# WPG HOLDINGS LIMITED AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS MARCH 31, 2013 AND 2012

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

#### REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods ended March 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our reviews.

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

We did not review the financial statements of certain 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 \$17,933,002 thousand and \$13,808,937 thousand, constituting 14% and 12% of the consolidated total assets, and total liabilities of \$5,268,189 thousand and \$5,401,454 thousand, constituting 6% and 7% of the consolidated total liabilities as of March 31, 2013 and 2012, respectively, and total comprehensive income (including other comprehensive income of associates and joint ventures accounted for under equity method) of \$111,112 thousand and \$81,178 thousand, constituting 5% and 69% 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, 2013 and 2012.

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 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", IAS 34, "Interim Financial Reporting", and IFRS 1, "First-time Adoption of International Financial Reporting Standards", as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

May 14, 2013

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, 2013, DECEMBER 31, 2012, MARCH 31, 2012 AND JANUARY 1, 2012

## (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS) (UNAUDITED)

		March 31, 2013 December 31, 2012		March 31, 20	12	January 1, 20	12		
	Notes	Amount	%	Amount	%	Amount	<u>%</u>	Amount	%
ASSETS									
Current Assets									
Cash and cash equivalents	6(1)	\$ 7,729,821	6	\$ 8,872,178	7	\$ 8,124,506	7	\$ 7,785,974	7
Financial assets at fair value through profit or loss-current	6(2)	16,079	-	48,814	-	190,812	-	134,526	-
Available-for-sale financial assets-current	6(3)	10,342	-	20,919	-	17,686	-	19,442	-
Financial assets carried at cost-current		10,193	-	10,193	-	12,871	-	12,871	-
Notes receivable, net	6(4)	2,557,535	2	1,760,655	2	1,838,935	2	1,696,082	2
Accounts receivable, net	6(5)	58,131,061	47	57,685,623	48	49,415,812	42	45,446,076	42
Accounts receivable-related parties, net	7	200,877	-	146,198	-	129,630	-	23,457	-
Other receivables	6(5)	2,174,791	2	1,333,647	1	3,064,134	3	3,574,965	3
Current income tax assets		18,616	-	13,726	-	24,878	-	2,400	-
Inventories, net	6(6)	36,417,183	29	33,338,625	28	36,547,393	31	34,032,124	31
Prepayments	7	2,275,277	2	1,687,021	2	2,185,235	2	1,746,867	2
Non-current assets held for sale	6(7)	256,727	-	=	-	=	-	-	-
Other current assets		1,145,229	<u> </u>	1,507,871	1	2,918,615	2	3,311,431	3
		110,943,731	89	106,425,470	89	104,470,507	89	97,786,215	90
Non-current Assets									
Available-for-sale financial assets-non-current	6(8)	166,191	-	153,176	-	175,898	-	171,584	-
Financial assets carried at cost-non-current	6(9)	454,590	-	396,104	-	331,551	-	304,609	-
Investments in bonds without active market-non-current		5,000	-	5,000	-	5,000	-	5,000	-
Investments accounted for under the equity method	6(10)	943,398	1	1,107,950	1	614,975	1	617,000	1
Property, plant and equipment	6(11)	5,963,689	5	5,222,839	5	4,565,138	4	4,131,992	4
Intangible assets	6(12)	5,946,539	5	5,958,801	5	5,928,536	5	5,335,584	5
Deferred income tax assets		303,779	-	339,120	-	406,833	-	327,927	-
Other non-current assets	6(14)	315,183		277,814		525,353	1	531,487	
		14,098,369	11	13,460,804	11	12,553,284	11	11,425,183	10
TOTAL ASSETS		\$125,042,100	100	\$119,886,274	100	\$117,023,791	100	\$109,211,398	100
		(Continued)							

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## WPG HOLDINGS LIMITED AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

#### MARCH 31, 2013, DECEMBER 31, 2012, MARCH 31, 2012 AND JANUARY 1, 2012

## (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS) (UNAUDITED)

		March 31, 2013		December 31,	2012	March 31, 2012		January 1, 2012	
	Notes	Amount	%	Amount	%	Amount	<u>%</u>	Amount	%
LIABILITIES AND STOCKHOLDERS' EQUITY									
<u>Current Liabilities</u>									
Short-term loans	6(15)	\$ 31,759,764	25	\$ 31,690,834	26	\$ 27,970,808	24	\$ 27,235,857	25
Commercial papers payable	6(16)	3,667,424	3	4,001,703	3	2,873,406	2	3,213,292	3
Financial liabilities at fair value through profit or loss-current	6(2)	4,139	-	2,010	-	325	-	1,346	-
Notes payable		510,612	1	344,101	-	318,733	-	224,517	-
Accounts payable		36,229,848	29	32,910,955	28	33,457,456	29	28,326,675	26
Other payables		3,538,162	3	4,045,097	3	3,999,930	3	4,983,881	5
Current income tax liabilities		761,483	1	623,807	1	755,861	1	566,961	-
Other current liabilities	6(17)	1,716,829	1	861,055	1	2,348,286	2	2,216,651	2
		78,188,261	63	74,479,562	62	71,724,805	61	66,769,180	61
Non-current Liabilities									
Long-term loans	6(17)	5,809,654	5	6,441,227	5	4,317,846	4	3,977,619	4
Deferred income tax liabilities		339,076	-	313,820	-	306,767	-	267,233	-
Other non-current liabilities	6(18)	561,487		568,785	1	589,209	1	566,456	1
		6,710,217	5	7,323,832	6	5,213,822	5	4,811,308	5
Total Liabilites		84,898,478	68	81,803,394	68	76,938,627	66	71,580,488	66

(Continued)

#### CONSOLIDATED BALANCE SHEETS

#### $\underline{MARCH\ 31,\ 2013,\ DECEMBER\ 31,\ 2012,\ MARCH\ 31,\ 2012\ AND\ JANUARY\ 1,\ 2012}$

## (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS) (UNAUDITED)

		March 31, 201	3	December 31,	2012	March 31, 201	31, 2012 January		1, 2012	
	Notes	Amount	%	Amount	%	Amount	%	Amount	%	
Equity Attributable to Owners of Parent										
Capital										
Common stock	6(19)	16,557,092	13	16,557,092	14	16,557,092	14	15,838,501	14	
Capital reserve	6(20)									
Common stock share premium		14,886,934	12	14,886,934	12	14,886,934	13	13,270,105	12	
Treasury stock transactions		45,083	-	45,083	-	45,083	-	45,083	-	
Investments in associates and joint venture accounted for under										
the equity method		5,589	-	5,589	-	5,933	-	4,020	-	
Retained earnings	6(21)									
Legal reserve		1,967,819	2	1,967,819	2	1459,776	1	1,459,776	1	
Special reserve		1,485,407	1	1,485,407	1	2,728,889	3	2,728,889	3	
Undistributed earnings		7,066,009	6	6,029,167	5	6,001,408	5	5,050,372	5	
Other equity interest										
Financial statements translation differences of foreign operations		(1,974,648)	( 2) (		( 2)	(2,359,761)	( 2)		( 1)	
Unrealized gain or loss on available-for-sale financial assets		49,749		34,226		43,452		50,356		
Equity attributable to owners of the parent		40,089,034	32	38,029,287	32	39,368,806	34	36,934,024	34	
Non-controlling interests		54,588		53,593		716,358		696,886		
Total equity		40,143,622	32	38,082,880	32	40,085,164	34	37,630,910	34	
Commitments and contingent liabilities	9									
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$125,042,100	100	\$119,886,274	100	\$117,023,791	100	<u>\$109,211,398</u>	100	

The accompanying notes are an integral part of these consolidated financial statements. See review report of independent accountants dated May 14, 2013.

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

#### FOR THE THREE-MONTH PERIODS ENDED MARCH 31,

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

		_	2013		_	_	2012		
	Notes	_	Amount	%	_	_	Amount	(	%
Operating revenue	6(22)	\$	86,563,382	10	0	\$	80,853,804		100
Operating costs	6(6)(26)	(	82,347,642)	(_9	<u>5</u> )	(	76,693,727)	(	<u>95</u> )
Gross profit		_	4,215,740		5	_	4,160,077		5
Operating expenses	6(26)(27)								
Selling and marketing		(	1,893,844)	(	3)	(	1,996,120)	(	3)
General and administrative		(	941,657)	(	1)	(	888,944)	(	<u>1</u> )
Total operating expenses		(	2,835,501)	(	<u>4</u> )	(	2,885,064)	(	<u>4</u> )
Operating income		_	1,380,239		1		1,275,013		1
Non-operating income and expenses									
Other income	6(23)		39,069		-		49,037		-
Other gains or losses	6(24)		36,762		-		15,531		-
Financial costs	6(25)	(	199,633)		-	(	230,199)		-
Share of profit of associates and joint ventures									
accounted for under equity method		_	18,431		_	_	4,369	_	
Total non-operating income and expenses		(	105,371)		_	(	161,262)	_	
Income before income tax			1,274,868		1		1,113,751		1
Income tax expense	6(28)	(	234,608)		_	(	<u>172,711</u> )	_	
Consolidated net income		\$	1,040,260		1	\$	941,040	_	1
Other comprehensive income / (loss)									
Financial statements translation differences of foreign		Φ.	1 000 645				204 252		4.5
operations		\$	1,002,647		1	(\$	804,353)	(	1)
Unrealized gain or loss on available-for-sale financial			13,605			(	4,992)		
assets Share of other comprehensive income of associates and			13,003		-	(	4,992)		-
joint venture accounted for under equity method			21,702		_	(	8,499)		_
Income tax relating to the components of other			21,702			(	0,100)		
comprehensive income	6(28)	(	14,331)		_	(	6,275)		
Total other comprehensive income / (loss)		\$	1,023,623		1	(\$	824,119)	(	1)
		\$	2,063,883		2	\$	116,921	_	_
Consolidated net income (loss) attributable to:		_			_				
Owners of parent		\$	1,039,983		1	\$	951,036		1
Non-controlling interests		_	277		_	(	9,996)		
		\$	1,040,260		1	\$	941,040		1
Comprehensive income attributable to:		_			_				
Owners of parent		\$	2,063,622		2	\$	99,942		-
Non-controlling interests			261		_		16,979		
		\$	2,063,883		2	\$	116,921		
Basic earnings per share (In dollars)	6(29)				_				
Total basic earnings per share		\$	0.63			\$	0.59		
Diluted earnings per share (In dollars)	6(29)					<del></del>			
Total diluted earnings per share		\$	0.63			\$	0.59		
		_							

The accompanying notes are an integral part of these consolidated financial statements. See review report of independent accountants dated May 14, 2013.

#### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

#### FOR THE THREE-MONTH PERIODS ENDED MARCH 31,

#### (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

#### (UNAUDITED)

				Capital	Reserve	Retained Earnings						
	Common stock	Additional paid-in capital	S	reasury stock nsactions	Changes in share of other comprehensive income of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Undistributed <u>earnings</u>	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Non-controlling interests	<u>Total</u>
2012 Balance at January 1, 2012 Mergers and issuance of	\$ 15,838,501	\$13,270,105	\$	45,083	\$ 4,020	\$1,459,776	\$ 2,728,889	\$ 5,050,372	(\$1,513,078)	\$ 50,356	\$ 696,886	\$37,630,910
new shares Changes in share of other comprehensive income of associates and joint	718,591	1,616,829		-	-	-	-	-	-	-	-	2,335,420
ventures accounted for under equity method Net income Net other comprehensive	-	-		-	1,913	-	-	951,036	-	-	( 9,996)	1,913 941,040
income Balance at March 31,				<u>-</u>					(846,683)	(6,904)	29,468	(824,119)
2012	\$ 16,557,092	\$14,886,934	\$	45,083	\$ 5,933	<u>\$1,459,776</u>	\$ 2,728,889	\$ 6,001,408	$(\underline{\$2,359,761})$	\$ 43,452	\$ 716,358	\$40,085,164
2013 Balance at January 1, 2013 Difference between consideration and carrying amount of	\$ 16,557,092	\$14,886,934	\$	45,083	\$ 5,589	\$1,967,819	\$ 1,485,407	\$ 6,029,167	(\$2,982,030)	\$ 34,226	\$ 53,593	\$38,082,880
subsidiaries acquired or disposed Net income Net other comprehensive	-	-		-	-	-	-	( 3,141) 1,039,983	-	-	- 277	( 3,141) 1,040,260
income Balance at March 31,				-	<del>_</del>		<del>_</del>		1,007,382	15,523	718	1,023,623
2013	<u>\$ 16,557,092</u>	<u>\$14,886,934</u>	\$	45,083	\$ 5,589	\$1,967,819	<u>\$ 1,485,407</u>	<u>\$ 7,066,009</u>	$(\underline{\$1,974,648})$	<u>\$ 49,749</u>	\$ 54,588	<u>\$40,143,622</u>

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

See review report of independent accountants dated May 14, 2013.

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

## FOR THE THREE-MONTH PERIODS ENDED MARCH 31, (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

#### (UNAUDITED)

Cash flows from operating activities Income before income tax  Adjustments to reconcile consolidated net income to net cash (used in) provided by operating activities:  Non-cash flows from income and expenses  Depreciation  Amortization  Bad debts expense  (Reversal of allowance) decline in market value and obsolescence of
Adjustments to reconcile consolidated net income to net cash (used in) provided by operating activities:  Non-cash flows from income and expenses  Depreciation 55,725 60,11  Amortization 28,201 23,72  Bad debts expense 55,746 13,57
by operating activities: Non-cash flows from income and expenses  Depreciation 55,725 60,11  Amortization 28,201 23,72  Bad debts expense 55,746 13,57
Non-cash flows from income and expenses       55,725       60,11         Depreciation       28,201       23,72         Bad debts expense       55,746       13,57
Depreciation       55,725       60,11         Amortization       28,201       23,72         Bad debts expense       55,746       13,57
Amortization       28,201       23,72         Bad debts expense       55,746       13,57
Bad debts expense 55,746 13,57
(Reversal of allowance) decline in market value and obsolescence of
( 07.570)
Interest expense ( 27,579) 32,24 176,586 200,87
Net gain on financial assets at fair value through profit or loss (235) (1,68
Net loss (gain) on financial liabilities at fair value through profit or loss 2,129 ( 1,02 Interest income ( 5,254) ( 8,48
Share of profit of associates and joint ventures accounted for under equity
method (18,431) (4,36
Loss on disposal of property, plant and equipment 2,403 10
Gain on disposal of investments (14,113) (15,66
Impairment loss 5,781
Changes in assets / liabilities relating to operating activities
Net changes in assets relating to operating activities
Financial assets at fair value through profit or loss-current 32,970 (54,60
Notes receivable, net (796, 880) (108, 39
Accounts receivable, net (502,440) (2,559,31
Accounts receivable-related parties, net (54,679) (65,48
Other receivables (841,865) 546,59
Inventories ( 3,084,425) ( 1,557,07
Prepayments (588,677) (438,36
Other current assets (4,201) 82,38
Other non-current assets (40,214) 29,65
Changes in operating liabilities
Notes payable 166,511 94,21
Accounts payable 3,320,826 4,723,50
Other payables (445, 354) (577, 80
Other current liabilities 297,141 2,68
Other non-current liabilities (
Cash generated from operations $(1,008,026)$ $1,550,74$
Interest paid ( 179,985) ( 204,55
Income tax paid (55,267) (42,53
Interest received
Net cash (used in) generated from operating activities $(1,236,006)$ $1,313,51$

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## WPG HOLDINGS LIMITED AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

#### FOR THE THREE-MONTH PERIODS ENDED MARCH 31,

## (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS) $(\mbox{UNAUDITED})$

		2013		2012
<u>Cash flows from investing activities</u>				
Proceeds from disposal of availabe-for-sale financial assets-non-current	\$	4,207	\$	8,826
Proceeds from disposal of available-for-sale financial assets-current		10,189		7,746
Increase in financial assets carried at cost-non-current	(	61,092)	(	29,994)
Decrease in other financial assets		367,433		324,700
Proceeds from disposal of property, plant and equipment		2,565		1,316
Acquisition of property, plant and equipment and intangible assets	(	784,226)	(	865,356)
Disposal of subsidiaries	(	6,391)		-
Acquisition of subsidiaries		<u>-</u>		397,651
Net cash used in investing activities	(	467,315)	(	155,111)
<u>Cash flows from financing activities</u>				
Increase in long-term loans (including current portion of long-term liabilities)		7452,701		7,380,844
Decrease in long-term loans (including current portion of long-term liabilities)	(	7,524,799)	(	7,418,507)
Decrease in short-term loans	(	59,375,724)	(	81,796,196)
Increase in short-term loans		59,444,654		82,159,861
Decrease in commercial papers payable	(	334,279)	(	339,886)
Net cash used in financing activities	(	337,447)	(	13,884)
Effect of exchange rate changes on cash and cash equivalents		898,411	(	805,983)
Net increase in cash and cash equivalents	(	1,142,357)		338,532
Cash and cash equivalents at beginning of year		8,872,178		7,785,974
Cash and cash equivalents at end of year	\$	7,729,821	\$	8,124,506
(Disposal) acquisition of subsidiaries at fair value:				
Cash and bank deposit	(\$	6,391)	\$	397,651
Other current assets	(	36,301)		2,535,727
Funds and investments		-		10,500
Property, plant and equipment	(	5,047)		199,729
Goodwill		-		604,774
Intangible assets and other assets	(	8,663)		52,867
Other current liabilities		60,957	(	1,089,878)
Long-term liabilities		-	(	336,784)
Other liabilities		4,732	(	39,166)
	\$	9,287	\$	2,335,420

The accompanying notes are an integral part of these consolidated financial statements. See review report of independent accountants dated May 14, 2013.

## WPG HOLDINGS LIMITED AND SUBSIDIARIES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2013, DECEMBER 31, 2012, MARCH 31, 2012 AND JANUARY 1, 2012

(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 Inc. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively.
- 2) The Company was organized to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. The Company's subsidiaries are mainly engaged in the distribution and sales of electronic / electrical components, sales of computer software and electrical products and sales of electronic / electrical components.
- 3) In accordance with the Company's Articles of Incorporation, the total shares of authorized common stock was 2,000,000,000 shares (including 200,000,000 shares of warrant, warrant preferred stock and warrant bond conversion). As of March 31, 2013, the Company and its consolidated subsidiaries (collectively referred herein as the "Group") had approximately 6,140 employees. As of March 31, 2013, 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 14, 2013.

#### 3. <u>APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS</u>

- (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")

  Not applicable as it is the first-time adoption of IFRSs by the Group this year.
- (2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group
  - IFRS 9, 'Financial Instruments: Classification and measurement of financial assets'
  - A. The International Accounting Standards Board ("IASB") published IFRS 9, 'Financial Instruments', in November, 2009, which will take effect on January 1, 2015 with early application permitted. Although the FSC has endorsed IFRS 9, FSC does not permit early application of IFRS 9 when IFRSs are adopted in R.O.C. in 2013. Instead, enterprises should apply International Accounting Standard No. 39 ("IAS 39"), 'Financial Instruments: Recognition and Measurement' reissued in 2009.
  - B. IFRS 9 was issued as the first step to replace IAS 39. IFRS 9 outlines the new classification and measurement requirements for financial instruments, which might affect the accounting treatments for financial instruments of the Group.
  - C. The Group has not evaluated the overall effect of the IFRS 9 adoption. However, based on preliminary evaluation, it was noted that the IFRS 9 adoption might have an impact on those instruments classified as 'available-for-sale financial assets' held by the Group, as IFRS 9 specifies that the fair value changes in the equity instruments that meet certain criteria may be reported in other comprehensive income, and such amount that has been recognised in other comprehensive income should not be reclassified to profit or loss when such assets are derecognised. The Group recognised gain (or loss) on debt instruments and on equity instruments amounting to \$0 and \$13,605, respectively, in other comprehensive income for the three-month period ended March 31, 2013 (excluding other comprehensive income of associates and joint venture accounted for under equity method).

#### (3) <u>IFRSs issued by IASB but not yet endorsed by the FSC</u>

A. The following are the new standards and amendments issued by IASB that are effective but not yet endorsed by the FSC and have not been adopted by the Group:

	New Standards or Amendments	Effective Date
IFRS 1	Limited exemption from comparative IFRS 7 disclosures for first-time adopters	July 1, 2010
	2010 improvements to IFRSs	January 1, 2011
IFRS 7	Disclosures - transfers of financial assets	July 1, 2011
IFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters	July 1, 2011
IAS 12	Deferred tax: recovery of underlying assets	January 1, 2012
IFRS 10	Consolidated financial statements	January 1, 2013
IFRS 11	Joint arrangements	January 1, 2013
IFRS 12	Disclosure of interests in other entities	January 1, 2013
IAS 27	Separate financial statements	January 1, 2013
IAS 28	Investments in associates and joint ventures	January 1, 2013
IFRS 13	Fair value measurements	January 1, 2013
IAS 19	Employee benefits	January 1, 2013
IAS 1	Presentation of items of other comprehensive income	July 1, 2012
IFRIC 20	Stripping costs in the production phase of a surface mine	January 1, 2013
IFRS 7	Disclosures - offsetting financial assets and financial liabilities	January 1, 2013
IFRS 1	Government loans	January 1, 2013
	2009-2011 improvements to IFRSs	January 1, 2013
IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance	January 1, 2013

B. The following are the new standards and amendments issued by IASB that are not yet effective and not yet endorsed by the FSC and have not been adopted by the Group:

	New Standards or Amendments	Effective Date
IFRS 9	Financial instruments: Classification and measurement of financial liabilities	January 1, 2015
IAS 32	Offsetting financial assets and financial liabilities	January 1, 2014
IFRS 7 and IFRS 9	Mandatory effective date and transition disclosures	January 1, 2015
IFRS 10, IFRS 12 and IAS 27	Investment entities	January 1, 2014

C. The Group is assessing the potential impact of the new standards 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

- A. These consolidated financial statements are the first interim consolidated financial statements prepared by the Group in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", IAS 34, 'Interim Financial Reporting', and IFRS 1, 'First-time Adoption of International Financial Reporting Standards', as endorsed by the FSC.
- B. In the preparation of the balance sheet as of January 1, 2012, the Group has adjusted the amounts that were reported in the consolidated financial statements in accordance with previous R.O.C. GAAP. Please refer to Note 15 for the impact of transitioning from R.O.C. GAAP to the International Financial Reporting Standards, International Accounting Standards, and Interpretations/bulletins as endorsed by the FSC (collectively referred herein as the "IFRSs") on the Group's financial position, operating results and cash flows.

#### (2) <u>Basis of preparation</u>

- 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 prior period's service cost and unrecognised actuarial losses, less unrecognised actuarial gains and present value of defined benefit obligation.
- B. The significant accounting policies as stated below have been consistently applied to all the periods presented in these consolidated financial statements, including the opening IFRS balance sheet on January 1, 2012 (the Group's date of transition to IFRSs) that are prepared in transition to IFRSs.
- C. The preparation of financial statements in conformity 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) 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.
  - d) 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. Conversely, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be transferred directly to retained earnings, if such gains or losses would be transferred directly to retained earnings, if such gains or losses would be transferred directly to retained earnings when the related assets or liabilities are disposed of.

#### B. Subsidiaries included in the consolidated financial statements:

			Owner		
Name of investment			March 31,	December 31,	
company	Name of subsidiaries	Main activities	2013	2012	Note
WPG Holdings Limited	World Peace Industrial	Sales of	100.00	100.00	
C	Co., Ltd.	electronic components			
		1			
WPG Holdings Limited	Silicon Application	Sales of computer	100.00	100.00	
_	Corporation	software and electronic			
	•	products			
		-			
WPG Holdings Limited	Richpower Electronic	Sales of electronic /	100.00	100.00	
_	Devices Co., Ltd.	electrical components			
WPG Holdings Limited	Pernas Electronics Co.,	"	100.00	100.00	
	Ltd.				
WPG Holdings Limited	WPG Korea Co., Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG International (CI)	Holding company	100.00	100.00	
	Limited				
WPG Holdings Limited	Asian Information	Sales of electronic /	100.00	100.00	
	Technology Inc.	electrical components			
		<i>"</i>		400.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	
WDC Hall's and Code 1	WDC I	T	100.00	100.00	
WPG Holdings Limited	WPG Investment Co.,	Investment company	100.00	100.00	
	Ltd.				
WPG Holdings Limited	AECO Technology Co.,	Sales of electronic /	100.00	100.00	
W1 G Holdings Ellinted	Ltd.	electrical components	100.00	100.00	
	Liu.	electrical components			
World Peace Industrial	World Peace	Holding company	100.00	100.00	
Co., Ltd.	International (BVI)	Holding company	100.00	100.00	
Co., Ltd.	Ltd.				
	Eta.				
World Peace Industrial	WPI Investment	Holding company	100.00	100.00	
Co., Ltd.	Holding (BVI)	Troiding company	100.00	100.00	
20., 200.	Company Ltd.				
	Company Zia.				
World Peace Industrial	Longview Technology	Sales of electronic	100.00	100.00	
Co., Ltd.	Inc.	components			
		FF			
World Peace	Prime Future	Holding company	100.00	100.00	
International (BVI)	Technology Limited	manag company	100.00	100.00	
Ltd.	recimiology Elimica				
2					
Prime Future Technology	World Peace	Holding company	100.00	100.00	
Limited	International Pte. Ltd.	Troising company	100.00	100.00	
Ziiiiited	international I to. Ltu.				
World Peace	Genuine C&C	Sales of electronic /	80.00	80.00	
International Pte. Ltd.	(IndoChina) Pte., Ltd.	electrical components	00.00	00.00	
international i te. Ltu.	(maccima) i te., Eta.	ciccuicai components			

			Owner	Ownership (%)		
Name of investment company	Name of subsidiaries	Main activities	March 31, 2013	December 31, 2012	Note	
World Peace International Pte. Ltd.	WPG Americas Inc.	Sales of electronic / electrical components	6.73	6.73	Note 2	
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.	"	100.00	100.00		
World Peace International Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	Note 7	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00		
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	Note 5	
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Malaysia) SDN BHD.	"	100.00	100.00		
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	Note 15	
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Sales of electronic / electrical components	100.00	100.00		
WPI Investment Holding (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		
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	"	100.00	100.00		
WPI Investment Holding (BVI) Company Ltd.	TEKSEL WPG Limited	Sales of electronic components	50.00	50.00		
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00		
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	100.00		

			Owner		
Name of investment			March 31,	December 31,	
company	Name of subsidiaries	Main activities	2013	2012	Note
WPI International (Hong Kong) Limited	WPG C&C Limited	Agent and sales of information products	100.00	100.00	
WPI International (Hong Kong) Limited	AIO Components Company Limited	Sales of electronic / electrical components	100.00	100.00	
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	100.00	
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	Note 13
Longview Technology Inc.	Long-Think International Co., Ltd.	Sales of electronic components	100.00	100.00	Note 17
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	100.00	Note 8
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	100.00	100.00	Note 23
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	
Sillcon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	Note 14
Silicon Application Corporation	Win-Win Electronic Corp.	"	100.00	100.00	
Silicon Application (BVI) Corp.	Silicon Application Company Limited	"	100.00	100.00	
Silicon Application (BVI) Corp.	Alliance Broadcast Vision Pte. Ltd.	Sales and design of electronic components	-	-	Note 18
Silicon Application Company Limited	Dstar Electronic Company Limited	Sales of computer software and electronic products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	

	Ownership (%)					
Name of investment			March 31,	December 31,		
company	Name of subsidiaries	Main activities	2013	2012	Note	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Sales of electronic / electrical products	100.00	100.00		
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	100.00		
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	"	100.00	100.00		
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Sales of electronic components	100.00	100.00		
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investment	100.00	100.00		
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	100.00		
WPG Korea Co., Ltd.	Apache Communication Inc.	Investment company	100.00	100.00		
Apache Communication Inc.	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00		
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00		
WPG International (CI) Limited	WPG Americas Inc.	Sales of electronic / electrical components	93.27	93.27		
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	"	100.00	100.00	Note 19	
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	Note 22	
WPG International (Hong Kong) Limited	WPG Electronics (HK) Limited	Sales of electronic / electrical products	100.00	100.00		
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00		
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00		
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic / electrical products	100.00	100.00		
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	"	100.00	100.00	Notes 3 and 4	

			Owner		
Name of investment			March 31,	December 31,	
company	Name of subsidiaries	Main activities	2013	2012	Note
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	Notes 3 and 6
WPG South Asia Pte. Ltd.	Da & Da Components (India) Pvt. Ltd.	"	99.99	99.99	Note 11
WPG Malaysia Sdn. Bhd	Da & Da Components (India) Pvt. Ltd.	"	0.01	0.01	Note 11
Asian Information Technology Inc.	Apache Communication Inc.	"	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Sale of RF device	-	100.00	Note 9
Asian Information Technology Inc.	Frontek Technology Corporation	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	
Asian Information Technology Inc.	AITG Holding Corp.	"	100.00	100.00	
Adivic Technology Co., Ltd.	Advance Digital Communication Co., Ltd.	Sales of electronic / electrical products	-	100.00	Note 9
Frontek Technology Corporation	Jarek International Corp.	Investment company	-	-	Note 20
Frontek Technology Corporation	Frontek International Limited	"	100.00	100.00	
Fame Hall International Co., Ltd.	Fame Hall International Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Fame Hall International Co., Ltd.	AIT Japan Inc.	"	100.00	100.00	
AITG Holding Corp.	Zheng Ding Technology (ShenZhen) Co., Ltd.	"	100.00	100.00	
Frontek International Limited	AITG Electronic Limited	"	100.00	100.00	
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	

			Owner		
Name of investment			March 31,	December 31,	
company	Name of subsidiaries	Main activities	2013	2012	Note
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Suntek Investments Ltd.	"	100.00	100.00	
Sertek Incorporated	Digital Computer System Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Sertek Incorporated	Sertek Limited	"	100.00	100.00	
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	"	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	
Suntek Investments Ltd.	Siltrontech Electronics Corp.	"	-	-	Note 16
Suntek Investments Ltd.	Lipers Enterprise Co., Ltd.	"	-	-	Note 16
Sertek Limited	Sertek (Shanghai) Limited	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Sunwise Technology Ltd.	Sales of electronic / electrical products	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Thailand) Co., Ltd.	"	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) SDN. BHD.	"	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun India Private Limited	Sales of electronic / electrical products	100.00	100.00	
Siltrontech Electronics Corp.	Siltrontech Electronics (HK) Corp., Limited	Import and export business	-	-	Note 16

			Owner		
Name of investment			March 31,	December 31,	
company	Name of subsidiaries	Main activities	2013	2012	Note
Siltrontech Electronics (HK) Corp., Limited	Xiang Mao Electronics (SZ) Corp., Ltd.	Sales of electronic equipment products	-	-	Notes 16
Siltrontech Electronics (HK) Corp., Limited	Siltrontech Electronics (SH) Corp., Ltd.	"	-	-	Note 16
Lipers Enterprise Co., Ltd.	Lipers (Hong Kong) Enterprise Co., Ltd.	"	-	-	Note 16
Lipers Enterprise Co., Ltd.	Scope Technology Co., Ltd.	"	-	-	Note 16
Lipers Enterprise Co., Ltd.	Hatsushiba Tech Co., Ltd.	"	-	-	Note 16
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Inc.	"	-	-	Note 16
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Co., Ltd.	"	-	-	Note 16
Lipers (Hong Kong) Enterprise Co., Ltd.	Dongguan Lipers Electronics Co., Ltd.	Manufacturing	-	-	Note 16
Lipers (Hong Kong) Enterprise Co., Ltd.	Lipers Electronic (SZ) Co., Ltd.	Sales of electronic / electrical products	-	-	Notes 16 and 21
WPG Investments Co., Ltd.	Hatsushiba Tech Co., Ltd.	"	-	-	Notes 16 and 24
AECO Technology Co., Ltd.	TECO Enterprise Holding (BVI) Co., Ltd.	Investment company	100.00	100.00	Note 12
TECO Enterprise Holding (BVI) Co., Ltd.	AECO Electronic Co., Ltd.	Distribution of semiconductor products	100.00	100.00	Note 12
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	Note 12

			Owne	rship (%)	
Name of investment		- -	March 31,	January 1,	
company	Name of subsidiaries	Main activities	2012	2012	Note
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Sales of electronic components	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	
WPG Holdings Limited	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Pernas Electronics Co., Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	
WPG Holdings Limited	AECO Technology Co., Ltd.	Sales of electronic / electrical components	100.00	-	Note 12
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Sales of electronic components	100.00	100.00	
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	
Prime Future Technology Limited	y World Peace International Pte. Ltd.	Holding company	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Sales of electronic / electrical components	80.00	100.00	Note 10
World Peace International Pte. Ltd.	WPG Americas Inc.	"	6.73	6.73	Note 2

		_	Ownership (%)		<u></u>	
Name of investment		<del>-</del>	March 31,	January 1,	•	
company	Name of subsidiaries	Main activities	2012	2012	Note	
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	Sales of electronic / electrical components	100.00	100.00		
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	"	100.00	100.00		
World Peace International Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	Note 7	
World Peace International (South Asia) Pte Ltd.	WPG Malaysia Sdn. Bhd	"	-	100.00	Notes 3 and 4	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00		
World Peace International (South Asia) Pte Ltd.	WPG Electronics (Philippines) Inc.	n	100.00	100.00	Note 5	
World Peace International (South Asia) Pte Ltd.	WPG (Thailand) Co., Ltd.	"	-	100.00	Notes 3 and 6	
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Malaysia) SDN BHD.	"	100.00	100.00		
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	Note 15	
Genuine C&C (South Asia) Pte., Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Sales of electronic / electrical components	100.00	100.00		
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	n	100.00	100.00		
WPI Investment Holding (BVI) Company Ltd.	Gain Tune Ltd.	"	100.00	100.00		
WPI Investment Holding (BVI) Company Ltd.	WPI International Trading (Shenzhen) Ltd.	"	100.00	100.00		
WPI Investment Holding (BVI) Company Ltd.	TEKSEL WPG Limited	Sales of electronic components	50.00	50.00		

				rship (%)	
Name of investment			March 31,	January 1,	
Company WPI Investment Holding (BVI) Company Ltd.	Name of subsidiaries Long-Think International (Hong Kong) Limited	Main activities Sales of electronic components	2012 100.00	2012 100.00	Note Note 8
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00	
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	100.00	100.00	
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	
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	100.00	100.00	
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	
Silicon Application Corporation	Win-Win Electronic Corp.	Sales of computer software and electronic products	100.00	100.00	
Silicon Application (BVI) Corp.	Silicon Application Company Limited	"	100.00	100.00	
Silicon Application (BVI) Corp.	Alliance Broadcast Vision Pte. Ltd.	Sales and design of electronic components	51.28	51.28	
Silicon Application Company Limited	Dstar Electronic Company Limited	Sales of computer software and electronic products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	100.00	
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	100.00	100.00	

			Owne	rship (%)	
Name of investment		- -	March 31,	January 1,	
company	Name of subsidiaries	Main activities	2012	2012	Note
Mec Technology Co.,	Richpower Electronic Devices Pte., Ltd.	Sales of electronic /	100.00	100.00	
Ltd.	Devices Pie., Liu.	electrical products			
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Sales of electronic components	100.00	100.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investments	100.00	100.00	
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	100.00	100.00	
WPG Korea Co., Ltd.	Apache Communication Inc.	Investment company	100.00	100.00	
Apache Communication Inc.	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	
WPG International (CI) Limited	WPG Americas Inc.	Sales of electronic / electrical components	93.27	93.27	
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	"	100.00	100.00	Note 19
WPG International (Hong Kong) Limited	WPG Electronics (HK) Limited	"	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	
WPG Americas Inc.	Dynamic Image Technologies, LLC	Sales of electronic / electrical products	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	"	100.00	-	Notes 3 and 4
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	"	100.00	-	Notes 3 and 6
WPG South Asia Pte. Ltd.	Da & Da Components (India) Pvt. Ltd.	"	99.99	99.99	Note 11
WPG Malaysia Sdn. Bhd	Da & Da Components (India) Pvt. Ltd.	"	0.01	0.01	Note 11

			Ownership (%)		
Name of investment			March 31,	January 1,	
company	Name of subsidiaries	Main activities	2012	2012	Note
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Sale of RF device	100.00	100.00	
Asian Information Technology Inc.	Frontek Technology Corporation	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	
Asian Information Technology Inc.	AITG Holding Corp.	"	100.00	100.00	
Adivic Technology Co., Ltd.	Advance Digital Communication Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Frontek Technology Corporation	Jarek International Corp.	Investment company	100.00	100.00	
Frontek Technology Corporation	Frontek International Limited	"	100.00	100.00	
Fame Hall International Co., Ltd.	Fame Hall International Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Fame Hall International Co., Ltd.	AIT Japan Inc.	"	100.00	100.00	
AITG Holding Corp.	Zheng Ding Technology (ShenZhen) Co., Ltd.	"	100.00	100.00	
Frontek International Limited	AITG Electronic Limited	"	100.00	100.00	
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Suntek Investments Ltd.	"	100.00	100.00	
Sertek Incorporated	Digital Computer System Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	
Sertek Incorporated	Sertek Limited	"	100.00	100.00	

			Ownership (%)		
Name of investment			March 31,	January 1,	•
company	Name of subsidiaries	Main activities	2012	2012	Note
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	Sales of electronic / electrical products	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	
Suntek Investments Ltd.	Siltrontech Electronics Corp.	"	32.22	32.22	Note 16
Suntek Investments Ltd.	Lipers Enterprise Co., Ltd.	"	43.08	43.08	Note 16
Sertek Limited	Sertek (Shanghai) Limited	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Sunwise Technology Ltd.	Sales of electronic / electrical products	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Thailand) Co., Ltd.	"	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) SDN. BHD.	"	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun India Private Limited	Sales of electronic / electrical products	100.00	100.00	
Siltrontech Electronics Corp.	Siltrontech Electronics (HK) Corp., Limited	Import and export business	100.00	100.00	Note 16
Siltrontech Electronics (HK) Corp., Limited	Xiang Mao Electronics (SZ) Corp., Ltd.	Sales of electronic equipment products	100.00	100.00	Notes 16
Siltrontech Electronics (HK) Corp., Limited	Siltrontech Electronics (SH) Corp., Ltd.	"	100.00	100.00	Note 16
Lipers Enterprise Co., Ltd.	Lipers (Hong Kong) Enterprise Co., Ltd.	"	1000.00	100.00	Note 16

			Ownership (%)		=,
Name of investment			March 31,	January 1,	
company	Name of subsidiaries	Main activities	2012	2012	Note
Lipers Enterprise Co., Ltd.	Scope Technology Co., Ltd.	Sales of electronic equipment products	100.00	100.00	Note 16
Lipers Enterprise Co., Ltd.	Hatsushiba Tech Co., Ltd.	"	55.00	55.00	Note 16 and 24
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Inc.	"	100.00	100.00	Note 16
Lipers Enterprise Co., Ltd.	Advance Electronics Supply Co., Ltd.	"	100.00	100.00	Note 16
Lipers (Hong Kong) Enterprise Co., Ltd.	Dongguan Lipers Electronics Co., Ltd.	Manufacturing	100.00	100.00	Note 16
Lipers (Hong Kong) Enterprise Co., Ltd.	Lipers Electronic (SZ) Co., Ltd.	Sales of electronic / electrical products	100.00	-	Notes 16 and 21
WPG Investment Co., Ltd.	Hatsushiba Tech Co., Ltd.	"	30.00	30.00	Note 16 and 24
AECO Technology Co., Ltd.	TECO Enterprise Holding (BVI) Co., Ltd.	Investment company	100.00	-	Note 12
TECO Enterprise Holding (BVI) Co., Ltd.	AECO Electronic Co., Ltd.	Distribution of semiconductor products	100.00	-	Note 12
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	Trading of electronic / electrical products	100.00	-	Note 12

- 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: World Peace Industrial Co., Ltd. totally held 6.73% of shares of WPG Americas through World Peace International (South Asia) Pte Ltd. and WPI International (HK) Limited as of March 31, 2013 and 2012, December 31, 2012 and January 1, 2012.
- Note 3: Due to restructuring, the subsidiary was sold to WPG South Asia Pte. Ltd. by World Peace International (South Asia) Pte Ltd.
- Note 4: The subsidiary was formerly named WPG Electronics (Malaysia) SDN BHD. The name was changed in March, 2012.
- Note 5: Due to the restriction of local regulations, the Company holds 60% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

- Note 6: Due to the restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%. The subsidiary was formerly named WPG Electronics (Thailand) Co., Ltd. The name was changed in April, 2012.
- Note 7: The subsidiary was formerly named World Peace International (China) Limited. The name was changed in November, 2012.
- Note 8: The subsidiary was formerly named World Peace Industrial (Hong Kong) Limited. The name was changed in Apirl, 2012. Due to restructuring, the subsidiary was sold to Longview Technology GC Limited by WPI Investment Holding (BVI) Company Ltd.
- Note 9: Asian Information Technology Inc. did not participate in the capital increase of Adivic Technology Co., Ltd. As a result, the Company's ownership percentage of the susidiary decreased from 100% to 49% and lost control over it.
- Note 10: World Peace International Pte. Ltd. did not participate in the capital increase of Genuine C&C (IndoChina) Pte., Ltd. As a result, the ownership percentage decreased from 100% to 80%
- Note 11: The subsidiary was formerly named Da & Da Electronics Pte. Ltd. The name was changed in July, 2012
- Note 12: The Company acquired 100% ownership of AECO Technology Co., Ltd. by exchanging shares of common stock on March 1, 2012 and has control over the subsidiaries of AECO Technology Co., Ltd.
- Note 13: The subsidiary was established in May, 2012.
- Note 14: The subsidiary was established in June, 2012
- Note 15: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 16: Due to the re-election of Board members of Siltrontech Electronics Corp. on June 27, 2011, Yosun Industrial Corp. acquired majority control over Siltrontech Electronics Corp. Accordingly, the Company has effective control over Lipers Enterprise Co., Ltd. Due to the re-election of the Board of Directors of Siltrontech Electronics Corp., Yosun Industrial Corp. no longer holds majority control over Siltrontech Electronics Corp. since June 5, 2012. Accordingly, the Company has no effective control over Siltrontech Electronics Corp. and its subsidiaries and Lipers Enterprise Co., Ltd. and its subsidiaries. Starting from June 5, 2012, the Company held the entity as an investment under equity method.

- Note 17: The subsidiary was acquired in July 2012.
- Note 18: The subsidiary was liquidated in April, 2012.
- Note 19: The subsidiary was formerly named Da & Da Electronics Pte. Ltd. The name was changed in July, 2012.
- Note 20:It was liquidated in August, 2012.
- Note 21: The subsidiary was established in February, 2012.
- Note 22: The subsidiary was established in September, 2012.
- Note 23: The subsidiary was acquired in October, 2012.
- Note 24:The Company's comprehensive percentage of ownership of Hatsushiba Tech Co., Ltd. in October, 2011 through the subsidiary WPG Investment Co., Ltd. and Lipers Enterprise Co., Ltd. is 53.69%. However, the Company held the entity as an investment under equity method starting from June 5, 2012 as discussed in Note 16.

The Company's subsidiary, Asian Information Technology Inc., did not subscribe new shares proportionately to the cash capital increase of Advance Digital Communication Co., Ltd. in February 2013. As a result, the Group lost control over it and investment retained in the former subsidiary should be measured at its fair value at the date when control is lost.

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Different accounting periods and accounting principles adopted by subsidiaries: None.
- E. Special operating risk of foreign subsidiaries: 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 as part of the fair value gain 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.

#### 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) On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income.
- c) When a foreign operation is partially disposed of or sold, 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. However, 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 still retains partial interest in the former foreign subsidiary, associate or jointly controlled entity after losing control of the former foreign subsidiary, losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, 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 and cash equivalents

- A. In the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments.
- B. Cash equivalents refer to short-term highly liquid investments that meet both the following criteria:
  - a) Readily convertible to known amount of cash; and
  - b) Subject to an insignificant risk of changes in value.

#### (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.
- 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.

#### (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 recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### 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) <u>Impairment of financial assets</u>

- 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; or
- 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;
- 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 all risks and rewards of ownership of the financial asset.
- C. The Group neither retains nor transfers all risks and rewards of ownership of the financial asset; however, it 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 estimated selling expenses.

#### (13) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

#### (14) <u>Investments accounted for under the equity method / associates</u>

- 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. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment loss arising through subsequent assessments.
- 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, if 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 or transferred directly to retained earnings, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then 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 loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the

associate are transferred to profit or loss and still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

# (15) 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. 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 3 ~ 10 years except for buildings, leasehold improvements and miscellaneous equipment, which are 10 ~ 55 years, 2 ~ 5 years and 5 ~ 10 years, respectively.

#### (16) Leases

If substantially all the significant risks and rewards of rental object remain to lessor, the Group accounts for these 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.

#### (17) Intangible assets

#### A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

B. Other intangible assets which are recognized at acquisition cost are amortised on a

straight-line basis over their estimated useful lives of  $3 \sim 5$  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. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss.
- 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.

#### (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.

# (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) <u>Derecognition of financial liabilities</u>

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) <u>Derivative financial instruments</u>

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

#### (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 Group pays fixed contributions to an independent, publicly held pension fund. The Group has no further legal or constructive obligations once the contributions have been paid. 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. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. 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 obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows 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 such 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 an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate 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. The related information is disclosed accordingly.

#### C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises termination benefits when it is demonstrably committed to a termination, when it has a detailed formal plan to terminate the employment of current employees and when it can no longer withdraw the plan. In the case of an offer made by the Group to encourage voluntary termination of employment, the termination benefits are recognised as expenses only when it is probable that the employees are expected to accept the offer and the number of the employees taking the offer can be reliably estimated. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

# D. 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 obligation 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 income 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 financial statements. However, the deferred income 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 income tax is provided on temporary differences arising on investments in subsidiaries, 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 income tax is determined using tax rates (laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income 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 income 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 and share premium 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. If the total of the fair values of the consideration of acquisition and any non-controlling interest in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired, the difference is recorded as goodwill.

#### (30) Operating segments

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

# 5. <u>CRITICAL ACCOUNTING JUDGEMENTS</u>, <u>ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY</u>

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. Judgements and estimates are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

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

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 or there are signs of significant financial difficulty of the issuer, bankrupt or financial data indicating, the Group would suffer an additional loss of \$641,316 in its 2013 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.

#### (2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### A. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of March 31, 2013, the Group recognized financial assets measured at cost amounting to \$464.783.

#### B. 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(12) for the information of goodwill impairment.

# C. Impairment assessment of investments accounted for under the equity method

The Group assesses the impairment of an investment accounted for under the equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recoverable. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Group's share of expected future cash flows of the investee or the present value of expected cash dividends receivable from the investee and expected future cash flows from the disposal of the investee, and analyzes the reasonableness of related assumptions.

As of March 31, 2013, the Group's investments accounted for under the equity method, net of impairment loss, amounted to \$943,398.

#### D. Realisability of deferred income tax assets

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred income tax assets involves critical accounting judgements and estimates, including the assumptions of expected future sales revenue growth rate and profit rate, tax exempt duration, available tax credits, etc.

As of March 31, 2013, the Group recognised deferred income tax assets amounting to \$303,779.

#### E. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of

obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of March 31, 2013, the carrying amount of inventories was \$36,417,183.

#### F. Calculation of accrued pension obligations

When calculating the present value of defined pension obligations, the Group must apply judgements and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and expected rate of return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations.

As of March 31, 2013, the carrying amount of accrued pension obligations was \$499,022.

G. Financial assets—fair value measurement of unlisted stocks without active market

The fair value of unlisted stocks held by the Group that are not traded in an active market is
determined considering those companies' recent funding raising activities and technical

development status, fair value assessment of other companies of the same type, market conditions and other economic indicators existing on balance sheet date. Any changes in these judgements and estimates will impact the fair value measurement of these unlisted stocks. Please refer to Note 12(3) for the financial instruments fair value information.

As of March 31, 2013, the carrying amount of unlisted stocks was \$133,108.

# 6. DETAILS OF SIGNIFICANT ACCOUNTS

#### (1) Cash and cash equivalents

1	March 31, 2013	Dec	ember 31, 2013
\$	5,703	\$	5,820
	1,156,101		1,988,654
	5,939,311		6,097,952
	554,769		719,869
	73,937		59,883
\$	7,729,821	\$	8,872,178
N	March 31, 2012		<u>nuary 1, 2012</u>
\$	17,882	\$	20,494
	1,472,867		1,386,247
	5,493,435		5,350,620
	1,140,322		1,028,613
\$	8,124,506	\$	7,785,974
	\$ 	1,156,101 5,939,311 554,769 73,937 \$ 7,729,821 March 31, 2012 \$ 17,882 1,472,867 5,493,435 1,140,322	\$ 5,703 \$ 1,156,101 5,939,311 554,769 73,937 \$ \$ 7,729,821 \$ \$ \$ 17,882 \$ 1,472,867 5,493,435 1,140,322

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 the Group's cash and cash equivalents pledged to others as collateral are provided in Note 8

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

Items		ch 31, 2013	Decer	nber 31, 2013
Current items:		<u> </u>		
Financial assets held for trading				
Listed stocks	\$	20,244	\$	22,896
Open-end mutual funds		-		30,800
Derivatives		2,270		2,035
		22,514		55,731
Valuation adjustment of financial assets held for		,		,
trading	(	6,435)	(	6,917)
_	\$	16,079	\$	48,814
Current items:	:	<del></del> -	-	<del></del> _
Financial assets held for trading				
Derivatives	\$	4,139	\$	2,010
	Ψ	.,105	Ψ	2,010
Items	Mar	ch 31, 2012	Janı	uary 1, 2012
Items Current items:	<u>Mar</u>	ech 31, 2012	<u>Janı</u>	uary 1, 2012
	<u>Mar</u>	rch 31, 2012	<u>Janı</u>	uary 1, 2012
Current items:	<u>Mar</u> \$	31,185	<u>Janu</u> \$	120,073
Current items: Financial assets held for trading				
Current items: Financial assets held for trading Listed stocks		31,185 166,300		120,073
Current items: Financial assets held for trading Listed stocks Open-end mutual funds		31,185		120,073 29,500
Current items: Financial assets held for trading Listed stocks Open-end mutual funds		31,185 166,300 2,614		120,073 29,500 928
Current items: Financial assets held for trading Listed stocks Open-end mutual funds Derivatives		31,185 166,300 2,614 200,099		120,073 29,500 928 150,501
Current items: Financial assets held for trading Listed stocks Open-end mutual funds Derivatives  Valuation adjustment of financial assets held for		31,185 166,300 2,614 200,099 9,287)		120,073 29,500 928 150,501 15,975)
Current items: Financial assets held for trading Listed stocks Open-end mutual funds Derivatives  Valuation adjustment of financial assets held for		31,185 166,300 2,614 200,099	\$	120,073 29,500 928 150,501
Current items: Financial assets held for trading Listed stocks Open-end mutual funds Derivatives  Valuation adjustment of financial assets held for trading		31,185 166,300 2,614 200,099 9,287)	\$	120,073 29,500 928 150,501 15,975)

- A. The Group recognised net (loss) gain of (\$20,389) and \$13,787 for the three-month periods ended March 31, 2013 and 2012, respectively.
- B. The counterparties of the Group's debt instrument investments are mostly listed company 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:

	March 31, 2013				December 31, 2012		
	Contract A	Amount		Contract	Amount		
Derivative Instruments	(Notional	principal)	Contract Period	(Notiona	l principal)	Contract Period	
Forward foreign exchange contracts							
- Sell	EUR	3,050	2012.10.31~	EUR	1,950	2012.10.31~	
			2013.07.15			2013.06.17	
- Sell	USD	10,500	2013.02.26~	USD	12,990	2012.11.05~	
			2013.05.28			2013.02.25	
- Sell-SWAP	USD	12,450	2013.01.23~	USD	15,301	2012.09.21~	
			2013.05.07			2013.03.07	
- Buy	EUR	8,950	2013.02.15~	USD	7,070	2012.11.30~	
			2013.07.30			2013.02.26	
- Buy				EUR	100	2012.12.07~	
						2013.01.14	
		March 31	1, 2012	January 1, 2012			
	Contract A	Amount		Contract Amount			
Derivative Instruments	(Notional	principal)	Contract Period	(Notiona	l principal)	Contract Period	
Forward foreign exchange contracts							
- Sell	USD	14,840	2012.02.02~	USD	18,100	2011.09.14~	
		,	2012.05.21		,	2012.02.17	
- Sell-SWAP	USD	12,643	2011.11.15~	USD	9,384	2011.11.07~	
		,	2012.06.05		,	2012.02.07	
- Buy	USD	4,850	2012.02.20~	USD	1,700	2011.12.21~	
•		,	2012.07.31		,	2012.01.31	

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	Marc	h 31, 2013	Decen	nber 31, 2013
Listed stocks	\$	214	\$	214
Bond funds		-		10,000
Adjustment of available-for-sale financial assets		10,128		10,705
	\$	10,342	\$	20,919
Items	Marc	h 31, 2012	Janu	ary 1, 2012
Listed stocks	\$	214	\$	426
Bond funds		10,000		10,000
Adjustment of available-for-sale financial assets		7,472		9,016
	\$	17,686	\$	19,442

The counterparties of the Group's debt instrument investments are mostly listed company 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 available-for-sale financial assets.

#### (4) Notes receivable

	Ma	rch 31, 2013	Dece	ember 31, 2013
Notes receivable	\$	2,558,574	\$	1,761,631
Less: Allowance for doubtful accounts	(	1,039)	()	<u>976</u> )
	\$	2,557,535	\$	1,760,655
	Ma	arch 31, 2012	Jar	nuary 1, 2012
Notes receivable	\$	1,840,102	\$	1,697,495
Less: Allowance for doubtful accounts	(	1,167)	(	1,413)
	\$	1,838,935	\$	1,696,082

The notes receivable are mostly the checks collected from the counterparties which have good credit quality or the check 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

	<u>M</u>	arch 31, 2013	Dec	ember 31, 2013
Accounts receivable	\$	59,429,670	\$	58,929,250
Less: Allowance for doubtful accounts	(	277,981)	(	236,605)
Allowance for sales discount and sales				
return	(	1,020,628)	(	1,007,022)
	\$	58,131,061	\$	57,685,623
	M	arch 31, 2012	Ja	nuary 1, 2012
Accounts receivable	\$	50,359,330	\$	46,622,901
Less: Allowance for doubtful accounts	(	187,964)	(	160,975)
Allowance for sales discount and sales				
return	(	755,554)	(	1,015,850)
	\$	49,415,812	\$	45,446,076

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. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the balance of outstanding accounts receivable sold to the Bank was \$12,206,878,

- \$13,845,931, \$14,726,345 and \$19,080,030, respectively and the reserve amounted to \$1,652,574, \$748,112, \$2,588,271 and \$3,146,349, respectively, which was booked as other receivables.
- B. The subsidiary of Yusan 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, December 31, 2012, March 31, 2012 and January 1, 2012, the outstanding accounts receivable were as follows:

1, 2012, the outstanding accounts receivable were as follows:										
		March 31,	2013	<u> </u>						
Accounts Collateral										
Purchaser of accounts receivable	rec	eivable sold	Amo	ount retained	(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	<u> </u>					
					HKD 6,000					
		December 3	31, 20	012						
	1	Accounts			Collateral					
Purchaser of accounts receivable	rec	eivable sold	Amo	ount retained	(Amount in thousands)					
Hang Seng Bank	\$	761,709	\$	189,141	Time deposits					
					USD 2,696					
Standard Chartered Bank		99,211		12,361	Time deposits					
					USD 800					
DBS Bank		57,427		6,875	Time deposits					
					HKD 6,000					
		March 31,	2012							
	1	Accounts			Collateral					
Purchaser of accounts receivable	rec	eivable sold	Amo	ount retained	(Amount in thousands)					
Hang Seng Bank	\$	618,699	\$	61,869	Time deposits					
		•			USD 2,182					
DBS Bank		107,561		10,756	Time deposits					
					HKD 6,000					

	Janı	ıary 1,	2012	
	Accour	its		Collateral
Purchaser of accounts rece	ivable receivable	e sold	Amount retained (A	mount in thousands)
Taishin International Bank	\$ 611	,605	• /	e deposits
				O 2,610
Hang Seng Bank	527	,416	63,596 Tim	
				D 2,182
DBS Bank	125	,931	- /	e deposits
			HK.	D 6,000
(6) <u>Inventories</u>				
		A 1	March 31, 2013	
Inventorios	Cost		lowance for valuation	Book value
Inventories	\$ 35,483,366	(\$	958,350)	\$ 34,525,016
Inventories in transit	1,892,167			1,892,167
	\$ 37,375,533	( <u>\$</u>	958,350)	<u>\$ 36,417,183</u>
		]	December 31, 2012	
	Cost		lowance for valuation	Book value
Inventories	\$ 32,540,064	(\$	944,956)	\$ 31,595,108
Inventories in transit	1,743,517	_	<u>-</u>	1,743,517
	\$ 34,283,581	( <u>\$</u>	944,956)	\$ 33,338,625
			March 31, 2012	
	Cost	Al	lowance for valuation	Book value
Inventories	\$ 35,932,409	(\$	1,336,870)	\$ 34,595,539
Inventories in transit	1,951,854		<u>-</u>	1,951,854
	\$ 37,884,263	(\$	1,336,870)	\$ 36,547,393
			January 1, 2013	
	Cost	Al	lowance for valuation	Book value
Inventories	\$ 33,786,046		1,186,732)	\$ 32,599,314
Inventories in transit	1,432,810		-	1,432,810
	\$ 35,218,856	(\$	1,186,732)	\$ 34,032,124
Expenses and losses incurred				
•		.1 1110	and monai perious en	1000 March 51, 2015
and 2012 were as follows:		т-	Zan 4h a 4hma a 41	do and ad Marrala 21
		<u> </u>	For the three-month perio	
		_	2013	2012

\$

Cost of goods sold

Cost of goods sold

Gain from price recovery of inventory

(Gain) loss on physical inventory

82,371,438

82,347,642

27,579) (

3,783)

76,660,976

76,693,727

32,240)

511

# (7) Non-current assets held for sale

The board of directors of the Group's subsidiary-Yosun Industrial Corp. during its meeting on February 21, 2013 decided to dispose its investee company-Siltrontech Electronics Corp, which was accounted for under equity method. Since the date of resolution, the Group ceased using the equity method and reclassified the lower of carrying amount and fair value less costs to sell as assets held for sale-non-current. The transaction is expected to be done in Apirl, 2013.

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

,	March 31, 2013					
	Number of				Market value per	_
Investee company	shares (Thousands)		Balance	% of ownership	share (Dollars)	Relationship
Promaster Technology Co., Ltd.	4,108	\$ 49,605	\$ 48,452	12.46%	\$ 11.80	None
Apollo Electronics Group Ltd.	6,825	47,557	43,080	15.17%	6.31	"
Kingpak Technology Inc. Kingmac Technology Inc. Others  Add: valuation adjustment	2,439 1,133	28,335 23,853	25,197 9,504 18,465 144,698 24,761	2.23% 1.90%	12.50 7.96	"
Less: accumulated impairment			( <u>3,268</u> ) <u>\$ 166,191</u>			
			Decemb	er 31, 2012		
	Number of				Market value per	_
Investee company	shares (Thousands)		Balance	% of ownership	share (Dollars)	Relationship
Apollo Electronics Group Ltd.	6,825	\$ 47,557	\$ 41,947	15.17%	\$ 6.15	None
Promaster Technology Co., Ltd.	4,108	49,605	48,452	12.46%	11.80	"
Kingpak Technology Inc. Kingmac Technology Inc. Others  Add: valuation adjustment Less: accumulated	2,439 1,133	28,335 23,853	25,197 9,504 20,757 145,857 10,587	2.23% 1.90%	12.50 7.96	"
impairment			( <u>3,268</u> ) \$ 153,176			
			March	n 31, 2012		
	Number of				Market value per	
Investee company Promaster Technology Co., Ltd.	shares (Thousands) 4,180	Original cost \$ 49,605	Balance \$ 48,452	% of ownership 12.46%	share (Dollars) \$ 11.80	Relationship None
Apollo Electronics Group Ltd.	6,825	47,557	42,625	15.17%	6.25	"
Kingpak Technology Inc. Kingmac Technology Inc. Others  Add: valuation adjustment	3,049 1,133	35,419 23,853	31,496 9,504 20,760 152,837 23,061 \$ 175,898	2.23% 1.90%	10.33 8.39	"

	Number of				Market value per		
Investee company	shares (Thousands)	Original cost	Balance	% of ownership	share (Dollars)	Relationship	
Promaster Technology Co.,	4,108	\$ 49,605	\$ 48,452	12.46%	\$ 11.80	None	
Ltd.							
Apollo Electronics Group	6,825	47,557	43,730	15.17%	6.41	"	
Ltd.							
Kingpak Technology Inc.	3,049	35,419	31,496	2.23%	11.73	"	
Kingmac Technology Inc.	1,133	23,853	9,504	1.90%	7.81	"	
Others			11,892				
			145,074				
Add: valuation adjustment			26,510				
Č			\$ 171,584				
			1 - 1 100 1				

- A. There is no investment in available-for-sale financial asset attributed to debt instruments.
- B. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the Group's available-for-sale financial asset serve as security for purchase guarantee. Please refer to Note 8.

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

				March 31, 2013	3	
	Number of shares			% of	Loss on	
Investee company	(Thousands)	Cost	Balance	ownership	impairment	Note
Ability I Venture Capital Corporation	10,000	\$100,000	\$ 100,000	10.00%	\$ -	
CDIB CME Fund Ltd.	5,000	50,000	50,000	6.67%	-	
SUNRISE Technology Co.,	1,500	30,000	30,000	8.10%	-	
Ltd.						
Chlen Hwa Coating	1,250	20,000	20,000	1.25%	-	
Technology Inc.						
GEC Technology Hong Kong	2,564	19,994	19,994	16.03%	-	
Company Limited	5 000	50,000	50,000	0.00#		
Centillion III Venture Capital Corp.	5,000	50,000	50,000	9.23%	-	
Bettery Energy Technology	1,800	18,000	18,000	6.70%	-	
Inc.						
GCS Holdings, Inc.	919	30,535	30,535	2.52%	-	
Everrich Capital Co., Ltd.	895	29,387	29,387	11.82%	-	Same chairman with the subsidiary
M Cube Inc.	528	45,560	45,308	Preferred share	-	the substatuty
Liefco Optical Inc.	1,000	15,000	15,000	4.51%	-	
SmartDisplayer Technology Co., Ltd.	1,000	10,000	10,000	5.00%	-	
Others			108,821		2,540	
			527,045		\$ 2,540	
Less: Accumulated impairment			$(\underline{72,455})$			
			\$ 454,590			

	December 31, 2012								
	Number of								
	shares			% of	Loss on				
Investee company	(Thousands)	Cost	Balance	ownership	impairment	Note			
Ability I Venture Capital Corporation	10,000	\$100,000	\$ 100,000	10.00%	\$ -				
Centillion III Venture Capital Corp.	5,000	50,000	50,000	9.23%	1,100				
M Cube Inc.	528	45,560	44,915	Preferred share	-				
SUNRISE Technology Co., Ltd.	1,500	30,000	30,000	8.10%	-				
GCS Holdings, Inc.	861	29,444	29,444	2.36%	12,761				
Everrich Capital Co., Ltd.	895	29,387	29,387	11.82%	7,727	Same chairman with the subsidiary			
Chlen Hwa Coating Technology Inc.	1,250	20,000	20,000	1.25%	-	Ž			
GEC Technology Hong Kong Company Limited	2,564	19,994	19,994	16.03%	-				
Bettery Energy Technology Inc.	1,800	18,000	18,000	6.70%	-				
Liefo Optical Inc.	1,000	15,000	15,000	4.51%	1,787				
Others			109,840		16,522				
			466,580		\$ 39,897				
Less: Accumulated impairment			( <u>70,476</u> ) \$ 396,104						

				March 31, 201	2	
	Number of					
	shares			% of	Loss on	
Investee company	(Thousands)	Cost	Balance	ownership	impairment	Note
AcroSense Technology Co., Ltd.	1,194	\$ 11,941	\$ 11,941	1.74%	\$ -	
Centillion III Venture Capital Corp.	5,000	50,000	50,000	9.23%	-	
Hou Pang Venture Capital Corp.	975	9,750	9,279	2.50%	-	
Everrich Capital Co., Ltd.	895	29,387	29,387	11.82%	-	Same chairman with the subsidiary
Fortend Taiwan Scientific Corp.	2,400	31,200	31,200	5.65%	-	·
Bettery Energy Technology Inc.	1,800	18,000	18,000	6.70%	-	
GCS Holdings, Inc.	850	29,192	29,192	2.33%	-	
Ability I Venture Capital Corporation	5,000	50,000	50,000	10.00%	-	
M Cube Inc.	528	45,590	45,150	Preferred share	-	
Phostek Inc.	625	14,377	14,377	Preferred share	-	
Others			114,594		-	
			403,120		\$ -	
Less: Accumulated impairment			( <u>71,569</u> ) \$ 331,551			

			Ja	nuary 1, 2012		
	Number of shares			% of	Loss on	
Investee company	(Thousands)	Cost	Balance	ownership	impairment	Note
AcroSense Technology Co., Ltd.	1,194	\$ 11,941	\$ 11,941	1.74%	\$ 3,680	
Centillion III Venture Capital Corp.	5,000	50,000	50,000	9.23%	8,822	
Hou Pang Venture Capital Corp.	1,300	13,000	12,372	2.50%	633	
Everrich Capital Co., Ltd.	895	29,387	29,387	11.82%	-	Same chairman with the subsidiary
Fortend Taiwan Scientific Corp.	2,400	24,000	24,000	5.65%	-	·
Bettery Energy Technology Inc.	1,800	18,000	18,000	6.70%	-	
GCS Holdings, Inc.	850	29,192	29,192	2.33%	-	
Ability I Venture Capital Corporation	5,000	50,000	50,000	10.00%	-	
M Cube Inc.	528	45,560	45,533	Preferred share	-	
Phostek Inc.	625	14,377	14,377	Preferred share	-	
Others			92,162		10,600	
			376,964		\$ 11,233	
Less: Accumulated impairment			( <u>72,355</u> ) \$ 304,609			

- A. The Group could not obtain sufficient industry information of companies similar to the investee since there are no quoted prices in active market for the Group's investment. Thus the fair value of the investment cannot be measured reliably. The Group classified those investments as 'financial assets measured at cost'.
- B. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, no financial assets measured at cost held by the Group were pledged to others.

# (10) Investments accounted for under the equity method

# A. Details of investments:

				March 31, 2	013	
Investee company	Number of shares (Thousands)	Original cost (Thousands)	Balance	% of ownership	Market value per share (Dollars)	Note Relationship
Lipers Enterprise Co., Ltd.	13,310		\$ 214,618	28.37%	\$ 16.12	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.	14,820	116,650	207,498	39.00%	14.00	"
Genuine C&C, Inc.	12,964	149,130	175,654	16.29%	10.70	"
Adivic Technology Co., Ltd.	7,840	98,400	66,222	49.00%	8.45	"
Yosun Green Technology Corp.	4,500	45,000	36,746	45.00%	8.17	"
Yosun Japan Corp.	5	14,728	13,796	50.00%	2,759.30	"
Eesource Corp.	2,160	23,040	63,964	40.00%	29.61	Subsidiary's and indirect subsidiary's investee accounted for under the equity method
Suzhou Xinning Bonded Warehouse Co., Ltd.	Note	31,952	34,650	49.00%	Note	Indirect subsidiary's investee accounted for under the equity method
Gain Tune Logistic (Shanghai) Ltd.	"	25,744	21,860	40.00%	"	"
Suzhou Xinning Logistic Ltd.	"	15,215	34,330	29.40%	"	"
Others			74,060 \$ 943,398			

December 31, 2013 Number of shares Original cost % of Market value per share (Dollars) Note Investee company (Thousands) (Thousands) Balance <u>ownership</u> Relationship Lipers Enterprise Co., Ltd. 13,310 \$ 188,261 \$ 211,637 28.37% \$ 13.11 Subsidiary's investee accounted for under the equity method Chain Power Technology 14,820 116,650 202,089 39.00% 13.64 Corp. Genuine C&C, Inc. 12,964 149,130 177,810 16.29% 11.90 Yosun Green Technology 45.00% 4,500 45,000 36,915 8.20 Corp. Pan-World Control 2,925 34,720 29,182 45.36% 3.59 Technologies, Inc. Yosun Japan Corp. 5 14,728 12,963 50.00% 2,592.70 Eesource Corp. 2,160 23,040 59,886 40.00% 27.35 Subsidiary's and indirect subsidiary's investee accounted for under the equity method Siltrontech Electronics Indirect 24,551 149,992 237,122 32.22% 12.25 Corp. subsidiary's investee accounted for under the equity method Genuine Trading (Hong 12,774 48,299 43,141 39.92% 3.38 Kong) Company Limited Suzhou Xinning Bonded Note 31,952 35,870 49.00% Note Warehouse Co., Ltd. Suzhou Xinning Logistic 25,744 32,089 29.40% Ltd. Gain Tune Logistic 15,215 21,032 40.00% (Shanghai) Ltd. Others 8,214 \$1,107,950

				March 31, 2	012		
	Number of						
Ŧ .	shares	Original cost	D. I	% of	Market value per	NT .	D 1 (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Investee company Chain Power Technology	(Thousands) 14,820	(Thousands) \$ 166,650	Balance \$ 214,657	ownership 39.00%	share (Dollars) \$ 14.48	Note	Relationship Subsidiary's
Corp.	14,620	\$ 100,030	\$ 214,037	39.00%	Ф 14.40		investee accounted
corp.							for under the equity
							method
Genuine C&C, Inc.	14,405	165,700	193,043	16.29%	11.50		<i>"</i>
Yosun Green Technology Corp.	4,500	45,000	38,295	45.00%	8.51		
Yosun Japan Corp.	5	14,728	10,130	50.00%	2,025.99		"
Eesource Corp.	2,160	23,040	75,314	40.00%	34.87		Subsidiary's and
							indirect
							subsidiary's
							investee accounted for under the equity
							method
Suzhou Xinning Bonded	Note	31,952	36,014	49.00%	Note		Indirect
Warehouse Co., Ltd.							subsidiary's
							investee accounted for under the equity
							method
Gain Tune Logistic	"	15,215	17,510	40.00%	"		<i>"</i>
(Shanghai) Ltd.					_		
Suzhou Xinning Logistic	"	25,744	29,126	29.40%	"		"
Ltd. Others			886				
Others			\$ 614,975				
			1				
				January 1, 2	012		
	Number of	0::1		<u> </u>			
Investos compony	shares	Original cost	Dolongo	% of	Market value per	Note	Dolotionship
Investee company Chain Power Technology	shares (Thousands)	(Thousands)	Balance \$ 214 073	% of ownership	Market value per share (Dollars)	Note	Relationship
Chain Power Technology	shares	(Thousands)	Balance \$ 214,073	% of	Market value per	Note	Relationship Subsidiary's investee accounted
	shares (Thousands)	(Thousands)		% of ownership	Market value per share (Dollars)	Note	Subsidiary's
Chain Power Technology Corp.	shares (Thousands) 14,820	(Thousands) \$ 116,650	\$ 214,073	% of ownership 39.00%	Market value per share (Dollars) \$ 14.44	Note	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc.	shares (Thousands) 14,820	(Thousands) \$ 116,650 165,700	\$ 214,073 193,343	% of ownership 39.00%	Market value per share (Dollars) \$ 14.44	Note	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology	shares (Thousands) 14,820	(Thousands) \$ 116,650	\$ 214,073	% of ownership 39.00%	Market value per share (Dollars) \$ 14.44	Note	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000	\$ 214,073 193,343 38,711	% of ownership 39.00% 16.29% 45.00%	Market value per share (Dollars) \$ 14.44	Note	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000 14,728	\$ 214,073 193,343 38,711 13,618	% of ownership 39.00% 16.29% 45.00% 50.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57	Note	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000	\$ 214,073 193,343 38,711	% of ownership 39.00% 16.29% 45.00%	Market value per share (Dollars) \$ 14.44	Note	Subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000 14,728	\$ 214,073 193,343 38,711 13,618	% of ownership 39.00% 16.29% 45.00% 50.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000 14,728	\$ 214,073 193,343 38,711 13,618	% of ownership 39.00% 16.29% 45.00% 50.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000 14,728	\$ 214,073 193,343 38,711 13,618	% of ownership 39.00% 16.29% 45.00% 50.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.	shares (Thousands) 14,820  14,405 4,500  5 2,160	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040	\$ 214,073 193,343 38,711 13,618 71,151	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.	shares (Thousands) 14,820 14,405 4,500	(Thousands) \$ 116,650 165,700 45,000 14,728	\$ 214,073 193,343 38,711 13,618	% of ownership 39.00% 16.29% 45.00% 50.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.	shares (Thousands) 14,820  14,405 4,500  5 2,160	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040	\$ 214,073 193,343 38,711 13,618 71,151	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.	shares (Thousands) 14,820  14,405 4,500  5 2,160	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040	\$ 214,073 193,343 38,711 13,618 71,151	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.  Suzhou Xinning Bonded Warehouse Co., Ltd.	shares (Thousands) 14,820  14,405 4,500  5 2,160  Note	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040 31,952	\$ 214,073 193,343 38,711 13,618 71,151 38,391	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted subsidiary's investee accounted
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.  Suzhou Xinning Bonded Warehouse Co., Ltd.	shares (Thousands) 14,820  14,405 4,500  5 2,160	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040	\$ 214,073 193,343 38,711 13,618 71,151	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.  Suzhou Xinning Bonded Warehouse Co., Ltd.  Gain Tune Logistic (Shanghai) Ltd.	shares (Thousands) 14,820  14,405 4,500  5 2,160  Note	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040 31,952	\$ 214,073 193,343 38,711 13,618 71,151 38,391	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60 2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  "  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.  Suzhou Xinning Bonded Warehouse Co., Ltd.	shares (Thousands) 14,820  14,405 4,500  5 2,160  Note	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040 31,952	\$ 214,073 193,343 38,711 13,618 71,151 38,391	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60  2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity method  or under the equity method  or under the equity method
Chain Power Technology Corp.  Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp.  Suzhou Xinning Bonded Warehouse Co., Ltd.  Gain Tune Logistic (Shanghai) Ltd. Suzhou Xinning Logistic	shares (Thousands) 14,820  14,405 4,500  5 2,160  Note	(Thousands) \$ 116,650 165,700 45,000 14,728 23,040 31,952	\$ 214,073 193,343 38,711 13,618 71,151 38,391	% of ownership 39.00%  16.29% 45.00%  50.00% 40.00%	Market value per share (Dollars) \$ 14.44  10.20 8.60  2,723.57 32.94	Note	Subsidiary's investee accounted for under the equity method  Subsidiary's and indirect subsidiary's investee accounted for under the equity method Indirect subsidiary's investee accounted for under the equity method  or under the equity method  or under the equity method

Note: The investee company is a limited company.

- B. The investment (loss) income on investees accounted for under equity method were based on the investees' financial statements as of and for the three-month periods ended March 31, 2013 and 2012 which were not reviewed by independent accountants.
- C. The Group's share of the operating results, aggregated assets (including goodwill) and liabilities of its principal associates are as follows:

naomities of its principal associ	Total	Total		perating		
N. 1 21 2012	assets	liabilities	rev	enue	Net	income
March 31, 2013	<b>.</b>	<b>.</b> 250 065	Φ.	222 565		
Chain Power Technology Corp.	\$ 910,997	\$ 378,965	\$	332,565	\$	5,967
Adivic Technology Co., Ltd.	149,057	13,909		9,269	(	6,762)
Genuine C&C, Inc.	2,604,842	1,414,429	2,	,692,213		9,102
Yosun Green Technology Corp.	85,635	3,977		1,657	(	342)
Yosun Japan Corp.	99,841	72,248		52,614		3,174
Eesource Corp.	232,669	75,259		82,342		9,715
Suzhou Xinning Bonded Warehouse Co., Ltd.	68,293	20,652		20,515	(	5,706)
Gain Tune Logistic (Shanghai) Ltd.	63,688	9,019		15,133		434
Suzhou Xinning Logistic Ltd.	133,819	21,714		46,066		8,786
Lipers Enterprise Co., Ltd.	2,973,341	2,343,928	1	,113,721		5,760
Others	387,242	93,910	1,	92,247	(	9,724)
	\$ 7,709,424	\$ 4,448,010	\$ 4.	,458,342	\$	20,404
	<u>Ψ 1,109,121</u>	ψ 1,110,010	Ψ 1,	, 130,312	Ψ	20,101
	Total	Total	Total o	perating		
	assets	liabilities	rov	onuo	Not	income
	assets	<u> </u>	100	enue	INC	. IIICOIIIC
<u>December 31, 2012</u>	assets	<u> </u>		enue	INCL	meome
December 31, 2012 Chain Power Technology Corp.	\$ 909,510	\$ 391,346		,567,240	\$	40,881
			\$ 1,	_		_
Chain Power Technology Corp.	\$ 909,510	\$ 391,346	\$ 1, 7,	,567,240		40,881
Chain Power Technology Corp. Genuine C&C, Inc.	\$ 909,510 2,743,846	\$ 391,346 1,571,253	\$ 1, 7,	,567,240 ,659,031		40,881 3,194
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies,	\$ 909,510 2,743,846 3,085,812	\$ 391,346 1,571,253 2,466,316	\$ 1, 7,	,567,240 ,659,031 ,709,477	\$	40,881 3,194 11,438
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc.	\$ 909,510 2,743,846 3,085,812 82,645 27,099	\$ 391,346 1,571,253 2,466,316 656 3,946	\$ 1, 7,	,567,240 ,659,031 ,709,477 7,531 2,454	\$	40,881 3,194 11,438 4,312) 12,794)
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp.	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845	\$ 1, 7,	,567,240 ,659,031 ,709,477 7,531 2,454	\$	40,881 3,194 11,438 4,312) 12,794) 2,712
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp.	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012	\$ 1, 7, 4,	,567,240 ,659,031 ,709,477 7,531 2,454 222,359 517,578	\$	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong)	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845	\$ 1, 7, 4,	,567,240 ,659,031 ,709,477 7,531 2,454	\$	40,881 3,194 11,438 4,312) 12,794) 2,712
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong) Company Limited Suzhou Xinning Bonded	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748 1,983,107	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012 1,290,136	\$ 1, 7, 4,	,567,240 ,659,031 ,709,477 7,531 2,454 222,359 517,578	\$	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979 16,038)
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong) Company Limited Suzhou Xinning Bonded Warehouse Co., Ltd.	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748 1,983,107 206,132 95,792	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012 1,290,136 98,065 22,588	\$ 1, 7, 4,	222,359 517,578 971,827 376,642	\$ ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979 16,038) 13,191) 2,481)
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong) Company Limited Suzhou Xinning Bonded Warehouse Co., Ltd. Suzhou Xinning Logistic Ltd.	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748 1,983,107 206,132 95,792 133,920	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012 1,290,136 98,065 22,588 33,864	\$ 1, 7, 4,	222,359 517,578 971,827 376,642	\$ ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979 16,038) 13,191) 2,481) 16,867
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong) Company Limited Suzhou Xinning Bonded Warehouse Co., Ltd.	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748 1,983,107 206,132 95,792	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012 1,290,136 98,065 22,588	\$ 1, 7, 4,	222,359 517,578 971,827 376,642	\$ ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979 16,038) 13,191) 2,481)
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong) Company Limited Suzhou Xinning Bonded Warehouse Co., Ltd. Suzhou Xinning Logistic Ltd. Gain Tune Logistic (Shanghai)	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748 1,983,107 206,132 95,792 133,920	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012 1,290,136 98,065 22,588 33,864	\$ 1, 7, 4,	222,359 517,578 971,827 376,642	\$ ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979 16,038) 13,191) 2,481) 16,867 10,087
Chain Power Technology Corp. Genuine C&C, Inc. Lipers Enterprise Co., Ltd. Yosun Green Technology Corp. Pan-World Control Technologies, Inc. Yosun Japan Corp. Eesource Corp. Siltrontech Electronics Corp. Genuine Trading (Hong Kong) Company Limited Suzhou Xinning Bonded Warehouse Co., Ltd. Suzhou Xinning Logistic Ltd. Gain Tune Logistic (Shanghai) Ltd.	\$ 909,510 2,743,846 3,085,812 82,645 27,099 90,772 257,748 1,983,107 206,132 95,792 133,920 65,112	\$ 391,346 1,571,253 2,466,316 656 3,946 64,845 106,012 1,290,136 98,065 22,588 33,864 12,532	\$ 1, 7, 4,	222,359 517,578 971,827 376,642 148,911 78,457	\$ ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( ( (	40,881 3,194 11,438 4,312) 12,794) 2,712 31,979 16,038) 13,191) 2,481) 16,867

March 31, 2012	Total assets	Total <u>liabilities</u>	Tot	tal operating revenue	<u>Ne</u>	t income_
Chain Power Technology Corp.	\$ 1,085,843	\$ 535,456	\$	421,534	\$	11,727
Genuine C&C, Inc.	2,248,348	1,067,623	Ψ	1,606,343	Ψ	8,597
Yosun Green Technology Corp.	86,470	1,415		1,450	(	2,197)
Yosun Japan Corp.	91,624	71,353		57,832	(	4,987)
Eesource Corp.	254,641	63,772		125,916	`	12,991
Suzhou Xinning Bonded Warehouse Co., Ltd.	102,331	28,833		27,071	(	2,647)
Gain Tune Logistic (Shanghai) Ltd.	53,415	9,641		15,847		1,378
Suzhou Xinning Logistic Ltd.	131,104	39,180		28,438	(	1,160)
Others	11,261	2,356		2,429	(	4,158)
	\$ 4,065,037	<u>\$1,819,629</u>	\$	2,286,860	\$	19,544
	Total assets	Total liabilities	Tot	tal operating revenue	Ne	t income
January 1, 2012	Total assets	Total liabilities	Tot	tal operating revenue	<u>Ne</u>	t income
January 1, 2012 Chain Power Technology Corp.			Tot		<u>Ne</u> \$	t income 61,569
·	assets	liabilities		revenue		
Chain Power Technology Corp.	assets \$ 1,194,655	<u>liabilities</u> \$ 645,764		2,124.020	\$	61,569
Chain Power Technology Corp. Genuine C&C, Inc.	assets \$ 1,194,655 2,340,007	liabilities \$ 645,764 1,119,464		2,124.020 6,519,207	\$	61,569 20,201)
Chain Power Technology Corp. Genuine C&C, Inc. Yosun Green Technology Corp.	assets \$ 1,194,655 2,340,007 90,353	\$ 645,764 1,119,464 3,114		2,124.020 6,519,207 7,953	\$	61,569 20,201) 11,178)
Chain Power Technology Corp. Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp.	\$ 1,194,655 2,340,007 90,353 71,913	\$ 645,764 1,119,464 3,114 44,678		2,124.020 6,519,207 7,953 182,765	\$	61,569 20,201) 11,178) 1,248
Chain Power Technology Corp. Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp. Suzhou Xinning Bonded	assets  \$ 1,194,655 2,340,007 90,353 71,913 275,117	\$ 645,764 1,119,464 3,114 44,678 97,239		2,124.020 6,519,207 7,953 182,765 654,968	\$ (	61,569 20,201) 11,178) 1,248 64,580
Chain Power Technology Corp. Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp. Suzhou Xinning Bonded Warehouse Co., Ltd. Gain Tune Logistic (Shanghai)	\$ 1,194,655 2,340,007 90,353 71,913 275,117 116,667	\$ 645,764 1,119,464 3,114 44,678 97,239 38,317		2,124.020 6,519,207 7,953 182,765 654,968 127,398	\$ (	61,569 20,201) 11,178) 1,248 64,580 35)
Chain Power Technology Corp. Genuine C&C, Inc. Yosun Green Technology Corp. Yosun Japan Corp. Eesource Corp. Suzhou Xinning Bonded Warehouse Co., Ltd. Gain Tune Logistic (Shanghai) Ltd.	assets  \$ 1,194,655 2,340,007 90,353 71,913 275,117 116,667 50,927	\$ 645,764 1,119,464 3,114 44,678 97,239 38,317 7,228		2,124.020 6,519,207 7,953 182,765 654,968 127,398 67,707	\$ (	61,569 20,201) 11,178) 1,248 64,580 35)

# (11)Property, plant and equipment

At January 1, 2013		Land	_	Buildings		achinery and equipment		insportation equipment	Fu	rniture and fixtures		asehold provements	Others	Construction in progress and equipment to be tested	<u>Total</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	(	23,972)	`	-	`	-	`	-	`	-	`	-	-	-	(23,972)
	\$	2,724,422	\$	1,288,809	\$	48,496	\$	7,005	\$	182,933	\$	281,058 \$	37,349	\$ 652,767	\$5,222,839
For the three-month period ended March 31, 2013															
Opening net book amount	\$	2,724,422	\$	1,288,809	\$	48,496	\$	7,005	\$	182,933	\$	281,058 \$	37,349	\$ 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 (	<u>467</u> )	25,296	25,005
Closing net book amount	\$	2,740,144	\$	1,370,697	\$	46,577	\$	6,506	\$	174,741	\$	279,067 \$	30,035	<u>\$1,315,922</u>	<u>\$5,963,689</u>
At March 31, 2013															
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	(_	23,972)	_									<u>-</u>			(23,972)
	\$	2,740,144	\$	1,370,697	\$	46,577	\$	6,506	\$	174,741	\$	279,067 \$	30,035	\$1,315,922	\$5,963,689

			Land		Buildings		ninery and uipment		nsportation		niture and fixtures		sehold provements	Others	in and	nstruction progress equipment be tested	Total
At J	January 1, 2012				<u> </u>		•										
Cos	st	\$	2,506,229	\$	1,640,049	\$	83,549	\$	26,701	\$	476,252	\$	279,643 \$	132,426	\$	2,177	\$5,147,026
Acc	cumulated depreciation		-	(	373,696)	(	45,645)	(	22,308)	(	268,481)	(	196,472) (	84,069)		-	( 990,671)
Acc	cumulated impairment	(	24,363)	·			<u> </u>		<u> </u>		<u> </u>		<u> </u>	<u> </u>		<u>-</u>	(24,363)
		\$	2,481,866	\$	1,266,353	\$	37,904	\$	4,393	\$	207,771	\$	83,171 \$	48,357	\$	2,177	\$4,131,992
For	the three-month period																
	ed March 31, 2012																
•	ening net book amount	\$	<b>=</b> ,.01,000	\$	1,266,353	\$	37,904	\$	4,393	\$	207,771	\$	83,171 \$	48,357	\$	2,177	\$4,131,992
	ditions		93,464		115,159		1,630		-		7,974		9,744	7,133		67,196	302,300
	quired from business		1.40 520		45 100				4 550		0.015			1 510			100 700
	ombinations		140,530		47,189		-		4,553		2,915		-	4,542		-	199,729
-	posals		-		-		-		-	(	574)		- (	212)		-	( 786)
	nsfer		-		-		339		_		1,071		- (	886)	(	524)	<del>-</del>
	preciation charge		-	(	17,950)	(	3,507)	(	540)	(	19,498)	(	13,393) (	5,230)		-	(60,118)
	pairment loss		-		-		-		-		-		-	-		-	-
	versal of impairment loss		-		-		-		-		-		-	-		-	-
	ect due to changes in	,	2 442		2 (02)	,	556	,	02)		1 215	,	2 222	0.50\	,	125)	( 5,050)
	xchange rates	(	2,442)	(	2,682)	(	<u>556</u> )	(	92)	_	1,215	(	2,338) (	<u>959</u> )	(	125)	(7,979)
Clo	sing net book amount	\$	2,713,418	\$	1,408,069	\$	35,810	\$	8,314	\$	200,874	\$	77,184 \$	52,745	\$	68,724	\$4,565,138
At N	March 31, 2012																
Cos	st	\$	2,737,781	\$	1,755,157	\$	82,600	\$	27,802	\$	489,641	\$	282,630 \$	138,673	\$	68,724	\$5,583,008
Acc	cumulated depreciation		-	(	347,088)	(	46,790)	(	19,488)	(	288,767)	(	205,446) (	85,928)		-	( 993,507)
Acc	cumulated impairment	(	24,363)		-	•	-	•	-		-	•	-	-		-	(24,363)
	-	\$	2,713,418	\$	1,408,069	\$	35,810	\$	8,314	\$	200,874	\$	77,184 \$	52,745	\$	68,724	\$4,565,138
		_			-												

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

(12)Intan	gible	assets
	_	

A4 January 1, 2012	Operating ri	ght S	<u>oftware</u>	Goodwill	Others	Total
At January 1, 2013 Cost	\$ 429,	675 \$	189,495	\$5,623,062	\$ 28,141	\$6,270,373
Accumulated amortisation and	Ψ 122,	015 ψ	107, 175	Ψ3,023,002	Ψ 20,111	
impairment		480) (	127,097)	( 32,823)	( <u>10,172</u> )	(311,572)
For the three-month period ended	<u>\$ 288,</u>	<u>195</u> \$	62,398	<u>\$5,590,239</u>	<u>\$ 17,969</u>	<u>\$5,958,801</u>
March 31, 2013						
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)	- 0.041)		
Impairment loss Effect due to changes in exchange		-	-	( 3,241)	-	( 3,241)
rates	7,	377 (	633)	8,226	284	14,524
Closing net book amount	\$ 275,	804 \$	58,406	\$5,595,224	\$ 17,015	\$5,946,539
At March 31, 2013	Φ 425	024	100 005	Φ5 (21 <b>2</b> 00	ф. <b>2</b> 0. 120	Φ.C. 205, 200
Cost Accumulated amortisation and	\$ 435,	034 \$	189,837	\$5,631,288	\$ 29,139	\$6,285,298
impairment	( 159,	230) (	131,431)	(36,064)	( 12,034)	( <u>338,759</u> )
	\$ 275,		58,406	\$5,595,224	\$ 17,105	\$5,946,539
	Operating ri	ght S	oftware	Goodwill	Others	Total
At January 1, 2012						
Cost	\$ 243,	723 \$	102,269	\$5,119,712	\$ 72,600	\$5,538,304
Accumulated amortisation and	. 74	20.4)	(4 (50)		( (0 (74)	( 202 720)
impairment		394) ( <u> </u>	64,652)	<u>-</u> \$5 110 712	( <u>63,674</u> ) \$ 8,926	$(\underline{202,720})$
For the three-month period ended	<u>\$ 169,</u>	<u>329</u>	37,617	<u>\$5,119,712</u>	<u>\$ 8,926</u>	<u>\$5,335,584</u>
March 31, 2012						
Opening net book amount	\$ 169,	329 \$	37,617	\$5,119,712	\$ 8,926	\$5,335,584
Additions-acquired separately		-	21,538	-	-	21,538
Additions-acquired from business combinations		=	1,969	604,774	-	606,743
Transfer		- (	1,332)	-	-	( 1,332)
Amortisation charge	( 12,	059) (	6,716)	-	( 1,290)	(20,065)
Effect due to changes in exchange	( 1	270) (	422)	( 0.104)	( 37)	( 12 022)
rates Closing net book amount	\$ 152,	278) ( <u> </u>	423) 52,653	$(\underline{9,194})$ \$5,715,292	\$ 7,599	( <u>13,932</u> ) \$5,928,536
crossing net book uniount	ψ 152,	<u> </u>	32,033	$\frac{43,113,232}{}$	<u>Ψ 1,399</u>	ψ3,920,330
At March 31, 2012						
Cost	\$ 242,	715 \$	168,284	\$2,715,292	\$ 72,563	\$6,198,854
Accumulated amortisation and	, 00	700) (	115 (01)		( (4.064)	/ 070 010
impairment		723) (	115,631)	<u>-</u>	( <u>64,964</u> )	$(\underline{270,318})$
	<u>\$ 152,</u>	<u>992</u> \$	52,653	<u>\$5,715,292</u>	<u>\$ 7,599</u>	<u>\$5,928,536</u>

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

	Ma	arch 31, 2013	Dece	mber 31, 2013
Yosun subgroup	\$	4,680,797	\$	4,678,879
Aeco subgroup		472,290		472,290
Others		442,137		439,070
	\$	5,595,224	\$	5,590,239
	Ma	arch 31, 2012	Jai	nuary 1, 2012
Yosun subgroup	\$	4,710,420	\$	4,716,111
Aeco subgroup		604,774		-
Others		400,098		403,601
	\$	5,715,292	\$	5,119,712

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, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the key valuations used for pre-tax discount rate were 5.87%, 7.01%, 6.50% and 6.50%, respectively.

#### (13)Impairment of financial assets and non-financial assets

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

	For the three-month period ended March 31, 20							
		Recognised in other						
	Recognised in profit or loss	comprehensive income						
Impairment loss-goodwill	\$ 3,241	\$ -						
Impairment loss-financial assets carried								
at cost-non-current	2,540							
	\$ 5,781	\$ -						
at cost-non-current	<u></u>	<u>-</u>						

For the three-month period ended March 31, 2012: None.

B. The Group recognized an impairment loss on certain assets since the book value was more than its recoverable amount. The Company's subsidiary used net fair value as its recoverable amount for its available-for-sale financial assets and goodwill was evaluated based on value in use as its recoverable amount. The net fair value was estimated based on the best information available at the balance sheet date.

# (14) Overdue receivables (Record as "Other non-current assets")

	March 31, 2013	December 31, 2012
Overdue receivables	\$ 190,132	\$ 176,520
Less: Allowance for doubtful accounts	(188,838)	(174,918)
	\$ 1,294	\$ 1,602
	1 21 2012	1 2012
Overdve receivables	March 31, 2012	January 1, 2012
Overdue receivables	\$ 236,762	\$ 235,174
Less: Allowance for doubtful accounts	(	( 235,174)
	<u>\$</u>	<u>\$</u> -
(15) <u>Short-term borrowings</u>		
Type of borrowings	March 31, 2013	December 31, 2012
Other short-term loans		
Loan for overseas purchases	\$ 11,964,745	\$ 11,143,159
Short-term loans	19,795,019	20,547,675
	\$ 31,759,764	\$ 31,690,834
Interest rates	0.75%~3.50%	0.75%~3.35%
TD C1 '	N 1 21 2012	1 2012
Type of borrowings Other short-term loans	March 31, 2012	<u>January 1, 2012</u>
	ф 10 220 100	ф 11 101 САС
Loan for overseas purchases	\$ 12,328,190	\$ 11,131,646
Short-term loans	15,642,618	16,104,211
	\$ 27,970,808	\$ 27,235,857
Interest rates	0.79%~2.58%	0.70%~2.99%
For information on pledged assets, please refer to	o Note 8.	
(16)Short-term commercial papers payable		
	March 31, 2013	December 31, 2012
Commercial papers payable	\$ 3,670,000	\$ 4,005,000

	M	arch 31, 2013	Dec	ember 31, 2012
Commercial papers payable	\$	3,670,000	\$	4,005,000
Less: Unamortized discount	(	2,576)	(	3,297)
	<u>\$</u>	3,667,424	\$	4,001,703
Annual interest rates		0.75%~1.28%		0.79%~0.40%

	M	arch 31, 2012	Ja	anuary 1, 2012
Commercial papers payable	\$	2,874,900	\$	3,214,900
Less: Unamortized discount	(	1,494)	(	1,608)
	<u>\$</u>	2,873,406	\$	3,213,292
Annual interest rates		0.78%~1.43%		0.77%~2.21%

Current

The commercial papers payable are guaranteed by financial institutions.

# (17)<u>Long-term borrowings</u>

					0.011.0110
					portion
					(Recorded as
				Annual interest	"Other current
Type	Facility	March 31, 2013	Period	rate	liabilities")
Medium to long-term loan	\$ 3,550,000	\$ 3,000,000	2011/09/30~	1.53%	\$ -
(Taiwan Cooperative Bank)	(Note 1)		2014/09/30		
Medium to long-term loan	7,179,000	2,043,875	2012/12/07~	1.52%~1.68%	-
(Taipei Fubon Bank)	(Note 1)		2015/12/07		
Medium to long-term loan	1,800,000	589,751	2011/01/13~	1.29%~1.75%	589,751
(E. Sun Bank, etc.)	(Note 2)	,	2014/01/13		,
Credit loan	1,000,000	289,250	2010/05/12~	1.20%~1.21%	298,250
(Mega International	(Note 3)		2013/05/11		
Commercial Bank and Taipe	i				
Fubon Bank)					
Mortgage loan	79,300	75,126	2012/03/30~	1.73%	8,347
(RESONA Bank)	(Note 4)		2022/03/31		
Medium to long-term loan	576,000	576,000	2012/01/02~	Note 6	-
(Chang Hwa Bank)	(Note 5)		2027/01/02		
Medium to long-term loan	400,000		2012/08/08~	2.05%~2.29%	
(Taipei Fubon Bank)	(Note 8)	202,500	2015/08/08		79,500
		6,785,502			\$ 975,848
Less: Current portion of long-	term loans	(975,848)			
zess. current portion of long					
		\$ 5,809,654			

						(Recorded as
					Annual interest	"Other current
Type	Facility	Decer	nber 31, 2012	Period	rate	liabilities")
Medium to long-term loan	\$ 3,550,000	\$	3,000,000	2011/09/30~	1.51%	\$ -
(Taiwan Cooperative Bank)	(Note 1)			2014/09/30		
Medium to long-term loan (Taipei Fubon Bank)	7,084,800 (Note 1)		2,016,400	2012/12/07~ 2015/12/07	1.54%~1.68%	-
Medium to long-term loan (E. Sun Bank, etc.)	1,800,000 (Note 2)		595,793	2011/01/13~ 2014/01/13	1.52%~1.75%	-
Credit loan (Mega International Commercial Bank and Taipei Fubon Bank)	1,000,000 (Note 3)		377,520	2010/05/12~ 2013/05/11	1.23%	377,520
Mortgage loan (RESONA Bank)	84,100 (Note 4)		81,887	2012/03/30~ 2022/03/31	1.73%	8,853
Medium to long-term loan (Chang Hwa Bank)	576,000 (Note 5)		576,000	2012/01/02~ 2027/01/02	Note 6	-
Medium to long-term loan (Mega International Commercial Bank)	80,000 (Note 7)		30,000	2010/11/30~ 2013/11/30	2.29%	30,000
Medium to long-term loan (Taipei Fubon Bank)	400,000 (Note 8)		180,000	2012/08/08~ 2015/08/08	2.05%	-
			6,857,600			\$ 416,373
Less: Current portion of long-t	erm loans	()	416,373)			
		\$	6,441,227			

Current portion

Current
portion
(Recorded as

				Annual interest	"Other current
Type	Facility	March 31, 2012	Period	rate	liabilities")
Medium to long-term loan (Taiwan Cooperative Bank)	\$ 3,550,000 (Note 1)	\$ 2,600,000	2011/09/30~ 2014/09/30	1.50%	\$ -
Medium to long-term loan (Bank of Taiwan)	3,000,000 (Note 1)	1,401,725	2009/12/08~ 2012/12/08	1.46%	1,401,725
Medium to long-term loan (E. Sun Bank )	1,800,000 (Note 2)	203,592	2011/03/14~ 2014/03/14	1.29%~1.48%	-
Mortgage loan (Chang Hwa Bank)	134,800 (Note 10)	110,667	2007/10/01~ 2022/09/30	1.99%	8,300
Medium to long-term loan (Chang Hwa Bank)	40,000 (Note 11)	40,000	2010/06/18~ 2012/06/17	2.58%	40,000
Medium to long-term loan (Chang Hwa Bank)	576,000 (Note 5)	576,000	2012/01/02~ 2027/01/02	Note 6	-
Credit loan (Mega International Commercial Bank and Taipei Fubon Bank)	1,000,000 (Note 3)	472,160	2012/02/13~ 2013/05/29	1.42%~1.44%	-
Mortgage loan (Resona Bank)	89,799 (Note 4)	89,799	2012/03/30~ 2022/03/31	1.73%	-
Medium to long-term loan (Mega International Commercial Bank)	80,000 (Note 7)	52,500	2010/11/30~ 2013/11/30	2.29%	30,000
Medium to long-term loan (Taipei Fubon Bank, etc)	440,000 (Note 9)	377,142	2010/03/22~ 2015/03/22	2.02%	125,714
		5,923,585			\$ 1,605,739
Less: Current portion of long-t	term loans	( 1,605,739)			
		\$ 4,317,846			

					Current
					portion
					(Recorded as
				Annual interest	"Other current
Type	Facility	January 1, 2012	Period	rate	liabilities")
Medium to long-term loan (Taiwan Cooperative Bank)	\$ 3,550,000 (Note 1)	\$ 2,600,000	2011/09/30~ 2014/09/30	1.50%	\$ -
Medium to long-term loan (Bank of Taiwan)	3,000,000 (Note 1)	1,438,062	2009/12/08~ 2012/12/08	1.46%	1,438,062
Medium to long-term loan (E. Sun Bank)	1,800,000 (Note 2)	782,553	2011/01/14~ 2014/01/14	1.29%~1.55%	-
Mortgage loan (Chang Hwa Bank)	123,733 (Note 10)	123,733	2007/10/01~ 2022/09/30	1.99%	13,067
Medium to long-term loan (Chang Hwa Bank)	40,000 (Note 11)	40,000	2010/06/18~ 2012/06/18	2.58%	40,000
Credit loan (Mega International Commercial Bank and Taipei Fubon Bank)	1,000,000 (Note 3)	484,400	2010/05/12~ 2013/05/11	1.59%~1.67%	-
		5,468,748			\$ 1,491,129
Less: Current portion of long-	term loans	( <u>1,491,129</u> ) \$ 3,977,619			

- Note 1: (1) This pertains to a revolving loan facility for World Peace Industrial Co., Ltd., the Company's subsidiary wherein the principal amount can be renewed after the corresponding interest is paid.
  - (2) The subsidiary World Peace Industrial Co., Ltd. is required to maintain certain financial ratios during the contract period.
- Note 2: Richpower Electronic Devices Co., Ltd., the Company's subsidiary, had entered into a long-term loan agreement with financial institutions on August 25, 2010. The terms and conditions of the contract were as follows:
  - (1) Contract term: Within three years from the first drawdown.
  - (2) The facility is \$1,800,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than \$50,000 or USD1,500,000. If the amount of drawdown was in New Taiwan Dollars, the repayment period could be between 60 days and 180 days or other period agreed by the bank responsible for the revolving loan facility; if the amount of drawdown was in US Dollars, the repayment could be between two months and six months or other period agreed by the bank responsible for the revolving loan facility. If the drawdown is less than 50% of the facility, after nine months from the first drawdown date, the annual fees charged will be 0.15%.
  - (3) For each drawdown, the principal of every drawdown must be repaid in full at the end of the term. If the amount of drawdown was in US Dollars, the repayment

- currency should be the same as the borrowed currency and it would be the responsibility of the borrower to acquire foreign exchange approvals and, if any, other required approvals for repayment in US Dollars. For re-utilization of the revolving loan after maturity date, foreign transaction approvals or approvals from the bank are submitted to the lead bank. The lead banks shall notify the related banks which had participated in the syndicated loan.
- (4) Richpower Electronic Devices Co., Ltd. is required to maintain certain financial ratios based on the consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value should not be less than \$1,500,000.
- Note 3: Asian Information Technology Inc. and Frontek Technology Corporation, the Company's subsidiary and indirect subsidiary, had entered into a long-term loan agreement with financial institutions on March 4, 2010. The contract terms were as follows:
  - (1) Contract term: Within three years from the first drawdown.
  - (2) The facility is \$1,800,000 and the first drawdown of the loan must be within six months from the contract signing date and the amount of drawdown must be no less than \$50,000 or USD1,500,000. If the amount of drawdown was in New Taiwan Dollars, the repayment period could be 60 days, 90 days or 180 days; if the amount of drawdown was in US Dollars, the repayment could be three months or six months.
  - (3) According to the loan contract, for each drawdown, the maximum repayment term is 180 days and the principal of every drawdown must be repaid in full at the end of the term. If the amount of drawdown was in US Dollars, the repayment currency should be the same as the borrowed currency and it would be the responsibility of the borrower to acquire foreign exchange approvals and, if any, other required approvals for repayment in US Dollars. For re-utilization of the revolving loan after maturity date, foreign currency transaction approvals or approvals from the bank are submitted to the lead bank, and the lead bank shall notify the related banks which had participated in the syndicated loan.
  - (4) According to the contract, Asian Information Technology Inc. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value should not be less than \$3,000,000.
- Note 4: AIT Japan Inc., the Company's indirect subsidiary, had entered into a long-term loan agreement for a period of ten years with a financial institution on March 28, 2012, and the facility is JPY 250,000,000. The pledged assets are land, and furniture and fixtures (see Note 8). The principal should be repaid in equal monthly installments (totaling 114

- months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY 2,191,000.
- Note 5: The Company had entered into a long-term agreement for fifteen years with a financial institution. The pledged assets are the land and building of Linkou warehouse. The principal should be repaid in equal monthly installments starting 2015.
- Note 6: The interest rate is the index interest rate plus 0.21% from the borrowing day to January 2, 2013, plus 0.4% from January 2, 2013 and plus 1.5% from January 2, 2014.
- Note 7: AECO Technology Inc., the Company's subsidiary, had entered into a long-term loan agreement with a financial institution. The principal should be repaid in equal quarterly installments after 15 months of the first drawdown date.
- Note 8: AECO Technology Inc., the Company's subsidiary, had entered into a long-term loan agreement with financial institutions on July 6, 2012. The facility is \$400,000 and the contract term is three years. AECO Technology Inc. is required to maintain cretain financial ratios based on the annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be more than 200%, and net value should not be less than \$1,400,000. Otherwise, from 2013, interest earned ratio should not be less than 100%.
- Note 9: AECO Technology Inc., the Company's subsidiary, had entered into a syndicated loan agreement with financial institutions on March 10, 2010. The facility is \$880,000 and the contract term is five years. AECO Technology Inc. is required to maintain the financial ratio based on semi-annual and annual consoldiated financial statements during the contract period. AECO Technology Inc. had early repayment for the six-month period ended June 30, 2012.
- Note 10:Lipers Enterprise Co., Ltd., the Company's indirect subsidiary, had entered into a long-term, non-revolving loan agreement with a financial institution. The principal should be repaid in equal monthly installments.
- Note 11:Lipers Enterprise Co., Ltd., the Company's indirect subsidiary, had entered into a long-term loan agreement with financial institutions. According to the loan contract, the grace period is one year. Once the grace period expires, the principal should be repaid in equal annual installments in two periods.

# (18)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) The amounts recognised in the balance sheet are determined as follows:

	Dece	mber 31, 2012	January 1, 2012
Present value of funded obligations	\$	832,926	\$ 786,567
Fair value of plan assets	()	325,229) (	315,587)
		507,697	470,980
Present value of unfunded obligations		-	-
Unrecognised actuarial losses/(gains)	(	1,101) (	1,258)
Unrecognised past service cost	(	5,692) (	5,011)
Net liability in the balance sheet	\$	500,904	\$ 464,711

- c) The Group recognised pension expenses of \$3,656 and \$8,285 in the statement of comprehensive income for the three-month periods ended March 31, 2013 and 2012, respectively.
- d) As of December 31, 2012 and January 1, 2012, cumulative actuarial losses/(gains) recognised in other comprehensive income were \$8,903 and \$0, respectively.
- e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

The constitution of fair value of plan assets as of March 31, 2013 and 2012 is given in the Annual Labor Retirement Fund Utilisation Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

f) The principal actuarial assumptions used were as follows:

	2012	2011
Discount rate	1.50%~1.75%	1.75%~1.90%
Future salary increases	0.00%~4.00%	0.00%~4.00%
Expected return on plan assets	1.50%~1.75%	1.75%~1.90%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

2012

g) Historical information of experience adjustments was as follows:

		Z01Z
Present value of defined benefit obligation	\$	832,926
Fair value of plan assets	(	325,229)
Surplus/(deficit) in the plan	\$	507,697
Experience adjustments on plan liabilities	(\$	25,382)
Experience adjustments on plan assets	( <u>\$</u>	2,607)

h) Expected contributions to the defined benefit pension plans of the Group within one year from March 31, 2013 are \$28,700.

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 under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2013 and 2012 were \$79,013 and \$82,688, respectively.

## (19)Share capital

As of March 31, 2013, the Company's authorized capital was \$20,000,000 (including 2 million

shares 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.

Movements in the number of the Company's ordinary shares outstanding are as follows (Unit : thousand shares):

	 2013	 2012
January 1	\$ 1,655,709	\$ 1,583,850
Issuance of new shares for mergers and		
acquisitions	 <u> </u>	71,859
March 31	\$ 1,655,709	\$ 1,655,709

## (20)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 capitalised 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.

	Share premiun	Treasury share transactions		Investment in associates and joint venture accounted for under equity method		Total
At January 1, 2013	\$ 14,886,934	\$ 45,083	\$	5,589	\$	14,937,606
Changes in recognized capital surplus of subsidiary			Ψ 	-	Ψ	-
March 31, 2013	<u>\$ 14,886,934</u>	<u>\$ 45,083</u>	\$	5,589	\$	14,937,606
	Chara praming	Treasury share transactions		Investment in associates and joint venture accounted for under equity method		Total
At January 1, 2012	<u>Share premiun</u> \$ 13,270,105	\$ 45,083	•	4,020	\$	Total 13,319,208
Issuance of new shares for mergers and acquisitions Changes in recognized capital	1,616,829	φ 45,005 -	Ф	-	Φ	1,616,829
surplus of subsidiary March 31, 2012	<u> </u>	\$ 45,083	\$	1,913 5,933	\$	1,913 14,937,950

#### (21)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)  $0.01\% \sim 5\%$  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.
- 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 22, 2012, the Company made the following appropriations of 2011 net income:
    - i. Legal reserve of \$508,043;
    - ii. Reversal of special reserve of \$1,243,482; and
    - iii. Cash dividends of \$4,304,844 or a dividend of \$2.6 (in dollars) per share.

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

- b) Pursuant to a resolution approved by the Board of Directors during its meeting on April 30, 2013, the Company made the following appropriations of 2012 net income:
  - i. Legal reserve of \$446,571;
  - ii. Special reserve of \$1,457,579; and
  - iii. Cash dividends of \$3,973,702 or a dividend of \$2.40 (in dollars) per share.

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

- c) With regard to the appropriations of 2010 net income, employees' bonuses and directors' and supervisors' remuneration, as approved by the Board of Directors and stockholders in 2011, amounted to \$35,000 and \$33,000, respectively. The amounts of bonus to employees and remunerations to directors and supervisors as approved during the stockholders' meeting were consistent with the amounts charged against earnings in 2010.
- d) With regard to the appropriations of 2011 net income, employees' bonuses and directors' and supervisors' remuneration, as approved by the Board of Directors and stockholders in 2012, amounted to \$41,000 and \$36,000, respectively. The amounts of bonus to employees and remunerations to directors and supervisors as approved during the stockholders' meeting were consistent with the amounts charged against earnings in 2011.

- e) The employees' bonuses are \$11,250 and \$10,800 and directors' and supervisors' remuneration are \$9,240 and \$10,000 for the three months ended March 31, 2013 and 2012, respectively. The estimation 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)~d) will be posted in the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

## (22)Operating revenue

(22) <u>Operating revenue</u>				
		For the three-mo	nth pe	riods ended
	M	arch 31, 2013	_	arch 31, 2012
Sales revenue	\$	86,522,122	\$	80,797,666
Service revenue		41,260		56,138
	\$	86,563,382	\$	80,853,804
(23)Other income				
		For the three-mo	nth pe	riods ended
	M	arch 31, 2013	M	arch 31, 2012
Rental revenue	\$	9,568	\$	22,208
Interest income		5,254		8,489
Other income		24,247		18,340
	\$	39,069	\$	49,037
(24)Other gains and losses				
		For the three-mo	nth pe	riods ended
		arch 31, 2013		arch 31, 2012
Gains on disposal of investments	\$	14,113	\$	15,669
Net gains (losses) on financial assets (liabilities)				
at fair value through profit or loss	(	20,389)		13,787
Currency exchange gains (losses)		55,109	(	3,661)
Other losses	(	12,071)	(	10,264)
	\$	1,655,709	\$	15,531
(25) <u>Finance costs</u>				
		For the three-mo	nth per	riods ended
		arch 31, 2013		arch 31, 2012
Interest expense	\$	176,586	\$	200,875
Others		23,047		29,324
	ф	100 600	ф	220 100

199,633

230,199

# (26)Expenses by nature

		For the three-mo	nth pe	eriods ended
	N	March 31, 2013	$\mathbf{N}$	Iarch 31, 2012
Cost of physical sales	\$	82,347,642	\$	76,693,727
Employee benefit expense		1,818,878		1,826,895
Rent expense		169,259		173,281
Transportation expenses		171,722		180,976
Entertainment expense		64,077		67,831
Service expense		58,094		47,004
Bad debts expense		55,746		13,573
Depreciation charges on property and equipment		55,725		60,118
Amortisation charges on intangible assets and				
other non-current assets		28,201		23,720
Other expenses		413,799		491,666
Total cost of sales and operating expenses	\$	85,183,143	\$	79,578,791

# (27) Employee benefit expense

		For the three-mo	nth per	riods ended
	Ma	arch 31, 2013	M	arch 31, 2012
Wages and salaries	\$	1,575,201	\$	1,594,505
Labor and health insurance fees		92,171		70,164
Pension costs		82,669		90,973
Other personnel expenses		68,837		71,253
	\$	1,818,878	\$	1,826,895

# (28)Income tax

# A. Income tax expense

a) Components of income tax expense:

	F	or the three-mor	nth perio	ods ended
	Mar	ch 31, 2013	Maı	rch 31, 2012
Current tax				
Current tax on profits for the period	\$	318,743	\$	240,724
Adjustments in respect of prior years	(	10,277)	(	36,871)
Total current tax		308,466		203,853
Deferred tax				
Origination and reversal of temporary				
differences	(	73,858)	(	31,142)
	\$	234,608	\$	172,711

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

	F	<u>or the three-mor</u>	ith perio	as enaea
	Mar	ch 31, 2013	Marc	ch 31, 2012
Currency translation differences	\$	14,331	\$	6,275

- B. The Company's income tax returns through 2007 have been assessed and approved by the Tax Authority. However, the provisional income tax assessed by the Tax Authority for the 2007 income tax return was different from the Company's filing amount. In addition, the Tax Authority attributed all the Company's income and related operating costs and expenses arising from the provision of administrative resources and management services to its related parties to the "tax-exempt income" category for the 2007 income tax return; while, the Company attributed the above income and related operating costs and expenses to the "taxable income" category. The Company had raised an objection to the Tax Authority's assessments and requested corrections to the assessment. As of May 14, 2013, the Company had not yet gained the approval of the Tax Authority for corrections.
- C. Unappropriated retained earnings:

	March 31, 2013	<u>December 31, 2012</u>
Earnings generated after 1998	\$ 7,066,009	\$ 6,029,167
	March 31, 2012	January 1, 2012
Earnings generated after 1998	\$ 6,001,408	\$ 5,050,372

- D. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the balance of the imputation tax credit account was \$219,150, \$219,150, \$23,757 and \$23,757, respectively.
- E. Creditable ratio of appropriated retained earnings:

	<u>2012 (Expected)</u>	<u>2011 (Actual)</u>
Creditable ratio	12.76%	13.25%

Creditable ratio = Imputation tax credit account balance/Accumulated undistributed earnings account balance

The calculation of accumulated undistributed earnings as above are based on the Company's consideration of the amendment associated with income tax and accumulated undistributed earnings, on and after January 1, 1998 which was handled based on the requirement of R.O.C. Company Law associated with preparing financial statements.

# (29) Earnings per share

#### A. Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

#### B. Diluted

Diluted earnings per share is calculated by adjusting the profit attributable to ordinary shareholders of the parent and the weighted average number of ordinary shares outstanding to

assume conversion of all dilutive potential ordinary shares.

		For the thre	e-month period ended	March 31, 2013
	<u>Amo</u>	ount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share(in dollars)
Basic earnings per share				
Profit attributable to ordinary shareholders of the parent	\$	1,039,983	1,655,709	\$ 0.63
Diluted earnings per share	Ψ	1,000,000	1,033,707	φ 0.05
Profit attributable to ordinary shareholders of the parent	\$	1,039,983	1,655,709	
Assumed conversion of all dilutive potential ordinary shares Employees' bonus Profit attributable to ordinary			1,886	
shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$</u>	1,039,983	\$ 1,657,59 <u>5</u>	\$ 0.63
		For the thre	e-month period ended	March 31 2012
			e-month period ended Weighted average number of ordinary shares outstanding	Earnings per share
Basic earnings per share	Amo	For the thre	Weighted average number of ordinary shares outstanding	
Basic earnings per share Profit attributable to ordinary shareholders of the parent Diluted earnings per share	<u>Amo</u>		Weighted average number of ordinary shares outstanding	Earnings per share
Profit attributable to ordinary shareholders of the parent  Diluted earnings per share  Profit attributable to ordinary		ount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share(in dollars)
Profit attributable to ordinary shareholders of the parent  Diluted earnings per share  Profit attributable to ordinary shareholders of the parent  Assumed conversion of all dilutive potential ordinary shares  Employees' bonus	<u>\$</u>	951,036	Weighted average number of ordinary shares outstanding (shares in thousands)  1,608,330	Earnings per share(in dollars)
Profit attributable to ordinary shareholders of the parent  Diluted earnings per share  Profit attributable to ordinary shareholders of the parent  Assumed conversion of all dilutive potential ordinary shares	<u>\$</u>	951,036	Weighted average number of ordinary shares outstanding (shares in thousands)  1,608,330  1,608,330	Earnings per share(in dollars)

## (30) Business combinations

- A. To integrate the electronic component distribution industry and enhance the Group's competitiveness, the Company absorbed Aeco Technology Co., Ltd. through share swap on March 1, 2012, as approved by the Board of Directors on October 4, 2011, and issued 71,859 thousand shares. The transaction was recognized using acquisition method accounting.
- B. The following table summarises the consideration paid for Aeco Technology Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u></u>	Amount
Purchase consideration	\$	2,335,420
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		397,651
Notes and accounts receivable		1,498,141
Inventories		990,433
Other current assets		47,153
Property, plant and equipment		334,548
Other non-current assets		63,367
Accounts payable	(	547,375)
Other current liabilities	(	542,503)
Long-term bank loans	(	336,784)
Other non-current liabilities	(	41,501)
Total identifiable net assets	<u></u>	1,863,130
Goodwill	\$	472,290

- C. The fair value of the ordinary shares issued as part of the consideration paid for Aeco Technology Co., Ltd. was based on the published share price on acquisition date. Issuance costs have been recognised in profit or loss.
- D. The operating revenue included in the consolidated statement of comprehensive income since combination contributed by Aeco Technology Co., Ltd. was \$1,374,061. Aeco Technology Co., Ltd. also contributed profit before income tax of \$19,567 over the same period. Had Aeco Technology Co., Ltd. been consolidated from January 1, 2012, the consolidated statement of comprehensive income would show operating revenue of \$81,616,251 and profit before income tax of \$859,028.

## 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:

	_	For	onth periods ended		
	_	March 31, 2013		March 31, 2012	
Sales of goods					
Associates	<u>9</u>	S	272,785	\$	311,954

The terms and sales prices of the subsidiary - World Peace Industrial Co., Ltd. with its related parties were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 30 to 90 days. The other subsidiaries deal with its related parties using general terms and sales prices.

В.	Period-end	balances	arising	from	sales	of	goods	services:
----	------------	----------	---------	------	-------	----	-------	-----------

a)	Marc	ch 31, 2013	Decem	ber 31, 2012
Receivables from related parties: Associates	<u>\$</u>	200,877	\$	146,198
Receivables from related parties:	Mar	ch 31, 2012	_ Janua	ary 1, 2012
Associates	\$	129,630	\$	23,457

The receivables from related parties arise mainly from sale of goods. The receivables are due 30 to 90 days after the date of sales. 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 two which is described in Note 12. (2) C. b) (iii).

_	March 31, 2013	<u>December 31, 2012</u>	
Prepayment Associates	\$ 24,189	\$ 109,077	
Prepayment	March 31, 2012	January 1, 2012	
Associates	\$ -	\$ -	

The sales prices were negotiated with associates in consideration of factors including the type of goods, market and competition. The purchased goods are delivered after prepayment in 14 days.

## (3) Key management compensation

	For the three-month periods end			ods ended
	<u>Mar</u>	ch 31, 2013	Ma	rch 31, 2012
Salaries and other short-term employee benefits	\$	41,297	\$	45,036
Post-employment benefits		1,841		1,808
	\$	43,138	\$	46,844

8.	PLEDGED ASSETS
ο.	I LLD GLD MODLID

Pledged assets (Note 1)	March 31, 2013	Purpose of Collateral
Other current assets		
-Bank deposits	\$ 469,421	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring
-Time deposits	367,158	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card
Available-for-sale financial assets-Non-current (Note 2) Property, plant and equipment	28,126	Security for purchases
-Land	1,191,977	Long-term and short-term loans, import loans and security for import
-Buildings	615,769	"
Other non-current assets		
-Deposit-out	13,104	Tariff security deposit
	\$ 2,685,555	<u></u>
Pledged assets (Note 1)	December 31, 2012	Purpose of Collateral
Other current assets		· ·
	December 31, 2012 \$ 530,574	· ·
Other current assets		Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation,
Other current assets -Bank deposits  -Time deposits  Available-for-sale financial	\$ 530,574	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee
Other current assets -Bank deposits  -Time deposits  Available-for-sale financial assets-Non-current (Note 2)	\$ 530,574 527,393	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card
Other current assets -Bank deposits  -Time deposits  Available-for-sale financial	\$ 530,574	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card  Security for purchases
Other current assets -Bank deposits  -Time deposits  Available-for-sale financial assets-Non-current (Note 2) Property, plant and equipment	\$ 530,574 527,393 28,126	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card  Security for purchases  Long-term and short-term loans, import loans and security for import
Other current assets -Bank deposits  -Time deposits  Available-for-sale financial assets-Non-current (Note 2) Property, plant and equipment -Land	\$ 530,574 527,393 28,126 1,196,822	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card  Security for purchases  Long-term and short-term loans, import loans and security for import
Other current assets -Bank deposits  -Time deposits  Available-for-sale financial assets-Non-current (Note 2) Property, plant and equipment -Land -Buildings	\$ 530,574 527,393 28,126 1,196,822	Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring  Long-term and short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card  Security for purchases  Long-term and short-term loans, import loans and security for import  "  Tariff security deposit

Pledged assets (Note 1)	Mar	ch 31, 2012	Purpose of Collateral
Other current assets			
-Bank deposits	\$	883,259	Short-term loans, import loans, security for purchases, guarantee for customs,
			deposits for litigation and factoring
-Time deposits		1,883,410	Short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring
-Repurchase commercial paper		8,979	Security for purchases
Available-for-sale financial assets-Non-current (Note 2)		28,615	Long-term and short-term loans, import loans and security for import
Property, plant and equipment		1 222 000	<i>"</i>
-Land		1,333,000	To iff
-Buildings	ф.	875,277	Tariff security deposit
	\$	5,012,540	
Pledged assets (Note 1)	Jan	uary 1, 2012	Purpose of Collateral
Other current assets		-	-
-Bank deposits	\$	663,729	Short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation and factoring
-Time deposits		2,146,069	Short-term loans, import loans, security for purchases, guarantee for customs, deposits for litigation, factoring and oil card
Available-for-sale financial assets-Non-current (Note 2)		28,615	Security for purchases
Property, plant and equipment			
-Land		1,112,629	Long-term and short-term loans, import loans and security for import and trust of real estate transaction
-Buildings		684,902	"
	\$	4,635,944	

Note 1: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012.

Note 2: There are 1,850 thousand shares and 1,133 thousand shares of Kingpak Technology Inc. and Kingmac Technology Inc., respectively, which have been pledged for purchases as of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012.

# 9. <u>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS</u>

## (1) Contingencies

In 2007, COMTREND CORPORATION filed with the court for execution of a provisional seizure

of \$13,236 in bank deposits of Pernas Electronics Co., Ltd., a subsidiary of the Company, alleging that the goods of Pernas Electronics Co., Ltd. sold in 2006 were defective. In July 2007, Pernas Electronics Co., Ltd. offered a counter guarantee to rescind the provisional seizure. In August 2007, COMTREND CORPORATION filed for a provisional seizure of \$6,671 in bank deposits of Pernas Electronics Co., Ltd. for the second time. Again, Pernas Electronics Co., Ltd. offered a counter guarantee to rescind the provisional seizure in October 2007. In October 2008, Taiwan Banciao District Court rendered a judgment to rescind the provisional seizure filed in August 2007 by COMTREND CORPORATION. Taiwan Taipei District Court rendered a judgement that Pernas Electronics Co., Ltd. needed to pay \$20,901, plus interests with 5% annual interest rate and litigation fees of \$548 on May 13, 2011. Pernas Electronics Co., Ltd. had filed an appeal with Taiwan High Court, but the litigation is still pending as of May 14, 2013.

## (2) Commitments

## A. Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	March 31, 2013	<u>December 31, 2012</u>		
Property, plant and equipment and intangible assets	\$ 54,111	<u>\$ 746,574</u>		
Decrease along and annion and and intervalle	March 31, 2012	January 1, 2012		
Property, plant and equipment and intangible assets	\$ 7,833	<u>\$ 11,913</u>		

## B. Operating lease commitments

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

	Mar	ch 31, 2013	<u>Decem</u>	ber 31, 2012
Not later than one yar	\$	183,143	\$	141,940
Later than one year but not later than five years		156,954		134,411
Later than five years		<u> </u>		
Total	\$	340,097	\$	276,351
N 1 1	-	ch 31, 2012		ary 1, 2012
Not later than one yar	Mare \$	ch 31, 2012 173,949	Janu \$	ary 1, 2012 207, 264
Not later than one yar  Later than one year but not later than five years	-			
Later than one year but not later than five	-	173,949		207,264

C. The Group has letters of credit issued but not negotiated as follows:

Mar	ch 31, 2013	December 31, 2012		March 31, 2012		January 1, 2012		
\$	1,068,523	\$	973,926	\$	1,598,759	\$	1,072,069	
USD	76,037	USD	85,237	USD	57,297	USD	53,819	
						HKD	6 234	

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 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 in an effective way to reduce debt.

## (2) Financial instruments

## A. Fair value information of financial instruments

	March 31, 2013				
		Book value	Fair value		
Non-derivative financial instruments					
Financial assets:					
Cash and cash equivalents	\$	7,729,821	\$	7,729,821	
Financial assets at fair value through profit or					
loss		13,809		13,809	
Available-for-sale financial assets-current		10,342		10,342	
Financial assets measured at cost-current		10,193		-	
Notes receivable		2,557,535		2,557,535	
Accounts receivable (including related parties)		58,331,938		58,331,938	
Other receivables		2,174,791		2,174,791	
Available-for-sale financial assets-non-current		166,191		166,191	
Financial assets measured at cost-non-current		454,590		-	
Investments in bonds without active markets		5,000		5,000	
Other financial assets		1,135,110		1,135,110	
Total	\$	72,589,320	\$	72,124,537	

	March 31, 2013				
		Book value		Fair value	
Non-derivative financial instruments					
Financial liabilities:					
Short-term loans	\$	31,759,764	\$	31,759,764	
Commercial papers payable		3,667,424		3,667,424	
Notes payable		510,612		510,612	
Accounts payable		36,229,848		36,229,848	
Other payables		3,538,162		3,538,162	
Long-term liabilities-current portion		975,848		975,848	
Long-term loans		5,809,654		5,809,654	
Total	\$	82,491,312	\$	82,491,312	
Derivative financial instruments					
Financial assets:					
Financial assets at fair value through profit or					
loss-forward exchange contracts	<u>\$</u>	2,270	<u>\$</u>	2,270	
Financial liabilities:					
Financial liabilities at fair value through profit or	Φ	4 120	φ	4 120	
loss-forward exchange contracts	\$	4,139	<u>\$</u>	4,139	
		D 1	21.2	012	
		December Book value	r 31, 2	Fair value	
Non-derivative financial instruments		DOOK value		Tan value	
Financial assets:					
Cash and cash equivalents	\$	8,872,178	\$	8,872,178	
Financial assets at fair value through profit or	Ψ	0,072,170	Ψ	0,072,170	
loss		46,779		46,779	
Available-for-sale financial assets-current		20,919		20,919	
Financial assets measured at cost-current		10,193		- -	
Notes receivable		1,760,655		1,760,655	
Accounts receivable (including related parties)		57,831,821		57,831,821	
Other receivables		1,333,647		1,333,647	
Available-for-sale financial assets-non-current		153,176		153,176	
Financial assets measured at cost-non-current		396,104		-	
Investments in bonds without active markets		5,000		5,000	
Other financial assets		1,502,544		1,502,544	
Total	\$	71,933,016	\$	70,024,175	

	December 31, 2012				
		Book value		Fair value	
Non-derivative financial instruments					
Financial liabilities:					
Short-term loans	\$	31,690,834	\$	31,690,834	
Commercial papers payable		4,001,703		4,001,703	
Notes payable		344,101		344,101	
Accounts payable		32,910,955		32,910,955	
Other payables		4,045,097		4,045,097	
Long-term liabilities-current portion		416,373		416,373	
Long-term loans		6,441,227		6,441,227	
Total	\$	79,850,290	\$	79,850,290	
Derivative financial instruments		_			
Financial assets:					
Financial assets at fair value through profit or					
loss-forward exchange contracts	\$	2,035	\$	2,035	
Financial liabilities:					
Financial liabilities at fair value through profit or	φ	2.010	φ	2 010	
loss-forward exchange contracts	<u>\$</u>	2,010	<u>\$</u>	2,010	
		March 3	31, 20	12	
		Book value	· · · · · · ·	Fair value	
Non-derivative financial instruments		_			
Financial assets:					
Cash and cash equivalents	\$	8,124,506	\$	8,124,506	
Financial assets at fair value through profit or					
loss		188,198		188,196	
Available-for-sale financial assets-current		17,686		17,686	
Financial assets measured at cost-current		12,871		-	
Notes receivable		1,838,935		1,838,935	
Accounts receivable (including related parties)		49,545,442		49,545,442	
Other receivables		3,064,134		3,064,134	
Available-for-sale financial assets-non-current		175,898		175,898	
Financial assets measured at cost-non-current		331,551		_	
Investments in bonds without active markets		5,000		5,000	
Other financial assets		2,834,467		2,834,467	
Total	\$	66,138,688	\$	65,794,266	

	March 31, 2012				
		Book value		Fair value	
Non-derivative financial instruments					
Financial liabilities:					
Short-term loans	\$	27,970,808	\$	27,970,808	
Commercial papers payable		2,873,406		2,873,406	
Notes payable		318,733		318,733	
Accounts payable		33,457,456		33,457,456	
Other payables		3,999,930		3,999,930	
Long-term liabilities-current portion		1,605,739		1,605,739	
Long-term loans		4,317,846		4,317,846	
Total	\$	74,543,918	\$	74,543,918	
Derivative financial instruments					
Financial assets:					
Financial assets at fair value through profit or					
loss-forward exchange contracts	\$	2,614	\$	2,614	
Financial liabilities:					
Financial liabilities at fair value through profit or	ф	205	φ	225	
loss-forward exchange contracts	<u>\$</u>	325	<u>\$</u>	325	
		January	1, 201	2	
		Book value		Fair value	
Non-derivative financial instruments					
Financial assets:					
Cash and cash equivalents	\$	7,785,974	\$	7,785,974	
Financial assets at fair value through profit or					
loss		133,598		133,598	
Available-for-sale financial assets-current		19,442		19,442	
Financial assets measured at cost-current		12,871		-	
Notes receivable		1,696,082		1,696,082	
Accounts receivable (including related parties)		45,469,533		45,469,533	
Other receivables		3,574,965		3,574,965	
Available-for-sale financial assets-non-current		171,584		171,584	
Financial assets measured at cost-non-current		304,609		-	
Investments in bonds without active markets		5,000		5,000	
Other financial assets		3,156,385		3,156,385	
Total	\$	62,330,043	<u>\$</u>	62,012,563	

	January 1, 2012				
		Book value		Fair value	
Non-derivative financial instruments					
Financial liabilities:					
Short-term loans	\$	27,235,857	\$	27,235,857	
Commercial papers payable		3,213,292		3,213,292	
Notes payable		224,517		224,517	
Accounts payable		28,326,675		28,326,675	
Other payables		4,983,881		4,983,881	
Long-term liabilities-current portion		1,491,129		1,491,129	
Long-term loans		3,977,619		3,977,619	
Total	\$	69,452,970	\$	69,452,970	
Derivative financial instruments					
Financial assets:					
Financial assets at fair value through profit or					
loss-forward exchange contracts	\$	928	\$	928	
Financial liabilities:					
Financial liabilities at fair value through profit or					
loss-forward exchange contracts	\$	1,346	\$	1,346	

## 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. 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 their 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 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 establish 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 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, 2013								
		nsitivity Analysis							
	Foreign Curr Amount (In Thousand	·	hange rate	Book Value (NTD)	Extent of Variation	Ef	fect on Profit or Loss	Effect o _Equity	
Foreign currency: functional currency <u>Financial assets</u> <u>Monetary items</u>									
USD:TWD	\$ 36,238	.738	29.83	\$1,080,820,365	1%	\$	10,808,204	\$	_
USD:RMB	3,068		6.21	91,514,045	1%	•	901,962	•	_
USD:HKD	, , , , , , , , , , , , , , , , , , ,	,957	7.76	3,428,590	1%		33,894		_
USD:KRW	6	,345	1,103.20	189,243	1%		1,915		-
USD:JPY	7	,499	94.03	223,652	1%		2,256		-
USD:RM	127	,669	3.10	3,807,721	1%		37,732		-
RMB:HKD	283	, 269	1.25	1,361,391	1%		13,458		-
RMB:USD	31,311	,425	0.16	150,482,710	1%		1,486,494		-
HKD:USD	7,842	,522	0.13	30,138,812	1%		297,716		-
SGD:USD	314	,166	0.81	7,561,979	1%		74,699		-
Financial liabilities									
Monetary items									
USD:TWD	29,382	,384	29.83	876,329,590	1%		8,763,296		-
USD:RMB	8,493	,048	6.21	253,305,166	1%		2,496,575		-
USD:KRW	10	,031	1,103.20	299,175	1%		3,027		-
USD:HKD	189	,704	7.76	5,657,932	1%		55,933		-
USD:INR	8,344	,211	54.04	248,866,093	1%		2,469,768		-
USD:RM	3,356	,066	3.10	100,094,644	1%		991,881		-
RMB:USD	39	,857	0.16	191,550	1%		1,892		-
HKD:USD	4,372	,279	0.13	16,802,699	1%		165,980		-
SGD:USD	1,628	,772	0.81	39,204,554	1%		387,269		-

				D	ecember 31, 20	12					
	F : C						Sensitivity Analysis				
		Amount (In Thousands)	Exchange rate		Book Value (NTD)	Extent of Variation	Eff	fect on Profit or Loss	Effect on Equity		
Foreign currency:		<u> </u>	<u> </u>		(1,12)	· wiiwioii		01 2000	<u> </u>		
functional currency											
Financial assets											
Monetary items USD:TWD	Φ	21 072 (26	20.04	φ	020 514 112	1.01	φ	0 205 141	ф		
USD:RMB	\$	31,973,626	29.04 6.23	ф	928,514,112	1% 1%	\$	9,285,141 911,006	<b>5</b> -		
USD:HKD		3,121,015 123,737	7.75		90,634,272 3,593,333	1% 1%		36,559	-		
USD:JPY		35,414	86.33		1,028,426	1%		11,335	-		
USD:THB		1,573,419	30.66		45,692,074	1%		457,576	_		
USD:RM		181,218	3.06		5,262,564	1%		53,035	_		
RMB:HKD		290,717	1.24		1,354,740	1%		13,783	_		
RMB:USD		31,311,323	0.16		145,910,766	1%		1,485,616	_		
SGD:USD		278,397	0.82		6,614,701	1%		67,349	_		
Financial liabilities		210,371	0.02		0,014,701	1 /0		07,547	_		
Monetary items											
USD:TWD		33,561,187	29.04		974,616,875	1%		9,746,169	_		
USD:RMB		8,282,837	6.23		240,533,595	1%		2,417,712	_		
USD:KRW		9,070	1,062.57		263,397	1%		2,549	_		
USD:HKD		194,463	7.75		5,647,210	1%		57,455	_		
USD:THB		2,243,337	30.66		65,146,518	1%		652,399	_		
USD:RM		2,485,431	3.06		72,176,916	1%		727,382	_		
USD:JPY		17,449	86.33		506,722	1%		5.585	_		
SGD:USD		4,154,106	0.82		98,701,561	1%		1,004,948	_		
HKD:USD		4,094,256	0.13		15,341,178	1%		156,199	_		
RMB:USD		50,695	0.16		236,236	1%		2,405	_		
		,			,			,			
					March 31, 2012	2					
					,		ensi	itivity Analysis	3		
	Fo	oreign Curreny			D 1 17 1	<b>D</b>	- C		Ticc .		
	(1	Amount In Thousands)	Exchange rate		Book Value (NTD)	Extent of Variation	ΕĦ	fect on Profit or Loss	Effect on Equity		
Foreign currency:		iii Tiiousaiius)	Exchange rate	_	(NID)	variation	-	OI LOSS	Equity		
functional currency											
Financial assets											
Monetary items											
USD:TWD	\$	28,866,809	29.51	\$	851,859,534	1%	\$	8,518,595	\$ -		
USD:RMB		483,247	6.30		14,260,619	1%		142,845	-		
USD:HKD		138,266	7.76		4,080,230	1%		41,038	-		
USD:KRW		3,772	1,125.05		111,312	1%		1,121	-		
USD:JPY		8,965	82.15		264,557	1%		2,756	-		
JPY:TWD		248,228	0.36		89,163	1%		892	-		
RMB:HKD		208,067	1.23		974,690	1%		9,803	-		
RMB:TWD		16,543	4.68		77,496	1%		775	-		
RMB:USD		30,793,920	0.16		144,254,118	1%		1,450,497	-		
SGD:USD		803,349	0.80		18,870,672	1%		189,747	-		
Financial liabilities											
Monetary items											
USD:TWD		27,445,945	29.51		809,929,837	1%		8,099,298	-		
USD:RMB		11,009,473	6.30		324,889,548	1%		3,254,334	-		

	March 31, 2012							
				S	Sensitivity Analysis	S		
	Foreign Curreny							
	Amount		Book Value	Extent of	Effect on Profit	Effect on		
	(In Thousands)	Exchange rate	(NTD)	Variation	or Loss	Equity		
USD:KRW	7,431	1,125.05	219,289	1%	2,209	-		
USD:HKD	228,117	7.76	6,731,733	1%	67,707	-		
SGD:USD	2,864,615	0.80	67,289,821	1%	676,609	-		
RMB:HKD	35,019	1.23	164,047	1%	1,650	-		
RMB:USD	51,861	0.16	242,943	1%	2,443	-		
			January 1, 2012					
			•	S	Sensitivity Analysis	S		
	Foreign Curreny							
	Amount		Book Value	Extent of	Effect on Profit	Effect on		
	(In Thousands)	Exchange rate	(NTD)	Variation	or Loss	Equity		
Foreign currency:								
functional currency								
Financial assets								
Monetary items	A 22 220 006	20.20	ф. ( <b>72 710</b> (02	1.01	A ( 505 105	Φ.		
USD:TWD	\$ 22,220,006	30.28		1%	\$ 6,727,107	\$ -		
USD:RMB	401,803	6.30	12,164,586	1%	115,656	-		
USD:HKD	105,369	7.77	3,190,046	1%	30,915	-		
USD:JPY	9,344	77.51	282,890	1%	2,676	-		
RMB:HKD	214,715	1.23	1,032,135	1%	10,003	-		
RMB:USD	1,415,178	0.16	6,802,761	1%	66,054	-		
SGD:USD	1,371,157	0.77	31,961,670	1%	310,346	-		
Financial liabilities								
Monetary items								
USD:TWD	20,959,185	30.28	634,539,326	1%	6,345,393	-		
USD:HKD	236,962	7.77	7,174,025	1%	69,525	-		
SGD:USD	1,771,714	0.77	41,298,653	1%	401,008	-		

#### 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, 2013 and 2012 would have increased/decreased by \$138 and \$1,882, 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 \$1,765 and \$1,936 as a result of gains/losses on equity securities classified as available-for-sale.

#### 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. Group's borrowings were mainly in fixed rate instruments. During the three-month periods ended March 31, 2013 and 2012, the Group's borrowings at variable rate were mainly denominated in the NTD and USD.
- At March 31, 2013 and 2012, 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, 2013 and 2012 would have been \$46,650 and \$40,153 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 rating 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>Ma</u>	arch 31, 2013	<u>December 31, 20</u>		
Group 1	\$	10,991,513	\$	10,381,301	
Group 2		42,185,245		42,449,647	
	\$	53,176,758	\$	52,830,948	

	<u>M</u>	March 31, 2012		nuary 1, 2012
Group 1	\$	10,855,967	\$	9,484,830
Group 2		34,833,417		31,785,217
	\$	45,689,384	\$	41,270,047

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

Group 2: Excluding customers in Group 1.

iv. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

Tollows.					
	N	Iarch 31, 2013	Dece	ember 31, 2013	
Accounts receivable					
0~30 days	\$	3,400,351	\$	3,517,462	
30~60 days		1,380,803		976,573	
60~90 days		87,492		234,976	
90~120 days		61,895		72,551	
120~150 days		19,339		33,962	
150~180 days	(	716)		688	
Over 180 days		5,139		18,463	
	\$	4,954,303	\$	4,854,675	
	N	Iarch 31, 2012	Ja	nuary 1, 2012	
Accounts receivable					
0~30 days	\$	2,812,949	\$	3,389,903	
30~60 days		750,083		632,251	
60~90 days		110,950		146,883	
90~120 days		37,905		91,784	
120~150 days		17,073	(	84,948)	
150~180 days	(	350)		37	
Over 180 days	(	2,182)		119	
	\$	3,726,428	\$	4,176,029	

Accounts receivable in certain categories based on ageing as shown above reflect a negative balance due to discount and returns granted by the Group.

v. The movement analysis of financial assets that had been impaired:

	For the three-month periods ended						
	Ma	arch 31, 2013	March 31, 2012				
	Gro	up provision	Gr	oup provision			
At January 1	\$	236,605	\$	160,975			
Effect of consolidated subsidiaries		-		19,910			
Provision for impairment		44,578		11,986			
Write-offs during the period	(	8,260)	(	2,688)			
Effect due to changes in exchange rates		5,058	(	2,219)			
At March 31	\$	277,981	\$	187,964			

vi. As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, the maximun 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 on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, 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:

			Between 1	Between 2	
March 31, 2013	Le	ess than 1 year	and 2 years	and 5 years	Over 5 years
Short-term loans	\$	31,759,764	\$ -	\$ -	\$ -
Short-term notes and bills payable		3,667,424	-	-	-
Notes payable		509,326	1,270	-	16
Accounts payable		36,229,184	-	242	422
Other payables		3,537,855	-	29	278
Long-term loans (including current portion)		975,848	8,347	148,043	5,653,264

#### Non-derivative financial liabilities:

			Bet	ween 1	Between 2		
December 31, 2012	Le	ss than 1 year	and	2 years	and 5 years	Ove	er 5 years
Short-term loans	\$	31,690,834	\$	-	\$ -	\$	-
Short-term notes and bills payable		4,001,703		-	-		-
Notes payable		344,101		-	-		-
Accounts payable		32,910,955		-	-		-
Other payables		4,044,798		-	28		271
Long-term loans (including current portion)		416,373		604,646	5,222,928		613,623

#### Non-derivative financial liabilities:

			Between 1	Between 2	
March 31, 2012	Le	ess than 1 year	and 2 years	and 5 years	Over 5 years
Short-term loans	\$	27,970,808	\$ -	\$ -	\$ -
Short-term notes and bills payable		2,873,406	-	-	-
Notes payable		316,808	1,800	125	-
Accounts payable		33,456,797	-	242	417
Other payables		3,999,930	-	-	-
Long-term loans (including current portion)		1,605,739	700,998	2,924,420	692,428

#### Non-derivative financial liabilities:

			Between I	Between 2	
January 1, 2012	Le	ss than 1 year	and 2 years	and 5 years	Over 5 years
Short-term loans	\$	27,235,857	\$ -	\$ -	\$ -
Short-term notes and bills payable		3,213,292	-	-	-
Notes payable		220,302	1,800	2,415	-
Accounts payable		28,326,249	-	-	426
Other payables		4,983,597	6	16	262
Long-term loans (including current portion)		1,491,129	1,278,019	2,622,133	77,467

## Derivative financial liabilities:

As of March 31, 2013, December 31, 2012, March 31, 2012 and January 1, 2012, derivative financial liabilities transacted by the Group are all due within one year.

iv. 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, 2013, December 31, 2012, March 31, 2012 and January 1, 2012.

March 31, 2013	 Level 1		Level 2		Level 3		Total
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	43,425		125,743		7,365		176,533
Total	\$ 57,234	\$	128,013	\$	7,365	\$	192,612
Financial liabilities:						· ·	
Forward exchange contracts	\$ _	\$	4,134	\$		\$	4,139
<u>December 31, 2012</u>	 Level 1		Level 2	_	Level 3		Total
Financial assets:							
Financial assets at fair value through profit or loss							
Equity securities	\$ 46,779	\$	-	\$	-	\$	46,779
Forward exchange contracts	-		2,035		-		2,035
Available-for-sale financial assets							
Equity securities	 28,808		137,922		7,365		174,095
Total	\$ 75,587	\$	139,957	\$	7,365	\$	222,909
Financial liabilities:							
Forward exchange contracts	\$ 	\$	2,010	\$		\$	2,010
March 21, 2012	Level 1		Level 2		Level 3		Total
March 31, 2012 Financial assets:	 Level I	_	Level 2	_	Level 3		10141
Financial assets at fair value through							
profit or loss							
Equity securities	\$ 188,198	\$	-	\$	-	\$	188,198
Forward exchange contracts	-		2,614		-		2,614
Available-for-sale financial assets							
Equity securities	 38,104		144,980		10,500		193,584
Total	\$ 226,302	\$	147,594	\$	10,500	\$	384,396
Financial liabilities:							
Forward exchange contracts	\$ _	\$	325	\$		\$	325

January 1, 2012	 Level 1	 Level 2	Level 3	_	 Total
Financial assets:					
Financial assets at fair value through					
profit or loss					
Equity securities	\$ 133,598	\$ _	\$	-	\$ 133,598
Forward exchange contracts	-	928		-	928
Available-for-sale financial assets					
Equity securities	 44,960	 146,066		<u>-</u>	 191,026
Total	\$ 178,558	\$ 146,994	\$	<u>-</u>	\$ 325,552
Financial liabilities:					
Forward exchange contracts	\$ 	\$ 1,346	\$	_	\$ 1,346

- 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 for the three-month periods ended March 31, 2013 and 2012.

There are no changes in level 3 instruments for the three-month periods ended March 31, 2013.

At January 1, 2012 Acquired from business combinations At March 31, 2012

For the three-me	onth period
ended March	31, 2012
\$	_
	10,500
\$	10,500

## 13. <u>SUPPLEMENTARY DISCLOSURES</u>

#### (1) Significant transactions information

A. Loans to others:

	A. Loans to our			1					1							
Number 1	Creditor Gain Tune Ltd.	Borrower WPI International (Hong Kong) Limited	General ledger account Other receivables -related parties	Maximum outstanding balance during the three-month period ended March 31, 2013  \$ 641,238	Balance at March 31, 2013 \$ 641,238	Actual amount drawn down 641,238	Interest rate 1.00	Nature of loan Working capital	Amount of transactions with the borrower	Reason for short-term financing Operation	Allowance for doubtful accounts	Item None	Value \$ -	Limit on loans granted to a single party \$1,017,826	Ceiling on total loans granted \$1,017,826	Remark Note 2
2	World Peace International (South Asia) Pte Ltd.	Genuine C&C (South Asia) Pte Ltd.	Other receivables -related parties	536,850	357,900	170,003	1.46	Working capital	-	Operation	=	None	-	4,113,088	4,113,088	Note 3
2	World Peace International (South Asia) Pte Ltd.	World Peace International Pte Ltd.	Other receivables -related parties	596,500	298,250	256,495	1.46	Working capital	-	Operation	-	None	-	4,113,088	4,113,088	Note 3
2	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	Other receivables -related parties	745,625	447,375	328,075	2.12	Working capital	-	Operation	-	None	-	4,113,088	4,113,088	Notes 3 and 7
2	World Peace International (South Asia) Pte Ltd.	Yosun Singapore Pte Ltd.	Other receivables -related parties	447,375	447,375	-	-	Working capital	-	Operation	-	None	-	4,113,088	4,113,088	Note 3
2	World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	Other receivables -related parties	298,250	298,250	89,475	1.46	Working capital	-	Operation	_	None	-	4,113,088	4,113,088	Note 3
3	WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	Other receivables -related parties	140,335	140,335	140,335	3.00	Working capital	-	Operation	_	None	-	149,205	149,205	Note 11
4	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	Other receivables -related parties	328,075	328,075	-	-	Working capital	-	Operation	-	None	-	342,488	342,488	Note 11

												Colla	nteral			
Number	Creditor	Borrower	General ledger	Maximum outstanding balance during the three-month period ended March 31, 2013	Balance at March 31, 2013	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Item	Value	Limit on loans granted to a single party	Ceiling on total loans granted	Remark
5	Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	Other receivables -related parties	\$ 83,510	\$ 83,510	83,510	1.00	Working capital	\$ -	Operation	-	None	-	\$8,398,173	\$8,398,173	Note 11
6	WPG C&C Computers And Peripheral (India) Private Limited	WPG India Electronics Pvt Ltd.	Other receivables -related parties	14,913	14,913	-	-	Working capital	-	Operation	-	None	-	528,738	528,738	Note 3
7	WPI International (Hong Kong) Limited	AIO Components Company Limited	Other receivables -related parties	29,825	-	-	-	Working capital	_	Operation	-	None	-	7,395,103	7,395,103	Note 11
7	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables -related parties	835,100	835,100	267,829	1.45~ 1.55	Working capital	-	Operation	-	None	-	7,395,103	7,395,103	Note 11
7	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Other receivables -related parties	178,950	178,950	178,950	2.07	Working capital	_	Operation	-	None	-	7,395,103	7,395,103	Note 11
7	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Other receivables -related parties	259,478	259,478	59,650	1.55	Working capital	-	Operation	-	None	-	7,395,103	7,395,103	Note 11
7	WPI International (Hong Kong) Limited	WPG China Inc.	Other receivables -related parties	149,125	149,125	-	-	Working capital	-	Operation	-	None	-	7,395,103	7,395,103	Note 11
8	World Peace Industrial Co., Ltd.	Longview Technology Inc.	Other receivables -related parties	400,000	400,000	120,000	1.50	Working capital	-	Operation	-	None	-	1,312,055	5,248,218	Note 9
9	Longview Technology Inc.	Long-Think International Co., Ltd.	Other receivables -related parties	50,000	50,000	50,000	1.85	Working capital	-	Operation	-	None	-	193,479	193,479	Note 4

												Colla	ateral			
Number	Creditor	Borrower	General ledger	Maximum outstanding balance during the three-month period ended March 31, 2013	Balance at March 31, 2013	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Item	Value	Limit on loans granted to a single party	Ceiling on total loans granted	Remark
10	Richpower Electronic Devices Co., Ltd.	WPG Holdings Limited	Other receivables -related parties	\$ 200,000	\$ 200,000	200,000	1.85	Working capital	=	Operation	-	None	-	\$ 885,356	\$ 885,356	Note 4
10	Electronic Devices Co., Ltd.	RichPower Electronic Devices Co., Limited	Other receivables -related parties	298,250	298,250	1	ı	Working capital	_	Operation	1	None	-	885,356	885,356	Note 4
10	Electronic Devices Co., Ltd.	WPG Korea Co., Ltd.	Other receivables -related parties	58,220	58,220	58,220	2.03	Working capital	_	Operation	_	None	-	885,356	885,356	Note 4
11		Richpower Electronic Devices Pte., Ltd.	Other receivables -related parties	104,388	74,563	74,563	2.05	Working capital	_	Operation	_	None	-	148,318	148,318	Note 8
12	Apache Communication Inc.	Adivic Technology Co., Ltd.	Other receivables -related parties	60,000	-	-	=	Working capital	_	Operation	-	None	-	193,879	310,206	Note 6
13	Henshen Electric Trading Co., Ltd.	Frontek Technology Corporation	Other receivables -related parties	50,000	50,000	50,000	1.33	Working capital	-	Operation	-	None	-	102,800	164,480	Note 6
13	Henshen Electric Trading Co., Ltd.	Apache Communication Inc.	Other receivables -related parties	89,475	89,475	89,475	1.33	Working capital	-	Operation	-	None	-	102,800	164,480	Note 6
13	Henshen Electric Trading Co., Ltd.	Adivic Technology Co., Ltd.	Other receivables -related parties	10,000	-	-	-	Working capital	_	Operation	=	None	-	102,800	164,480	Note 6
14	Asian Information Technology Inc.	Apache Communication Inc.	Other receivables -related parties	238,600	238,600	238,600	1.33	Working capital	-	Operation	-	None	-	986,158	1,577,852	Note 6

												Colla	ateral			
	Creditor Silicon Application	Borrower WPG China Inc.	General ledger account Other receivables	Maximum outstanding balance during the three-month period ended March 31, 2013 \$ 89,475	Balance at March 31, 2013 \$ 89,475	Actual amount drawn down 89,475	Interest rate 2.35	Nature of loan Working capital	Amount of transactions with the borrower	Reason for short-term financing Operation	Allowance for doubtful accounts	Item None	Value -	Limit on loans granted to a single party \$1,486,024	Ceiling on total loans granted \$1,486,024	Remark Note 5
16	Silicon Application (BVI) Corporation	Silicon Application Corp.	Other receivables -related parties	894,750	894,750	617,378	1.10	Working capital	-	Operation	_	None	-	1,027,768	2,569,419	Note 11
	Silicon Application (BVI) Corporation	Silicon Application Company Limited	Other receivables -related parties	447,375	447,375	298,250	1.40	Working capital	-	Operation	_	None	-	2,569,419	2,569,419	Note 11
17	Yosun Industrial Corp.	WPG Holdings Limited	Other receivables -related parties	300,000	300,000	200,000	1.75	Working capital	_	Operation	_	None	-	1,627,732	3,255,464	Note 10
17	Yosun Industrial Corp.	WPG China Inc.	Other receivables -related parties	59,650	59,650	59,650	2.35	Working capital	-	Operation	-	None	-	1,627,732	3,255,464	Note 10
18	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables -related parties	59,650	59,650	59,650	2.50	Working capital	-	Operation	-	None	-	74,199	74,199	Note 1
	WPG South Asia Pte Ltd.	WPG (Thailand) Co., Ltd.	Other receivables -related parties	14,913	14,913	-	-	Working capital	_	Operation	_	None	-	279,621	279,621	Note 3
NT . 1 .	1 . 1 . 1		1.1 111				1 11	. 1 .	6100	0/ 6 1:					1	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 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

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

- 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 asssets.
  - (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 gurantees 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.
  - (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.

B. Provision of endorsements and guarantees to others:

Number	Endorser/guarantor	Party being endorse	Relationship with the endorser/guarantor	Limit on	Maximum outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2013	Outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2013	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
0	WPG Holdings Limited	Richpower Electronic Co., Ltd.	Note 1	\$ 20,044,517	\$ 350,000	\$ 350,000	\$ -	-	0.87	\$ 20,044,517	Y	1 3		Note 4
0	WPG Holdings Limited	WPG Korea Co., Ltd.	Note 1	20,044,517	59,650	59,650	26,754	-	0.15	20,044,517	Y			Note 4
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	20,044,517	86,694	86,664	86,664	86,664	0.22	20,044,517	Y			Notes 4 and 5
1	World Peace Industrial Co., Ltd.	Genuine C&C (South Asia) Pte Ltd.	Note 1	6,560,273	656,150	656,150	656,150	-	5.00	10,496,437				Note 6
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	6,560,273	38,500	38,500	38,500	-	0.29	10,496,437				Note 6
1	World Peace Industrial Co., Ltd.	TEKSEL WPG Limited	Note 1	6,560,273	67,107	67,107	27,737	1	0.51	10,496,437				Note 6
1	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 1	6,560,273	423,336	423,336	246,217	-	3.23	10,496,437			Y	Note 6
2	World Peace International Pte Ltd.	WPG SCM Limited	Note 1	4,604,200	217,723	158,073	-	-	6.87	4,604,200				Note 7
2	World Peace International Pte Ltd.	World Peace International (South Asia) Pte Ltd.	Note 1	4,604,200	1,819,325	1,819,325	500,201	-	79.03	4,604,200				Note 7

Number	Endorser/guarantor	Party being endorse	Relationship with the endorser/guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2013	Outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2013	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
2	World Peace International Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Note 1	\$ 4,604,200	\$ 229,653	\$ 229,653	\$ -	\$ -	9.98	\$ 4,604,200				Note 7
2	World Peace International Pte Ltd.	Genuine C&C (South Asia) Pte Ltd.	Note 1	4,604,200	29,825	29,825	18,447	-	1.30	4,604,200				Note 7
2	World Peace International Pte Ltd.	WPG Americas Inc.	Note 3	4,604,200	208,775	178,950	45,199	-	7.77	4,604,200				Notes 7 and 15
3	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Note 1	3,697,551	192,240	-	-	-	-	5,916,082			Y	Note 8
3	WPI International (Hong Kong) Limited	WPG China Inc.	Note 3	3,697,551	85,747	85,747	85,747	-	1.16	5,916,082			Y	Note 8
4	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Note 1	1,770,712	300,000	300,000	232,382	-	13.55	1,770,712				Note 9
5	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	1,577,852	200,000	200,000	135,636	-	5.07	1,972,315				Note 10
6	Frontek Technology Corporation	AITG Electronic Limited	Note 1	800,137	38,430	38,430	38,430	-	1.75	1,100,171				Note 11

Number	Endorser/guarantor	Party being endorse  Company name	d/guaranteed  Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2013	Outstanding endorsement/ guarantee amount during the three-month period ended March 31, 2013	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
6	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	\$ 800,137	\$ 280,000	\$ 280,000	\$ 247,944	\$ -	12.73	\$ 1,100,171				Note 11
7	Silicon Application Corp.	Silicon Application Company Limited	Note 1	2,972,048	1,550,900	1,550,900	1,517,631	-	41.75	3,715,060				Note 12
7	Silicon Application Corp.	SAC Componets (South Asia) Pte. Ltd.	Note 1	2,972,048	59,650	59,650	10,352	-	1.61	3,715,060				Note 12
8	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	8,138,659	59,650	59,650	-	-	0.73	16,277,318				Note 13
8	Yosun Industrial Corp.	Yosun Singapore Pte Ltd.	Note 1	8,138,659	469,970	469,970	286,320	-	5.77	16,277,318				Note 13
8	Yosun Industrial Corp.	Sertek Incorporated	Note 1	8,138,659	944,750	944,750	608,697	-	11.61	16,277,318				Note 13
8	Yosun Industrial Corp.	Giatek Corp. Ltd.	Note 1	8,138,659	767,994	767,994	187,730	-	9.44	16,277,318				Note 13
8	Yosun Industrial Corp.	Sunwise Technology Limited	Note 1	8,138,659	153,720	153,720	-	-	1.89	16,277,318				Note 13
9	Sertek Incorporated	Sertek Limited	Note 1	1,510,546	208,775	208,775	119,300	-	13.82	3,021,092				Note 13
10	AECO Technology Co., Ltd.	AECO Electronic Co., Ltd.	Note 1	807,691	432,463	432,463	120,743	-	26.77	807,691				Note 14

Note 1: The company and its subsidiary holds 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 \$86,664.
- Note 6: The guarantee amount to a single party should not exceed 50% of guarantor's net assets value which are 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 guaranter, 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 50% of guarantor's net assets value, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets.
- Note 9: The total amount to a single party should not exceed 80% of guarantor's net assets value, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The net assets value is based on the latest audited or reviewed financial statements. The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets.
- Note 10: 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 11: 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 12: The guarantee amount to a single company should not be in excess of 80% of guarantor's net assets. For business transaction with the guaranter, 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 lastest audited or reviewed financial statements.
- Note 13: 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 14: 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 15: 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:

Securities held	arketable securities at the Type of		Relationship with the	General		As of March	31, 2013		
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value	Ownership	Market value (Note 1)	Remark
WPG Holdings Limited	Equity securities	World Peace Industrial Co., Ltd.	A subsidiary	Investments accounted for under the equity method	629,000	\$ 13,091,095	100.00	\$ 20.83	
WPG Holdings Limited	Equity securities	Asian Information Technology Inc.	A subsidiary	Investments accounted for under the equity method	253,822	3,932,383	100.00	15.49	
WPG Holdings Limited	Equity securities	Silicon Application Corporation	A subsidiary	Investments accounted for under the equity method		3,727,950	100.00	16.21	
WPG Holdings Limited	Equity securities	Richpower Electronic Devices Co., Ltd.	A subsidiary	Investments accounted for under the equity method	85,000	2,199,653	100.00	25.88	
WPG Holdings Limited	Equity securities	Pernas Electronics Co., Ltd.	A subsidiary	Investments accounted for under the equity method	73,500	1,095,035	100.00	14.68	
WPG Holdings Limited	Equity securities	WPG Electronics Ltd.	A subsidiary	Investments accounted for under the equity method	3,920	44,195	100.00	11.27	
WPG Holdings Limited	Equity securities	WPG Korea Co., Ltd.	A subsidiary	Investments accounted for under the equity method	1,095	226,695	100.00	207.03	
WPG Holdings Limited	Equity securities	WPG International (CI) Limited	A subsidiary	Investments accounted for under the equity method	111,101	2,670,348	100.00	24.04	
WPG Holdings Limited	Equity securities	Yosun Industrial Corp.	A subsidiary	Investments accounted for under the equity method	416,169	13,087,075	100.00	19.48	
WPG Holdings Limited	Equity securities	WPG Investment Co., Ltd.	A subsidiary	Investments accounted for under the equity method	34,200	329,361	100.00	9.63	Note 2
WPG Holdings Limited	Equity securities	AECO Technology Co., Ltd.	A subsidiary	Investments accounted for under the equity method	172,000	2,222,169	100.00	9.40	
WPG Holdings Limited	Equity securities	Ability I Venture Capital Corporation	None	Financial assets carried at cost-non-current	8,000	80,000	8.00	10.26	
WPG Holdings Limited	Equity securities	CDIB CME Fund Ltd.	None	Financial assets carried at cost-non-current	4,000	40,000	5.33	9.95	
World Peace Industrial Co., Ltd.	Equity securities	WPI Investment Holding (BVI) Company Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	85,169	8,404,665	100.00	98.61	
World Peace Industrial Co., Ltd.	Equity securities	World Peace International (BVI) Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	34,196	2,424,406	100.00	70.90	
World Peace Industrial Co., Ltd.	Equity securities	Longview Technology Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	26,760	484,608	100.00	18.05	

Securities held	Type of		Relationship with the	General		As of March	31, 2013		ъ .
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value	Ownership	Market value (Note 1)	Remark
World Peace Industrial	Equity securities	Chain Power Technology Corp.	An investee company	Investments accounted for	14,820	\$ 207,498	39.00	\$ 14.00	
Co., Ltd.			accounted for under	under the equity method					
			the equity method by						
			subsidiary						
World Peace Industrial	Equity securities	Genuine C&C Inc.	An investee company	Investments accounted for	12,964	175,654	16.29	10.70	
Co., Ltd.			accounted for under	under the equity method					
			the equity method by						
			subsidiary						
World Peace Industrial	Equity securities	Prohubs International Corp. etc.	None	Financial assets carried at	-	29,649	-	-	
Co., Ltd.				cost-non-current					
WPI Investment	Equity securities	WPI International (Hong Kong)	Indirectly-owned	Investments accounted for	4,053,564	7,404,716	100.00	1.82	
Holding (BVI)		Limited	subsidiary	under the equity method					
Company Ltd.									
WPI Investment	Equity securities	Gain Tune Ltd.	Indirectly-owned subsidiary	Investments accounted for	500,000	678,551	100.00	1.36	
Holding (BVI)			subsidiary	under the equity method					
Company Ltd.									
WPI Investment	Equity securities	WPI International Trading (Shenzhen)	Indirectly-owned	Investments accounted for	Note 3	149,205	100.00	Note 3	
Holding (BVI)		Ltd.	subsidiary	under the equity method					
Company Ltd.									
WPI Investment	Equity securities	TEKSEL WPG Limited, etc.	Indirectly-owned subsidiary	Investments accounted for	-	21,061	-	-	
Holding (BVI)			subsidiary	under the equity method					
Company Ltd.			* 11 1						
WPI International	Equity securities	WPI International Trading (Shanghai)	Indirectly-owned subsidiary	Investments accounted for	Note 3	202,599	100.00	Note 3	
(Hong Kong) Limited		Ltd.	,	under the equity method					
WPI International	Equity securities	WPG C&C Limited	Indirectly-owned	Investments accounted for	6,500	325,161	100.00	50.02	
(Hong Kong) Limited			subsidiary	under the equity method					
WPI International	Equity securities	AIO Components Company Limited	Indirectly-owned	Investments accounted for	1,362	159,406	100.00	117.07	
(Hong Kong) Limited			subsidiary	under the equity method					
WPI International	Equity securities	WPG Americas Inc.	Indirectly-owned	Investments accounted for	4,000	( 2,252)	2.67	( 0.55)	Note 5
(Hong Kong) Limited			subsidiary	under the equity method					
AIO Components	Equity securities	AIO (Shanghai) Components	Indirectly-owned	Investments accounted for	Note 3	39,036	100.00	Note 3	
Company Limited		Company Limited	subsidiary	under the equity method					
World Peace	Equity securities	Prime Future Technology Limited	Indirectly-owned	Investments accounted for	36,448	2,388,922	100.00	65.54	
International (BVI) Ltd.			subsidiary	under the equity method					<u> </u>
Prime Future	Equity securities	World Peace International Pte Ltd.	Indirectly-owned	Investments accounted for	248,633	2,384,560	100.00	9.26	
Technology Limited			subsidiary	under the equity method					

Securities held	Type of		Relationship with the	General		As of March	31, 2013		
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value		Market value (Note 1)	Remark
World Peace	Equity securities	World Peace International (South	Indirectly-owned	Investments accounted for	34,315	\$ 2,069,635	100.00	\$ 60.31	
International Pte Ltd.		Asia) Pte Ltd.	subsidiary	under the equity method					
World Peace	Equity securities	WPG SCM Limited	Indirectly-owned	Investments accounted for	12,800	266,425	100.00	20.81	
International Pte Ltd.			subsidiary	under the equity method					
World Peace	Equity securities	Genuine C&C (IndoChina) Pte Ltd.	Indirectly-owned	Investments accounted for	5,359	124,390	80.00	23.21	
International Pte Ltd.			subsidiary	under the equity method					
World Peace	Equity securities	WPG Americas Inc, etc.	Indirectly-owned	Investments accounted for	-	70,509	-	-	Note 5
International Pte Ltd.			subsidiary	under the equity method					
Genuine C&C (South	Equity securities	WPG C&C Computers And Peripheral	Indirectly-owned	Investments accounted for	48,420	264,369	100.00	5.46	
Asia) Pte Ltd.		(India) Private Limited	subsidiary	under the equity method					
Genuine C&C (South	Equity securities	WPG C&C (Malaysia) Sdn Bhd, etc.	Indirectly-owned	Investments accounted for	-	5,026	-	-	
Asia) Pte Ltd.			subsidiary	under the equity method					
World Peace	Equity securities	World Peace International (India) Pvt.,	Indirectly-owned	Investments accounted for	-	18,821	-	-	
International (South		Ltd., etc.	subsidiary	under the equity method					
Asia) Pte Ltd.									
Gain Tune Ltd.	Equity securities	Genuine Trading (Hong Kong)	Investee company	Investments accounted for	12,774	41,711	39.92	3.27	
		Company Limited	accounted for under	under the equity method					
			the equity method						
Longview Technology	Equity securities	Longview Technology GC Limited	Indirectly-owned	Investments accounted for	11,300	343,453	100.00	30.39	
Inc.			subsidiary	under the equity method					
Longview Technology	Equity securities	Long-Think International Co., Ltd.	Indirectly-owned	Investments accounted for	4,000	30,691	100.00	7.48	
Inc.			subsidiary	under the equity method					
Longview Technology	Equity securities	Long-Think International (Hong	Indirectly-owned	Investments accounted for	780,000	342,488	100.00	-	
GC Limited		Kong) Limited	subsidiary	under the equity method					
Long-Think	Equity securities	Long-Think International (Shanghai)	Indirectly-owned	Investments accounted for	Note 3	150,408	100.00	Note 3	
International (Hong		Limited	subsidiary	under the equity method					
Kong) Limited									
WPG Investment Co.,	Equity securities	Eesource Corp., etc.	Investee company	Investments accounted for	-	48,533	-	-	
Ltd.			accounted for under	under the equity method					
			the equity method						
WPG Investment Co.,	Equity securities	SUNRISE Technology Co., Ltd., etc.	None	Financial assets carried at	-	212,913	-	-	
Ltd.				cost-non-current, etc.					

Securities held	Type of		Relationship with the	General		As of March	31, 2013		ъ .
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value	Ownership	Market value (Note 1)	Remark
Silicon Application Corporation	Equity securities	Silicon Application (BVI) Corporation	Indirectly-owned subsidiary	Investments accounted for under the equity method	22,000	\$ 2,569,419	100.00	\$ 116.79	
Silicon Application Corporation	Equity securities	SAC Components (South Asia) Pte. Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	3,500	102,238	100.00	29.21	
Silicon Application Corporation	Equity securities	Genesis Photonics Inc., etc.	None	Available-for-sale financial assets-non-current, etc.	-	81,888	-	-	Note 4
Silicon Application Corporation	Equity securities	Win-Win Electronic Corp., etc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	-	40,994	-	-	
Silicon Application (BVI) Corporation	Equity securities	Silicon Application Company Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	100,000	1,579,959	100.00	15.80	
Silicon Application (BVI) Corporation	Equity securities	Silicon Electronics Company of Japan, etc.	Investee company accounted for under the equity method, etc	Investments accounted for under the equity method, etc.	-	65,707	-	-	
Silicon Application Company Limited	Equity securities	Dstar Electronic Company Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	6,000	33,549	100.00	5.59	
Win-Win Systems Ltd.	Equity securities	Silicon Electronics Company(s) Pte. Ltd.	None	Financial assets carried at cost-non-current	180	6,797	10.00	37.76	
Richpower Electronic Devices Co., Ltd.	Equity securities	Richpower Electronic Devices Co., Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	63,000	1,048,021	100.00	16.64	
Richpower Electronic Devices Co., Ltd.	Equity securities	Mec Technology Co., Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	24,300	418,855	100.00	15.27	
Richpower Electronic Devices Co., Ltd.	Equity securities	Promaster Technology Corp., etc.	None	Available-for-sale financial assets-non-current, etc.	-	71,058	-	-	
Mec Technology Co., Limited	Equity securities	Richpower Electronic Devices Pte., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	10	180,726	100.00	18,072.62	
Mec Technology Co., Limited	Equity securities	MEC Technology Co., Limited, etc.	Indirectly-owned subsidiary	investments accounted for under the equity method, etc.	-	24,464	-	-	
Pernas Electronics Co., Ltd.	Equity securities	Everwiner Enterprise Co., Ltd.	Indirectly-owned subsidiary	investments accounted for under the equity method	28,000	833,684	100.00	22.91	

Securities held	Type of		Relationship with the	General		As of March	31, 2013		ъ ,
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value	Ownership	Market value (Note 1)	Remark
Pernas Electronics Co., Ltd.	Equity securities	Pernas Enterprise (Samoa) Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	1,000	\$ 4,293	100.00	\$ 4.29	
Pernas Enterprise (Samoa) Limited	Equity securities	World Components Agent (Shanghai) Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	4,273	100.00	Note 3	
Asian Information Technology Inc.	Equity securities	Frontek Technology Corporation	Indirectly-owned subsidiary	Investments accounted for under the equity method	191,790	2,199,656	100.00	11.47	
Asian Information Technology Inc.	Equity securities	Apache Communication Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	52,006	768,897	100.00	14.78	
Asian Information Technology Inc.	Equity securities	Henshen Electric Trading Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	38,471	411,089	100.00	10.69	
Asian Information Technology Inc.	Equity securities	Fame Hall International Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	4,703	175,934	100.00	37.41	
Asian Information Technology Inc.	Equity securities	AITG Holding Corp.	Indirectly-owned subsidiary	Investments accounted for under the equity method	2,702	84,457	100.00	31.26	
Asian Information Technology Inc.	Equity securities	Adivic Technology Co., Ltd., etc.	Investee company accounted for under the equity method	Investments accounted for under the equity method	-	97,154	-	-	
Frontek Technology Corporation	Equity securities	Frontek International Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	2,970	106,225	100.00	35.77	
Fame Hall International Co., Ltd.	Equity securities	AIT Japan Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	6	139,980	100.00	23,326.13	
Fame Hall International Co., Ltd.	Equity securities	Fame Hall International Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	10,819	32,830	100.00	2.98	
AITG Holding Corp.	Equity securities	Zheng Ding Technology (ShenZhen) Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	44,443	100.00	Note 3	
Frontek International Limited	Equity securities	AITG Electronic Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	22,800	96,577	100.00	4.18	
WPG International (CI) Limited	Equity securities	WPG International (Hong Kong) Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	514,796	2,480,078	100.00	4.82	
WPG International (CI) Limited	Equity securities	WPG Americas Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	140,000	( 82,033)	93.27	( 0.55)	Note 5
WPG International (CI) Limited	Equity securities	WPG South Asia Pte. Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	7,634	141,340	100.00	18.31	

Securities held	Type of		8			As of March	31, 2013		Ъ.
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value	Ownership	Market value (Note 1)	Remark
WPG International (CI) Limited	Equity securities	WPG Cloud Service Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	4,360	\$ 125,718	100.00	\$ 28.83	
WPG International (Hong Kong) Limited	Equity securities	WPG Electronics (HK) Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	31,640	165,444	100.00	5.23	
WPG International (Hong Kong) Limited	Equity securities	WPG China Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	1,938,162	100.00	Note 3	
WPG International (Hong Kong) Limited	Equity securities	WPG (China) (SZ) Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	264,306	100.00	Note 3	
WPG International (Hong Kong) Limited	Equity securities	Suzhou Xinning Logistics Co., Ltd., etc.	Investee company accounted for under the equity method	Investments accounted for under the equity method	-	90,840	-	-	
WPG South Asia Pte. Ltd.	Equity securities	WPG Malaysia Sdn. Bhd, etc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	-	96,321	-	-	
Yosun Industrial Corp.	Equity securities	Suntop Investments Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	50,700	3,554,737	100.00	70.11	
Yosun Industrial Corp.	Equity securities	Sertek Incorporated	Indirectly-owned subsidiary	Investments accounted for under the equity method	94,828	1,805,139	100.00	15.92	
Yosun Industrial Corp.	Equity securities	Suntek Investments Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	26,000	344,704	100.00	13.26	
Yosun Industrial Corp.	Equity securities	Lipers Enterprise Co., Ltd.	Investee company accounted for under the equity method	Investments accounted for under the equity method	13,310	214,618	28.37	16.12	
Yosun Industrial Corp.	Equity securities	Yosun Green Technology Corp, etc.	Investee company accounted for under the equity method, ect.	Investments accounted for under the equity method, etc.	-	\$ 78,347	-	\$ -	
Suntop Investments Ltd.	Equity securities	Yosun Hong Kong Corp. Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	295,270	USD 109,686 thousand	100.00	USD 0.37	
Suntop Investments Ltd.	Equity securities	Yosun Singapore Pte Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	20,600	USD 9,393 thousand	100.00	USD 0.32	
Suntek Investments Ltd.	Equity securities	Siltrontech Electronics Corp.	None	Non-current assets held for sale	24,551	\$ 256,727	32.22	15.90	
Suntek Investments Ltd.	Equity securities	Eesource Corp, etc.	Investee company accounted for under the equity method, etc.	Investments accounted for under the equity method, etc.	-	38,293	-	-	
Yosun Singapore Pte Ltd.	Equity securities	Yosun Industrial (Malaysia) Sdn Bhd, etc.	Indirectly-owned subsidiary	investments accounted for under the equity method	-	USD 507 thousand	-	-	

Securities held	Type of		Relationship with the	General		As of March	31, 2013		Remark
by	marketable securities	Marketable securities	securities issuer	ledger account	Number of shares	Book value	Ownership	Market value (Note 1)	Kemark
Yosun Hong Kong Corp. Ltd.	Equity securities	Yosun Shanghai Corp. Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	USD 11,349 thousand	100.00	Note 3	
Yosun Hong Kong Corp. Ltd.	Equity securities	Giatek Corp. Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	39,000	USD 31,226 thousand	100.00	USD 0.73	
Yosun Hong Kong Corp. Ltd.	Equity securities	Yosun South China Corp.Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	USD 5,637 thousand	100.00	Note 3	
Yosun Hong Kong Corp. Ltd.	Equity securities	Sunwise Technology Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	8,000	USD 10,072 thousand	100.00	USD 1.14	
Sertek Incorporated	Equity securities	Sertek Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	19,500	\$ 333,643	100.00	\$ 17.11	
Sertek Incorporated	Equity securities	Digital Computer Systems Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	12	12,352	100.00	988.56	
Sertek Limited	Equity securities	Sertek (Shanghai) Limited	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	USD 2,700 thousand	100.00	Note 3	
AECO Technology Co., Ltd.	Equity securities	Hua-Jie (Taiwan) Corp.	None	Financial assets carried at cost-non-current	1,050	\$ 7,722	3.58	\$ 6.93	
AECO Technology Co., Ltd.	Equity securities	TECO Enterprise Holding (BVI) Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	12,610	\$ 666,523	100.00	\$ 52.87	
TECO Enterprise Holding (BVI) Co., Ltd.	Equity securities	AECO Electronic Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	98,280	666,405	100.00	6.78	
AECO Electronic Co., Ltd.	Equity securities	AECO Electronic (Ningbo) Co., Ltd.	Indirectly-owned subsidiary	Investments accounted for under the equity method	Note 3	86,008	100.00	Note 3	
WPG Korea Co., Ltd.	Equity securities	Apache Communication Inc.	Indirectly-owned subsidiary	Investments accounted for under the equity method	2,795	KRW 3,173,488	100.00	KRW 1,135.42	
Apache Communication Inc.	Equity securities	Apache Korea Corp.	Indirectly-owned subsidiary	Investments accounted for under the equity method	211	USD 2,488	100.00	USD 11.79	

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

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

Note 3: The investee is a limited company.

Note 4: 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, 2013.

Note 5: The Company holds 100% of its shares through WPG International (CI) Limited., WPI Investment Holding (BVI) Company Ltd. and World Peace International (BVI) Ltd.

D. Aggregate purchases or sales of the same securities reaching NT\$100 million or 20% of paid-in capital or more:

			lane securities reaction		Balance as at Ja		Addit	ion		I	Disposal		Balance as at I	March 31, 2013
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	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	WPG International (CI) Limited	Note 1	WPG International (CI) Limited	None	94,751,752	\$2,127,907	16,349,631	\$542,441 (Note 2)	1	\$ -	\$ -	\$ -	111,101,383	\$ 2,670,348
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Note 1	WPG International (Hong Kong) Limited	A subsidiary	421,877	2,028,700	92,919	451,378 (Note 3)	-	-	-	-	514,796	2,480,078
WPG International (CI) Limited	WPG Cloud Service Limited	Note 1	WPG Cloud Service Limited	A subsidiary	-	-	4,360	125,718 (Note 4)	-	-	-	-	4,360	125,718
WPG International (Hong Kong) Limited	WPG China Inc.	Note 1	WPG (China) Inc.	A subsidiary	Note6	1,597,828	Note5	340,334 (Note 5)	-	-	-	-	Note 6	1,938,162

Note 1:Investment under equity method.

Note 2: The Company invested \$487,628 and recognized investment income and cumulative translation adjustment totaling \$54,813.

Note 3: The Company invested \$357,591 and recognized investment income and cumulative translation adjustment totaling \$93,787.

Note 4: The Company invested \$130,037 and recognized investment loss and cumulative translation adjustment totaling (\$4,319).

Note 5: The Company invested \$298,250 and recognized investment income and cumulative translation adjustment totaling \$42,084.

Note 6:The investee is a limited company.

E. Acquisition of real estate reaching NT\$100 million or 20% of paid-in capital or more:

								party is related partion of the real es			Basis or	Reason for	
Real estate acquired by	Real estate acquired	Date of transaction	Transaction amount (Note)	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	reference used in setting the price	acquisition of real estate and status of the real estate	Other commitments
Inc.	Construction in progress and equipment to be tested	February 22, 2013	\$ 650,793	\$ 658,820	Shanghai Huichuang Modern Service Park Development Co., Ltd.	None	None	None	None	None	Reference to market quotation and appraised report	Office	None

Note: The status of payment exchange rate was USD1:NTD 29.825; the transaction amount average exchange rate was USD1:NTD 29.461638 for January to March.

F. Disposal of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.

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

	sales of goods from or to related parties rea	Relationship		· ·	Transac	` `		Differences in terms compa party tran	red to third	Notes	s/ accounts re	eceivable (payable)	
Purchaser/seller	Counterparty	with the counterparty	Purchases (sales)	(USD	amount in thousand ollars)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		ce ( USD in and dollars)	Percentage of total notes/ accounts receivable (payable)	Remark
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	Same Parent Company	Sales	(\$	178,251)	(1.27%)	Note 3	Note 3	Note 3	\$	221,049	1.76%	
//	WPI International (Hong Kong) Limited	"	"	(\$	1,150,913)	(8.22%)	"	"	"	\$	772,996	6.14%	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	(USD	19,234)	(3.61%)	"	"	"	USD	7,104	2.73%	
"	WPI International Trading (Shanghai) Ltd.	"	"	(USD	9,740)	(1.83%)	"	"	"	USD	5,653	1.06%	
"	World Peace International (South Asia) Pte Ltd.	"	"	(USD	6,222)	(1.17%)	"	"	"	USD	2,826	0.53%	
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	"	(USD	19,654)	(20.20%)	"	"	"	USD	26,565	36.79%	
"	WPG South Asia Pte Ltd.	"	"	(USD	52,812)	(54.28%)	"	"	"	USD	32,781	45.40%	
WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	"	"	(USD	4,235)	(5.42%)	"	"	"	USD	3,158	9.87%	
"	WPG International (Hong Kong) Limited	"	"	(USD	4,936)	(6.31%)	"	"	"	USD	2,212	6.91%	
Longview Technology Inc.	WPG International (Hong Kong) Limited	"	"	(\$	317,050)	(36.15%)	"	"	"	\$	113,306	16.76%	
Genuine C&C (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn Bhd	"	"	(USD	4,632)	(9.81%)	"	"	"	USD	3,232	15.67%	
"	WPG C&C Computers And Peripheral (India) Private Limited	"	"	(USD	20,250)	(42.89%)	"	"	"	USD	10,089	48.91%	
Genuine C&C (South Asia) Pte Ltd.	Genuine C&C (IndoChina) Pte Ltd.	"	"	(USD	6,025)	(12.76%)	"	"	"	USD	3,744	18.15%	

		Relationship			Transa	ction		Differences in transaction terms compared to third party transactions			s/ accounts re	eceivable (payable)	
Purchaser/seller	Counterparty	with the counterparty	Purchases (sales)	(USD	amount in thousand lollars)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		ce ( USD in and dollars)	receivable (payable)	Remark
Gain Tune Ltd.	World Peace Industrial Co., Ltd.	Ssame Parent Company	Sales	(USD	7,811)	(99.21%)	Note 3	Note 3	Note 3	USD	660	1.34%	
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	"	(USD	7,618)	(84.20%)	"	"	"	USD	6,226	95.64%	
Silicon	WPG	Same Parent	"	(\$	319,473)	(6.98%)	Note 7	Note 7	Note 7	\$	415,502	10.00%	
Application Corp. Silicon	International (Hong Kong) Limited  Dstar Electronic	Company "	"	(\$	205,805)	(2.86%)	"	"	"	\$	181,396	4.21%	
Application Company Limited	Company Limited			(ψ	203,003)	(2.00%)				Ψ	101,570	7.21%	
Richpower Technology Co.,	Richpower Electronic Devices Co., Limited	"	"	(\$	225,031)	(9.73%)	Note 6	Note 6	Note 6	\$	245,292	11.58%	
Ltd. Richpower Technology Co., Ltd.	WPG International (Hong Kong) Limited	"	"	(\$	421,733)	(18.24%)	"	"	"	\$	513,077	24.23%	
Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	"	"	(\$	303,026)	(44.45%)	"	"	"	\$	239,564	40.82%	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	"	(\$	337,470)	(27.03%)	90 days or 15 days after receipt of inventory	Note 7	Note 7	\$	127,356	13.73%	
Asian Information Technology Inc.	AIT Japan Inc.	"	"	(\$	282,670)	(8.59%)	Note 2	Note 2	Note 2	\$	150,444	7.03%	
AITG Electronic Limited	Frontek Technology Corporation	"	"	(\$	127,518)	(100.00%)	"	"	"	\$	64,390	100.00%	
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	"	(\$	277,373)	(4.00%)	Credit 75 days	Note 5	Note 5	\$	50,337	0.99%	
"	Sertek Incorporated	"	"	(\$	374,815)	(5.41%)	"	"	"	\$	79,775	1.57%	
Yosun Industrial Corp.	Sertek Limited	"	"	(\$	494,104)	(7.13%)	Credit 75 days	Note 5	Note 5	\$	94,036	1.85%	
Yosun Singapore Pte Ltd.	Yosun Industrial Corp.	"	"	(USD	6,172)	(3.19%)	"	"	"	USD	1,433	1.38%	

		Relationship			Transac	ction		Differences in terms compa party tran	red to third	Notes			
Purchaser/seller	Counterparty	with the counterparty	Purchase (sales)	(USD	mount in thousand ollars)	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		ee ( USD in nd dollars)	Percentage of total notes/ accounts receivable (payable)	Remark
Yosun Singapore	Giatek Corp. Ltd.	Same Parent	Sales	(USD	29,914)	(15.46%)	Credit 75 days	Note 5	Note 5	USD	1,111	1.07%	
Pte Ltd.		Company											
"	Yosun South China Corp. Ltd.	"	"	(USD	5,979)	(3.09%)	"	"	"	USD	10,025	9.69%	
"	Yosun Shanghai Corp. Ltd.	"	"	(USD	8,582)	(4.44%)	"	"	"	USD	19,584	18.92%	
"	WPG South Asia Pte.	"	"	(USD	10,641)	(35.10%)	Note 8	Note 5	Note 5	USD	4,659	28.12%	
	Ltd.												
"	WPG SCM Limited	"	"	(USD	5,809)	(19.16%)	"	"	"	USD	2,108	12.72%	1
Giatek Corp. Ltd.	Yosun Hong Kong Corp.	"	"	(USD	10,135)	(16.66%)	Credit 75 days	"	"	\$	-	-	
	Ltd.	,,					,						
Sertek	Sertek Limited	<i>"</i>	//	(\$	358,498)	(9.80%)	"	Note 7	Note 7	\$	305,003	11.29%	1
Incorporated													
Sertek Limited	Yosun Hong Kong Corp.	"	"	(USD	3,513)	(9.20%)	"	"	"	USD	619	3.14%	
	Ltd.												
WPG China Inc.	WPG	"	"	(USD	3,408)	(23.24%)	Note 4	Note 4	Note 4	USD	3,000	24.43%	
	International (Hong Kong) Limited		\$100 H			1 . 1 . 0							

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 60 days from the month of sales.

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

	les reaching 1v1\$100 million of						Overdue receivables		Amount collected	
Creditor	Counterparty	Relationship with the counterparty	Balance as at M (USD in thous			Turnover rate	Amount	Action taken	subsequent to the balance sheet date (USD in thousand dollars)	Allowance for doubtful accounts
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same Parent Company	Accounts receivable:	\$	772,996	7.51	\$	-	\$ 480,045	\$ -
"	Longview Technology Inc.	"	Other receivables:	\$	122,297	None	\$		\$ 122,297	\$ -
"	WPG Electronics (HK) Limited	"	Accounts receivable:	\$	221,409	4.07	\$	-	\$ 47,490	\$ -
Longview Technology Inc.	WPI International (Hong Kong) Limited	"	Accounts receivable:	\$	113,306	9.80	\$		\$ 48,873	\$ -
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	Accounts receivable:	USD	26,565	3.07	\$	-	USD 8,262	\$ -
"	World Peace International Pte Ltd.	"	Other receivables:	USD	8,611	None	\$	-	USD 11	\$ -
"	WPG Americas Inc.	"	Other receivables:	USD	11,061	None	\$		USD 3,005	\$ -
"	Genuine C&C (South Asia) Pte Ltd.	"	Other receivables:	USD	5,846	None	\$	-	USD 146	\$ -
"	WPG South Asia Pte. Ltd.	"	Other receivables:	USD	4,635	None	\$	-	USD 4,635	\$ -
"	WPG South Asia Pte. Ltd.	"	Accounts receivable:	USD	32,781	12.89	\$		USD 11,858	\$ -
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	Accounts receivable:	USD	7,104	10.56	\$		USD 6,040	\$ -
"	WPI International Trading (Shanghai) Ltd.	"	Accounts and notes receivable:	USD	5,653	7.50	\$	-	USD 3,272	\$ -
"	WPI International Trading (Shanghai) Ltd.	"	Other receivables:	USD	6,071	None	\$	-	\$ -	\$ -
"	WPG C&C Limited	"	Other receivables:	USD	9,283	None	\$	-	\$ -	\$ -
WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	"	Other receivables:	USD	4,705	None	\$	-	\$ -	\$ -
Genuine C&C (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	"	Accounts receivable:	USD	10,089	11.41	\$		USD 10,089	\$ -
"	Genuine C&C (IndoChina) Pte Ltd.	"	Accounts receivable:	USD	3,744	9.77	\$	-	USD 3,744	\$ -

							Overdue r	receivables	Amount collected		
Creditor	Counterparty	Relationship with the counterparty	Balance as at M (USD in thous	,		Turnover rate	Amount	Action taken	subsequent to the balance sheet date (USD in thousand dollars)	Allowance for doubtful accounts	
Genuine C&C (IndoChina) Pte Ltd.	P.T. WPG Electrindo Jaya	Investment under equity method	Accounts receivable:	USD	6,226	5.89	\$ -	-	USD 2,714	\$ -	
Gain Tune Ltd.	WPI International (Hong Kong) Limited	Same parent company	Other receivables:	USD	21,594	None	\$ -	-	\$ -	\$ -	
Silicon Application Corp.	WPG Electronics (HK) Limited	"	Accounts receivable:	\$	415,502	2.64	\$ -	-	\$ 280,718	\$ -	
Silicon Application (BVI) Corporation	Silicon Application Corp.	"	Other receivables:	\$	622,101	None	\$ -	-	\$ -	\$ -	
"	Silicon Application Company Limited	"	Other receivables:	\$	301,208	None	\$ -	-	-	\$ -	
Silicon Application Company Limited	Dstar Electronic Company Limited	"	Accounts receivable:	\$	181,396	5.16	\$ -	-	\$ 92,651	\$ -	
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	Accounts receivable:	\$	245,292	2.98	\$ -	-	\$ 85,597	\$ -	
"	WPG Electronics (HK) Limited	"	Accounts receivable:	\$	513,077	3.10	\$ -	-	\$ 167,763	\$ -	
Richpower Electronic Devices Co., Ltd.	WPG Holdings Limited	"	Other receivables:	\$	200,904	None	\$ -	-	\$ -	\$ -	
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	Accounts receivable:	\$	127,356	12.94	\$ -	-	\$ 115,862	\$ -	
Asian Information Technology Inc.	AIT Japan Inc.	"	Accounts receivable:	\$	150,444	9.18	\$ -	-	\$ 136,190	\$ -	
Asian Information Technology Inc.	Apache Communication Inc.	"	Other receivables:	\$	244,914	None	\$ -	-	\$ -	\$ -	
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	Accounts receivable:	\$	138,925	2.22	\$ -	-	\$ 25,973	\$ -	
Yosun Industrial Corp.	WPG Holdings Limited	"	Other receivables:	\$	246,693	None	\$ -	-	\$ -	\$ -	
Sertek Incorporated	Sertek Limited	"	Accounts receivable:	\$	305,003	4.44	\$ -	-	\$ 3,843	\$ -	
"	Sertek Limited	"	Other receivables:	\$	3,019	None	\$ -	-	\$ -	\$ -	

							Overdue 1	receivables	Amount collected	
Creditor	Counterparty	Relationship with the counterparty	Balance as at M (USD in thous	,		Turnover rate	Amount	Action taken	subsequent to the balance sheet date (USD in thousand dollars)	Allowance for doubtful accounts
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	The same parent company	Accounts receivable:	USD	19,584	1.76	\$ -	-	USD 5,463	\$ -
"	Yosun South China Corp.Ltd.	"	Accounts receivable:	USD	10,025	2.70	\$ -	-	USD 2,659	\$ -
Sunwise Technology Limited	Yosun Hong Kong Corp. Ltd.	"	Other receivables:	USD	9,000	None	\$ -	-	-	\$ -
Yosun Singapore Pte Ltd.	WPG South Asia Ptd. Ltd.	"	Accounts receivable:	USD	4,659	18.27	\$ -	-	\$ 8,783	\$ -

I. Derivative financial instruments undertaken during the three-month period ended March 31, 2013: Please see Note 6(2).

J. Significant inter-company transactions during the three-month period ended March 31, 2013:

					Transactio	n	
							Percentage of consolidated total operating revenues or
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	total assets (Note 3)
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	Sales revenue	\$ 178,251	Note 6	0.21
1	"	WPI International (Hong Kong) Limited	3	"	1,150,913	"	1.33
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	566,665	"	0.65
2	"	WPI International Trading (Shanghai) Ltd.	3	"	286,956	"	0.33
2	"	World Peace International (South Asia) Pte Ltd.	3	"	183,310	"	0.21
3	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	579,039	"	0.67
3	"	WPG South Asia Pte Ltd.	3	"	1,555,928	"	1.80
4	WPG C&C Pte Ltd.	WPI International Trading (Shanghai) Ltd.	3	"	124,770	"	0.14
4	"	WPI International (Hong Kong) Limited	3	"	145,422	"	0.17
5	Longview Technology Inc.	"	3	"	317,050	"	0.37

					Transaction	on	
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
6	Genuine C&C (South Asia) Pte Ltd.	WPG C&C (Malaysia) SDN BHD	3	Sales revenue	\$ 136,466	Note 6	0.16
6	"	WPG C&C Computer And Peripheral (India) Private Limited	3	"	596,598	"	0.69
6	"	Genuine C&C (IndoChina) Pte Ltd.	3	"	177,506	"	0.21
7	Gain Tune Ltd.	World Peace Industrial Co., Ltd.	3	"	230,124	"	0.27
8	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	319,473	Note 10	0.37
9	Silicon Application Company Limited	Dstar Electronic Company Limited	3	"	205,805	"	0.24
10	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	"	225,031	Note 9	0.26
10	"	WPG Electronics (HK) Limited	3	"	421,733	"	0.49
11	Mec Technology Co., Limited	Richpower Electronic Devices Co., Ltd.	3	"	303,026	"	0.35
12	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	337,470	Notes 10 and 11	0.39
13	Asian Information Technology Inc.	AIT Japan, Inc.	3	"	282,670	Note 5	0.33
14	AITG Electronic Limited	Frontek Technology Corporation	3	"	127,518	"	0.15
15	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	277,373	Notes 8 and 12	0.32
15	"	Sertek Incorporated	3	"	374,815	"	0.43
15	"	Sertek Limited	3	"	494,104	"	0.57
16	Yosun Singapore Pte Ltd.	Yosun Industrial Corp.	3	"	181,837	"	0.21
16	"	Giatek Corp., Ltd.	3	"	881,315	"	1.02
16	"	Yosun South China Corp. Ltd.	3	"	176,151	"	0.20
16	"	Yosun Shanghai Corp. Ltd.	3	"	252,839	"	0.29

					Transactio	on	
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
16	Yosun Singapore Pte Ltd.	WPG South Asia Pte Ltd.	3	Sales revenue	\$ 313,501	Notes 8 and 12	0.36
16	"	WPG SCM Limited	3	"	171,142	"	0.20
17	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	298,593	"	0.34
18	Sertek Incorporated	Sertek Limited	3	"	358,498	Notes 10 and 12	0.41
19	Sertek Limited	Yosun Hong Kong Corp. Ltd.	3	"	103,498	"	0.12
20	WPG China Inc.	WPI International (Hong Kong) Limited	3	"	100,405	Note 7	0.12
1	World Peace Industrial Co., Ltd.	"	3	Accounts receivable	772,996	Note 6	0.66
1	"	WPG Electronics (HK) Limited	3	"	221,409	"	0.19
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	211,876	"	0.18
2	"	WPI International Trading (Shanghai) Ltd.	3	Accounts and notes receivable	168,600	"	0.14
3	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	792,301	"	0.68
3	"	WPG South Asia Pte Ltd.	3	"	977,693	"	0.84
3	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	113,306	"	0.10
6	Genuine C&C (South Asia) Pte Ltd.	WPG C&C Computer And Peripheral (India) Private Limited	3	Accounts receivable	300,904	"	0.26
6	"	Genuine C&C (IndoChina) Pte Ltd.	3	"	111,664	"	0.10
8	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	415,502	Note 10	0.36
9	Silicon Application Company Limited	Dstar Electronic Company Limited	3	"	181,396	"	0.16
10	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	"	245,292	Note 9	0.21
10	"	WPG Electronics (HK) Limited	3	"	513,077	"	0.44
12	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	127,356	Notes 10 and 11	0.11

					Transaction	on	
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
13	Asian Information Technology Inc.	AIT Japan Inc.	3	Accounts receivable \$	150,444	Note 5	0.13
16	Yosun Singapore Pte Ltd.	WPG South Asia Pte Ltd.	3	"	138,954	Notes 8 and 12	0.12
18	Sertek Incorporated	Sertek Limited	3	"	305,003	Notes 10 and 12	0.26
21	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	138,925	Note 5	0.12
22	Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	3	"	584,092	Notes 8 and 12	0.50
22	"	Yosun South China Corp. Ltd.	3	"	298,995	"	0.26
1	World Peace Industrial Co., Ltd.	Longview Technology Inc.	3	Other receivables	122,297	Note 14	0.10
3	World Peace International (South Asia) Pte Ltd.	World Peace International Pte Ltd.	3	"	256,823	"	0.22
3	"	WPG Americas Inc.	3	"	329,894	"	0.28
3	"	Genuine C&C (South Asia) Pte Ltd.	3	"	174,356	"	0.15
3	"	WPG South Asia Pte Ltd.	3	"	138,238	"	0.12
2	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	"	181,067	"	0.15
2	"	WPG C&C Limited	3	"	276,865	"	0.24
23	WPI International Trading (Shenzhen) Ltd.	WPI International Trading (Shanghai) Ltd.	3	"	140,326	"	0.12
7	Gain Tune Ltd.	WPI International (Hong Kong) Limited	3	"	644,041	"	0.55
10	Richpower Electronic Devices Co., Ltd.	WPG Holdings Limited	3	"	200,904	"	0.17
13	Asian Information Technology Inc.	Apache Communication Inc.	3	"	244,914	"	0.21
15	Yosun Industrial Corp.	WPG Holdings Limited	3	"	246,693	"	0.21
15	"	Sertek Limited	3	"	3,019	"	0.00
24	Silicon Application (BVI) Corporation	Silicon Application Corp.	3	"	622,101	"	0.53

				Transaction				
							Percentage of consolidated total operating revenues or	
Number			Relationship	General ledger		Transaction	total assets	
(Note 1)	Company name	Counterparty	(Note 2)	account	Amount	terms	(Note 3)	
24	Silicon Application (BVI) Corporation	Silicon Application Company Limited	3	Other receivables	\$ 301,208	Note 14	0.26	
25	Sunwise Technology Limited	Yosun Hong Kong Corp. Ltd.	3	"	268,425	"	0.23	

- 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 30~75 days from the end of 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 60 days from the end of the month of sales.
- Note 6: The terms and sales prices are similar to third parties.
- Note 7: 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 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.
- Note 9: 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 10: The collection period is within 90 days from the end of the month of sale or 15 days after sale.
- Note 11: The price is based on the cost plus a determined profit. The collection period is similar to third parties.
- Note 12: The collection period is 75 days after sale.
- Note 13: Mainly receivables arising from payment on behalf of others and adopt the consolidated income tax return system.
- Note 14: Mainly accrued financing charges.
- Note 15: The terms and sales prices are similar to third parties.
- Note 16: The collection period is 60 days from the end of the month of sales.
- Note 17: Sales price is based on the cost plus reasonable profit, the collection period is one to three months longer than general clients.
- Note 18: Sales price and collection period are based on negotiated terms.

Significant inter-company transactions during the three-month period ended March 31, 2012

	ant inter-company transactions during the three-month	1,2012		Transaction				
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)	
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Sales revenue	\$ 1,908,263	Note 5	2.36	
1	"	Gain Tune Limited	3	"	212,903	"	0.26	
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	343,803	Note 4	0.43	
2	"	WPI International Trading (Shanghai) Ltd.	3	"	180,855	"	0.22	
2	"	World Peace International (South Asia) Pte Ltd.	3	"	189,846	"	0.23	
3	Genuine C&C (South Asia) Pte Ltd.	WPG C&C (Malaysia) SDN BHD	3	"	177,977	"	0.22	
3	"	WPG C&C Computer And Peripheral (India) Private Limited	3	"	505,535	n	0.63	
3	"	Genuine C&C (IndoChina) Pte Ltd.	3	"	276,758	"	0.34	
4	World Peace International (South Asia) Pte Ltd.	World Peace International (China) Limited (Note 19)	3	"	368,209	"	0.46	
5	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	"	107,461	"	0.13	
6	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	122,370	"	0.15	
6	"	WPI International (Hong Kong) Limited	3	"	130,798	"	0.16	
7	Silicon Application Corp.	WPG Electronic (HK) Limited	3	"	262,170	Note 6	0.32	
8	Silicon Application Company Limited	Silicon Application Corp.	3	"	202,473	Note 18	0.25	
9	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Device Co., Limited	3	"	308,838	Note 7	0.38	
9	"	WPG Electronic (HK) Limited	3	"	297,899	"	0.37	
10	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	225,854	Notes 8, 10	0.28	
11	Asian Information Technology Inc.	AIT Japan Inc.	3	"	264,971	Note 9	0.33	
12	AITG Electronic Limited	Frontek Technology Coporation	3	"	104,876	"	0.13	
13	Yosun Industrial Corp.	Sertek Limited	3	"	493,190	Note 11	0.61	

					Transactio	on	
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
13	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	Sales revenue	\$ 444,191	Note 11	0.55
13	"	Sertek Incorporated	3	"	219,500	"	0.27
14	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	"	324,532	Notes 12, 15	0.40
14	"	Giatek Corp. Ltd.	3	"	652,000	"	0.81
14	"	Yosun South China Corp. Ltd.	3	"	154,447	"	0.19
14	"	Yosun Singapore Pte Ltd.	3	"	119,166	"	0.15
14	"	Yosun Shanghai Corp. Ltd.	3	"	237,234	"	0.29
15	Sertek Incorporated	Sertek Limited	3	"	602,822	Notes 8, 16	0.75
16	WPG China Inc.	WPI International (Hong Kong) Limited	3	"	180,440	Note 5	0.22
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	1,238,896	"	1.73
1	"	Gain Tune Limited	3	"	150,108	"	0.21
2	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	175,321	Note 4	0.24
2	"	World Peace International (South Asia) Pte Ltd.	3	"	138,166	"	0.19
2	"	WPI International Trading (Shanghai) Ltd.	3	"	138,874	"	0.19
3	Genuine C&C (South Asia) Pte Ltd.	WPG C&C Computer And Peripheral (India) Private Limited	3	"	140,999	"	0.20
4	World Peace International (South Asia) Pte Ltd.	WPI International (China) Limited (Note 19)	3	"	317,823	"	0.44
7	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	313,549	Note 6	0.44
9	Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	3	"	227,630	Note 7	0.32
9	"	WPG Electronics (HK) Limited	3	"	418,175	"	0.58
11	Asian Information Technology Inc.	AIT Japan Inc.	3	"	178,402	Note 9	0.25
13	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	1,307,295	Note 11	1.82

					Transactio	on	
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
13	Yosun Industrial Corp.	Sertek Limited	3	Accounts receivable	\$ 109,400	"	0.15
14	Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	3	"	202,262	Notes 12, 15	0.28
14	"	Yosun Shanghai Corp. Ltd.	3	"	345,001	"	0.48
15	Sertek Incorporated	Sertek Limited	3	"	521,496	Notes 8, 16	0.73
17	AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	3	"	107,623	Note 17	0.15
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Other receivables	106,269	Note 13	0.15
2	WPI International (Hong Kong) Limited	WPG C&C Limited	3	"	239,267	Note 14	0.33
4	World Peace International (South Asia) Pte Ltd.	World Peace International Pte Ltd.	3	"	248,504	"	0.35
4	"	WPG Americas Inc.	3	"	400,628	"	0.56
11	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	250,479	"	0.35
18	Gain Tune Limited	WPI International (Hong Kong) Limited	3	"	576,832	"	0.80
19	WPI International (ShenZhen) Ltd.	WPI International (Shanghai) Ltd.	3	"	136,897	"	0.19
20	Silicon Application (BVI) Corporation	Silicon Application Corp.	3	Other receivables	282,017	Note 14	0.39
20	"	Silicon Application Company Limited	3	"	281,637	"	0.39

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

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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 30~75 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 60 days from the end of the month of sales.
- Note 6: The terms and sales prices are similar to third parties.
- Note 7: 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 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 9: 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 10: The collection period is within 90 days from the end of the month of sale or 15 days after sale.

Note 11: The price is based on the cost plus a determined profit. The collection period is similar to third parties.

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

Note 13: Mainly receivables arising from payment on behalf of others and adopt the consolidated income tax return system.

Note 14: Mainly accrued financing charges.

Note 15: The terms and sales prices are similar to third parties.

Note 16:The collection period is 60 days from the end of the month of sales.

Note 17: Sales price is based on the cost plus reasonable profit, and the collection period is one to three months longer than general clients..

Note 18: Sales price and collection period are based on negotiated terms.

Note 19: The name was changed to WPG SCM Limited in November, 2012.

#### (2) Disclosure information of investee companies

The disclosure imformation 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

information on in				Initial invest	ment amount	Shares he	ld as at March	31, 2013			
Investor	Investee	Location	Main business activities	Balance as at March 31, 2013	Balance as at January 1, 2013	Number of shares	Ownership	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2013	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2013	Remark
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic /electrical components	\$ 9,041,829	\$ 9,041,829	629,000,000	100.00	\$ 13,091,095	\$ 503,185	\$ 429,139	Note 4
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic /electrical components	3,563,464	3,563,464	253,822,467	100.00	3,932,383	184,333	184,333	Note 4
WPG Holdings Limited	Silicon Application Corp.	Taiwan	Sales of electronic /electrical components	2,758,458	2,758,458	230,000,000	100.00	3,727,950	128,753	128,753	Note 4
WPG Holdings Limited	Richpower Electronic Dveices Co., Ltd.	Taiwan	Sales of electronic /electrical components	1,820,882	1,820,882	85,000,000	100.00	2,199,652	95,733	95,827	Note 4
WPG Holdings Limited	Pernas Electronics Co., Ltd.	Taiwan	Sales of electronic /electrical components	318,473	318,473	73,500,000	100.00	1,095,035	46,223	46,132	Note 4
WPG Holdings Limited	WPG Electronics Ltd.	Taiwan	Sales of electronic /electrical components	14,735	14,735	3,920,000	100.00	44,195	211	211	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic /electrical components	169,071	125,566	1,094,764	100.00	226,695	5,553	5,553	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,365,372	2,889,658	111,101,383	100.00	2,670,348	( 13,180)	( 13,180)	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	12,939,060	12,939,060	416,169,249	100.00	13,087,075	127,295	128,633	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	344,997	344,997	34,200,000	100.00	329,361	( 93)	( 93)	Note 4
WPG Holdings Limited	AECO Technology Co., Ltd.	Taiwan	Sales of electronic /electrical components	2,335,420	2,335,420	172,000,000	100.00	2,222,169	17,290	17,287	Note 4
		British Virgin Islands	Holding company	2,833,198	2,833,198	85,169,066	100.00	8,404,665	345,478	-	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	2,424,406	39,229	-	Notes 2 and 5

				Initial investment amount Shares held as at March 31, 2013					1		
Investor	Investee	Location	Main business activities	Balance as at March 31, 2013	Balance as at January 1, 2013	Number of shares	Ownership	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2013	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2013	Remark
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic /electrical components	\$ 364,290	\$ 364,290	26,760,000	100.00	\$ 484,608	\$ 14,465	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	Chain Power Technology Corp.	Taiwan	Sales of electronic /electrical components	116,650	116,650	14,820,382	39.00	207,498	5,967	-	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	175,654	9,102	-	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	343,453	( 658)	-	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	30,691	( 773)	-	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	2,199,656	74,881	-	Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Import and export business for electrical components	280,312	280,312	52,005,510	100.00	768,897	41,689	-	Notes 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Import and export business for electrical components	479,112	479,112	38,470,846	100.00	411,089	6,499	-	Notes 2 and 5
Asian Information Technology Inc.	AITG Holding Corp.	Mauritius	International investment	89,301	89,301	2,701,790	100.00	84,457	71	-	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	175,934	1,891	-	Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electrical components	98,400	40,000	7,840,000	49.00	66,222	( 6,762)	-	Notes 2 and 5
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	International Investment	101,862	101,862	2,970,000	100.00	106,225	362	-	Notes 2 and 5
Silicon Application Corp.	Silicon Application (BVI) Corporation	British Virgin Islands	International Investment	705,983	705,983	22,000,000	100.00	2,569,419	60,427	-	Notes 2 and 5

				Initial investment amount Shares held as at March 31, 2013							
Investor	Investee	Location	Main business activities	Balance as at March 31, 2013	Balance as at January 1, 2013	Number of shares	Ownership	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2013	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2013	Remark
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	International Investment	\$ 24,013	\$ 24,013	765,000	100.00	\$ 30,682	\$ 17	-	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	10,312	( 171)	-	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	102,238	( 1,432)	-	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	833,684	42,570		Notes 2 and 5
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	Samoa	International investment	33,287	33,287	1,000,000	100.00	4,293	( 110)	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components	284,899	284,899	63,000,000	100.00	1,048,021	64,070	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Taiwan	Sales of electronic components	401,247	401,247	24,300,000	100.00	418,855	9,996	-	Notes 2 and 5
Mec Technology Co., Ltd	Mec Technology Co., Limited	Hong Kong	Sales of electronic components	1,092	1,092	25,000	100.00	8,322	16	-	Notes 2 and 5
Mec Technology Co., Ltd	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	180,726	305	-	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	3,554,737	( 40,349)	-	Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of electronic components	1,616,722	1,616,722	94,828,100	100.00	1,805,139	61,817	-	Notes 2 and 5
Yosun Industrial Corp.	Suntek Investments Ltd.	Taiwan	Investment company	70,000	70,000	26,000,000	100.00	344,704	21,186	-	Notes 2 and 5
Yosun Industrial Corp.	Yosun Green Technology Corp.	Taiwan	Sales of electronic components	45,000	45,000	4,500,000	45.00	36,746	( 342)	-	Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic components	14,728	14,728	5,000	50.00	13,796	3,174	-	Notes 2 and 3
Yosun Industrial Corp.	Lipers Enterprise Co., Ltd.	Taiwan	Sales of electronic components	188,261	188,261	13,310,445	28.37	214,618	5,760	-	Notes 2 and 3

				Initial invest	ment amount	Shares he	ld as at March	31, 2013			
Investor	Investee	Location	Main business activities	Balance as at March 31, 2013	Balance as at January 1, 2013	Number of shares	Ownership	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2013	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2013	Remark
Yosun Industrial Corp.	Pan-World Control Technologies Inc.	Taiwan	Wholesale of machinery	\$ 19,920	\$ 19,920	1,660,000	25.74	\$ 16,437	(\$ 2,868)	-	Notes 2 and 3
Suntek Investments Ltd.	Eesource Corp.	Taiwan	Sales of office machinery and electronic components	11,520	11,520	1,080,000	20.00	31,982	9,715	-	Notes 2 and 3
Suntek Investments Ltd.	Siltrontech Electronics Corp.	Taiwan	Sales of electronic components	149,992	149,992	24,551,450	32.22	256,727	64,361	-	Notes 2 and 3
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic components	83,494	83,494	19,500,000	100.00	333,643	14,484	-	Notes 2 and 5
Sertek Incorporated	Digital Computer System Co., Ltd.	Taiwan	Sales of electronic components	14,800	14,800	12,495	100.00	12,352	114	-	Notes 2 and 5
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of office machinery and electronic components	11,520	11,520	1,080,000	20.00	31,982	9,715	-	Notes 2 and 3
WPG Investment Co., Ltd.	Hatsushiba Tech Co., LTD.	Taiwan	Wholesale and retail of electronic components	11,010	11,010	975,000	32.50	5,358	( 1,606)	-	Notes 2 and 3
WPG Investment Co., Ltd.	Pan-World Control Technologies Inc.	Taiwan	Wholesale of machinery	14,800	14,800	1,265,218	19.62	11,212	( 2,868)	-	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	666,523	6,391	-	Notes 2 and 5
WPG Korea Co., Ltd.	Apache Communication Inc.	British Virgin Islands	International Investment	66,548	66,548	2,795,000	100.00	85,795	2,576	-	Notes 2,5 and 6

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

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

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

Note 4:A subsidiary.

Note 5:An indirect subsidiary.

Note 6:Original investment exchange rate KRW1:NTD0.027035 on March 31, 2013.

#### (3) Information on investments in Mainland China

A. The disclosure imformation of the investee companies was based on their unreviewed financial statements. In addition, the transactions with subsidiaries disclosed below had been eliminated when preparing consolideted financial statements.

					Amount remitted	d from Taiwan to						
					Mainland China/Amount remitted							
					back to Taiwan for	or the three-month						
					period ended N	March 31, 2013						
				Accumulated					Investment		Accumulated	
				amount of			Accumulated		income (loss)		amount of	
				remittance from			amount of	Ownership	recognised by the	Book value of	investment	
				Taiwan to			remittance from	held by the	Company for the	investments in	income	
				Mainland China			Taiwan to	Company	three-month	Mainland China	remitted back	
			Investment	as of January 1,	Remitted to	Remitted back to	Mainland China as	( direct or	period ended	as of March 31,	to Taiwan as of	
Investee in Mainland China	Main business activities	Paid-in capital	method	2013	Mainland China	Taiwan	of March 31, 2013	indirect)	March 31, 2013	2013	March 31, 2013	Remark
WPG China Inc.	Sales of electronic components	\$ 1,738,201	Note 1	\$ 1,441,679	\$ 298,250	\$ -	\$ 1,739,929	100.00	(\$ 1,094)	\$ 1,938,162	\$ -	
WPI International Trading (Shenzhen) Ltd.	Sales of electronic components	95,440	Note 1	95,440	-	-	95,440	100.00	1,049	149,205	-	
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	29,825	Note 1	27,985	-	-	27,985	49.00	( 2,406)	34,650	-	
WPI Logistics (Shanghai) Ltd.	Warehousing services/extra work	37,788	Note 1	14,780	-	-	14,780	40.00	174	21,860	-	
WPI International Trading (Shanghai) Ltd.	Sales of electronic components	198,336	Note 1	19,386	-	-	19,386	100.00	24,353	202,599	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services	63,110	Note 1	18,335	-	-	18,335	29.40	2,583	34,330	-	
AIO (Shanghai) Components Company Limited	Sales of electronic components	5,965	Note 1	-	-	-	-	100.00	2,656	39,036	-	Note 8
Long-Think International (Shanghai) Limited	Sales of electronic components	11,930	Note 1	143,490	-	-	143,490	100.00	1,563	150,408	-	Note 10
Software World Limited	Sales of electronic components	-	Note 1	5,518	-	-	5,518	-	-	-	-	Note 4
Mec Technology (Shanghai) Co., Ltd.	Sales of electronic components	-	Note 1	14,913	-	-	14,913	-	-	-	-	Note 2
WPG China (SZ) Inc.	Sales of computer software and electronic components	142,191	Note 1	104,184	-	-	104,184	100.00	17,034	264,306	-	Note 9
Silicon Application (Shanghai) Ltd.	Sales of computer software and electronic components	-	Note 1	6,533	-	-	6,533	-	-	-	-	Note 3

			Investment	Accumulated amount of remittance from Taiwan to Mainland China as of January I,	Mainland China back to Taiwan fo	d from Taiwan to Amount remitted or the three-month March 31, 2013	Accumulated amount of remittance from Taiwan to Mainland China as	Ownership held by the Company ( direct or	Investment income (loss) recognised by the Company for the three-month period ended	Book value of investments in Mainland China as of March 31,	Accumulated amount of investment income remitted back to Taiwan as of	
Investee in Mainland China	Main business activities	Paid-in capital	method	2013	Mainland China	Taiwan	of March 31, 2013	indirect)	March 31, 2013	2013	March 31, 2013	Remark
Silicon Application (Wuhon) Ltd.	Sales of computer software and electronic components	-	Note 1	\$ 6,353	\$ -	\$ -	\$ 6,353	-	\$ -	\$ -	-	Note 5
World Components Agent (Shanghai) Inc.	Sales of electronic components	\$ 5,965	Note 1	5,965	-	-	5,965	100.00	( 110)	4,273	-	
Arise Component Corp.	Sales of electronic components	-	Note 1	23,860	-	-	23,860	-	-	-	-	Note 7
Asian Information Technology Co., Ltd.	Sales of electronic components	-	Note 1	41,755	-	-	41,755	=	-	-	-	Note 6
Zheng Ding Technology (Shenzhen) Co., Ltd.	Sales of electronic components	38,164	Note 1	38,164	-	-	38,164	100.00	( 10)	44,443	-	
AECO Electronics (Ningbo) Co., Ltd	Sales of electronic components	116,914	Note 1	116,914	-	-	116,914	100.00	( 1,807)	86,008	-	
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	229,655	Note 1	229,655	-	-	229,655	100.00	10,713	338,484	-	
Yosun South China Corp. Ltd.	Sales of electronic components	128,248	Note 1	-	-	-	-	100.00	( 7,122)	168,124	-	
Sertek (Shanghai) Limited	Sales of electronic components	74,563	Note 1	-	-	-	-	100.00	( 79)	80,528	-	
Qegoo Technology Co., Ltd.	Business e-commerce platform	29,825	Note 1	3,155	-	-	3,155	16.03	-	4,781	-	

Note 1: Remitting investment funds to the investee 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 October, 2011.

Note 7: It was liquidated in December, 2011.

Note 8: WPI International (Hong Kong) Limited acquired AIO Components Company Limited as of July 1, 2012, 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: 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 linvestment Commission.

Note 11:Paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the three-month period ended March 31, 2013, accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2013 book value of investments in Mainland China as of March 31, 2013, accumulated amount of investment income remitted back to Taiwan as of March 31,2013 ect, the exchane rate USD 1: NTD 29.825 and HKD 1: NTD 3.843.

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

Note 13:The company recognized investment income under equity method for current period. The investment income was measured based on unaudited or unreviewed financial statements of investee during the same period.

B. The ceiling of investment amount in Mainland China

. The centing of investment amount in Manhand China	Accumulated amount of remittance	Investment amount approved by the	Ceiling on investments in Mainland
Company name	from Taiwan to Mainland China as of	Investment Commission of the Ministry	China imposed by the Investment
	March 31, 2013	of Economic Affairs (MOEA)	Commission of MOEA
WPG Holdings Limited	\$ 1,905,213	\$ 2,083,121	\$ 24,086,173
World Peace Industrial Co., Ltd.	258,316	589,858	7,872,328
Richpower Electronic Devices Co., Ltd.	20,431	14,913	1,328,034
Silicon Application Corp.	12,886	18,727	2,229,036
Pernas Electronics Co., Ltd.	29,825	29,825	658,030
Asian Information Technology Inc.	79,919	119,300	2,366,779
Yosun Industrial Corp.	229,655	440,339	4,883,195
Sertek Incorporated	-	74,563	906,328
AECO Technology Co., Ltd.	116,914	116,914	969,229
WPG Investment Co., Ltd.	3,115	-	197,628

<sup>(</sup>Note 1): Exchange rate as of March 31, 2013 was USD 1: NTD 29.825 and HKD 3.843.

<sup>(</sup>Note 2): The ceiling of investment amount of the company is calculated based on the investor's net assets.

<sup>(</sup>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, 2013 and 2012 is as follows:

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

	Ind	World Peace ustrial Co., Ltd. its subsidiaries	C	con Application Corp. and its subsidiaries	Te	asian Information echnology Inc. and its subsidiaries		osun Industrial Corp. and s subsidiaries	Others	F	Eliminations	Total
Revenue from external customers Revenue from internal	\$	34,497,684	\$	11,421,672	\$	10,607,637	\$	16,433,693	\$ 13,602,696	\$	-	\$ 86,563,382
customers		2,053,249		433,087		279,474	_	551,733	 811,180	(	4,128,723)	 
Total revenue	\$	36,550,933	\$	11,854,759	\$	10,887,111	\$	16,985,426	\$ 14,413,876	(\$	4,128,723)	\$ 86,563,382
Segment profit	\$	841,348	\$	362,945	\$	299,248	\$	366,292	\$ 102,169	\$	349,894	\$ 2,321,896
Net income (loss)	\$	503,185	\$	128,753	\$	184,333	\$	127,295	\$ 106,125	(\$	9,708)	\$ 1,039,983

## For the three-month period ended March 31, 2012:

		World Peace dustrial Co., Ltd. d its subsidiaries	(	con Application Corp. and its subsidiaries		Asian Information lechnology Inc. and its subsidiaries		Corp. and subsidiaries		Others	F	Eliminations		Total
Revenue from external customers	\$	33,549,743	\$	9,677,527	\$	8,381,336	\$	19,910,276	\$	9,334,922	\$	-	\$	80,853,804
Revenue from internal customers	Φ.	217,958	Φ.	354,224	Φ.	168,774	Φ.	43,795	<u></u>	738,363	(	1,523,114)	φ.	-
Total revenue Segment profit	<u>\$</u> \$	33,767,701 804,099	<u>\$</u> \$	10,031,751 314,319	<u>\$</u> \$	8,550,110 197,714	<u>\$</u> \$	19,954,071 566,824	<u>\$</u> \$	10,073,285 61,870	( <u>\$</u> \$	1,523,114) 219,131	<u>\$</u> \$	80,853,804 2,163,957
Net income	\$	455,632	\$	116,599	\$	81,113	\$	160,237	\$	129,287	\$	8,168	\$	951,036

## 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.

### 15. <u>INITIAL APPLICATION OF IFRSs</u>

These consolidated financial statements are the first interim consolidated financial statements prepared by the Group in accordance with the IFRSs. The Group has adjusted the amounts as appropriate that are reported in the previous R.O.C. GAAP consolidated financial statements to those amounts that should be presented under IFRSs in the preparation of the opening IFRS balance sheet. Information about exemptions elected by the Group, exceptions to the retrospective application of IFRSs in relation to initial application of IFRSs, and how it affects the Group's financial position, operating results and cash flows in transition from R.O.C. GAAP to the IFRSs is set out below:

### (1) Exemptions elected by the Group

#### A. Business combinations

The Group has elected not to apply the requirements in IFRS 3, 'Business Combinations', retrospectively to business combinations that occurred prior to the date of transition to IFRSs ("the transition date"). This exemption also applies to the Group's previous acquisitions of investments in associates.

#### B. Share-based payment transactions

The Group has elected not to apply the requirements in IFRS 2, 'Share-based Payment', retrospectively to equity instruments that were vested arising from share-based payment transactions prior to the transition date.

#### C. Employee benefits

The Group has elected to recognise all cumulative actuarial gains and losses relating to all employee benefit plans in 'retained earnings' at the transition date, and to disclose the information of present value of defined benefit obligation, fair value of plan assets, gain or loss on plan assets and experience adjustments under the requirements of paragraph 120A (P), IAS 19, 'Employee Benefits', based on their prospective amounts for financial periods from the transition date.

#### D. Designation of previously recognised financial instruments

The Group has elected to designate investments amounting to \$135,966, which were originally measured at cost, as available-for-sale financial assets at the transition date. The fair value of investments was \$135,966 at the transition date.

(2) Except hedge accounting to which exceptions to the retrospective application of IFRSs specified in IFRS 1 are not applied as they have no relation with the Group, other exceptions to the retrospective application are set out below:

## A. Accounting estimates

Accounting estimates made under IFRSs on January 1, 2012 are consistent with those made under R.O.C. GAAP on that day.

B. Derecognition of financial assets and financial liabilities

The derecognition requirements in IAS 39, 'Financial Instruments: Recognition and Measurement' shall be applied prospectively to transactions occurring on or after January 1, 2004.

## C. Non-controlling interest

Requirements of IAS 27 (amended in 2008) that shall be applied prospectively are as follows:

- a) Requirements concerning total comprehensive income (loss) attributed to owners of the parent and non-controlling interest, even which results in a loss to non-controlling interest:
- b) Requirements that change in interest ownership of the parent in a subsidiary while control is retained is accounted for as an equity transaction with the parent; and
- c) Requirements concerning the parent's loss of control over a subsidiary.
- (3) Requirement to reconcile from R.O.C. GAAP to IFRSs at the time of initial application

IFRS 1 requires that entity should make reconciliation for equity, comprehensive income and cash flows for the comparative periods. The Group's initial application of IFRSs has no significant effect on cash flows from operating activities, investing activities and financing activities. Reconciliation for equity and comprehensive income for the comparative periods as to transition from R.O.C. GAAP to IFRSs is shown below:

## A. Reconciliation for equity on January 1, 2012

- ·		•				
	R.O.C. GAAP			Effect of ransition from R.O.C. GAAP to IFRSs	IFRSs	Description
Current Assets		i.o.c. gaai	-	to II KSs	 11 133	Description
Cash and cash equivalents	\$	7,785,974	9	-	\$ 7,785,974	
Financial assets at fair value		134,526		-	134,526	
through profit or loss - current						
Available-for-sale financial		19,442		-	19,442	
assets-current		10 071			10 071	
Financial assets carried at cost-current		12,871		-	12,871	
Notes receivable, net		1,696,082		-	1,696,082	
Accounts receivable, net		45,446,076		-	45,446,076	
Accounts receivable-related parties, net		23,457		-	23,457	
Other receivables		3,577,826	(	2,861)	3,574,965	
Inventories		34,032,124		-	34,032,124	
Deferred income tax assets-current		171,216	(	171,216)	-	(a)
Other current assets		5,056,105		4,593	5,060,698	
Total current assets		97,955,699	(	169,484)	 97,786,215	
Non-current assets			`-	,		
Available-for-sale financial		182,545	(	10,961)	171,584	(b)(d)
assets-non-current		440 575	,	105.066	204 600	( )
Financial assets carried at cost-non-current		440,575	(	135,966)	304,609	(c)
Investments in bonds without active markets-non-current		5,000		-	5,000	
Investments accounted for under equity method		423,657		193,343	617,000	(d)
Property, plant and equipment		4,022,749		109,243	4,131,992	(e)
Intangible assets		5,350,506	(	14,922)	5,335,584	
Deferred income tax assets-non-current		-		327,927	327,927	(g)
Other non-current assets		640,722	(	109,235)	 531,487	(e)(f)
Total non-current assets		11,065,754	_	359,429	11,425,183	
Total assets	\$	109,021,453	9	189,945	\$ 109,211,398	

Effect of transition from R.O.C. GAAP

	R.O.C. GAAP	R.O.C. GAAP to IFRSs	IFRSs	Description
Current Liabilities				
Short-term borrowings	\$ 27,235,857	\$ -	\$ 27,235,857	
Short-term notes and bills payable	3,213,292	-	3,213,292	
Financial liabilities at fair value through profit or loss-current	1,346	-	1,346	
Notes payable	224,517	-	224,517	
Accounts payable	28,326,675	-	28,326,675	
Other payables	4,894,862	89,019	4,983,881	(h)
Current income tax liabilities	566,961	-	566,961	
Other current liabilities	2,216,182	469	2,216,651	
Total current liabilities	66,679,692	89,488	66,769,180	
Non-current liabilities				
Long-term borrowings	3,977,619	-	3,977,619	
Deferred income tax liabilities	165,329	101,904	267,233	(j)
Other non-current liabilities	385,567	180,889	566,456	(i)
Total non-current liabilities	4,528,515	282,793	4,811,308	
Total liabilities	71,208,207	372,281	71,580,488	
Equity attributable to owners of				
the parent Share capital				
Common stock	15,838,501	-	15,838,501	
Capital surplus	13,319,208	-	13,319,208	
Retained earnings				
Legal reserve	1,459,776	-	1,459,776	
Special reserve	2,728,889	-	2,728,889	
Unappropriated retained earnings	5,251,868	( 201,496)	5,050,372	(d)(g)(h)(i)
Other equity	(1,485,407)	22,685	(1,462,722)	
Non-controlling interest	700,411	$(\underline{3,525})$	696,886	
Total equity	37,813,246	(182,336)	37,630,910	
Total liabilities and equity	\$ 109,021,453	\$ 189,945	\$ 109,211,398	

# B. Reconciliation for equity on December 31, 2012

B. Reconcination for equity on	200	20111001 01, 20	F	ffect of			
				ansition from			
				.O.C. GAAP			
	<u>R</u>	.O.C. GAAP		to IFRSs		IFRSs	<u>Description</u>
<u>Current Assets</u>							
Cash and cash equivalents	\$	8,872,178	\$	-	\$	8,872,178	
Financial assets at fair value		48,814		-		48,814	
through profit or loss - current		20. 210				20, 210	
Available-for-sale financial assets-current		20,219		-		20,219	
Financial assets carried at cost-current		10,193		-		10,193	
Notes receivable, net		1,760,655		-		1,760,655	
Accounts receivable, net		57,685,623		-		57,685,623	
Accounts receivable-related		146,198		-		146,198	
parties, net		1 252 512		10.000		1 222 645	
Other receivables			(	19,902)		1,333,647	
Inventories		33,338,625		-		33,338,625	
Deferred income tax assets-current		170,114	(	170,114)		-	(a)
Other current assets		3,188,716		19,902		3,208,618	
Total current assets		106,595,584	(_	170,114)		106,425,470	
Non-current assets							
Available-for-sale financial		172,335	(	19,159)		153,176	(b)(d)
assets-non-current							
Financial assets carried at cost-non-current		531,218	(	135,114)		396,104	(c)
Investments in bonds without active markets-non-current		5,000		-		5,000	
Investments accounted for under equity method		878,902		229,048		1,107,950	(d)
Property, plant and equipment		5,117,436		105,403		5,222,839	(e)
Intangible assets		5,977,360	(	18,559)		5,958,801	
Deferred income tax assets-non-current		-		339,120		339,120	(g)
Other non-current assets		382,987	(_	105,173)		277,814	(e)(f)
Total non-current assets		13,065,238	_	395,566	_	13,460,804	
Total assets	\$	119,660,822	\$	225,452	\$	119,886,274	

Effect of transition from R.O.C. GAAP

		R.O.C. GAAP		
	R.O.C. GAAP	to IFRSs	IFRSs	<u>Description</u>
Current Liabilities				
Short-term borrowings	\$ 31,690,834	\$ -	\$ 31,690,834	
Short-term notes and bills	4,001,703	-	4,001,703	
payable				
Financial liabilities at fair	2,010	-	2,010	
value through profit or				
loss-current	0.4.4 1.0.1		244 101	
Notes payable	344,101	-	344,101	
Accounts payable	32,910,955	-	32,910,955	4.
Other payables	3,995,205	49,892	4,045,097	(h)
Current income tax liabilities	623,807	-	623,807	
Other current liabilities	861,050	5	861,055	
Total current liabilities	74,429,665	49,897	74,479,562	
Non-current liabilities				
Long-term borrowings	6,441,227	_	6,441,227	
Deferred income tax liabilities	185,359	128,461	313,820	(j)
Other non-current liabilities	397,150	171,635	568,785	(i)
Total non-current liabilities	7,023,736	300,096	7,323,832	
Total liabilities	81,453,401	349,993	81,803,394	
Equity attributable to owners of				
the parent				
Share capital				
Common stock	16,557,092	-	16,557,092	
Capital surplus	14,937,606	-	14,937,606	
Retained earnings				
Legal reserve	1,967,819	-	1,967,819	
Special reserve	1,485,407	-	1,485,407	
Unappropriated retained	6,148,174	( 119,007)	6,029,167	(d)(g)(h)(i)
earnings				
Other equity	(2,943,004)	( 4,800)	(2,947,804)	
Non-controlling interest	54,327	(734)	53,593	
Total equity	38,207,421	(124,541)	38,082,880	
Total liabilities and equity	<u>\$ 119,660,822</u>	\$ 225,452	<u>\$ 119,886,274</u>	

## C. Reconciliation for equity on March 31, 2012

er recommend for equally on			tra	ffect of ansition from O.C. GAAP			
	R.O.C. GAAP			to IFRSs		IFRSs	Description
<u>Current Assets</u>							
Cash and cash equivalents	\$	8,124,506	\$	-	\$	8,124,506	
Financial assets at fair value		190,812		-		190,812	
through profit or loss - current		45 606				15 606	
Available-for-sale financial assets-current		17,686		-		17,686	
Financial assets carried at cost-current		12,871		-		12,871	
Notes receivable, net		1,838,935		-		1,838,935	
Accounts receivable, net		49,415,812		-		49,415,812	
Accounts receivable-related parties, net		129,630		-		129,630	
Other receivables		3,091,416	(	27,282)		3,064,134	
Inventories		36,547,393		-		36,547,393	
Deferred income tax assets-current		237,600	(	237,600)		-	(a)
Other current assets		5,099,686		29,042		5,128,728	
Total current assets		104,706,347	(	235,840)		104,470,507	
Non-current assets							
Available-for-sale financial		196,189	(	20,291)		175,898	(b)(d)
assets-non-current Financial assets carried at cost-non-current		476,912	(	145,361)		331,551	(c)
Investments in bonds without active markets-non-current		5,000		-		5,000	
Investments accounted for under equity method		421,933		193,042		614,975	(d)
Property, plant and equipment		4,457,274		107,864		4,565,138	(e)
Intangible assets		5,941,405	(	12,869)		5,928,536	
Deferred income tax assets-non-current		-		406,833		406,833	(g)
Other non-current assets		631,824	(	106,471)		525,353	(e)(f)
Total non-current assets		12,130,537	_	422,747		12,553,284	
Total assets	\$	116,836,884	\$	186,907	\$	117,023,791	

transition from R.O.C. GAAP **Description** to IFRSs IFRSs \$ \$ 27,970,808 2.873.406

bhort term borrowings	ψ	21,910,000	ψ	-	Ψ	21,310,000	
Short-term notes payable		2,873,406		-		2,873,406	
Financial liabilities at fair		325		-		325	
value through profit or							
loss-current							
Notes payable		318,733		-		318,733	
Accounts payable		33,457,456		-		33,457,456	
Other payables		3,919,419		80,511		3,999,930	(h)
Current income tax liabilities		755,861		-		755,861	
Other current liabilities		2,347,795		491		2,348,286	
Total current liabilities		71,643,803		81,002		71,724,805	
Non-current liabilities							
Long-term borrowings		4,317,846		-		4,317,846	
Deferred income tax liabilities		189,107		117,660		306,767	(j)
Other non-current liabilities		409,617		179,592		589,209	(i)
Total non-current liabilities		4,916,570		297,252		5,213,822	
Total liabilities		76,560,373		378,254		76,938,627	
Equity attributable to owners of							
the parent							
Share capital							
Common stock		16,557,092		-		16,557,092	
Capital surplus		14,937,950		-		14,937,950	
Retained earnings							
Legal reserve		1,459,776		-		1,459,776	
Special reserve		2,728,889		-		2,728,889	
Unappropriated retained earnings		6,190,832	(	189,424)		6,001,408	(d)(g)(h)(i)
Other equity	(	2,317,894)		1,585	(	2,316,309)	
Non-controlling interest	`	719,866	(	3,508)	•	716,358	
Total equity		40,276,511	(	191,347)		40,085,164	
Total liabilities and equity	\$	116,836,884	\$	186,907	\$	117,023,791	

Effect of

R.O.C. GAAP

\$ 27,970,808

**Current Liabilities** 

Short-term borrowings

## D. Reconciliation for comprehensive income for the year ended December 31, 2012

B. Reconcination for comprehe		ive income for t		-	ccc	7110C1 31, 2012	
			tra	fect of unsition from O.C. GAAP		HTD G	<b>5</b>
0		R.O.C. GAAP	Φ.	to IFRSs	<u>_</u>	IFRSs	<u>Description</u>
Operating revenue	\$	360,614,159	\$	-	(\$	360,614,159)	
Operating costs	(_	342,519,548)		<u>-</u>	(_	342,519,548)	
Gross profit		18,094,611		-		18,094,611	
Operating expenses							
Selling and marketing	(	8,269,698)		44,239	(	8,225,459)	(h)(i)
General and administrative	(_	3,632,063)			(	3,632,063)	
Operating income		6,192,850		44,239		6,237,089	
Non-operating income and expenses							
Financial costs	(	894,542)		-	(	894,542)	
Others	_	242,276		55,823	_	298,099	(d)
Income before income tax		5,540,584		100,062		5,640,646	
Income tax expense	(	1,082,362)	(	9,752)	(	1,092,114)	(g)
Consolidated net income		4,458,822		90,310		4,548,532	
Other comprehensive income				•			
Financial statements							
translation differences of							
foreign operations	(	1,430,300)	(	1,304)	(	1,431,604)	
Unrealized gain (loss) on							
available-for-sale financial	,	14 011)			,	14 011)	
assets	(	14,211)		-	(	14,211)	
Actuarial gain (loss) on			,	0 002)	,	9 002)	
defined benefit plan		-	(	8,903)	(	8,903)	
Share of other comprehensive income of associates and							
joint ventures accounted for							
under equity method	(	17,005)	(	7,061)	(	24,066)	
Income tax relating to the	`	,,	`	,,,,,,,	`	_ : , : : : /	
components of other							
comprehensive income	(_	77,922)		1,514	(_	76,408)	
Other comprehensive loss for the period, net of tax	(	1,539,438)	(	15,754)	(	1,555,192)	
Total comprehensive income for	\_	1,557,150	`	13,731)	\_	1,333,172	
the period	\$	2,918,784	\$	74,556	<u>\$</u>	2,993,340	
Profit attributable to:							
Owners of the parent	\$	1 165 711	Φ	00 210	\$	A 556 001	
	•	, ,	\$	90,310	Ф	4,556,021	
Non-controlling interest	(_	7,489)	ф.	- 00 010	(_	7,489)	
	\$	4,458,222	\$	90,310	\$	4,548,532	

	<u>R</u>	.O.C. GAAP	R.O.	ct of sition from .C. GAAP o IFRSs	 IFRSs	<u>Description</u>
Total comprehensive income attributable to:						
Owners of the parent	\$	2,903,779	\$	74,556	\$ 2,978,335	
Non-controlling interest		15,005			 15,005	
	\$	2,918,784	\$	74,556	\$ 2,993,340	

## E. Reconciliation for comprehensive income for the three-month period ended March 31, 2012

E. Reconcination for complete	CHSI	ve income for		fect of	рети	ou ended Marc	11 31, 2012
	I.	R.O.C. GAAP	tra	onsition from O.C. GAAP to IFRSs		IFRSs	Description
Operating revenue	\$	80,853,804	\$	to II 1835	\$	80,853,804	Description
Operating costs	(	76,693,727)	Ψ	_	(	76,693,727)	
Gross profit	\ <u> </u>	4,160,077			(	4,160,077	
Operating expenses		4,100,077		_		4,100,077	
Selling and marketing	(	1,985,760)	(	10,360)	(	1,996,120)	(h)
General and administrative	(	891,095)	(	2,181	(	888,914)	(11)
Operating income	\ <u> </u>	1 202 222	(	8,179)	(	1,275,043	
Non-operating income and		1,203,222	(	0,177)		1,273,043	
expenses Financial costs	(	230,199)			,	220 100)	
Others	(			3,770	(	230,199)	
Income before income tax	_	65,137	_		_	68,907	
	,	1,118,160	(	4,409)	,	1,113,751	(g)
Income tax expense Consoldiated net income	(	171,809)	(	902)	(	172,711)	(g)
Other comprehensive income		946,351	(	5,311)		941,040	
Financial statements							
translation differences of foreign operations Unrealized gain (loss) on	(	805,702)		1,349	(	804,353)	
valuation of available- for-sale financial assets Share of other comprehensive	(	4,992)		-	(	4,992)	
income of associates and joint ventures accounted for under equity method Income tax relating to the	(	6,628)	(	1,871)	(	8,499)	
components of other comprehensive income	(	6,275)			(	6,275)	
Other comprehensive loss for	,	000 505)	,	522	,	024 110	
the period, net of tax	(	823,597)	(	522)	(	824,119)	
Total comprehensive income for the period	\$	122,754	( <u>\$</u>	5,833)	\$	116,921	
Profit attributable to:							
Owners of the parent	\$	938,964	\$	12,072	\$	951,036	
Non-controlling interest	(	9,001)	(	995)	(	9,996)	
	\$	929,963	\$	11,077	\$	941,040	
Total comprehensive income attributable to:				<u> </u>	<u></u>		
Owners of the parent	\$	89,387	\$	10,555	\$	99,942	
Non-controlling interest		16,979		<u>-</u>		16,979	
	\$	106,366	\$	10,555	\$	116,921	

Reasons for reconciliation are outlined below:

- (a) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting, should be classified as current or noncurrent according to the expected period to realize or settle a deferred tax asset or liability. However, under IAS 1, 'Presentation of Financial Statements', an entity should not classify a deferred tax asset or liability as current.
- (b) 1) Before the amendment of "Rules Governing the Preparation of Financial Statements by Securities Issuers" dated July 7, 2011, unlisted stocks held by the Group should be measured at cost and recognised in 'Financial assets measured at cost'. However, in accordance with IAS 39, 'Financial Instruments: Recognition and Measurement', investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value. According to "Rules Governing the Preparation of Financial Statements by Securities Issuers" revised as of December 22, 2011, the subsidiaries designated "Financial assets carried at cost-non-current" as "Available-for-sale financial assets non-current" at the date of transition to IFRSs.
  - 2) The subsidiary did not use equity method on its investee which the subsidiary holds less than 20% ownership as the subsidiary does not have significant influence under the current accounting standards. However, in accordance with IAS 28, "Investments in Associates", after considering the criteria for significant influence, the accounting treatment for a certain investment was changed from "Financial assets carried at cost" to "Long-term investments accounted for under equity method". Accordingly, there is an increase in undistributed earnings at the date of transition to IFRSs and an increase in undistributed earnings and other non-operating income as of and for the year ended December 31, 2012.
- (c) According to (b)1) a, the subsidiary designated to 'available-for-sale financial assets-non-current' which were originally recognised as 'financial assets measured at cost'.
- (d) 1) Please refer to (b)2) for the reclassification from 'available-for-sale financial assets-non-current' to 'Investment accounted for under equity method'.
  - 2) The subsidiary loses control over the indirect subsidiary and their relationship no longer exists. Therefore, the subsidiary derecognizes assets and liabilities in the former indirect subsidiary and recognizes and measures their new investment relationship at the

date when control is lost. In accordance with current accounting standards in R.O.C., where the subsidiary does not hold the majority of board seats and loses control over the indirect subsidiary, any investment is measured at the book value and reclassified to investment under equity method at the date when control is lost. However, in accordance with IAS 27, any investment retained in the former subsidiary should be remeasured at its fair value and any difference between fair value and carrying amount is recognized in profit or loss.

- (e) In accordance with current accounting standards in R.O.C, there is no relevant rule to present the leased assets. In practice, the Company's property that is leased to others is presented in "Other assets" account. In accordance with IAS 40, leased property that does not meet the definition of investment property is classified and accounted for as "Property, plant and equipment".
- (f) Please refer to (i) for the explanation for the decrease in deferred pension cost and accrued pension liabilities.
- (g) 1) Please refer to (a) for the reclassification from 'Deferred income tax assets current' to 'Deferred income tax assets non-current'.
  - 2) The Group calculated the tax effects of the differences between IFRSs and the current accounting policies.
  - 3) The deferred income tax assets and liabilities should not be offset unless they meet the netting criteria under IAS 12, "Income Tax". Therefore, the Group reclassified deferred income tax assets and liabilities at the date of transition to IFRSs.
- (h) 1) The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulated unused compensated absences. The Group recognises such costs as expenses upon actual payment. However, IAS 19, 'Employee Benefits', requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period.
  - 2) The subsidiaries recognized variable rental expense for long-term lease agreements in accordance with current accounting standards. However, in accordance with IAS 17, "Lease", the rental expenses should be recognized using the straight-line method which is total rental expense divided by the lease term.
- (i) 1) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, "Employee Benefits", requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan; when there is no deep market in corporate bonds, an entity is required to use market yields on government

- bonds (at the end day of the reporting period) instead.
- 2) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognised on the balance sheet ("minimum pension liability"). However, IAS 19, 'Employee Benefits', has no regulation regarding the minimum pension liability.
- 3) In accordance with the Group's accounting policies, unrecognised transitional net benefit obligation should be amortised on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, the transitional provisions in IAS 19 are not applied to the Group as the first-time adopter of IFRSs, so the Group has no unrecognized transitional liabilities.
- 4) In accordance with the exemptions applied under IFRS 1, the Group recognized all accumulated actuarial gain or loss in retained earnings at the date of transition to IFRSs.
- 5) In accordance with current accounting standards in R.O.C., actuarial pension gain or loss of the Group is recognised in net pension cost of current period using the 'corridor' method. However, IAS 19 'Employee Benefits' requires that actuarial pension gain or loss should be recognized immediately in other comprehensive income and directly in retained earnings.
- (j) Please refer to (a) and (g) for the reclassification from netting "Deferred income tax assets current and non-current".
- F. Major adjustments for the consolidated statement of cash flows for the three-month period ended March 31, 2012:
  - a) Under R.O.C. GAAP, payment of interest and receipt of interest and dividend are both included in cash flows from operating activities. However, under IFRSs, payment of interest and receipt of interest and dividend are classified as cash flows from financing activities and from investing activities, respectively, when they are the cost for acquisitions of financial resources or the return on investments.
  - b) Under R.O.C. GAAP, payment of dividend is included in cash flows from financing activities. However, under IFRSs, when payment of dividend is to help users of financial statements to assess the ability of an entity to pay dividend by using operating cash flows, it is classified as cash flows from operating activities.
  - c) The transition of R.O.C. GAAP to IFRSs has no effect on the Group's cash flows reported.
  - d) The reconciliation between R.O.C. GAAP and IFRSs has no net effect on the Group's cash flows reported.

G. The accounting policies and selection of exemptions applied in these interim consolidated financial statements may be different from those applied in the first year-end IFRSs consolidated financial statements due to the issuance of related regulations by regulatory authorities, changes in economic environment, or changes in the evaluation of the impact of application of accounting policies and exemptions by the Group.