abovementioned appropriations have not yet been approved by the stockholders.

- c) With regard to the appropriations of 2012 net income, employees' bonuses and directors' and supervisors' remuneration, as approved by the Board of Directors and stockholders in 2013, amounted to \$48,000 and \$37,000, 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 2012.
- d) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- e) The employees' bonuses are \$16,000 and \$11,250 and directors' and supervisors' remuneration are \$9,240 and \$9,240 for the three-month periods ended March 31, 2014 and 2013, respectively. The estimations of employees' bonus and directors' and supervisors' remuneration are based on a certain percentage (prescribed by the Company's Articles of Incorporation) of net income in current year after taking into

account the legal reserve and other factors.

- f) The distribution information mentioned in a)~c) will be posted in the “Market Observation Post System” of the Taiwan Stock Exchange Corporation.

(23) Other equity items

	2014		
	Available-for-sale investment	Currency translation	Total
At January 1	\$ 89,377	(\$ 2,027,129)	(\$ 1,937,752)
Revaluation - gross	20,223	-	20,223
Revaluation transfer - gross	( 83,709)	-	( 83,709)
Revaluation - associates	-	-	-
Currency translation differences:			
- Group	-	1,039,191	1,039,191
- Group's tax	-	( 9,327)	( 9,327)
- Associates	-	2,177	2,177
At March 31	<u>\$ 25,891</u>	<u>(\$ 995,088)</u>	<u>(\$ 969,197)</u>

	2013		
	Available-for-sale investment	Currency translation	Total
At January 1	\$ 34,226	(\$ 2,982,030)	(\$ 2,947,804)
Revaluation - gross	15,388	-	15,388
Revaluation transfer - gross	( 1,783)	-	( 1,783)
Revaluation - associates	1,918	-	1,918
Currency translation differences:			
- Group	-	1,001,929	1,001,929
- Group's tax	-	( 14,331)	( 14,331)
- Associates	-	19,784	19,784
At March 31	<u>\$ 49,749</u>	<u>(\$ 1,974,648)</u>	<u>(\$ 1,924,899)</u>

(24) Operating revenue

For the three-month periods ended March 31,

	2014	2013
Sales revenue	\$ 102,309,469	\$ 86,522,122
Service revenue	32,110	41,260
	<u>\$ 102,341,579</u>	<u>\$ 86,563,382</u>

(25) Other income

For the three-month periods ended March 31,

	2014	2013
Rental revenue	\$ 9,640	\$ 9,568
Interest income	4,528	5,254
Other income	19,071	24,247
	<u>\$ 33,239</u>	<u>\$ 39,069</u>

(26) Other gains and losses

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Gain on disposal of investments	\$ 87,703	\$ 14,113
Net loss on financial assets (liabilities) at fair value through profit or loss	( 26,851)	( 20,389)
Loss on disposal of property, plant, equipment and investment property	( 1,579)	( 2,403)
Currency exchange gain	35,244	55,109
Impairment loss	( 15,030)	( 5,781)
Other losses	( 10,145)	( 3,887)
	<u>\$ 69,342</u>	<u>\$ 36,762</u>

(27) Finance costs

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Interest expense	\$ 252,352	\$ 176,586
Others	28,874	23,047
	<u>\$ 281,226</u>	<u>\$ 199,633</u>

(28) Additional information of expenses by nature

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Employee benefit expense	\$ 1,773,079	\$ 1,818,878
Depreciation charges on property and equipment (including investment property)	\$ 67,938	\$ 55,725
Amortisation charges on intangible assets and other non-current assets	\$ 30,179	\$ 28,201

(29) Employee benefit expense

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Wages and salaries	\$ 1,532,820	\$ 1,575,201
Labor and health insurance fees	83,075	92,171
Pension costs	87,903	82,669
Other personnel expenses	69,281	68,837
	<u>\$ 1,773,079</u>	<u>\$ 1,818,878</u>

(30) Income tax

A. Income tax expense

a) Components of income tax expense:

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Current tax		
Current tax on profits for the period	\$ 325,305	\$ 318,743
Adjustments in respect of prior years	<u>7,386</u>	<u>(10,277)</u>
Total current tax	<u>332,691</u>	<u>308,466</u>
Deferred tax		
Origination and reversal of temporary differences	<u>3,951</u>	<u>(73,858)</u>
Total deferred tax	<u>3,951</u>	<u>(73,858)</u>
Income tax expense	<u>\$ 336,642</u>	<u>\$ 234,608</u>

b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Currency translation differences	<u>\$ 9,327</u>	<u>\$ 14,331</u>

B. The Company's income tax returns through 2008 have been assessed and approved by the Tax Authority. However, the assessment on February 19, 2014 by the Tax Authority of income tax returns in 2008 on tax incentives for operation headquarters applied by subsidiaries was different from the Company's interpretation and has increased income tax payable. The Company plans to request for a reassessment. As of May 13, 2014, the Company has not yet filed for a reassessment with the Tax Authority.

C. Unappropriated retained earnings:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Earnings generated after 1998	<u>\$ 6,346,446</u>	<u>\$ 4,950,399</u>	<u>\$ 7,066,009</u>

D. As of March 31, 2014, December 31, 2013 and March 31, 2013, the balance of the imputation tax credit account was \$17,121, \$17,121 and \$219,150, respectively.

E. Creditable ratio of appropriated retained earnings:

	<u>2013 (Estimated)</u>	<u>2012 (Actual)</u>
Creditable ratio	<u>4.87%</u>	<u>13.72%</u>

(31) Earnings per share

<u>For the three-month period ended March 31, 2014</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,396,047</u>	<u>1,655,709</u>	<u>\$ 0.84</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,396,047	1,655,709	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>2,160</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,396,047</u>	<u>1,657,869</u>	<u>\$ 0.84</u>

<u>For the three-month period ended March 31, 2013</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,039,983</u>	<u>1,655,709</u>	<u>\$ 0.63</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,039,983	1,655,709	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>1,898</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,039,983</u>	<u>1,657,607</u>	<u>\$ 0.63</u>

(32) Non-cash transactions

a. Partial payment of cash from investing activities

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Acquisition of property, plant and equipment	\$ 37,687	\$ 784,226
Add: accounts payable at the beginning of period	-	-
Less: accounts payable at the end of period ( <u>10,590</u> )	<u>-</u>	<u>-</u>
Cash paid during the period for property, plant and equipment	<u>\$ 27,097</u>	<u>\$ 784,226</u>

b. Information on the fair value of subsidiary disposed (Note):

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ -	(\$ 6,391)
Notes and accounts receivable	-	( 1,256)
Inventories	-	( 33,446)
Other current assets	-	( 1,599)
Property, plant and equipment	-	( 5,047)
Intangible and other non-current assets	-	( 8,663)
Notes and accounts payable	-	47,375
Other current liabilities	-	13,582
Other non-current liabilities	-	4,732
	<u>\$ -</u>	<u>\$ 9,287</u>

Note: As the Company did not participate in the capital increase, the Company lost control over the subsidiary.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group's shares are widely held so the Company has no ultimate parent and ultimate controlling party.

(2) Significant transactions and balances with related parties

A. Sales of goods:

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Sales of goods		
Others	\$ 223,486	\$ 224,437
Associates	<u>36,258</u>	<u>48,348</u>
	<u>\$ 259,744</u>	<u>\$ 272,785</u>

The terms and sales prices with its related parties were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 90 days. Terms and sales prices with associates are in accordance with normal selling prices and terms of collection.

B. Purchases of goods:

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Purchases of goods		
Associates	\$ 10,121	\$ 90,424
Others	414	561
	<u>\$ 10,535</u>	<u>\$ 90,985</u>

The purchase prices for certain associates were negotiated in consideration of different factors including products, market, competition and other conditions, and the products were delivered within 14 days after receipt of prepayments for those products. The purchase prices and terms of payment for other associates and related parties are the same as those for general suppliers.

C. Accounts receivable:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Receivables from related parties			
Others	\$ 249,356	\$ 236,954	\$ 185,695
Associates	16,893	28,106	15,182
	<u>\$ 266,249</u>	<u>\$ 265,060</u>	<u>\$ 200,877</u>

The receivables from related parties arise mainly from sales of goods. The receivables are due 30 to 90 days after the date of sale. The receivables are unsecured in nature and bear no interest. There is no allowance for doubtful accounts held against receivables from related parties. The receivables from related parties belong to Group 2. The details of the group classification are described in Note 12. (2) C. b) (iii).

D. Other receivables:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Other receivables:			
Associates	\$ 482,882	\$ 399,546	\$ 2,313
Others	189	-	189
	<u>\$ 483,071</u>	<u>\$ 399,546</u>	<u>\$ 2,502</u>

The above pertain mainly to advance payments.

E. Prepayment:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Prepayment			
Associates	\$ 30	\$ -	\$ 24,189

The sales prices were negotiated with associates in consideration of factors including the type of goods, market and competition. The purchased goods will arrive within 14 days after prepayment is made.



F. Accounts payable:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Payables to related parties			
Associates	\$ 4,105	\$ 10,857	\$ 22,682
Others	<u>274</u>	<u>395</u>	<u>468</u>
	<u>\$ 4,379</u>	<u>\$ 11,252</u>	<u>\$ 23,150</u>

The payables to related parties arise mainly from purchases of goods. The payables are due 30 to 90 days after the date of purchase. The payables are unsecured in nature and bear no interest.

G. Others:

The Group's donations to other related parties were \$1,350 and \$1,000 for the three-month periods ended March 31, 2014 and 2013, respectively.

(3) Key management compensation

	<u>For the three-month periods ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Salaries and other short-term employee benefits	\$ 50,637	\$ 41,297
Post-employment benefits	<u>1,697</u>	<u>1,841</u>
	<u>\$ 52,334</u>	<u>\$ 43,138</u>

8. PLEDGED ASSETS

<u>Pledged assets (Note 1)</u>	<u>March 31, 2014</u>	<u>Purpose of Collateral</u>
Other current assets		
-Bank deposits	\$ 610,444	Short-term loans, import loans, security for purchases, deposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	265,269	Short-term loans, import loans, security for purchases and disposal of accounts receivable
Available-for-sale financial assets-non-current (Note 2)	28,126	Security for purchases
Property, plant and equipment		
-Land	1,196,663	Long-term and short-term loans, import loans and security for purchases
-Buildings	697,139	"
Other non-current assets		
-Deposit-out	<u>6,018</u>	Tariff security deposit
	<u>\$ 2,803,659</u>	

<u>Pledged assets (Note 1)</u>	<u>December 31, 2013</u>	<u>Purpose of Collateral</u>
Accounts receivable	\$ 100,888	Long-term loans
Other current assets		
-Bank deposits	229,686	Long-term and short-term loans, import loans, security for purchases, tariff security deposit, deposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	212,944	Short-term loans, import loans, security for purchases, tariff security deposit and disposal of accounts receivable
Available-for-sale financial assets-non-current (Note 2)	28,126	Security for purchases
Property, plant and equipment		
-Land	1,184,778	Long-term and short-term loans, import loans and security for purchases
-Buildings	721,290	"
Other non-current assets		
-Deposit-out	6,018	Tariff security deposit
	<u>\$ 2,483,730</u>	

<u>Pledged assets (Note 1)</u>	<u>March 31, 2013</u>	<u>Purpose of Collateral</u>
Other current assets		
-Bank deposits	\$ 469,421	Short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and limited impounded account for disposal of accounts receivable
-Time deposits	367,158	Short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, disposal of accounts receivable and oil card
Available-for-sale financial assets-Non-current (Note 2)	28,126	Security for purchases
Property, plant and equipment		
-Land	1,191,977	Long-term and short-term loans, import loans and security for purchases
-Buildings	615,769	"
Other non-current assets		
-Deposit-out	13,104	Tariff security deposit
	<u>\$ 2,685,555</u>	

Note 1: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases as of March 31, 2014, December 31, 2013 and March 31, 2013.

Note 2: There were 1,133 thousand shares of Kingmac Technology Inc. and 1,850 thousand shares of Kingpak Technology Inc., which have been pledged for purchases as of March 31, 2014, December 31, 2013 and March 31, 2013.

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

- A. 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. has filed an appeal with Taiwan High Court in June 2011. The Taiwan High Court reversed the decision rendered by the Taiwan Taipei District Court requiring Pernas Electronics Co., Ltd. to pay principal of more than \$1,772 plus litigation expenses and the execution of provisional seizure. Both parties have filed an appeal with the Supreme Court which is pending as of May 13, 2014.
- B. The details of the Company's income tax returns through 2008 which have been assessed and approved by the Tax Authority are provided in Note 6(30) B.

### (2) Commitments

#### A. Capital commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Property, plant and equipment and intangible assets	<u>\$ 8,583</u>	<u>\$ 6,976</u>	<u>\$ 54,111</u>

#### B. Operating lease commitments

The future aggregate minimum lease payments under operating leases are as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Not later than one year	\$ 473,810	\$ 501,594	\$ 183,143
Later than one year but not later than five years	1,057,092	1,092,823	156,954
Later than five years	353,226	371,729	-
	<u>\$ 1,884,128</u>	<u>\$ 1,966,146</u>	<u>\$ 340,097</u>

C. The Group's letters of credit issued but not negotiated are as follows:

<u>March 31, 2014</u>		<u>December 31, 2013</u>		<u>March 31, 2013</u>	
\$	719,322	\$	999,622	\$	1,068,523
USD	97,663,000	USD	45,440,000	USD	76,037,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In order to increase its operating funds, the Board of Directors have adopted a resolution on May 13, 2014 to issue domestic unsecured convertible corporate bonds with a maximum total face value of \$6,000,000 and a term of 3 years.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or manage operating capital effectively to reduce debt.

(2) Financial instruments

A. Fair value information of financial instruments

Except those in the table below and cash and cash equivalents, fair value of financial instruments measured at amortized cost (including notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term loans, short-term notes payable, accounts payable (including related parties) and other payables) is approximate to their book value. Fair value information of financial instruments measured at fair value is provided in Note 12(3).

	<u>March 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
Financial assets:				
Equity and investments				
in bonds without active				
markets:				
Financial assets				
measured at				
cost-current	\$ 6,897	\$ -	\$ 6,897	\$ -
Financial assets				
measured at cost -				
non-current	493,882	-	467,581	-
Investments in bonds				
without active markets	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	505,779	5,000	479,478	5,000
Other financial assets	<u>896,747</u>	<u>896,747</u>	<u>515,774</u>	<u>515,774</u>
	<u>\$ 1,402,526</u>	<u>\$ 901,747</u>	<u>\$ 995,252</u>	<u>\$ 520,774</u>

	<u>March 31, 2014</u>		<u>December 31, 2013</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
Financial liabilities:				
Long-term loans -				
current-portion	\$ 3,377,675	\$ 3,377,675	\$ 4,097,466	\$ 4,097,466
Long-term loans	<u>4,155,652</u>	<u>4,155,652</u>	<u>3,224,738</u>	<u>3,224,738</u>
	<u>\$ 7,533,327</u>	<u>\$ 7,533,327</u>	<u>\$ 7,322,204</u>	<u>\$ 7,322,204</u>

	<u>March 31, 2013</u>	
	<u>Book value</u>	<u>Fair value</u>
Financial assets:		
Equity and investments in		
bonds without active		
markets:		
Financial assets measured		
at cost - current	\$ 10,193	\$ -
Financial assets measured		
at cost - non-current	454,590	-
Investments in bonds		
without active markets	<u>5,000</u>	<u>5,000</u>
	469,783	5,000
Other financial assets	<u>1,135,110</u>	<u>1,135,110</u>
	<u>\$ 1,604,893</u>	<u>\$ 1,140,110</u>
Financial liabilities:		
Long-term loans - current		
portion	\$ 975,848	\$ 975,848
Long-term loans	<u>5,809,654</u>	<u>5,809,654</u>
	<u>\$ 6,785,502</u>	<u>\$ 6,785,502</u>

B. Financial risk management policies

- a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance. The Group uses derivative financial instruments to hedge certain risk exposures (see Note 6(2)).
- b) Risk management is carried out by each central treasury department (Group treasury) under policies approved by the board of directors. Each of the Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

## C. Significant financial risks and degrees of financial risks

### a) Market risk

#### Foreign exchange risk

- The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
- Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with treasury department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- The Group adopts the forward foreign contract to hedge recognised foreign currency assets and liabilities and reduce fair value risk arising from change in foreign exchange. In order to reduce foreign exchange risk, the Group monitored foreign exchange changes and established stop-loss points.
- The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: local common currency). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

March 31, 2014				
	Foreign Currency		Book Value	
	Amount			
	(In Thousands)	Exchange rate		(NTD)
Foreign currency: functional currency				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	\$ 576,472	30.47	\$	17,565,089
USD : RMB	3,794	6.22		115,600
USD : HKD	35,230	7.76		1,073,463
USD : KRW	9,383	1,057.25		285,897
USD : JPY	15,997	102.94		487,419
HKD : USD	63,830	0.13		250,661
RMB : USD	233,765	0.16		1,145,451

March 31, 2014			
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
<u>Non-monetary items</u>			
USD : TWD	\$ 285,433	30.47	\$ 8,697,135
RMB : USD	129,033	0.16	632,263
JPY : USD	526,900	0.01	155,962
HKD : USD	34,212	0.13	134,350
INR : USD	648,532	0.02	330,863
KRW : TWD	9,228,307	0.03	265,960
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	399,298	30.47	12,166,604
USD : RMB	40,955	6.22	1,247,887
USD : KRW	14,060	1,057.25	428,399
USD : JPY	15,371	102.94	468,346
USD : INR	4,014	59.73	122,317
USD : MYR	3,726	3.27	113,531
USD : THB	4,917	32.52	149,808
RMB : USD	89,333	0.16	437,734
SGD : USD	7,226	0.79	174,652
December 31, 2013			
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 802,178	29.81	\$ 23,908,929
USD : RMB	4,619	6.06	137,658
USD : KRW	10,110	1,048.18	301,323
USD : JPY	9,064	104.98	270,161
RMB : USD	142,691	0.17	701,895
RMB : HKD	119,884	1.28	589,708
HKD : USD	239,196	0.13	919,230

December 31, 2013			
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
<u>Non-monetary items</u>			
USD : TWD	\$ 305,393	29.81	\$ 9,102,229
RMB : USD	138,426	0.17	680,917
RMB : HKD	111,898	1.28	550,424
JPY : USD	511,292	0.01	145,156
HKD : USD	948,976	0.13	3,646,915
INR : USD	640,805	0.02	309,550
KRW : TWD	8,860,862	0.03	251,959
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	749,474	29.81	22,338,075
USD : RMB	25,269	6.06	753,142
USD : KRW	9,608	1,048.18	286,366
USD : JPY	8,373	104.98	249,572
USD : INR	5,632	61.70	167,847
RMB : USD	65,227	0.17	320,850
HKD : USD	263,472	0.13	1,012,523
USD : SGD	4,016	1.26	119,688
March 31, 2013			
	Foreign Currency Amount (In Thousands)	Exchange rate	Book Value (NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 836,449	29.83	\$ 24,947,101
USD : RMB	3,385	6.21	100,944
USD : HKD	114,957	7.76	3,428,590
USD : KRW	6,345	1,103.20	189,243
USD : JPY	7,499	94.03	223,652
RMB : HKD	283,269	1.25	1,361,391
RMB : USD	147,541	0.16	709,080



March 31, 2013			
	Foreign Currency Amount		Book Value
	(In Thousands)	Exchange rate	(NTD)
<u>Non-monetary items</u>			
USD : TWD	\$ 284,251	29.83	\$ 8,477,797
RMB : USD	115,148	0.16	553,402
JPY : USD	442,497	0.01	140,360
HKD : USD	896,238	0.13	3,444,242
INR : USD	652,869	0.02	360,323
KRW : TWD	8,352,240	0.03	226,695
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	739,285	29.83	22,049,185
USD : RMB	16,198	6.21	483,095
USD : KRW	10,031	1,103.20	299,175
USD : HKD	189,704	7.76	5,657,932
USD : INR	8,344	54.04	248,866
USD : MYR	3,356	3.10	100,095
RMB : USD	39,857	0.16	191,550

Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the three-month period ended March 31, 2014			
Sensitivity Analysis			
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	1%	\$ 175,651	\$ -
USD : RMB	1%	1,173	-
USD : HKD	1%	10,663	-
USD : KRW	1%	2,830	-
USD : JPY	1%	4,847	-
HKD : USD	1%	2,490	-
RMB : USD	1%	11,379	-

For the three-month period ended March 31, 2014			
Sensitivity Analysis			
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	1%	121,666	-
USD : RMB	1%	12,664	-
USD : KRW	1%	4,241	-
USD : JPY	1%	4,657	-
USD : INR	1%	1,174	-
USD : MYR	1%	1,117	-
USD : THB	1%	1,477	-
RMB : USD	1%	4,349	-
SGD : USD	1%	1,735	-

For the three-month period ended March 31, 2013			
Sensitivity Analysis			
	Extent of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Profit or Loss
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	1%	\$ 249,471	\$ -
USD : RMB	1%	995	-
USD : HKD	1%	33,894	-
USD : KRW	1%	1,915	-
USD : JPY	1%	2,256	-
RMB : HKD	1%	13,458	-
RMB : USD	1%	7,004	-

<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	1%	220,492	-
USD : RMB	1%	4,761	-
USD : KRW	1%	3,027	-
USD : HKD	1%	55,933	-
USD : INR	1%	2,470	-
USD : MYR	1%	992	-
RMB : USD	1%	1,892	-

### Price risk

- The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2014 and 2013 would have increased/decreased by \$283 and \$138, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,473 and \$1,765 as a result of gains/losses on equity securities classified as available-for-sale, respectively.

### Interest rate risk

- The Group's interest rate risk arises from short-term and long-term borrowings (including long-term liabilities due within a year) and short-term securities payable. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings were mainly in fixed rate instruments. During the three-month periods ended March 31, 2014 and 2013, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At March 31, 2014 and 2013, if interest rates on borrowings had been 1% higher with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2014 and 2013 would have been \$74,692 and \$46,650 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

### b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial

instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only rated parties with good ratings are accepted.

- ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's Credit Quality Control Policy:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
Group 1	\$ 24,209,818	\$ 28,768,181	\$ 10,991,513
Group 2	36,809,654	34,313,871	42,185,245
	<u>\$ 61,019,472</u>	<u>\$ 63,082,052</u>	<u>\$ 53,176,758</u>

Group 1: Includes customers with current ratio, liability ratio and earnings, etc. over a certain range with comprehensive consideration.

Group 2: Excluding the customers in Group 1.

- iv. The ageing analysis of accounts receivable that were past due is as follows:

	<u>March 31, 2014</u>	<u>December 31, 2013</u>	<u>March 31, 2013</u>
<u>Accounts receivable</u>			
0~30 days	\$ 4,925,389	\$ 4,652,242	\$ 3,461,738
31~60 days	1,176,131	922,330	1,380,804
61~90 days	214,265	157,455	99,822
91~120 days	19,431	27,263	63,327
121~150 days	81,673	32,414	46,747
151~180 days	18,915	70,538	11,081
Over 180 days	126,213	173,354	168,765
	<u>\$ 6,562,017</u>	<u>\$ 6,035,596</u>	<u>\$ 5,232,284</u>

- v. The movement analysis of financial assets that had been impaired is as follows:

	<u>2014</u>	<u>2013</u>
	<u>Group provision</u>	<u>Group provision</u>
At January 1	\$ 572,834	\$ 236,605
Effect of consolidated subsidiaries	-	-
Provision for impairment	9,166	44,578
Reclassified as other receivables	( 8,867)	-
Reclassified as overdue receivables	( 19,084)	-
Write-offs during the period	( 19,847)	( 8,260)
Cumulative translation adjustments	8,522	5,058
At March 31	<u>\$ 542,724</u>	<u>\$ 277,981</u>

- vi As of March 31, 2014, December 31, 2013 and March 31, 2013, the maximum exposure amount of credit risk is the book value of each type of accounts receivable.

c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group. Each treasury department monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

March 31, 2014

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term loans	\$ 40,326,005	\$ -	\$ -	\$ -
Commercial papers payable	4,953,000	-	-	-
Notes payable	301,550	-	-	-
Accounts payable	39,920,539	-	-	-
Accounts payable - related parties	4,379	-	-	-
Other payables	4,072,671	-	-	-
Long-term loans (including current portion)	3,470,859	2,198,729	1,655,697	401,700

December 31, 2013

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term loans	\$ 39,156,372	\$ -	\$ -	\$ -
Commercial papers payable	4,883,000	-	-	-
Notes payable	456,174	-	-	-
Accounts payable	37,855,857	-	-	-
Accounts payable - related parties	11,252	-	-	-
Other payables	3,908,939	-	-	-
Long-term loans (including current portion)	4,157,383	2,209,064	742,234	415,915

March 31, 2013

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term loans	\$ 31,759,764	\$ -	\$ -	\$ -
Commercial papers payable	3,670,000	-	-	-
Notes payable	509,326	1,270	-	16
Accounts payable	36,206,034	-	242	422
Accounts payable - related parties	23,150	-	-	-
Other payables	3,537,855	-	29	278
Long-term loans (including current portion)	985,693	25,491	315,644	5,530,825

Derivative financial liabilities:

As of March 31, 2014, December 31, 2013 and March 31, 2013, derivative financial liabilities that the Group operated are all due within a year.

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. The table below analyses financial instruments measured at fair value, by valuation method.

The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that is not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at March 31, 2014, December 31, 2013 and March 31, 2013.

March 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 28,329	\$ -	\$ -	\$ 28,329
Forward exchange contracts	-	1,370	-	1,370
Available-for-sale financial assets				
Equity securities	<u>16,271</u>	<u>124,333</u>	<u>6,684</u>	<u>147,288</u>
	<u>\$ 44,600</u>	<u>\$ 125,703</u>	<u>\$ 6,684</u>	<u>\$ 176,987</u>
Financial liabilities:				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 9,219</u>	<u>\$ -</u>	<u>\$ 9,219</u>

December 31, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 8,212	\$ -	\$ -	\$ 8,212
Forward exchange contracts	-	22,606	-	22,606
Available-for-sale financial assets				
Equity securities	<u>150,649</u>	<u>123,372</u>	<u>6,684</u>	<u>280,705</u>
	<u>\$ 158,861</u>	<u>\$ 145,978</u>	<u>\$ 6,684</u>	<u>\$ 311,523</u>
Financial liabilities:				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 6,885</u>	<u>\$ -</u>	<u>\$ 6,885</u>

March 31, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	\$ 13,809	\$ -	\$ -	\$ 13,809
Forward exchange contracts	-	2,270	-	2,270
Available-for-sale financial assets				
Equity securities	<u>43,425</u>	<u>125,743</u>	<u>7,365</u>	<u>176,533</u>
	<u>\$ 57,234</u>	<u>\$ 128,013</u>	<u>\$ 7,365</u>	<u>\$ 192,612</u>
Financial liabilities:				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 4,139</u>	<u>\$ -</u>	<u>\$ 4,139</u>

- B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily

and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 are mainly equity instruments classified as financial assets/financial liabilities at fair value through profit or loss or available-for-sale financial assets.

- C. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- D. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
- E. Specific valuation techniques used to value financial instruments include:
  - a) Quoted market prices or dealer quotes for similar instruments.
  - b) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
  - c) Other techniques, such as price earnings ratio or price-book ratio analysis, are used to determine fair value for the remaining financial instruments.
- F. The following table presents the changes in level 3 instruments as at March 31, 2014, December 31, 2013 and March 31, 2013.

	2014	2013
At January 1	\$ 6,684	\$ 7,722
Losses recognised in profit or loss	-	( 357)
At March 31	<u>\$ 6,684</u>	<u>\$ 7,365</u>



13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others:

Number	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the three-month period ended March 31, 2014	Balance at March 31, 2014	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Remark
													Item	Value			
1	Gain Tune Ltd.	WPI International (Hong Kong) Limited	Y	Other receivables -related parties	\$ 685, 575	\$ 685, 575	\$ 685, 575	1. 00%	Working capital	\$ -	Operation	\$ -	None	-	\$1, 066, 725	\$1, 066, 725	Note 2
2	World Peace International (South Asia) Pte. Ltd.	Genuine C&C (South Asia) Pte Ltd.	Y	Other receivables -related parties	152, 350	152, 350	-	-	Working capital	-	Operation	-	None	-	4, 479, 924	4, 479, 924	Note 3
2	World Peace International (South Asia) Pte. Ltd.	World Peace International Pte. Ltd.	Y	Other receivables -related parties	609, 400	304, 700	270, 574	1. 41%	Working capital	-	Operation	-	None	-	4, 479, 924	4, 479, 924	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG Americas Inc.	Y	Other receivables -related parties	731, 280	487, 520	173, 679	2. 05%	Working capital	-	Operation	-	None	-	4, 479, 924	4, 479, 924	Notes 3 and 7
2	World Peace International (South Asia) Pte. Ltd.	Yosun Singapore Pte Ltd.	Y	Other receivables -related parties	457, 050	457, 050	-	-	Working capital	-	Operation	-	None	-	4, 479, 924	4, 479, 924	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG South Asia Pte. Ltd.	Y	Other receivables -related parties	152, 350	152, 350	-	-	Working capital	-	Operation	-	None	-	4, 479, 924	4, 479, 924	Note 3
2	World Peace International (South Asia) Pte. Ltd.	WPG Korea Co., Ltd.	Y	Other receivables -related parties	91, 410	91, 410	91, 410	1. 86%	Working capital	-	Operation	-	None	-	4, 479, 924	157, 208	Note 11

Number	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the three-month period ended March 31, 2014	Balance at March 31, 2014	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Remark
													Item	Value			
3	WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	Y	Other receivables -related parties	\$ 143,080	\$ 143,080	\$ 143,080	3.00%	Working capital	\$ -	Operation	\$ -	None	-	\$ 157,208	\$ 157,208	Note 11
4	WPI Investment Holding (BVI) Company Limited	WPI International (Hong Kong) Limited	Y	Other receivables -related parties	85,316	85,316	85,316	1.00%	Working capital	-	Operation	-	None	-	10,116,853	10,116,853	Note 11
5	WPI International (Hong Kong) Limited	WPG C&C Limited	Y	Other receivables -related parties	1,553,970	1,310,210	609,400	1.55%	Working capital	-	Operation	-	None	-	9,127,114	9,127,114	Note 11
5	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Y	Other receivables -related parties	182,820	182,820	91,410	2.07%	Working capital	-	Operation	-	None	-	9,127,114	9,127,114	Note 11
5	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Y	Other receivables -related parties	121,880	121,880	42,658	1.55%	Working capital	-	Operation	-	None	-	9,127,114	9,127,114	Note 11
5	WPI International (Hong Kong) Limited	WPG China Inc.	Y	Other receivables -related parties	243,760	91,410	91,410	2.07%	Working capital	-	Operation	-	None	-	9,127,114	9,127,114	Note 11
5	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	Y	Other receivables -related parties	60,940	60,940	60,940	2.07%	Working capital	-	Operation	-	None	-	9,127,114	9,127,114	Note 11
6	World Peace Industrial Co., Ltd.	WPG China Inc.	Y	Other receivables -related parties	152,350	152,350	-	-	Working capital	-	Operation	-	None	-	1,647,699	6,590,796	Note 9

Number	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the three-month period ended March 31, 2014	Balance at March 31, 2014	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Remark
													Item	Value			
7	Longview Technology Inc.	Long-think International Co., Ltd.	Y	Other receivables -related parties	\$ 80,000	\$ 80,000	\$ 50,000	1.85%	Working capital	\$ -	Operation	\$ -	None	\$ -	\$ 211,275	\$ 211,275	Note 4
8	Richpower Electronic Devices Co., Ltd.	WPG Holdings Limited	Y	Other receivables -related parties	200,000	200,000	200,000	1.95%	Working capital	-	Operation	-	None	-	886,764	886,764	Note 4
8	Richpower Electronic Devices Co., Ltd.	WPG Korea Co., Ltd.	Y	Other receivables -related parties	60,442	60,442	60,442	2.13%	Working capital	-	Operation	-	None	-	886,764	886,764	Note 4
9	Mec Technology Co., Limited	Richpower Electronic Devices Pte Ltd.	Y	Other receivables -related parties	45,705	45,705	45,705	1.96%	Working capital	-	Operation	-	None	-	155,261	115,261	Note 8
10	Apache Communication Inc.	WPG China Inc.	Y	Other receivables -related parties	60,940	60,940	60,940	2.80%	Working capital	-	Operation	-	None	-	323,423	517,477	Note 6
11	Silicon Application Corp.	WPG China Inc.	Y	Other receivables -related parties	91,410	-	-	-	Working capital	-	Operation	-	None	-	2,006,035	2,006,035	Note 5
12	Silicon Application (BVI) Corporation	Silicon Application Corp.	Y	Other receivables -related parties	1,035,980	1,035,980	935,429	1.00%	Working capital	-	Operation	-	None	-	1,198,130	2,995,326	Note 11
12	Silicon Application (BVI) Corporation	Silicon Application Company Limited	Y	Other receivables -related parties	457,050	304,700	304,700	1.25%	Working capital	-	Operation	-	None	-	2,995,326	2,995,326	Note 11

Number	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the three-month period ended March 31, 2014	Balance at March 31, 2014	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Remark
													Item	Value			
13	Yosun Industrial Corp.	WPG Holdings Limited	Y	Other receivables -related parties	\$ 900,000	\$ 600,000	\$ 400,000	1.95%	Working capital	\$ -	Operation	\$ -	None	\$ -	\$ 2,148,622	\$ 4,297,244	Note 10
13	Yosun Industrial Corp.	WPG China Inc.	Y	Other receivables -related parties	243,760	182,820	-	-	Working capital	-	Operation	-	None	-	2,148,622	4,297,244	Note 10
14	Apache Korea Corp.	WPG Korea Co., Ltd.	Y	Other receivables -related parties	63,404	63,404	63,404	2.50%	Working capital	-	Operation	-	None	-	75,654	75,654	Note 1
15	WPG South Asia Pte Ltd.	WPG (Thailand) Co., Ltd.	Y	Other receivables -related parties	15,235	-	-	-	Working capital	-	Operation	-	None	-	407,379	407,379	Note 3
15	WPG South Asia Pte Ltd.	Yosun Singapore Pte Ltd.	Y	Other receivables -related parties	365,640	365,640	365,640	1.33%	Working capital	-	Operation	-	None	-	407,379	407,379	Note 3
16	AECO Electronic (Ningbo) Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Y	Other receivables -related parties	24,500	24,500	244,500	3.11%	Working capital	-	Operation	-	None	-	55,455	55,455	Note 12
17	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Y	Other receivables -related parties	200,000	-	-	-	Working capital	-	Operation	-	None	-	173,281	693,123	Note 9
18	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	Y	Other receivables -related parties	60,940	60,940	-	-	Working capital	-	Operation	-	None	-	673,164	673,164	Note 11

Number	Creditor	Borrower	Is a related party	General ledger account	Maximum outstanding balance during the three-month period ended March 31, 2014	Balance at March 31, 2014	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Remark
													Item	Value			
18	AECO Electronic Co., Ltd.	WPG China Inc.	Y	Other receivables -related parties	\$ 91,410	\$ 91,410	\$ 76,175	2.07%	Working capital	\$ -	Operation	\$ -	None	\$ -	\$ 673,164	\$ 673,164	Note 11
19	SAC Components (South Asia) Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	Y	Other receivables -related parties	60,940	60,940	-	-	Working capital	-	Operation	-	None	-	82,326	82,326	Note 11
20	Win-Win Systems Ltd.	Silicon Application Company Limited	Y	Other receivables -related parties	24,376	24,376	21,329	1.25%	Working capital	-	Operation	-	None	-	24,528	24,528	Note 11
21	Genuine C&C (South Asia) Pte Ltd.	World Peace International (South Asia) Pte Ltd.	Y	Other receivables -related parties	30,470	30,470	30,470	1.41%	Working capital	-	Operation	-	None	-	109,584	109,584	Note 3
22	Pernas Electronics Co., Ltd.	Silicon Application Corp.	Y	Other receivables -related parties	300,000	300,000	300,000	1.40%	Working capital	-	Operation	-	None	-	405,174	405,174	Note 4
23	Giatek Corp., Ltd.	Yosun Hong Kong Corp., Ltd.	Y	Other receivables -related parties	914,100	914,100	-	-	Working capital	-	Operation	-	None	-	1,079,778	1,079,778	Note 13
24	WPG China Inc.	WPG China (SZ) Inc.	Y	Other receivables -related parties	73,500	73,500	49,000	2.80%	Working capital	-	Operation	-	None	-	1,999,065	1,999,065	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 (1) and (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) For business transaction to the creditor or company, the accumulated financing activities should not exceed 40% of the creditor's net assets; and the individual limit should not exceed the total amount of business transaction; the amount of business transactions means the higher amount between sales and purchases.  
(2) For short-term financing, the loan to a single company should not be in excess of 40% of creditor's net assets.  
(3) The combination amount of (1) and (2) should not exceed 40% 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: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets, the individual limits are as follows:  
(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.

- 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.

- Note 12: (1) Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets.  
(2) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.  
(3) For short-term financing, the financing activities to an overseas company which is 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.  
(4) The financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be restricted by (3).

B. Provision of endorsements and guarantees to others:

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2014	Outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2014	Actual amount drawn down	Amount of endorsement /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Remark
		Company name	Relationship with the endorser/ guarantor											
0	WPG Holdings Limited	WPG KOREA Co., Ltd.	Note 1	\$21,149,737	\$ 60,940	\$ 60,940	\$ 39,285	\$ -	0.14	\$ 21,149,737	Y			Note 4
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	21,149,737	169,934	169,934	85,529	85,529	0.40	21,149,737	Y			Notes 4 and 5
0	WPG Holdings Limited	RichPower Electronic Devices Co., Limited	Note 1	21,149,737	700,000	700,000	-	-	1.65	21,149,737	Y			Note 4
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	8,238,494	876,425	876,425	225,700	-	5.32	13,181,591				Note 6
1	World Peace Industrial Co., Ltd.	TEKSEL WPG Limited	Note 1	8,238,494	68,558	68,558	-	-	0.42	13,181,591				Note 6
1	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	8,238,494	449,829	449,829	334,198	-	2.73	13,181,591			Y	Note 6
1	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte Ltd.	Note 1	8,238,494	670,340	670,340	670,340	-	4.07	13,181,591				Note 6
1	World Peace Industrial Co., Ltd.	WPG China Inc.	Note 1	8,238,494	279,105	279,105	225,701	-	1.69	13,181,591			Y	Note 6
2	World Peace International Pte. Ltd.	WPG SCM Limited	Note 1	4,903,923	222,431	60,940	-	-	2.49	4,903,923				Note 7
2	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	4,903,923	2,330,955	2,330,955	1,127,536	-	95.06	4,903,923				Note 7

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2014	Outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2014	Actual amount drawn down	Amount of endorsement /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Remark
		Company name	Relationship with the endorser/ guarantor											
2	World Peace International Pte. Ltd.	WPG C&C Computers And Peripheral (India) Private Ltd.	Note 1	\$ 4,903,923	\$ 234,169	\$ 234,169	\$ -	\$ -	9.57	\$ 4,903,923				Note 7
2	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	4,903,923	182,820	182,820	4,543	-	7.46	4,903,923				Notes 7 and 13
3	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	1,700,452	50,000	50,000	50,000	-	1.18	2,125,565				Note 8
4	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	924,368	280,000	280,000	151,220	-	12.12	1,155,459				Note 9
5	Silicon Application Corp.	Silicon Application Company Limited	Note 1	4,012,070	1,584,440	1,584,440	8,878	-	31.59	5,015,087				Note 10
5	Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Note 1	4,012,070	60,940	60,940	7,724	-	1.22	5,015,087				Note 10
6	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	10,743,111	731,280	731,280	395,700	-	6.81	21,486,222				Note 11
6	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	10,743,111	950,690	950,690	438,377	-	8.85	21,486,222				Note 11
6	Yosun Industrial Corp.	Sertek Incorporated	Note 1	10,743,111	914,100	914,100	914,100	-	8.51	21,486,222				Note 11
7	Sertek Incorporated	Sertek Limited	Note 1	1,519,285	231,290	213,290	-	-	14.04	3,038,570				Note 11



Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2014	Outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2014	Actual amount drawn down	Amount of endorsement /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Remark
		Company name	Relationship with the endorser/ guarantor											
8	AECO Technology Co., Ltd.	AECO Electronic Co., Ltd.	Note 1	\$ 866,404	\$ 441,815	\$ 350,405	\$ 8,654	\$ -	20.22	\$ 866,404				Note 12

Note 1: The company and its subsidiary hold more than 50% of the investee company.

Note 2: The parent company directly owns more than 50% of the company.

Note 3: An affiliate.

Note 4: The guarantee amount should not exceed 50% of guarantor's net assets value; 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 5: 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 \$85,529.

Note 6: The guarantee amount to a single party should not exceed 50% of guarantor's net assets value which is based on the latest audited or reviewed financial statements, and the total amount should not exceed 80% of guarantor's net assets value. For business transaction with guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

Note 7: The limit and total limit on endorsement/ guarantees provided for a single party should not exceed 200% of World Peace International Pte Ltd.'s consolidated net equity.

Note 8: The total amount to a single party should not exceed 40% of guarantor's net assets value. The total amount to an overseas single affiliate company should not exceed 40% of guarantor's net assets value. The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 9: The total amount to a single party should not exceed 40% of guarantor's net assets value. The total amount to an overseas single affiliate company should not exceed 40% of guarantor's net assets value. The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets.

Note 10: The guarantee amount to a single company should not be in excess of 80% of guarantor's net assets. The cumulative guarantee amount to others should not be in excess of 100% 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 net asset value is based on the latest audited or reviewed financial statements.

Note 11: The guarantee amount to a single company should not be in excess of 100% of guarantor's net assets value which is based on the latest audited or reviewed financial statements; the cumulative guarantee amount to others should not be in excess of 200% of guarantor's net assets value which is based on the latest audited or reviewed financial statements.

Note 12: The amount and cumulative amount to a single party should not exceed 50% of guarantor's net assets value which is based on the latest audited or reviewed financial statements. The net assets value is based on the latest audited or reviewed financial statements.

Note 13: The limit amount of financing activities and guarantee from the Company and subsidiaries (including indirect subsidiaries) to WPG Americas Inc. is USD36.5 million.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures):

Securities held by	Type of marketable securities	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2014				Remark
					Number of shares	Book value	Ownership	Fair value (Note 1)	
WPG Holdings Limited	Equity securities	Ability I Venture Capital Corporation, etc.	None	Financial assets carried at cost-non-current	-	\$ 120,000	-	\$ 120,000	
World Peace Industrial Co., Ltd.	Equity securities	Prohubs International Corp., etc.	None	Financial assets carried at cost-non-current	-	50,042	-	50,042	
WPG Investment Co., Ltd.	Equity securities	SUNRISE Technology Co., Ltd., etc.	None	Financial assets carried at cost-non-current, etc.	-	254,826	-	254,826	
Silicon Application Corp.	Equity securities	Genesis Photonics Inc., etc.	None	Available-for-sale financial assets-non-current, etc.	-	64,257	-	64,257	Note 2
Silicon Application (BVI) Corporation	Equity securities	Apollo Electronics Group Ltd., etc.	None	Available-for-sale financial assets-non-current, etc.	-	66,050	-	66,050	
Win-Win Systems Ltd.	Equity securities	Silicon Electronics Company(s) Pte. Ltd.	None	Financial assets carried at cost-non-current	180	-	10.00	-	
Richpower Electronic Devices Co., Ltd.	Equity securities	Promaster Technology Co., Ltd., etc.	None	Available-for-sale financial assets-non-current, etc.	-	57,474	-	57,474	
Mec Technology Co., Limited	Equity securities	Promaster Technology Co., Ltd.	None	Available-for-sale financial assets-non-current	1,368	15,361	4.15	15,361	
Asian Information Technology Inc.	Equity securities	Phostek In., etc.	None	Financial assets carried at cost-non-current	-	15,736	-	15,736	
Yosun Industrial Corp.	Equity securities	富創得科技股份有限公司, etc.	None	Financial assets carried at cost - non-current, etc.	-	10,581	-	10,581	
AECO Technology Co., Ltd.	Equity securities	Hua-Jie (Taiwan) Corp.	None	Available-for-sale financial assets-non-current	668	6,684	3.32	6,684	

Note 1: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 2: There are 1,133 thousand shares of Kingmac Technology Inc. and 1,850 thousand shares of Kingpak Technology Inc. which have been pledged for purchases as of March 31, 2014.

D. Aggregate purchases or sales of the same securities reaching \$300 million or 20% of paid-in capital or more:

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2014		Addition		Disposal				Balance as at March 31, 2013	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
WPG Holdings Limited	AECO Technology Co., Ltd.	Note 1	World Peace Industrial Co., Ltd.	A subsidiary	172,000,000	\$ 2,242,555	-	\$ -	172,000,000	\$2,242,555	\$2,242,555	\$ -	-	\$ -
WPG Holdings Limited	Richpower Electronic Devices Co., Ltd.	Note 1	Yosun Industrial Corp.	A subsidiary	85,000,000	2,092,631	-	-	85,000,000	2,092,631	2,092,631	-	-	-
WPG Holdings Limited	Pernas Electronics Co., Ltd.	Note 1	Silicon Application Corp.	A subsidiary	73,500,000	959,504	-	-	73,500,000	959,504	959,504	-	-	-
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	World Peace Industrial Co., Ltd.	A subsidiary	629,000,000	12,961,608	84,554,124	3,465,162 (Note 2)	-	-	-	-	713,554,124	16,426,770
WPG Holdings Limited	Yosun Industrial Corp.	Note 1	Yosun Industrial Corp.	A subsidiary	416,169,249	13,135,250	105,119,960	2,578,964 (Note 3)	-	-	-	-	521,289,209	15,714,214
WPG Holdings Limited	Silicon Application Corp.	Note 1	Silicon Application Corp.	A subsidiary	230,000,000	3,735,249	60,508,767	1,256,594 (Note 4)	-	-	-	-	290,508,767	4,991,843
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Note 1	WPG Holdings Limited	The parent company	-	-	172,000,000	2,337,119 (Note 5)	-	-	-	-	172,000,000	2,337,119
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Note 1	WPG Holdings Limited	The parent company	-	-	85,000,000	2,209,085 (Note 6)	-	-	-	-	85,000,000	2,209,085
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Note 1	WPG Holdings Limited	The parent company	-	-	73,500,000	1,018,087 (Note 7)	-	-	-	-	73,500,000	1,018,087

Note 1: Investment under equity method.

Note 2: The company invested \$2,242,555 and recognized investment income (loss) and cumulative translation adjustment totaling \$1,222,607.

Note 3: The company invested \$2,092,631 and recognized investment income (loss) and cumulative translation adjustment totaling \$486,333.

Note 4: The company invested \$959,504 and recognized investment income (loss) and cumulative translation adjustment totaling \$297,090.

Note 5: The company invested \$2,242,555 and recognized investment income (loss) and cumulative translation adjustment totaling \$94,564.

Note 6: The company invested \$2,092,631 and recognized investment income (loss) and cumulative translation adjustment totaling \$116,454.

Note 7: The company invested \$959,504 and recognized investment income (loss) and cumulative translation adjustment totaling \$58,583.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more (Note 1):

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes / accounts receivable (payable)		Remark
			Purchases (sales)	Amount ( USD in thousand dollars)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance ( USD in thousand dollars)	Percentage of total notes / accounts receivable (payable)	
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	Same Parent Company	Sales	(\$ 153,060)	(0.94%)	Note 3	Note 3	Note 3	\$ 186,582	1.35%	
"	WPI International (Hong Kong) Limited	"	"	(\$ 1,754,258)	(10.74%)	"	"	"	\$ 1,190,956	8.62%	
"	Yosun Industrial Corp.	"	"	(\$ 136,993)	(0.84%)	"	"	"	\$ 100,933	0.73%	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	(USD 22,188)	(3.35%)	"	"	"	USD 10,373	2.97%	
"	WPI International Trading (Shanghai) Ltd.	"	"	(USD 8,680)	(1.31%)	"	"	"	USD 5,469	1.57%	
"	World Peace International (South Asia) Pte. Ltd.	"	"	(USD 11,493)	(1.74%)	"	"	"	USD 5,751	1.65%	
"	WPG SCM Limited	"	"	(USD 5,309)	(0.80%)	"	"	"	USD 3,003	0.86%	
"	WPG (China) (SZ) Inc.	"	"	(USD 3,876)	(0.59%)	"	"	"	USD 5,249	1.51%	
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	"	(USD 27,851)	(16.35%)	"	"	"	USD 31,480	25.93%	
"	WPG C&C Computers And Peripheral (India) Pte Ltd.	"	"	(USD 10,538)	(6.19%)	"	"	"	USD 3,635	2.99%	
"	Genuine C&C (IndoChina) Pte. Ltd.	"	"	(USD 7,680)	(4.51%)	"	"	"	USD 4,305	3.55%	
"	WPG C&C (Malaysia) Sdh Bhd	"	"	(USD 4,023)	(2.36%)	"	"	"	USD 3,335	2.75%	
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	"	"	(USD 5,521)	(7.37%)	"	"	"	USD 3,369	10.25%	
"	WPI International (Hong Kong) Limited	"	"	(USD 9,438)	(12.61%)	"	"	"	USD 3,629	11.04%	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes / accounts receivable (payable)		Remark
			Purchases (sales)	Amount ( USD in thousand dollars)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance ( USD in thousand dollars)	Percentage of total notes / accounts receivable (payable)	
Genuine C&C (IndoChina) Pte. Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	Sales	(USD 7,383)	(78.04%)	"	"	"	USD 8,183	98.14%	
Silicon Application Corp.	WPG Electronics (HK) Limited	Same Parent Company	"	(\$ 379,973)	(2.61%)	Note 7	Note 7	Note 7	\$ 458,407	4.66%	
"	Silicon Application Company Limited	"	"	(\$ 997,938)	(6.86%)	"	"	"	\$ 1,007,533	10.23%	
"	WPG (China) (SZ) Inc.	"	"	(\$ 139,442)	(0.96%)	"	"	"	\$ 140,227	1.42%	
Silicon Application Company Limited	Silicon Application Corp.	"	"	(\$ 3,723,704)	(75.79%)	"	"	"	\$ 3,705,404	86.68%	
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	"	(\$ 325,274)	(13.55%)	Note 6	Note 6	Note 6	\$ 449,458	16.62%	
Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	"	"	(\$ 430,738)	(40.26%)	"	"	"	\$ 595,516	72.05%	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	"	(\$ 240,359)	(22.50%)	60~90 days after receipt of inventory	Note 7	Note 7	\$ 280,011	25.46%	
Asian Information Technology Inc.	AIT Japan Inc.	"	"	(\$ 644,863)	(14.40%)	Note 2	Note 2	Note 2	\$ 431,984	12.69%	
AITG Electronic Limited	Frontek Technology Corporation	"	"	(\$ 288,440)	(100.00%)	"	"	"	\$ 33,227	100.00%	
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	"	(\$ 110,695)	(2.88%)	"	"	"	\$ 240,853	7.83%	
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	"	(\$ 283,549)	(2.26%)	Credit 75 days	Note 5	Note 5	\$ 144,175	1.78%	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes / accounts receivable (payable)		Remark
			Purchases (sales)	Amount ( USD in thousand dollars)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance ( USD in thousand dollars)	Percentage of total notes / accounts receivable (payable)	
Yosun Industrial Corp.	Sertek Incorporated	Same Parent Company	Sales	(\$ 255,571)	(2.36%)	Credit 75 days	Note 5	Note 5	\$ 4,550	0.06%	
Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	"	"	(USD 7,829)	(2.89%)	"	"	"	USD 2,919	1.95%	
"	WPG China (SZ) Inc.	"	"	(USD 13,120)	(4.84%)	"	"	"	USD 13,120	8.78%	
"	WPG China Inc.	"	"	(USD 11,563)	(4.26%)	"	"	"	USD 10,959	7.33%	
"	Rich Power Electronics Devices Co.,. Limited	"	"	(USD 5,919)	(2.18%)	"	"	"	USD 4,994	3.34%	
Sertek Incorporated	Yosun Hong Kong Corp., Ltd.	"	"	(\$ 114,028)	(3.06%)	Note 8	Note 7	Note 7	\$ 18,824	0.72%	
"	Yosun Industrial Corp.	"	"	(\$ 185,003)	(4.23%)	Note 9	"	"	\$ 23,746	0.90%	
WPG China Inc.	WPI International (Hong Kong) Limited	"	"	(USD 8,727)	(26.74%)	Note 4	Note 4	Note 4	USD 6,020	21.72%	

Note 1: As the related party transactions of consolidated subsidiaries exceeding \$100 million are voluminous, the related information disclosed here is from the sales aspect.

Note 2: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

The collection period is 30~120 days from the end of 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 30~90 days from the end of the month of sales.

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

The collection period is 30 days from the month of sales.

Note 5: Similar to third parties.

Note 6: 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 7: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 8: The collection period is 75~120 days from the month of sales.

Note 9: The collection period is every 27th of the month.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more:

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2014 (USD in thousand dollars)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (USD in thousand dollars)	Allowance for doubtful accounts
					Amount	Action taken		
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same Parent Company	Accounts receivable : \$ 1,190,956	6.40	\$ -	-	\$ 461,447	\$ -
"	WPG Electronics (HK) Limited	"	Accounts receivable : \$ 186,582	3.25	-	-	\$ 38,369	-
"	Yosun Industrial Corp.	"	Accounts receivable : \$ 100,933	10.21	-	-	\$ 1,259	-
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	Accounts receivable : USD 31,480	3.49	-	-	USD 15,778	-
"	World Peace International Pte Ltd.	"	Other receivables : USD 8,891	None	-	-	USD 11	-
"	WPG Americas Inc.	"	Other receivables : USD 5,728	None	-	-	USD 1,003	-
"	WPG C&C Computers And Peripheral (India) Private Limited	"	Accounts receivable : USD 3,635	9.45	-	-	USD 5,778	-
"	Genuine C&C (IndoChina) Pte Ltd	"	Accounts receivable : USD 4,305	8.10	-	-	USD 3,442	-
"	WPG C&C (Malaysia) Sdn Bhd	"	Accounts receivable : USD 3,335	5.17	-	-	USD 1,855	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	Accounts receivable : USD 10,373	8.78	-	-	USD 9,688	-
"	World Peace International (South Asia) Pte. Ltd.	"	Accounts receivable : USD 5,751	9.83	-	-	USD 1,859	-
"	WPI International Trading (Shanghai) Ltd.	"	Accounts receivable : USD 5,469	7.49	-	-	USD 2,597	-
"	WPG China (SZ) Inc.	"	Accounts receivable : USD 5,249	3.13	-	-	USD 1,358	-
"	WPG C&C Limited	"	Other receivables : USD 20,095	None	-	-	USD 1,250	-
WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	"	Other receivables : USD 4,749	None	-	-	USD 4,749	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2014 (USD in thousand dollars)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (USD in thousand dollars)	Allowance for doubtful accounts
					Amount	Action taken		
Genuine C&C (IndoChina) Pte. Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	Accounts receivable : USD 8,183	3.66	-	-	USD 3,129	-
WPG C&C Limited	WPI International (Hong Kong) Limited	Same Parent Company	Accounts receivable : USD 3,629	13.73	-	-	USD 3,150	-
"	WPI International Trading (Shanghai) Ltd.)	"	Accounts receivable : USD 3,369	7.49	-	-	USD 2,991	-
Gain Tune Ltd.	WPI International (Hong Kong) Limited	"	Other receivables : USD 22,624	None	-	-	\$ -	-
Silicon Application Corp.	WPG Electronics (HK) Limited	"	Accounts receivable : \$ 458,407	3.35	-	-	\$ 127,318	-
"	Silicon Application Company Limited	"	Accounts receivable : \$ 1,007,533	7.88	-	-	\$ 1,007,533	-
"	WPG China (SZ) Inc.	"	Accounts receivable : \$ 140,227	7.96	-	-	\$ 34,217	-
Silicon Application (BVI) Corporation	Silicon Application Corp.	Same Parent Company	Other receivables : \$ 941,925	None	\$ -	-	\$ -	-
"	Silicon Application Company Limited	"	Other receivables : \$ 307,366	None	-	-	\$ -	-
Silicon Application Company Limited	Silicon Application Corp.	"	Other receivables : \$ 3,705,404	7.91	-	-	\$ 922,813	-
"	Silicon Application Corp.	"	Accounts receivable : \$ 208,977	None	-	-	\$ 208,977	-
Richpower Electronic Devices Co., Ltd.	WPG Electronic (HK) Limited	"	Other receivables : \$ 449,458	2.55	-	-	\$ 209,073	-
"	WPG Holdings Limited	"	Accounts receivable : \$ 200,801	None	-	-	\$ -	-
Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	"	Accounts receivable : \$ 595,516	3.48	-	-	\$ 139,713	-
Asian Information Technology Inc.	AIT Japan Inc.	"	Accounts receivable : \$ 431,984	8.53	-	-	\$ 232,567	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	Accounts receivable : \$ 240,853	1.61	-	-	\$ 115,663	-



Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2014 (USD in thousand dollars)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (USD in thousand dollars)	Allowance for doubtful accounts
					Amount	Action taken		
Apache Communication Inc.	Asian Information Technology Inc.	"	Accounts receivable : \$ 109,410	0.78	-	-	\$ 82,715	-
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	Accounts receivable : \$ 144,175	5.17	-	-	\$ 130,137	-
"	Yosun Japan Corp.	Investment under equity method	Other receivables : \$ 481,394	None	-	-	\$ 56,936	-
"	WPG Holdings Limited	Same Parent Company	Other receivables : \$ 402,458	None	-	-	\$ 1,753	-
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	"	Accounts receivable : USD 4,991	-	-	-	\$ -	-
"	Yosun South China Corp. Ltd.	"	Accounts receivable : USD 3,424	0.41	-	-	\$ -	-
"	WPG China (SZ) Inc.	"	Accounts receivable : USD 13,120	8.00	-	-	\$ -	-
"	WPG China Inc.	"	Accounts receivable : USD 10,959	8.44	-	-	\$ -	-
"	RichPower Electronic Devices Co., Limited	"	Accounts receivable : USD 4,994	7.01	-	-	\$ -	-
Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	Same Parent Company	Accounts receivable : USD 9,856	-	\$ -	-	\$ -	-
"	Yosun Hong Kong Corp. Ltd.	"	Other receivables : USD 10,852	None	-	-	\$ -	-
WPG China Inc.	WPI International (Hong Kong) Limited	"	Accounts receivable : USD 6,020	5.51	-	-	USD 6,020	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	Accounts receivable : \$ 280,011	4.95	-	-	\$ 149,344	-
Pernas Electronics Co., Ltd.	Silicon Application Corp.	"	Other receivables : \$ 300,775	None	-	-	\$ 100,775	-
WPG South Asia Pte Ltd	Yosun Singapore Pte Ltd.		Accounts receivable : USD 12,426	None	-	-	\$ -	-

I. Derivative financial instruments undertaken during the three-month ended March 31, 2013: Please see Notes 6(2) and 12(3).

J. Significant inter-company transactions during the three-month period ended March 31, 2014:

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	Sales	\$ 153,060	Note 5	0.15
1	"	WPI International (Hong Kong) Limited	3	"	1,754,258	"	1.71
1	"	Yosun Industrial Corp.	3	"	136,993	"	0.13
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	671,635	"	0.66
2	"	WPI International Trading (Shanghai) Ltd.	3	"	262,745	"	0.26
2	"	World Peace International (South Asia) Pte. Ltd.	3	"	347,895	"	0.34
2	"	WPG SCM Limited	3	"	160,704	"	0.16
2	"	WPG China (SZ) Inc.	3	"	117,327	"	0.11
3	World Peace International (South Asia) Pte. Ltd.	WPG SCM Limited	3	"	843,055	"	0.82
3	"	WPG C&C Computers And Peripheral (India) Pte. Ltd.	3	"	318,987	"	0.31
3	"	Genuine C&C (IndoChina) Pte. Ltd.	3	"	232,475	"	0.23
3	"	Genuine C&C (Malaysia) Sdn Bhd	3	"	121,777	"	0.12
4	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	167,122	"	0.16
4	"	WPI International (Hong Kong) Limited	3	"	285,690	"	0.28
5	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	379,973	Note 9	0.37
5	"	Silicon Application Company Limited	3	"	997,938	"	0.98
5	"	WPG China (SZ) Inc.	3	"	139,442	"	0.14
6	Silicon Application Company Limited	Silicon Application Corp.	3	"	3,723,704	"	3.64
7	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	325,274	Note 8	0.32
8	Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	3	"	430,738	"	0.42
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	240,359	Notes 9 and 19	0.23
10	Asian Information Technology Inc.	AIT Japan Inc.	3	"	644,863	Note 4	0.63
11	AITG Electronic Limited	Frontek Technology Corporation	3	"	288,440	"	0.28
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	110,695	"	0.11
13	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	283,549	Notes 7 and 16	0.28
13	"	Sertek Incorporated	3	"	255,571	"	0.25

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
14	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	Sales	\$ 236,985	"	0.23
14	"	WPG China (SZ) Inc.	3	"	397,145	"	0.39
14	"	WPG China Inc.	3	"	350,014	Notes 7 and 16	0.34
14	"	RichPower Electronic Devices Co., Limited	3	"	179,169	"	0.18
15	Sertek Incorporated	Yosun Industrial Hong Kong Corp. Ltd.	3	"	114,028	Notes 9 and 12	0.11
15	"	Yosun Industrial Corp.	3	"	185,003	Notes 9 and 13	0.18
16	WPG China Inc.	WPI International (Hong Kong) Limited	3	"	264,168	Note 5	0.26
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	1,190,956	Note 6	0.84
1	"	WPG Electronics (HK) Limited	3	"	186,582	"	0.13
1	"	Yosun Industrial Corp.	3	"	100,933	"	0.07
3	World Peace International (South Asia) Pte. Ltd.	WPG SCM Limited	3	"	959,196	"	0.68
3	"	WPG C&C Computers And Peripheral (India) Private Limited	3	"	110,758	"	0.08
3	"	Genuine C&C (IndoChina) Pte Ltd.	3	"	131,173	"	0.09
3	"	WPG C&C (Malaysia) Sdn Bhd	3	"	101,617	"	0.07
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	316,065	"	0.22
2	"	World Peace International (South Asia) Pte. Ltd.	3	"	175,233	"	0.12
2	"	WPI International Trading (Shanghai) Ltd.	3	"	166,640	"	0.12
2	"	WPG China (SZ) Inc.	3	"	159,937	"	0.11
4	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	110,576	"	0.08
4	"	WPI International Trading (Shanghai) Ltd.	3	"	102,653	"	0.07
5	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	458,407	Note 9	0.32
5	"	Silicon Application Company Limited	3	"	1,007,533	"	0.71
5	"	WPG China (SZ) Inc.	3	"	140,227	"	0.10
6	Silicon Application Company Limited	Silicon Application Corp.	3	"	3,705,404	"	2.61
7	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	449,458	Note 8	0.32
8	Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	3	"	595,516	"	0.42

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
10	Asian Information Technology Inc.	AIT Japan Inc.	3	Accounts receivable	\$ 431,984	Note 4	0.30
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	240,853	"	0.17
17	Apache Communication Inc.	Asian Information Technology Inc.	3	"	109,410	"	0.08
13	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	144,175	Notes 7 and 16	0.10
14	Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	3	"	152,076	"	0.11
14	"	Yosun South China Corp. Ltd.	3	"	104,329	"	0.07
14	"	WPG China (SZ) Inc.	3	"	399,766	"	0.28
14	"	WPG China Inc.	3	"	333,921	"	0.24
14	"	RichPower Electronic Devices Co., Limited	3	"	152,167	"	0.11
18	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	300,312	"	0.21
16	WPG China Inc.	WPI International (Hong Kong) Limited	3	"	183,429	Note 6	0.13
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	280,011	Notes 9 and 19	0.20
3	World Peace International (South Asia) Pte. Ltd.	World Peace International Pte. Ltd.	3	Other receivables	270,909	Note 17	0.19
3	"	WPG Americas Inc.	3	"	174,532	"	0.12
2	WPI International (Hong Kong) Limited	WPG C&C Limited	3	"	612,295	"	0.43
19	WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	3	"	144,702	"	0.10
20	Gain Tune Ltd.	WPI International (Hong Kong) Limited	3	"	689,353	"	0.49
21	Silicon Application (BVI) Corporation	Silicon Application Corp.	3	"	941,925	"	0.66
21	"	Silicon Application Company Limited	3	"	307,366	"	0.22
6	Silicon Application Company Limited	Silicon Application Corp.	3	"	208,977	"	0.15
7	Richpower Electronic Devices Co., Ltd.	WPG Holdings Limited	2	"	200,801	"	0.14
13	Yosun Industrial Corp.	WPG Holdings Limited	2	"	402,458	"	0.28
18	Giatek Corp. Ltd	Yosun Hong Kong Corp. Ltd.	3	"	330,660	Note 18	0.23
21	Pernas Electronics Co., Ltd.	Silicon Application Corp.	3	"	300,755	Note 17	0.21
22	WPG South Asia Pte Ltd	Yosun Singapore Pte Ltd.	3	"	378,620	"	0.27

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: 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 5: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 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. The collection period is 30 days from the month of sales.

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 and competition. The collection period is 60~120 days from the end of the month of sales.

Note 9: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 10: The collection period is 60 days from the end of the month of sales.

Note 11: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 90 days from the end of the month of sales.

Note 12: The collection period is 75~120 days after sale.

Note 13: The collection period is every 27th of the month.

Note 14: Mainly accrued payment on behalf of others and transfer pricing of intangible assets.

Note 15: The collection period is within 60~90 days from the end of the month of sales or 15 days after sale.

Note 16: The collection period is 75 days after sale.

Note 17: Mainly accrued financing charges.

Note 18: Mainly payments made on behalf of others.

Note 19: The collection period is within 60~90 days from the end of the month of sales.

(2) Disclosure information of investee companies

The disclosure information of certain 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.

Information on investee companies

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2014			Net profit (loss) of the investee for the three-month period ended March 31, 2014	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2014	Remark
				Balance as at March 31, 2014	Balance as at January 1, 2014	Number of shares	Ownership	Book value			
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic /electrical components	\$ 11,284,384	\$ 9,041,829	713,554,124	100.00	\$ 16,426,770	\$ 656,445	\$ 656,445	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	4,238,843	200,520	200,520	Note 4
WPG Holdings Limited	Silicon Application Corp.	Taiwan	Sales of electronic /electrical components	3,717,962	2,758,458	290,508,767	100.00	4,991,843	209,427	209,427	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic /electrical components	14,735	14,735	3,920,000	100.00	25,313	( 6,389)	( 6,389)	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic /electrical components	169,071	169,071	1,087,794	100.00	265,960	12,717	12,717	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,724,646	3,724,646	123,101,383	100.00	2,956,674	( 20,287)	( 20,287)	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	15,031,691	12,939,060	521,289,209	100.00	15,714,214	336,735	334,338	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	475,213	3,121	3,121	Note 4
WPG Holdings Limited	WPG Core Investment Co., Ltd.	Taiwan	Sales of electronic /electrical components	30,000,000	-	3,000,000	100.00	27,188	( 2,812)	( 2,812)	Note 4
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,774,146	2,774,146	83,179,435	100.00	10,127,343	440,972	-	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	2,599,109	26,647	-	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	529,347	12,840	\$ -	Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2014			Net profit (loss) of the investee for the three-month period ended March 31, 2014	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2014	Remark
				Balance as at March 31, 2014	Balance as at January 1, 2014	Number of shares	Ownership	Book value			
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Sales of electronic / electrical components	\$ 2,242,555	\$ -	172,000,000	100.00	\$ 2,337,119	\$ 48,863	\$ -	Notes 2 and 5
World Peace Industrial Co., Ltd.	ChainPower Technology Corp.	Taiwan	Sales of electronic /electrical components	116,650	116,650	14,820,382	39.00	214,383	7,920	-	Notes 2 and 3
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Taiwan	Sales of electronic /electrical components	149,130	149,130	12,964,098	16.29	174,827	7,047	-	Notes 2 and 3
Longview Technology Inc.	Longview Technology GC Limited	British Virgin Islands	Holding company	335,328	335,328	11,300,000	100.00	356,472	( 1,138)	-	Notes 2 and 5
Longview Technology Inc.	Long-Think International Co., Ltd.	Taiwan	Sales of electronic /electrical components	37,302	37,302	4,000,000	100.00	36,173	3,579	-	Notes 2 and 5
Asian Information Technology Inc.	Frontek Technology Corporation	Taiwan	Import and export business for electrical components	1,515,256	1,515,256	191,790,352	100.00	2,305,424	80,075	-	Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Import and export business for electrical components	680,313	680,313	103,354,000	100.00	1,292,411	19,242	-	Notes 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Import and export business for electrical components	124,521	124,521	10,000,000	100.00	134,216	4,344	-	Notes 2 and 5
Asian Information Technology Inc.	AITG Holding Corp.	Mauritius	International investment	89,301	89,301	2,701,790	100.00	87,341	-	-	Notes 2 and 5
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	International investment	155,558	155,558	4,703,107	100.00	192,895	4,664	-	Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electrical components	98,400	98,400	7,840,000	49.00	42,552	( 10,758)	-	Notes 2 and 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2014			Net profit (loss) of the investee for the three-month period ended March 31, 2014	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2014	Remark
				Balance as at March 31, 2014	Balance as at January 1, 2014	Number of shares	Ownership	Book value			
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	International investment	\$ 101,862	\$ 101,862	2,970,000	100.00	\$ 113,193	\$ 803	\$ -	Notes 2 and 5
Silicon Application Corp.	Silicon Application (BVI) Corporation	British Virgin Islands	International investment	706,402	706,402	22,000,000	100.00	2,995,326	9,645	-	Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	International investment	24,013	24,013	765,000	100.00	24,528	26	-	Notes 2 and 5
Silicon Application Corp.	Win-Win Electronic Corp.	Taiwan	Sales of computer software, hardware and electronic components	10,000	10,000	1,000,000	100.00	10,357	(143)	-	Notes 2 and 5
Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Singapore	Sales of computer software, hardware and electronic components	104,510	104,510	3,500,000	100.00	82,326	(21,093)	-	Notes 2 and 5
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Taiwan	Sales of electronic / electrical components	959,504	-	73,500,000	100.00	1,018,087	58,689	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Import and export business for electrical components	343,959	343,959	28,000,000	100.00	769,951	45,479	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	International investment	33,287	33,287	1,000,000	100.00	4,223	(28)	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components	284,898	284,898	63,000,000	100.00	1,200,277	32,460	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Limited	Taiwan	Sales of electronic components	401,247	401,247	24,300,000	100.00	436,197	20,061	-	Notes 2 and 5



Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2014			Net profit (loss) of the investee for the three-month period ended March 31, 2014	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2014	Remark
				Balance as at March 31, 2014	Balance as at January 1, 2014	Number of shares	Ownership	Book value			
Mec Technology Co., Limited	Mec Technology Co., Limited	Hong Kong	Sales of electronic components	\$ 1,092	\$ 1,092	25,000	100.00	\$ 8,539	(\$ 26)	\$ -	Notes 2 and 5
Mec Technology Co., Limited	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	188,252	2,732	-	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	3,954,378	80,692	-	Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of office machinery and electronic components	1,616,722	1,616,722	94,828,100	100.00	1,814,705	57,438	-	Notes 2 and 5
Yosun Industrial Corp.	Richpower Electroinc Devices Co., Ltd.	Taiwan	Sales of electronic / electrical components	2,092,631	-	85,000,000	100.00	2,209,085	93,235		Notes 2 and 5
Yosun Industrial Corp.	Yosun Green Technology Corp.	Taiwan	Sales of electronic components	26,100	26,100	1,800,000	45.00	17,782	337	-	Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic components	44,172	44,172	15,015	50.00	48,379	5,616	-	Notes 2 and 3
Yosun Industrial Corp.	Lipers Enterprise Co., Ltd.	Taiwan	Sales of electronic components	201,058	201,058	14,107,805	20.16	251,898	22,494	-	Notes 2 and 3
Yosun Industrial Corp.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	19,920	19,920	1,660,000	25.74	4,202	( 2,998)	-	Notes 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of office machinery and electronic components	11,520	11,520	1,080,000	20.00	32,827	10,226	-	Notes 2 and 3
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic components	83,494	83,494	19,500,000	100.00	409,225	( 1,609)	-	Notes 2 and 5
Sertek Incorporated	Digital Computer System Co., Ltd.	Taiwan	Sales of electronic components	-	14,800	-	-	-	2	-	Note 7
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of office machinery and electronic components	11,520	11,520	1,080,000	20.00	32,827	10,226	-	Notes 2 and 3
WPG Investment Co., Ltd.	Hatsushiba Tech Co., Ltd.	Taiwan	Wholesale and retail of electronic components	12,410	12,410	354,500	18.66	4,950	( 1,075)	-	Notes 2 and 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2014			Net profit (loss) of the investee for the three-month period ended March 31, 2014	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2014	Remark
				Balance as at March 31, 2014	Balance as at January 1, 2014	Number of shares	Ownership	Book value			
WPG Investment Co., Ltd.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	\$ 14,800	\$ 14,800	1,265,218	19.62	\$ 8,326	(\$ 2,998)	\$ -	Notes 2 and 3
WPG Investment Co., Ltd.	Taibao Creation Co., Ltd.	Taiwan	Retail business of other grocery	10,000	10,000	1,000,000	25.00	7,259	( 2,544)	-	Notes 2 and 3
AECO Technology Co., Ltd.	TECO Enterprise Holding (BVI) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	673,174	( 431)	-	Notes 2 and 5
WPG Korea Co., Ltd.	Apache Communication Inc.	British Virgin Islands	International investment	70,942	69,994	2,795,000	100.00	87,450	296	-	Notes 2, 5 and 6

Note 1: Investment income (loss) recognized by the company including realized (unrealized) gain or loss from upstream 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: Original investment exchange rate KRW1:NTD0.028820 on March 31, 2014.

Note 7: On February 11, 2014, Sertek Incorporated and its wholly owned subsidiary - Digital Computer System Co., Ltd. conducted a short-form merger in accordance with Enterprise Merger and Acquisition Act. The surviving company was Sertek Incorporated.

(3) Information on investments in Mainland China

The disclosure information of the 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.

**A. Basis information:**

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2014	Net profit (loss) of the investee for the three-month period ended March 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2014	Book value of investments in Mainland China as of March 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2014	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Sales of electronic components	\$ 1,775,792	Note 1	\$ 1,777,557	\$ -	\$ -	\$ 1,777,557	(\$ 6,434)	100.00	(\$ 6,434)	\$ 2,000,192	\$ -	
WPI International Trading (Shenzhen) Ltd.	Sales of electronic components	97,504	Note 1	97,504	-	-	97,504	( 294)	100.00	( 294)	157,208	-	
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	30,470	Note 1	28,590	-	-	28,590	2,438	49.00	1,195	41,481	-	
WPI Logistics (Shanghai) Ltd.	Warehousing services/extra work	38,605	Note 1	15,100	-	-	15,100	7,258	40.00	2,903	29,120	-	
WPI International Trading (Shanghai) Ltd.	Sales of electronic components	202,626	Note 1	19,806	-	-	19,806	23,707	100.00	23,707	281,750	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services	64,475	Note 1	18,731	-	-	18,731	2,133	29.40	627	39,908	-	
AIO (Shanghai) Components Company Limited	Sales of electronic components	6,094	Note 1	-	-	-	-	1,540	100.00	1,540	49,180	-	Note 8
Long-Think International (Shanghai) Limited	Sales of electronic components	12,188	Note 1	143,490	-	-	143,490	3,562	100.00	3,562	162,026	-	Note 7
Software World Limited	Sales of electronic components	-	Note 1	5,637	-	-	5,637	-	-	-	-	-	Note 4
Mec Technology (Shanghai) Co., Ltd.	Sales of electronic components	-	Note 1	15,235	-	-	15,235	-	-	-	-	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2014	Net profit (loss) of the investee for the three-month period ended March 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2014	Book value of investments in Mainland China as of March 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2014	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China (SZ) Inc.	Sales of computer software and electronic components	\$ 145,299	Note 1	\$ 106,461	\$ -	\$ -	\$ 106,461	\$ 42,675	100.00	\$ 42,675	\$ 374,231	\$ -	Note 9
Silicon Application (Shanghai) Ltd.	Sales of computer software and electronic components	-	Note 1	6,533	-	-	6,533	-	-	-	-	-	Note 3
Silicon Application (Wuhon) Ltd.	Sales of computer software and electronic components	-	Note 1	6,490	-	-	6,490	-	-	-	-	-	Note 5
World Components Agent (Shanghai) Inc.	Sales of electronic components	6,094	Note 1	6,094	-	-	6,094	( 28)	100.00	( 28)	4,202	-	
Arise Component Corp.	Sales of electronic components	-	Note 1	24,376	-	-	24,376	-	-	-	-	-	Note 6
AECO Electronic (Ningbo) Co., Ltd.	International trade of electronic components and products	119,442	Note 1	119,442	-	-	119,442	( 8,445)	100.00	( 8,445)	55,367	-	
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	234,622	Note 1	234,622	-	-	234,622	( 6,323)	100.00	( 6,323)	331,241	-	
Yosun South China Corp. Ltd.	Sales of electronic components	131,021	Note 1	-	-	-	-	( 5,383)	100.00	( 5,383)	205,526	-	
Sertek (Shanghai) Limited	Sales of electronic components	76,175	Note 1	-	-	-	-	621	100.00	621	81,471	-	
Qegoo Technology Co., Ltd.	Business e-commerce platform	30,470	Note 1	4,885	-	-	4,885	-	16.03	-	4,885	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2014		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2014	Net profit (loss) of the investee for the three-month period ended March 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2014	Book value of investments in Mainland China as of March 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2014	Remark
					Remitted to Mainland China	Remitted back to Taiwan							
Shenzhen HQPG Electronic Information Co., Ltd.	Sales, import and export trade of electronic related products	\$ 148,478	Note 1	\$ 72,754	\$ -	\$ -	\$ 72,754	( 6,601)	49.00	(\$ 3,234)	\$ 65,073	\$ -	

Note 1: Remitting investment funds to the investment in Mainland China through the third area.

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 liquidated in November, 2007.

Note 6: It was liquidated in December, 2011.

Note 7: Long View Technology Inc. held investments in Mainland China 100% ownership of Long-Think International Trading (Shanghai) Limited through third district transfer investment of British Virgin Islands-Long Think International (HK) Limited as of August 31, 2012. The investment had been permitted by Investment Commission.

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 had been 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: For paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the three-month period ended March 31, 2014, accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2014, book value of investments in Mainland China as of March 31, 2014, accumulated amount of investment income remitted back to Taiwan as of March 31, 2014, etc., the exchange rates used were USD 1: NTD 30.47 and HKD 1: NTD 3.927.

Note 11: The Company recognized investment income under equity method for current period. The investment income was measured based on unreviewed financial statements of investee during the same period.

Note 12: The ending balance of investment was calculated based on combined ownership percentage held by the Company.

B. The ceiling of investment amount in Mainland China

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2014 (Note 1)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Notes 1 and 2)
WPG Holdings Limited	\$ 2,019,193	\$ 3,346,430	\$ 25,379,684
World Peace Industrial Co., Ltd.	260,800	599,512	9,918,336
Richpower Electronic Devices Co., Ltd. (Note 3)	20,872	15,235	1,325,451
Silicon Application Corp.	13,023	18,865	3,009,052
Pernas Electronics Co., Ltd.	30,470	30,470	607,761
Yosun Industrial Corp.	234,622	449,862	6,445,867
Sertek Incorporated	-	76,175	911,571
AECO Technology Co., Ltd.	119,442	119,442	1,039,685
WPG Investment Co., Ltd.	4,885	4,885	285,125

Note 1: Exchange rates as of March 31, 2014 were USD 1: NTD 30.47 and HKD 1 : NTD 3.927.

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.

C. Significant direct or indirect transactions of the Company with the investee companies in Mainland China: Please refer to Note (1) J.

#### 14. 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 three-month periods ended March 31, 2014 and 2013 is as follows:

For the three-month period ended March 31, 2014:

	World Peace Industrial Co., Ltd. and its subsidiaries (Note)	Silicon Application Corp. and its subsidiaries (Note)	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries (Note)	Others	Eliminations	Total
Revenue from external customers	\$ 42,723,642	\$ 15,786,834	\$ 12,782,586	\$ 26,443,358	\$ 4,605,159	\$ -	\$102,341,579
Revenue from internal customers	743,852	621,446	240,785	1,543,473	732,813	( 3,882,369)	-
Total revenue	<u>\$ 43,467,494</u>	<u>\$ 16,408,280</u>	<u>\$ 13,023,371</u>	<u>\$ 27,986,831</u>	<u>\$ 5,337,972</u>	<u>(\$ 3,882,369)</u>	<u>\$102,341,579</u>
Segment profit (loss)	<u>\$ 1,093,157</u>	<u>\$ 514,450</u>	<u>\$ 398,850</u>	<u>\$ 774,387</u>	<u>(\$ 74,485)</u>	<u>\$ 172,303</u>	<u>\$ 2,878,662</u>
Net income (loss)	<u>\$ 656,445</u>	<u>\$ 209,427</u>	<u>\$ 200,520</u>	<u>\$ 336,735</u>	<u>(\$ 1,872)</u>	<u>(\$ 5,208)</u>	<u>\$ 1,396,047</u>

Note : Due to the Group's organisation restructuring on January 1, 2014, AECO Technology Co., Ltd. and its subsidiaries, Pernas Electronics Co., Ltd. and its subsidiaries and Richpower Electronic Devices Co., Ltd. and its subsidiaries which were originally classified under others were included in segment information of World Peace Industrial Co., Ltd. and its subsidiaries, Silicon Application Corp. and its subsidiaries and Yosun Industrial Corp. and its subsidiaries, respectively.

For the three-month period ended March 31, 2013:

	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	\$ 34,497,684	\$ 11,421,672	\$ 10,607,637	\$ 16,433,693	\$ 13,602,696	\$ -	\$ 86,563,382
Revenue from internal customers	2,053,249	433,087	279,474	551,733	811,180	( 4,128,723)	-
Total revenue	<u>\$ 36,550,933</u>	<u>\$ 11,854,759</u>	<u>\$ 10,887,111</u>	<u>\$ 16,985,426</u>	<u>\$ 14,413,876</u>	<u>(\$ 4,128,723)</u>	<u>\$ 86,563,382</u>
Segment profit	<u>\$ 841,348</u>	<u>\$ 362,945</u>	<u>\$ 299,248</u>	<u>\$ 366,292</u>	<u>\$ 102,169</u>	<u>\$ 349,894</u>	<u>\$ 2,321,896</u>
Net income (loss)	<u>\$ 503,185</u>	<u>\$ 128,753</u>	<u>\$ 184,333</u>	<u>\$ 127,295</u>	<u>\$ 106,125</u>	<u>(\$ 9,708)</u>	<u>\$ 1,039,983</u>

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.