Catcher Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2013 and 2012 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2013 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 "Consolidated and Separate Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CATCHER TECHNOLOGY CO., Ltd.

By

ALLEN HONG
Chairman
February 6, 2014

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Catcher Technology Co., Ltd.

We have audited the accompanying consolidated balance sheets of Catcher Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. However, we did not audit the financial statements as of and for the years ended December 31, 2013, December 31, 2012 and January 1, 2012 of certain associates accounted for by the equity method. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these associates was based solely on the reports of the other auditors. The carrying values of the investment in associates were NT$585,733 thousand, NT$485,235 thousand and NT$413,238 thousand, or 0.56%, 0.48% and 0.46% of the consolidated total assets as of December 31, 2013, December 31, 2012 and January 1, 2012 respectively. Comprehensive income recognized under the equity method was NT$120,728 thousand and NT$95,450 thousand, or 0.73% and 1.08% of the consolidated comprehensive income for the years ended December 31, 2013 and 2012, respectively.

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

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31. 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent Company only financial statements of Catcher Technology Co., Ltd. as of and for the years ended December 31, 2013 and 2012 on which we have issued a modified unqualified opinion.

February 6, 2014

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2013		December 31, 2012		January 1, 2012	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 39,378,362	37	$ 45,399,535	45	$ 35,541,852	40
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	22,087	-	-	-	117,765	-
Available-for-sale financial assets - current (Notes 4 and 8)	49,975	-	937,361	1	1,343,321	1
Debt investment with no active market - current (Notes 4 and 9)	3,192,697	3	326,080	-	4,655,979	5
Notes receivable (Notes 4 and 10)	560	-	30	-	-	-
Accounts receivable (Notes 4 and 10)	17,504,791	17	15,173,226	15	12,322,837	14
Other receivables (Note 31)	261,179	-	212,834	-	167,411	-
Current tax assets (Notes 4 and 26)	149,397	-	28	-	17	-
Inventories (Notes 4 and 11)	3,873,173	4	2,449,094	3	2,537,880	3
Prepayment for lease (Notes 4 and 16)	17,812	-	15,601	-	10,889	-
Other current assets (Note 17)	896,623	1	2,045,877	2	1,204,503	1
Total current assets	65,346,656	62	66,559,666	66	57,902,454	64
NON-CURRENT ASSETS						
Available-for-sale financial assets - non - current (Notes 4 and 8)	-	-	99,834	-	80,123	-
Debt investment with no active market - non - current (Notes 4, 9 and 33)	-	-	-	-	244,698	-
Investments accounted for using equity method (Notes 4 and 12)	1,730,683	2	1,633,725	2	1,356,242	2
Property, plant and equipment (Notes 4, 13 and 33)	34,903,140	33	30,814,857	30	27,928,528	31
Investment properties (Notes 4, 14 and 33)	259,831	-	265,449	-	271,076	-
Other intangible assets (Notes 4 and 15)	102,555	-	78,969	-	101,625	-
Deferred tax assets (Notes 4 and 26)	1,394,675	1	641,603	1	626,467	1
Long-term prepayments for lease (Notes 4 and 16)	770,070	1	682,315	1	419,102	1
Other non-current assets (Notes 17 and 33)	871,426	1	583,158	-	882,859	1
Total non-current assets	40,032,380	38	34,799,910	34	31,910,720	36
TOTAL	$ 105,379,036	100	$ 101,359,576	100	$ 89,813,174	100

	December 31, 2013		December 31, 2012		January 1, 2012	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	$ 16,155,655	16	$ 24,439,799	24	$ 17,040,191	19
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	37,772	-	49,508	-
Notes payable (Note 20)	249,963	-	308,002	-	136,454	-
Accounts payable (Note 20)	4,245,813	4	2,980,944	3	3,085,509	4
Accounts payable - related parties (Note 32)	286,540	-	49,262	-	35,971	-
Other payables (Note 21)	3,665,484	4	3,044,969	3	3,115,265	4
Current tax liabilities (Notes 4 and 26)	2,165,528	2	1,275,657	1	1,119,544	1
Current portion of bonds payable (Note 19)	3,492,625	3	3,487,922	4	-	-
Current portion of long-term borrowings (Notes 18 and 33)	1,000,000	1	839,417	1	953,255	1
Other current liabilities (Note 21)	312,960	-	328,133	-	221,201	-
Total current liabilities	31,574,568	30	36,791,877	36	25,756,898	29
NON-CURRENT LIABILITIES						
Bonds payable (Note 19)	-	-	-	-	3,441,822	4
Long-term borrowings (Notes 18 and 33)	-	-	2,862,875	3	3,970,752	4
Deferred tax liabilities (Notes 4 and 26)	116,744	-	96,819	-	122,723	-
Accrued pension liabilities (Notes 4 and 22)	854	-	3,406	-	-	-
Other non - current liabilities (Note 21)	6,764	-	16,224	-	31,485	-
Total non-current liabilities	124,362	-	2,979,324	3	7,566,782	8
Total liabilities	31,698,930	30	39,771,201	39	33,323,680	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Capital stock - common stock	7,507,031	7	7,507,031	8	7,506,394	8
Capital surplus	16,974,456	16	16,924,117	17	16,916,326	19
Retained earnings						
Legal reserve	5,541,474	6	4,452,426	4	3,384,703	4
Special reserve	2,377,902	2	2,377,902	2	3,236,695	4
Unappropriated earnings	40,297,391	38	32,087,401	32	25,251,916	28
Total retained earnings	48,216,767	46	38,917,729	38	31,873,314	36
Other equity	811,233	1	(1,939,258)	(2)	249	-
Total equity attributable to owners of the Company	73,509,487	70	61,409,619	61	56,296,283	63
NON - CONTROLLING INTERESTS	170,619	-	178,756	-	193,211	-
Total equity	73,680,106	70	61,588,375	61	56,489,494	63
TOTAL	$ 105,379,036	100	$ 101,359,576	100	$ 89,813,174	100

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

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2013		2012	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 24)	$ 43,245,550	100	$ 37,028,798	100
OPERATING COSTS (Notes 11, 25 and 31)	24,924,824	58	20,984,891	57
GROSS PROFIT	18,320,726	42	16,043,907	43
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	326,495	1	329,990	1
General and administrative expenses	3,235,360	7	2,613,576	7
Research and development expenses	843,210	2	939,920	2
Total operating expenses	4,405,065	10	3,883,486	10
OPERATING INCOME	13,915,661	32	12,160,421	33
NON-OPERATING INCOME AND EXPENSES (Note 25)				
Interest income	658,600	2	640,363	2
Other income	641,222	2	266,960	1
Foreign exchange gain, net	2,435,378	6	1,074,956	3
Other gains and losses	113,021	-	(10,452)	-
Interest Expense	(291,413)	(1)	(302,546)	(1)
Share of profit of associates	55,806	-	114,281	-
Total non-operating income and expense	3,612,614	9	1,783,562	5
PROFIT BEFORE INCOME TAX	17,528,275	41	13,943,983	38
INCOME TAX EXPENSE (Notes 4 and 26)	3,711,155	9	3,114,025	9
NET PROFIT	13,817,120	32	10,829,958	29
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange differences arising on translation of foreign operations	2,788,824	6	(1,988,542)	(5)
Unrealized gain (loss) on available-for-sale financial assets	(36,667)	-	50,495	-
Actuarial gain (loss) from defined benefit plans	2,533	-	(14,643)	-
Share of other comprehensive income (loss) of associates	6,634	-	(8,599)	-

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CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2013		2012	
	Amount	**%**	**Amount**	**%**
Income tax benefit (expense) related to components of other comprehensive income (loss)	$ (460)	-	$ 579	-
Other comprehensive income (loss) for the year, net of income tax	2,760,864	6	(1,960,710)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 16,577,984	38	$ 8,869,248	24
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 13,801,184		$ 10,811,975	
Non - controlling interests	15,936		17,983	
	$ 13,817,120		$ 10,829,958	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 16,553,748		$ 8,858,404	
Non - controlling interests	24,236		10,844	
	$ 16,577,984		$ 8,869,248	
EARNINGS PER SHARE (Note 27)				
Basic	$ 18.38		$ 14.40	
Diluted	$ 17.91		$ 14.08	

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

(With Deloitte & Touche audit report dated February 6, 2014) (Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2012	$ 7,506,394	$ 16,916,326	$ 3,384,703	$ 3,236,695	$ 25,251,916	$ -	$ 249	$ 56,296,283	$ 193,211	$ 56,489,494
Appropriation of the 2011 earnings :										
Legal reserve	-	-	1,067,723	-	(1,067,723)	-	-	-	-	-
Special reserve	-	-	-	(858,793)	858,793	-	-	-	-	-
Cash dividends - 50%	-	-	-	-	(3,753,496)	-	-	(3,753,496)	-	(3,753,496)
Change in capital surplus from investments in associates accounted for by using equity method	-	2,198	-	-	-	-	-	2,198	-	2,198
Net income for the year ended December 31,2012	-	-	-	-	10,811,975	-	-	10,811,975	17,983	10,829,958
Other comprehensive income (loss) for the year ended December 31,2012, net of income tax	-	-	-	-	(14,064)	(1,990,002)	50,495	(1,953,571)	(7,139)	(1,960,710)
Total comprehensive income (loss) for the year ended December 31,2012	-	-	-	-	10,797,911	(1,990,002)	50,495	8,858,404	10,844	8,869,248
Conversion of convertible bonds	637	5,593	-	-	-	-	-	6,230	-	6,230
Decrease in non - controlling interests	-	-	-	-	-	-	-	-	(25,299)	(25,299)
BALANCE, DECEMBER 31, 2012	7,507,031	16,924,117	4,452,426	2,377,902	32,087,401	(1,990,002)	50,744	61,409,619	178,756	61,588,375
Appropriation of the 2012 earnings :										
Legal reserve	-	-	1,089,048	-	(1,089,048)	-	-	-	-	-
Cash dividends - 60%	-	-	-	-	(4,504,219)	-	-	(4,504,219)	-	(4,504,219)
Change in capital surplus from investments in associates accounted for by using equity method	-	54,843	-	-	-	-	-	54,843	-	54,843
Net income for the year ended December 31,2013	-	-	-	-	13,801,184	-	-	13,801,184	15,936	13,817,120
Other comprehensive income (loss) for the year ended December 31,2013, net of income tax	-	-	-	-	2,073	2,787,158	(36,667)	2,752,564	8,300	2,760,864
Total comprehensive income (loss) for the year ended December 31,2013	-	-	-	-	13,803,257	2,787,158	(36,667)	16,553,748	24,236	16,577,984
Disposal of investments accounted for using equity method	-	(4,504)	-	-	-	-	-	(4,504)	-	(4,504)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(32,373)	(32,373)
BALANCE, DECEMBER 31, 2013	$ 7,507,031	$ 16,974,456	$ 5,541,474	$ 2,377,902	$ 40,297,391	$ 797,156	$ 14,077	$ 73,509,487	$ 170,619	$ 73,680,106

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

(With Deloitte & Touche audit report dated February 6, 2014)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 17,528,275	$ 13,943,983
Adjustments for		
Depreciation	5,178,520	4,236,154
Amortization	46,691	38,931
Allowance for doubtful accounts	-	4,659
Net gain on financial assets and liabilities at fair value through profit or loss	(600)	-
Interest expenses	291,413	302,546
Interest income	(658,600)	(640,363)
Dividend income	37,341	28,594
Shae of profit of associates	(55,806)	(114,281)
Gain on disposal of property, plant and equipment	(10,547)	(9,135)
Gain on disposal of investment	(78,015)	(6,950)
Write - down of inventories	-	6,502
Unrealized loss (gain) on foreign currency exchange	2,001,582	(1,788,041)
Loss on redeeming bonds payable	2,504	-
Changes in operating assets and liabilities		
Financial assets held for trading	(17,000)	117,765
Notes receivable	(530)	(30)
Accounts receivable	(2,254,617)	(2,877,601)
Other receivable	(95,998)	(53,552)
Inventories	(1,424,079)	91,359
Other current assets	1,144,525	(848,429)
Financial liabilities held for trading	(21,758)	(11,736)
Notes payable	(58,039)	171,548
Accounts payable	1,267,148	(156,382)
Accounts payable - related parties	228,959	23,190
Other payables	740,163	127,372
Other current liabilities	28,210	(58,522)
Accrued pension liabilities	152	-
Cash generated from operations	23,819,894	12,527,581
Income tax paid	(3,704,288)	(2,789,294)
Net cash generated from operating activities	20,115,606	9,738,287
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at fair value through profit or loss	(20,040)	-
Acquistion of available-for sale financial assets	(31,515)	(1,505,595)
Proceeds from disposal of available-for-sale financial assets	1,037,551	1,923,085
Aquisition of debt investments with no active market	(19,196,000)	(4,824,409)
Proceeds from disposal of debt investments with no active market	16,399,249	9,284,255
Acquisition of investments accounted for using equity method	(2,010)	(234,306)
Proceeds from disposal of investments accounted for using equity method	79,172	-

(Continued)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	2013	2012
Net cash paid for disposal of subsidiaries	$ -	$ (556)
Acquisition of property, plant and equipment	(9,629,360)	(8,396,370)
Proceeds from disposal of property, plant and equipment	26,532	18,439
Increase in refundable deposits	(4,157)	(5,356)
Decrease in refundable deposits	18,431	242
Acquisition of intangible assets	(47,446)	(6,071)
Increase in other non-current assets	(851)	(784)
Increase in prepayments for lease	(63,918)	(301,789)
Interest received	706,164	643,492
Net cash used in investing activities	(10,728,198)	(3,405,723)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	59,599,342	67,433,256
Decrease in short-term borrowings	(68,535,659)	(58,984,087)
Repayment of bonds	(50,854)	-
Proceeds from long-term borrowings	2,178,364	1,430,851
Repayment of long-term borrowings	(4,927,490)	(2,251,837)
Increase in guarantee deposits received	136,705	463,382
Decrease in guarantee deposits received	(200,740)	(308,890)
Interest paid	(248,895)	(256,561)
Payment of cash dividends	(4,504,219)	(3,753,496)
Decrease in non-controlling interests	(32,373)	(25,299)
Net cash generated from (used in) financing activities	(16,585,819)	3,747,319
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	1,177,238	(222,200)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,021,173)	9,857,683
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	45,399,535	35,541,852
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 39,378,362	$ 45,399,535

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

(With Deloitte & Touche audit report dated February 6, 2014) (Concluded)

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Catcher Technology Co., Ltd. (the "Company") was incorporated in November 1984 under the laws of the Republic of China (ROC). The Company mainly manufactures and sells aluminum and magnesium extrusion, die casting and stamping products and molds. It also provides lease services.

The Company's shares were listed and traded on the Taiwan GreTai Securities Market from November 1999 until September 2001 when the Company listed its shares on the Taiwan Stock Exchange (TSE) under stock number "2474" and ceased to be OTC traded.

The Company issued unsecured convertible bonds which are traded on the Taiwan GreTai Securities Market since December 2009 and April 2011. Since all the unsecured convertible bonds issued in 2009 had been converted into common stocks, those unsecured convertible bonds were stopped being traded on the Taiwan Gre Tai Securities Market in July 2012.

The Company increased its capital by listing its shares in the form of GDRs on the Luxembourg Stock Exchange (EuroMTF) in June 2011.

The consolidated financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on February 6, 2014.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. New, amended and revised standards and interpretations (the "New IFRSs") in issue but not yet effective

The Company and entities controlled by the Company (the "Group") have not applied the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued by the IASB. As of the date that the consolidated financial statements were authorized for issue, the Financial Supervisory Commission (the "FSC") has not announced the effective dates for the following new, amended and revised standards and interpretations (the "New IFRSs"). On January 28, 2014, the Financial Supervisory Commission (FSC) announced the framework for the adoption of updated IFRSs version in the ROC. Under this framework, starting January 1, 2015, the previous version of IFRSs endorsed by the FSC (the 2010 IFRSs version) currently applied by companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market will be replaced by the updated IFRSs without IFRS 9 (the 2013 IFRSs version). However, as of the date that the consolidated financial statements were authorized for issue, the FSC has not endorsed the following new, amended and revised standards and interpretations issued by the IASB (the "New IFRSs") included in the 2013 IFRSs version.

	Effective Date Announced by IASB (Note 1)
The New IFRSs included in the 2013 IFRSs version not yet endorsed by the FSC	
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 “Embedded Derivatives”	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters”	July 1, 2010
Amendment to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters”	July 1, 2011
Amendment to IFRS 1 “Government Loans”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Transfer of Financial Assets”	July 1, 2011
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
Amendments to IFRS 10, IFRS 11 and IFRS 12 “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 “Investment Entities”	January 1, 2014
IFRS 13 “Fair Value Measurement”	January 1, 2013
Amendment to IAS 1 “Presentation of Other Comprehensive Income”	July 1, 2012
Amendment to IAS 12 “Deferred tax: Recovery of Underlying Assets”	January 1, 2012
IAS 19 (Revised 2011) “Employee Benefits”	January 1, 2013
IAS 27 (Revised 2011) “Separate Financial Statements”	January 1, 2013
IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures”	January 1, 2013
Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”	January 1, 2014
IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine”	January 1, 2013
The New IFRSs not included in the 2013 IFRSs version	
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 “Financial Instruments”	Effective date not determined
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	Effective date not determined
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions for which the grant date is on or after 1 July 2014; the amendment to IFRS 3 applies to business combinations for which the acquisition date is on or after 1 July 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

b. Significant impending changes in accounting policy resulted from New IFRSs in issue but not yet effective

Except for the following, the impending initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies:

1) IFRS 9 "Financial Instruments"

<u>Recognition and measurement of financial assets</u>

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of reporting period. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

<u>Recognition and measurement of financial liabilities</u>

As for financial liabilities, the main changes in the classification and measurement relate to the subsequent measurement of financial liabilities designated as at fair value through profit or loss. The amount of change in the fair value of such financial liability attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch in profit or loss, the Group presents all gains or losses on that liability in profit or loss.

2) New and revised standards on consolidation, joint arrangement, and associates and disclosure

a) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Group considers whether it has control over other entities for consolidation. The Group has control over an investee if and only if it has i) power over the investee; ii) exposure, or rights, to variable returns from its involvement with the investee and iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

b) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

3) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

4) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) will be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

5) Amendment to IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets”

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

6) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 “Share-Based Payment”, IFRS 3 “Business Combinations” and IFRS 8 “Operating Segments” were amended in this annual improvement.

The amended IFRS 2 changes the definitions of ‘vesting condition’ and ‘market condition’ and adds definitions for 'performance condition' and 'service condition'. The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

7) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3, IFRS 13 and IAS 40 "Investment Property" were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

c. Significant impending changes in accounting policy resulted from the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers in issue but not yet effective

As of the date that the consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the above standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 14, 2009, the FSC announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC and SIC (the "IFRSs") endorsed by the FSC.

The Group's consolidated financial statements for the years ended December 31, 2013 is its first IFRS consolidated financial statements. The date of transition to IFRSs was January 1, 2012. Refer to Note 38 for the impact of IFRS conversion on the Group's consolidated financial statements.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The opening consolidated balance sheets as of the date of transition to IFRSs were prepared in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The applicable IFRSs have been applied retrospectively by the Group except for some aspects where IFRS 1 prohibits retrospective application or grants optional exemptions to this general principle. For the exemptions that the Group elected, refer to Note 38.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2) Subsidiary included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012	Remark
Catcher Technology Co., Ltd.	Nanomag International Co., Ltd.	Investing activities	100	100	100	
	Gigamag Co., Ltd.	Investing activities	100	100	100	
	Kryokey Co., Ltd.	Research and development	-	-	30	(a)
	Amity Capital Inc.	Investing activities	100	100	100	
	I-Catcher Optoelectronics Corp.	Manufacturing and selling molds and electronic parts	100	99.8	99.8	(b)
Nanomag International Co., Ltd.	Castmate International Co., Ltd.	Investing activities	100	100	100	
	Gemini International Co., Ltd.	Investing activities	100	100	100	
	Stella International Co., Ltd.	Investing activities	100	100	100	
	Uranus International Co., Ltd.	Investing activities	100	100	100	
	Artery Co., Ltd.	Investing activities	100	100	100	
	Aquila International Co., Ltd.	Investing activities	75	75	75	
	Grus International Co., Ltd.	Investing activities	100	100	100	
	Draco International Co., Ltd.	Investing activities	-	-	100	(c)
	Neat International Co., Ltd.	Investing activities	-	-	100	(d)
Castmate International Co., Ltd.	Castmate International Pte. Ltd.	Investing activities	-	-	100	(e)
	Cygnus International Co., Ltd.	Investing activities	100	100	100	
Cygnus International Co., Ltd.	Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
Gemini International Co., Ltd.	Cetus International Co., Ltd.	Investing activities	-	-	70	(f)
Cetus International Co., Ltd.	WIT Technology (Taizhou) Co., Ltd.	Researching, developing and manufacturing electronic parts	-	-	100	(f)
Stella International Co., Ltd.	Norma International Pte. Ltd.	Investing activities	-	-	100	(e)
	Lyra International Co., Ltd.	Investing activities	100	100	100	
Lyra International Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
	Topo Technology (Taizhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	-	(g)
Uranus International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	100	
	Vito Technology (Suqian) Co., Ltd.	Manufacturing, selling and developing varied metal products	100	100	-	(h)

(Continued)

Investor	Investee	Main Business	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012	Remark
Artery Co., Ltd.	Catcher Technology Phils Inc.	Manufacturing, selling and developing varied metal products	100	100	100	
Aquila International Co., Ltd.	Saturn International Pte. Ltd.	Investing activities	-	-	100	(e)
	Cepheus International Co., Ltd.	Investing activities	100	100	100	
Cepheus International Co., Ltd.	Aquila Technology (Suzhou) Co., Ltd.	Manufacturing and selling molds and electronic parts	100	100	100	
Grus International Co., Ltd.	Sagitta International Co., Ltd.	Investing activities	95	95	93	(i)
Gigamag Co., Ltd.	Hoppi Co., Ltd.	International trade	100	100	100	
	Avatar Co., Ltd.	International trade	100	100	100	
	Leo Co., Ltd.	International trade	100	100	100	
	Orion Co., Ltd.	International trade	100	100	100	

(Concluded)

a) The chairman of Kryokey Co., Ltd. ("Kryokey") is also the chairman of the Company and the Company has effective control over financing, operating and personnel matters of Kryokey; therefore, Kryokey became a consolidated entity. However, in their casual meeting, the stockholders decided to dissolve Kryokey. Kryokey was liquidated in December 2012.

b) The Company purchased 1,000 shares of I-Catcher Optoelectronics Corporation from non-related parties by NT$10,000. Therefore, the ownership increased to 100%.

c) Draco International Co., Ltd. was liquidated and dissolved in August 2012.

d) Neat International Co., Ltd. was liquidated and dissolved in December 2012.

e) Castmate International Pte. Ltd., Norma International Pte. Ltd. and Saturn International Pte. Ltd. were liquidated in August 2012 and dissolved in April 2013.

f) Cetus International Co., Ltd. had decided to dissolve WIT Technology in February 2012, and WIT Technology was liquidated in June 2012. Besides, Cetus International Co., Ltd. was liquidated and dissolved in January 2013.

g) Lyra International Co., Ltd. incorporated Topo Technology (Taizhou) Co., Ltd. (a 100% owned subsidiary) in June 2012 in China.

h) Uranus International Co., Ltd. incorporated Vito Technology (Suqian) Co., Ltd. (a 100% owned subsidiary) in July 2012 in China.

i) In August 2012, Grus increased investment in Sagitta by NT$232,206 thousand (US$7,747 thousand) at a percentage different from current percentage of ownership in the investee. The ownership increased from 93% to 95%, with a corresponding amount credited to capital surplus, the amount was NT$1,464 thousand.

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries and associates in other countries currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, supplies, merchandise, finished goods, semi-finished goods and work-in-process. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made item by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost.

g. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of equity of associates.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2) Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

k. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset.

ii Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

iii Loans and receivables

Loans and receivables (including accounts receivales, cash and cash equivalents, and debt investment with no active market trade and others) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as accounts receivable, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is 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.

For financial assets measured at amortized cost, 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 was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty; breach of contract, such as a default or delinquency in interest or principal payments; it becoming probable that the borrower will enter bankruptcy or financial re-organization; the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of account receivables where the carrying amount is reduced through the use of an allowance account. When a account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible account receivables that are written off again the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income in equity is recognized in profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for the financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 31.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid , including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to capital surplus - share premium. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premium.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enter into a variety of derivative financial instruments to manage it exposure to foreign exchange rate risk, mainly including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

m. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

1) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

3) The amount of revenue can be measured reliably;

4) It is probable that the economic benefits associated with the transaction will flow to the Group; and

5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Sales of goods are recognized when goods are delivered and title has been passed.

n. Leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred.

2) The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

3) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, lease interest of land under operating leases is amortized over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as a deduction from the carrying amount of the relevant asset and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

q. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current years' tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies as described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated impairment of account receivables

When there is objective evidence of impairment loss, the Group take into consideration the estimation of future cash flows. 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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Useful lives of property, plant and equipment

As described in Note 4, the Group reviews the estimated useful lives of property, plant and equipment and investment properties at each balance sheet date. The useful lives of property, plant and equipment and investment properties are determined on the basis of the expected usage of the asset, the expected physical wear and tear, technical or commercial obsolescence, and legal or similar limits on the use of the asset, which may result in significant adjustments.

Income taxes

As of December 31, 2013, December 31, 2012, and January 1, 2012, the Company's management resolved that the unappropriated retained earnings of overseas subsidiaries as of December 31, 2013 will be used for permanent investment to support subsidiaries' operating fund; this was approved by the board of directors on February 6, 2014. Therefore, no deferred income tax liabilities were recognized on the subsidiaries' unappropriated earnings. If the retained earning of overseas subsidiaries will be appropriated in the future, a material recognition of deferred tax liability may arise, which would be recognized in profit or loss for the period in which such appropriation takes place.

6. CASH AND CASH EQUIVALENTS

	December 31, 2013	December 31, 2012	January 1, 2012
Cash on hand	$ 6,728	$ 3,515	$ 3,186
Savings accounts in the banks	5,402,285	10,019,214	9,576,745
Cash Equivalents			
Time deposits with original maturities less than three months	33,307,068	34,733,177	25,297,371
Repurchase agreements	662,281	643,629	661,586
Travel check	-	-	2,964
	$ 39,378,362	$ 45,399,535	$ 35,541,852

The range of interest rates of time deposit and repurchase agreements were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Time deposit	0.07% - 4.13%	0.32% - 4.51%	0.01% - 5.19%
Repurchase agreements	1.30% - 1.50%	1.30% - 1.50%	1.30% - 1.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets at FVTPL- current			
Financial assets designated as at FVTPL			
Convertible bonds	$ 20,640	$ -	$ -
Financial assets held for trading			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	-	-	117,765
Put and call option for convertible bonds	1,447	-	-
	$ 22,087	$ -	$ 117,765
Financial liabilities at FVTPL - current			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	$ -	$ -	$ 1,468
Put and call option for convertible bonds	-	37,772	48,040
	$ -	$ 37,772	$ 49,508

At the end of reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2013 and 2012

There was no outstanding foreign exchange forward contract as of December 31, 2013 and 2012.

January 1, 2012

	Currency	Maturity Period	Contract Amount (In Thousands)
Sell	US$/NT$	2012.1~2012.3	US$ 20,000/NT$ 604,542
Sell	US$/RMB	2012.1~2012.7	US$255,000/RMB 1,628,586

The Group entered into foreign exchange forward contracts during 2012 to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Current			
Mutual funds	$ -	$ 882,881	$ 1,285,178
Listed convertible bonds	49,975	54,480	58,143
	$ 49,975	$ 937,361	$ 1,343,321
Non-current			
Private-placement domestic of listed shares	$ -	$ 84,446	$ 68,230
Emerging market shares	-	15,388	11,893
	$ -	$ 99,834	$ 80,123

In April 2013, the Company disposed of the investment in Giantplus Technology Co., Ltd (Giantplus) for NT$94,564 thousand (NT$9.3 per share). The gains of this disposal was NT$5,427 thousand and recognized as non-operating income and expenses-other gains and losses.

In August 2013, Asia Pacific Telecom Co., Ltd. listed its shares on the Taiwan Stock Exchange (TSE) from emerging market.

In October 2013, the Company disposed of the investment in Asia Pacific Telecom Co., Ltd. for NT$21,704 thousand. The gains of this disposal was NT$6,316 thousand and recognized as non-operating income and expenses-other gains and losses.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31, 2013	December 31, 2012	January 1, 2012
Current			
Time deposits with original maturity more than 3 months	$ 3,192,697	$ 326,080	$ 4,655,979
Non-current			
Time deposits with original maturity more than 3 months	$ -	$ -	$ 244,698
The range of interest rates	0.85% - 3.30%	0.48% - 3.30%	0.45% - 3.85%

Refer to Note 33 for information relating to debt investments with no active market pledged as security.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2013	December 31, 2012	January 1, 2012
Notes receivable			
Notes receivable - operating	$ 560	$ 30	$ -
Accounts receivable			
Accounts receivable - operating	$ 17,518,034	$ 15,186,206	$ 12,331,275
Less: Allowance for impairment loss	13,243	12,980	8,438
	$ 17,504,791	$ 15,173,226	$ 12,322,837

The average credit period on sales of goods was 30 to 180 days. Allowance for impairment loss were based on estimated irrecoverable amounts individually determined by reference to an analysis of their current financial position.

For the accounts receivable balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging schedule which based on the invoice date of receivables that were past due but not impaired was as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
91 to 120 days	$ -	$ 447,031	$ 11,526
121 to 150 days	63	-	-
151 to 180 days	77,728	803	3,982
181 to 240 days	2,244	8,693	4,154
More than 241 days	10,657	4,622	43,803
	$ 90,692	$ 461,149	$ 63,465

Movement in the allowance for impairment loss recognized on accounts receivable was as follows:

	Year Ended December 31	
	2013	2012
Balance at January 1	$ 12,980	$ 8,438
Impairment losses recognized on receivables	-	4,659
Effect of exchange rate changes	263	(117)
Balance at December 31	$ 13,243	$ 12,980

Accounts receivable of the Group's concentration of credit risk were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Custom A	$ 4,426,781	$ -	$ -
Custom B	3,182,890	2,309,064	-
Custom C	3,170,420	4,099,246	2,265,861
Custom D	2,187,521	1,239,358	3,085,217
Custom E	1,838,494	3,556,265	1,405,174

11. INVENTORIES

	December 31, 2013	December 31, 2012	January 1, 2012
Merchandise	$ 44,834	$ 33,759	$ 11,148
Finished goods	1,789,684	794,184	837,556
Work in process and semi - finished goods	1,337,452	1,200,323	1,282,307
Raw materials and supplies	701,203	420,828	406,869
	$ 3,873,173	$ 2,449,094	$ 2,537,880

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2013 and 2012 was NT$24,927,960 thousand and NT$20,987,914 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2012 included inventory write-downs of NT$6,502 thousand.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in associates	December 31, 2013	December 31, 2012	January 1, 2012
Listed companies			
Epileds Technology Inc. ("Epileds")	$ 142,973	$ 142,517	$ 140,425
Sinher Technology Co., Ltd. ("Sinher")	524,881	-	-
Unlisted companies			
Chaohu Yunhai Magnesium Co., Ltd. ("Chaohu Yunhai")	999,897	1,004,046	801,523
Sinher Technology Co., Ltd. ("Sinher")	-	435,635	360,159
Kon-Cheng Accuracy Co., Ltd. (Kon-Cheng)	60,852	49,600	53,079
Yue-Kang Heath Control Technology Inc. ("Yue-Kang")	2,080	1,927	1,056
	$ 1,730,683	$ 1,633,725	$ 1,356,242

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Epileds	7.3%	7.3%	7.3%
Sinher	22.8%	27.2%	27.3%
Chaohu Yunhai	49%	49%	49%
Kon-Cheng	40%	40%	40%
Yue-Kang	40%	40%	40%

The Group can exercise significant influence over Epileds because the chairman of the Group was elected as the chairman of Epileds and the Company appointed two out of the seven directors of that company.

In May 2013, the Company subscribed for newly issued shares of Sinher at a percentage different from its pre-subscription percentage of ownership and also disposed of some stocks of Sinher. Therefore, the ownership decreased to 24.3% and the Company credited to capital surplus the amount of NT$54,843 thousand. Besides, the Company disposed of some stocks of Epileds during 2013; thus, the ownership decreased to 22.8%.

Fair values of investments in associates for which there are published price quotation are summarized as follows, based on the closing price of those investments at the balance sheet date. Sinher listed its shares on Taiwan Stock Exchange (TSE) from June, 2013.

	December 31, 2013	December 31, 2012	January 1, 2012
Epileds	$ 175,964	$ 173,760	$ 195,067
Sinher	$ 1,010,597	$ -	$ -

The summarized financial information in respect of the Group's associates is set out below:

	December 31, 2013	December 31, 2012	January 1, 2012
Total assets	$ 10,209,878	$ 7,773,480	$ 6,684,589
Total liabilities	$ 3,749,007	$ 2,026,161	$ 1,660,174

	Year Ended December 31	
	2013	2012
Revenue	$ 5,088,273	$ 3,794,781
Profit for the year	$ 352,006	$ 482,748
Other comprehensive income (loss)	$ 23,394	$ (31,590)

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2013 and 2012 were based on the associates' financial statements audited by auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Transportation equipment	Furniture and fixtures	Miscellaneous equipment	Leasehold improvement	Construction in progress and equipment to be inspected	Total
Cost									
Balance at January 1, 2012	$ 1,752,262	$ 7,099,927	$ 26,714,711	$ 66,456	$ 731,270	$ 642,677	$ 8,991	$ 468,436	$ 37,484,730
Additions	-	434,881	4,189,534	16,820	247,665	142,479	141	1,809,901	6,841,421
Disposals	-	(99,342)	(51,900)	(1,523)	(7,288)	(58,364)	-	-	(218,417)
Reclassification	427,062	648,114	1,426,249	-	-	22,935	-	(506,367)	2,017,993
Effect of foreign currency exchange differences	-	(257,276)	(3,673,869)	(5,777)	(52,757)	(31,132)	(348)	(47,327)	(4,068,486)
Balance at December 31, 2012	$ 2,179,324	$ 7,826,304	$ 28,604,725	$ 75,976	$ 918,890	$ 718,595	$ 8,784	$ 1,724,643	$ 42,057,241
Accumulated depreciation									
Balance at January 1, 2012	$ -	$ 1,697,020	$ 7,064,900	$ 41,252	$ 417,283	$ 328,783	$ 6,964	$ -	$ 9,556,202
Depreciation	-	(99,341)	(30,970)	(1,392)	(3,615)	(73,795)	-	-	(209,113)
Disposals	-	517,229	3,410,580	11,589	136,887	153,714	528	-	4,230,527
Effect of foreign currency exchange differences	-	(66,174)	(2,221,340)	(5,000)	(34,498)	(7,945)	(275)	-	(2,335,232)
Balance at December 31, 2012	$ -	$ 2,048,734	$ 8,223,170	$ 46,449	$ 516,057	$ 400,757	$ 7,217	$ -	$ 11,242,384
Carrying amounts at January 1, 2012	$ 1,752,262	$ 5,402,907	$ 19,649,811	$ 25,204	$ 313,987	$ 313,894	$ 2,027	$ 468,436	$ 27,928,528
Carrying amounts at December 31, 2012	$ 2,179,324	$ 5,777,570	$ 20,381,555	$ 29,527	$ 402,833	$ 317,838	$ 1,567	$ 1,724,643	$ 30,814,857
Cost									
Balance at January 1, 2013	$ 2,179,324	$ 7,826,304	$ 28,604,725	$ 75,976	$ 918,890	$ 718,595	$ 8,784	$ 1,724,643	$ 42,057,241
Additions	-	361,917	3,328,997	8,516	411,825	172,047	289	2,848,627	7,132,218
Disposals	-	(268,645)	(55,947)	(8,136)	(23,662)	(46,121)	-	-	(402,511)
Reclassification	-	1,736,120	2,101,645	-	-	27,856	-	(1,744,764)	2,120,857
Effect of foreign currency exchange differences	-	252,529	319,220	3,698	55,220	23,237	514	111,126	765,544
Balance at December 31, 2013	$ 2,179,324	$ 9,908,225	$ 34,298,640	$ 80,054	$ 1,362,273	$ 895,614	$ 9,587	$ 2,939,632	$ 51,673,349
Accumulated depreciation									
Balance at January 1, 2013	$ -	$ 2,048,734	$ 8,223,170	$ 46,449	$ 516,057	$ 400,757	$ 7,217	$ -	$ 11,242,384
Depreciation	-	(268,295)	(41,105)	(7,565)	(23,440)	(46,121)	-	-	(386,526)
Disposals	-	669,081	4,158,380	9,508	161,501	173,887	545	-	5,172,902
Effect of foreign currency exchange differences	-	119,626	577,776	2,020	29,800	11,798	429	-	741,449
Balance at December 31, 2013	$ -	$ 2,569,146	$ 12,918,221	$ 50,412	$ 683,918	$ 540,321	$ 8,191	$ -	$ 16,770,209
Carrying amounts at December 31, 2013	$ 2,179,324	$ 7,339,079	$ 21,380,419	$ 29,642	$ 678,355	$ 355,293	$ 1,396	$ 2,939,632	$ 34,903,140

The above items of property, plant and equipment were depreciated on a straight-line basis over the estimated useful life of the asset:

Building	
Main building	20 - 50 years
Mechanical and electrical power equipment	2 - 5 years
Engineering systems	2 - 8 years
Machinery and equipment	2 - 10 years
Transportation equipment	5 years
Furniture and fixtures	2 - 10 years
Miscellaneous equipment	2 - 15 years
Leasehold improvements	4 - 5 years

Refer to Note 33 for the carrying amount of property, plant and equipment pledged by the Group to secure bank loans granted to the Group.

14. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2012, and December 31, 2012	$ 203,363	$ 155,225	$ 358,588
Accumulated depreciation			
Balance at January 1, 2012	$ -	$ 87,512	$ 87,512
Depreciation expense	-	5,627	5,627
Balance at December 31, 2012	$ -	$ 93,139	$ 93,139
Carrying amounts at January 1, 2012	$ 203,363	$ 67,713	$ 271,076
Carrying amounts at December 31, 2012	$ 203,363	$ 62,086	$ 265,449
Cost			
Balance at January 1, 2013, and December 31, 2013	$ 203,363	$ 155,225	$ 358,588
Accumulated depreciation			
Balance at January 1, 2013	$ -	$ 93,139	$ 93,139
Depreciation expense	-	5,618	5,618
Balance at December 31, 2013	$ -	$ 98,757	$ 98,757
Carrying amounts at December 31, 2013	$ 203,363	$ 56,468	$ 259,831

The investment properties held by the Group were depreciated over their estimated useful lives, using the straight-line method:

Main buildings	25 - 35 years
Elevators	15 years
Heat radiation system	5 years

The fair value of the Company's investment properties as of December 31, 3013, December 31, 2012 and January 1, 2012 was $413,462 thousand. The fair value had been arrived at on the basis of a valuation carried out at that date by CCIS Real Estate Appraisers Firm, independent qualified professional values not connected to the Group. The fair value of land was measured using the sales comparison approach and income approach; the fair value of buildings was measured using the cost comparison approach. Since the valuation of land was measured by comparing with the market value in last year and there was no huge movement of rents and the usage of the buildings during this period, neither was the fair value of the investment properties.

Refer to Note 33 for the carrying amount of investment property pledged by the Group to secure bank loans granted to the Group.

15. OTHER INTANGIBLE ASSETS

	Computer software
Cost	
Balance at January 1, 2012	$ 210,707
Additions	6,071
Effect of foreign currency exchange differences	(7,312)
Balance at December 31, 2012	$ 209,466
Accumulated amortization	
Balance at January 1, 2012	$ 109,082
Amortization expense	25,421
Effect of foreign currency exchange differences	(4,006)
Balance at December 31, 2012	$ 130,497
Carrying amounts at January 1, 2012	$ 101,625
Carrying amounts at December 31, 2012	$ 78,969
Cost	
Balance at January 1, 2013	$ 209,466
Additions	47,446
Effect of foreign currency exchange differences	11,470
Balance at December 31, 2013	$ 268,382
Accumulated amortization	
Balance at January 1, 2013	$ 130,497
Amortization expense	28,361
Effect of foreign currency exchange differences	6,969
Balance at December 31, 2013	$ 165,827
Carrying amounts at December 31, 2013	$ 102,555

The above items of other intangible assets were depreciated on a straight-line basis over the estimated useful life of 2 to 10 years.

16. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31, 2013	December 31, 2012	January 1, 2012
Current asset	$ 17,812	$ 15,601	$ 10,889
Non-current asset	770,070	682,315	419,102
	$ 787,882	$ 697,916	$ 429,991

In April 2000, the Company obtained the usage right of the land on which its buildings are situated under an agreement with Taiwan Sugar Corporation which will expire in 2050. The annual rental is 10% of the government appraised price of the land. The Company is required to pay for the land use right every twenty years, as determined by the government. As of December 31, 2103, December 31, 2012 and January 1, 2012, prepaid lease payments include land use right with carrying amount of NT$ 6,847 thousand, NT$ 7,928 thousand and NT$ 9,009 thousand, respectively.

Catcher Suzhou, Topo Suzhou and Meeca Suzhou obtained the usage rights on the land on which their buildings stand under agreements with the Suzhou Industrial Park, Catcher Suqian and Vito Suqian obtained the usage rights on the land on which their buildings stand under agreements with the Suzhou Suqian Industrial Park , and Topo obtained the usage rights on the land on which their buildings stand under agreements with the Bureau of Land Resources Taizhou which will expire in succession before 2082. The rights were paid in the year the agreement was signed. As of December 31, 2103, December 31, 2012 and January 1, 2012, prepaid lease payments include land use right with carrying amount of NT$781,035 thousand, NT$689,988 thousand and NT$420,982 thousand, respectively, which are located in Mainland China.

17. OTHER ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Current			
VAT retained	$ 615,725	$ 1,553,066	$ 695,240
Prepayments to suppliers	58,977	38,996	215,095
Refundable deposits	9,419	11,923	7,921
Others	212,502	441,892	286,247
	$ 896,623	$ 2,045,877	$ 1,204,503
Non-current			
Prepaid equipment	$ 862,517	$ 564,657	$ 854,275
Refundable deposits	8,058	18,501	18,341
Others	851	-	10,243
	$ 871,426	$ 583,158	$ 882,859

18. BORROWINGS

a. Short-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Secured borrowings			
Bank secured loans	$ 2,682,450	$ 19,400,999	$ 5,026,302
Unsecured borrowings			
Bank unsecured loans	13,473,205	5,038,800	6,357,750
Bank usance letters of credit	-	-	5,656,139
	13,473,205	5,038,800	12,013,889
	$ 16,155,655	$ 24,439,799	$ 17,040,191

Annual interest rate of short-term borrowings as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Bank secured loans	1.2% - 2.31%	0.71% - 1.8%	0.5544% - 1.25%
Bank unsecured loans	0.91% - 1.85%	1.091% - 1.56%	0.888% -2.41%
Bank usance letters of credit	-	-	0.5893% - 1.35%

b. Long-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Secured borrowings (Note 33)			
Bank mortgage loans	$ 1,000,000	$ 1,606,667	$ 2,306,667
Unsecured borrowings			
Bank loans	-	2,095,625	2,617,340
	1,000,000	3,702,292	4,924,007
Less: current portion	1,000,000	839,417	953,255
	$ -	$ 2,862,875	$ 3,970,752

Long-term borrowings of the Group including:

	Mature date	Repaying conditions	Annual interest rates	December 31, 2013	December 31, 2012	January 1, 2012
Floating - rates bank borrowings:						
Bank unsecured loans in JPY	May 2014	Repayable in May 2014	1.	$ -	$ 1,036,041	$ 2,545,870
Bank secured loans in NTD	April 2014	Repayable in April 2014	2.	1,000,000	1,000,000	1,000,000
Bank secured loans in NTD	August 2013	Repayable in 48 equal monthly installments starting September 2009	3.	-	156,667	406,667
Bank secured loans in NTD	December 2013	Repayable in 48 equal monthly installments starting January 2010	4.	-	450,000	900,000
Bank unsecured loans in JPY	May 2014	Repayable in May 2014	5.	-	1,059,584	-
Bank unsecured loans in NTD	February 2012	Repayable in February 2012	6.	-	-	71,470
				$ 1,000,000	$ 3,702,292	$ 4,924,007

1) Repaid the loan earlier in May 2013 in full, interest rate at 0.53371% - 0.68229% and 0.53844% - 0.9975%, as of December 31, 2012 and January 1, 2012, respectively.

2) Interest rate at 1.254%, 1.253% and 1.244%, as of December 31, 2013, December 31, 2012 and January 1, 2012 , respectively.

3) Interest rate at 1.086% and 1.055%, s of December 31, 2012 and January 1, 2012, respectively.

4) Interest rate at 1.088% and 1.061%, s of December 31, 2012 and January 1, 2012, respectively.

5) Repaid the loan earlier in June 2013, interest rate at 0.89085% - 0.91285%.

6) Interest rate at 0.73906%.

19. BONDS PAYABLE

	December 31, 2013	December 31, 2012	January 1, 2012
First Domestic Unsecured Bond	$ -	$ -	$ 6,218
Second Domestic Unsecured Bond	3,492,625	3,487,922	3,435,604
	3,492,625	3,487,922	3,441,822
Less: Current portion	3,492,625	3,487,922	-
	$ -	$ -	$ 3,441,822

First Domestic Unsecured Bond

In December 2009, the Company issued five-year (maturity date of December 8, 2014) domestic unsecured convertible bonds at par value of NT$5,000,000 thousand, zero coupon rate and effective interest at 1.5%. Upon maturity, the Company should redeem the remaining bonds at their face value. All of the bonds had been converted into the Company's common shares before June 2012. The bonds were deemed as compound financial instruments. The compound financial instruments were separated and presented as follows:

	January 1, 2012
Liability component	
Unsecured bonds payable	$ 6,500
Deduct: Discount of bonds payable (1.5% effective rate)	282
	$ 6,218
Equity component	
Capital surplus - stock option of convertible bonds	$ 378

Except as provided below, the bondholders are entitled to convert the convertible bonds into common stocks of the Company from next month after the issuance date to ten days before the maturity date. The conversion price was NT$106.73 per share.

Periods restricted for conversion:

a. Period from at least fifteen trading days prior to the non-transferring declaration date of stock dividends, cash dividends or capital increase by cash contribution to the granted date of the distribution of dividends;

b. Period from the granted date of capital reduction to one trading day prior to replacement of old share certificates by new ones;

c. Other stipulated non-transferring periods.

After issuing the bonds, conversion prices should be adjusted if the Company increases capital by contributing cash, stock dividends, capital surplus, employees' bonus, consolidation or acquisition, stock split and issuing of GDR, etc., except stock issued from exercise of conversion option of bonds. The conversion price was adjusted to NT$102.06 per share because of cash dividends for 2011 and 2010.

The bondholders can request the Company to redeem at 101.0025% of par value (0.5% effective rate) on December 8, 2011 (the day after two years from issuance date). The bondholders can exercise put option within one year; therefore the Company reclassified bonds payable as current liability as of December 31, 2010. However, the bondholders had not exercised put option on that day; thus, the Company reclassified bonds payable as noncurrent as of December 31, 2011.

The convertible bonds may be redeemed at par value under the following conditions:

a. Between June 9, 2010 and October 29, 2014, if the closing price of the Company's stock reaches 130% of the conversion price for 30 consecutive trading days.

b. Between June 9, 2010 and October 29, 2014, the outstanding balance is lower than 10% of the original issuance amounts.

As of June 30, 2012, bonds with aggregate face value of NT$5,000,000 thousand had been converted into the Company's common shares as follows:

	January 1, 2012	Year Ended December 31, 2012	December 31, 2012
The total amount of bonds converted	$ 4,993,500	$ 6,500	$ 5,000,000
Less: Common shares at conversion price of NT$103.81	477,085	-	477,085
Less: Common shares at conversion price of NT$102.06	3,997	637	4,634
Premium on conversion	4,512,418	5,863	4,518,281
Add: Capital surplus - stock option of convertible bonds	290,531	378	290,909
Financial liabilities at FVTPL	1,298	-	1,298
Less: Discount of bonds payable	261,335	270	261,605
The portion of issued common stock recognized as capital surplus - bond conversion premium	$ 4,542,912	$ 5,971	$ 4,548,883

The above 48,172 thousand common shares were issued to the bondholders and recorded as common stock amounting to NT$481,719 thousand. The registration process of the above common shares with the government had been completed.

Second Domestic Unsecured Bond

On April 27, 2011, the Company issued five-year (maturity date of April 27, 2016) domestic unsecured convertible bonds at par value of NT$4,500,000 thousand, zero coupon rate and effective interest at 1.2%. Upon maturity, the Company should redeem the remaining bonds at their face value. The bonds were deemed as compound financial instruments. The compound financial instruments were separated and presented as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Liability component			
Unsecured bonds payable	$ 3,617,100	$ 3,667,200	$ 3,667,200
Deduct: Discount of bonds payable (1.2% effective rate)	124,475	179,278	231,596
	$ 3,492,625	$ 3,487,922	$ 3,435,604
Financial assets (liabilities) held for trading: Call and put option	$ 1,447	$ (37,772)	$ (48,040)
Equity component			
Capital surplus - stock option of convertible bonds	$ 212,810	$ 215,758	$ 215,758

Except as provided below, the bondholders are entitled to convert the convertible bonds into common stocks of the Company from next month after the issuance date to ten days before the maturity date. The original conversion price was NT$202 per share.

Periods restricted for conversion:

a. Period from at least fifteen trading days prior to the non-transferring declaration date of stock dividends, cash dividends or capital increase by cash contribution to the granted date of the distribution of dividends;

b. Period from the granted date of capital reduction to one trading day prior to replacement of old share certificates by new ones;

c. Other stipulated non-transferring periods.

After issuing the bonds, conversion prices should be adjusted if the Company increases capital by contributing cash, stock dividends, capital surplus, employees' bonus, consolidation or acquisition, stock split and issuing of GDR, etc., except stock issued from exercise of conversion option of bonds. The conversion price was adjusted to NT$184.22 per share because of cash dividends for 2010 to 2013.

The bondholders can request the Company to redeem at 101.5056% of par value (0.75% effective rate) and 102.2669% on April 27, 2013 (the day after two years from issuance date) and 2014 (the day after three years from issuance date), respectively. The bondholders can exercise put option within one year; therefore, the Company reclassified bonds payable as current liability as of December 31, 2012.

The convertible bonds may be redeemed at par value under the following conditions:

a. Between October 28, 2011 and March 18, 2016, if the closing price of the Company's stock reaches 130% of the conversion price for 30 consecutive trading days.

b. Between October 28, 2011 and March 18, 2016, the outstanding balance is lower than 10% of the original issuance amounts.

In accordance with IAS No. 32, the Company has bifurcated the bonds into a liability component and an equity component.

In the April 2011, the Company recognized NT$264,756 thousand as capital surplus - stock option of convertible bonds.

The Company recognized the related valuation gain of NT$38,758 thousand and NT$10,268 thousand as other gains and losses on consolidate statements of comprehensive income for the year ended December 31, 2013 and 2012, respectively.

In April 2013, the Company redeemed the bonds with face value NT$50,100 thousand, the amount of redemption was NT$ 50,854 and attribute to liability component. The difference between the face value and the redemption was the loss on redemption (included in non-operating income and expenses- other gains and losses); meanwhile, the Company transferred the invalid stock option of NT$2,948 thousand from capital surplus- stock option of convertible bonds to additional paid- in capital from issuance of common shares).

As of December 31, 2013, bonds with aggregate face value of NT$832,800 thousand had been converted into the Company's common shares as follows:

The total amount of bonds converted	$ 832,800
Less: Common shares at conversion price of NT$202	41,227
Premium on conversion	791,573
Add: Capital surplus - stock option of convertible bonds	48,998
Financial liabilities at FVTPL	3,097
Less: Discount of bonds payable	57,184
The portion of issued common stock recognized as capital surplus - bond conversion premium	$ 786,484

As of December 31, 2013, the above 4,123 thousand common shares were issued to the bondholders and recorded as common stock amounting to NT$41,227 thousand. The registration process of the above common shares with the government had been completed.

20. NOTES PAYABLE AND ACCOUNTS PAYABLE

Both notes payable and accounts payable were resulted from operating.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. OTHER LIABILITIES

	December 31, 2013	December 31, 2012	January 1, 2012
Current			
Other payables			
Payable for purchase of equipment	$ 286,602	$ 396,087	$ 587,360
Salaries or bonus	2,195,191	1,958,575	1,703,421
Bonus to employees	160,255	156,900	193,839
Payable for annual leave	63,858	50,503	44,531
Payable for utilities	29,276	45,229	59,851
Payable for commission fee	33,668	45,382	23,799
Payable for meal	56,695	25,717	64,796
Payable for labor and health insurance	24,659	16,641	18,035
Payable for shipping expenses and warehousing	38,409	27,698	21,300
Payable for interest	8,176	15,538	23,994
Others	768,695	306,699	374,339
	$ 3,665,484	$ 3,044,969	$ 3,115,265
Other liabilities			
Guarantee deposits received	$ 161,497	$ 204,880	$ 39,426
Others	151,463	123,253	181,775
	$ 312,960	$ 328,133	$ 221,201

(Continued)

	December 31, 2013	December 31, 2012	January 1, 2012
Non-Current			
Other liabilities			
Guarantee deposits received	$ 6,764	$ 16,224	$ 31,485

(Concluded)

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The Company adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualifying actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Discount rate	2.000%	1.625%	1.75%
Expected return on plan assets	2.000%	1.875%	2.00%
Expected rate of salary increase	2.375%	1.875%	2.00%

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	For the Year Ended December 31	
	2013	2012
Current service cost	$ 2,123	$ 2,043
Interest cost	1,171	974
Expected return on plan assets	(1,307)	(1,335)
	$ 1,987	$ 1,682

(Continued)

	For the Year Ended December 31	
	2013	2012
An analysis by function		
Operating cost	$ 1,326	$ 1,291
Selling and marketing expenses	81	91
General and administration expenses	258	246
Research and development expenses	322	54
	$ 1,987	$ 1,682

(Concluded)

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2013 and 2012 was NT$2,073 thousand and NT$14,064 thousand, respectively. The cumulative amount of actuarial losses recognized in other comprehensive income as of December 31, 2013 and 2012 was NT$11,991 thousand and NT$14,064 thousand, respectively.

The amount included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans was as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of funded defined benefit obligation	$ (71,637)	$ (72,059)	$ (55,665)
Fair value of plan assets	70,783	68,653	65,908
Net assets (liability) arising from defined benefit obligation	$ (854)	$ (3,406)	$ 10,243

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2013	2012
Opening defined benefit obligation	$ 72,059	$ 55,665
Current service cost	2,123	2,043
Interest cost	1,170	974
Actuarial losses (gains)	(3,127)	13,377
Benefits paid	(588)	-
Closing defined benefit obligation	$ 71,637	$ 72,059

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2013	2012
Opening fair value of plan assets	$ 68,653	$ 65,908
Expected return on plan assets	1,307	1,336
Gain (loss) on the plan assets	(424)	(687)
Contributions from the employer	1,835	2,096
Benefits paid	(588)	-
Closing fair of plan assets	$ 70,783	$ 68,653

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31, 2013	December 31, 2012	January 1, 2012
Self-utilization			
Deposits in financial institution	22	22	24
Short-term bills	4	11	8
Government, financial or corporate bonds and securization products	10	11	11
Overseas investment	13	10	8
Others	8	9	10
Domestic delegated management	21	21	23
Overseas delegated management	22	16	16
	100	100	100

The assessment of the overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, by reference to the aforementioned use of the plan assets and the impact of the related minimum return which should not be below the interest rate for a 2-year time deposit with local banks.

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs (Refer to note 38):

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ (71,637)	$ (72,059)	$ (55,665)
Fair value of plan assets	$ 70,783	$ 68,653	$ 65,908
Surplus (Deficit)	$ (854)	$ (3,406)	$ 10,243
Experience adjustments on plan liabilities	$ 3,716	$ (15,077)	$ -
Experience adjustments on plan assets	$ (1,273)	$ (315)	$ -

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31, 2013	December 31, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	$ 1,000,000	$ 1,000,000	$ 1,000,000
Shares authorized	$ 10,000,000	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	$ 750,703.1	$ 750,703.1	$ 750,639.4
Shares issued	$ 7,507,031	$ 7,507,031	$ 7,506,394

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

23,000 thousand shares of the Company's shares authorized was reserved for the issuance of employee share options.

2) Global depositary receipts

In June 2011, the Company increased its capital by listing its shares in the form of Global Depositary Receipts ("GDRs"). Each GDR was issued at US$32.84 and represented 5 common shares. The issued units of GDRs were 6,700 thousand units representing 33,500 thousand common shares. The registration process had been completed.

b. Capital surplus

A reconciliation of the carrying amount at the beginning and at the end of the year ended 2013 and 2012, for each class of capital surplus was as follows:

	Share Premium	**Bond conversion premium**	**Stock option**	**Changes in share from investment in associates accounted for by using equity method**	**Total**
Balance at January 1, 2012	$ 7,457,347	$ 9,239,097	$ 216,136	$ 3,746	$ 16,916,326
Bond conversion	-	5,971	(378)	-	5,593
Adjustment of investments accounted for by using equity method	-	-	-	2,198	2,198
Balance at December 31, 2012	7,457,347	9,245,068	215,758	5,944	16,924,117
Bonds redemption	2,948	-	(2,948)	-	-
Adjustment of investments accounted for by using equity method	-	-	-	50,339	50,339
Balance at December 31, 2013	$ 7,460,295	$ 9,245,068	$ 212,810	$ 56,283	$ 16,974,456

The capital surplus arising from shares issued in excess of par (including share premium from issuance of common shares and conversion of bonds) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from investments accounted for using equity method and stock options may not be used for any purpose.

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that the annual net income should be appropriated as follows:

1) Offset against deficit, if any;

2) 10% of the remainder as legal reserve, until the accumulated amount equals the Company's paid-in capital;

3) Special reserve may be appropriated as required;

4) The remainder, no more than 1% as remuneration to directors; not less than 1% as bonus to employees. The remaining portion plus reversal of special reserve and the accumulated unappropriated earnings generated from prior years should be deemed as the distributable earnings, the distribution plan of which should be proposed by the Board of Directors and approved in the shareholders meeting. The Company may issue stock bonuses to employees of an affiliated company meeting the conditions set by the management and the balance shall be distributed to stockholders as proposed by the board of directors.

The Company is still in the growing stage and is continuing to expand its operation scale considering the viability of economic situation. The board of directors shall focus on the stable and growing dividends in proposing the appropriation of annual earnings. However, the cash dividends shall not be less than 10% of the dividends and the cash dividends shall not be distributed if the dividend per share is less than NT$0.50.

For the years ended December 31, 2013 and 2012, the bonus to employees was NT$124,211 thousand and NT$99,034 thousand representing 1% of net income (net of the bonus to employees and bonus to directors and supervisors). The bonus to directors and supervisors was NT$13,070 thousand and NT$6,785 thousand estimated based on the actual amounts of prior year appropriation. Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. The fair value of the shares refer to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the stockholders’ meeting.

Under Rule No. 100116 and Rule No. 0950000507 issued by the FSC, an amount equal to the net debit balance of shareholders’ other equity items (including exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, and the gain or loss on the hedging instrument relating to the effective portion of cash flow hedge) shall be transferred from unappropriated earnings to a special reserve before any appropriation of earnings generated before January 1, 2012 shall be made. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, on the first-time adoption of IFRSs, a company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the company’s use of exemptions under IFRS 1. However, at the date of transitions to IFRSs, if the increase in retained earnings that resulted from all IFRSs adjustments is not sufficient for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated on the first-time adoption of IFRSs may be used to offset deficits in subsequent years. No appropriation of earnings shall be made until any shortage of the aforementioned special reserve is appropriated in subsequent years if the company has earnings and the original need to appropriate a special reserve is not eliminated. (Please refer to section d. Special reserves appropriated following first-time adoption of IFRSs)

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

Except for non-ROC resident stockholders, all stockholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2012 and 2011 had been approved in the stockholders' meetings on June 13, 2013 and 2012, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share	
	2012	2011	2012	2011
Legal reserve	$ 1,089,048	$ 1,067,723		
Special reserve	-	(858,793)		
Cash dividends	4,504,219	3,753,496	$ 6	$ 5

Bonuses to employees and the remuneration to directors and supervisors for 2012 and 2011 approved in the stockholders' meetings on June 13, 2013 and 2012, respectively, were as follows:

	Year Ended December 31			
	2012		2011	
	Cash	Stock	Cash	Stock
Bonus to employees	$ 99,034	$ -	$ 106,772	$ -
Remuneration to directors and supervisors	6,785	-	3,085	-

The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the years ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China ("ROC GAAP"),, and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (revised) and International Financial Reporting Standards.

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the stockholders' meetings in 2013 and 2012 and the amounts recognized in the financial statements for the years ended December 31, 2012 and 2011.

As of February 6, 2014, the board of directors had not proposed appropriations of earnings for 2013.

Information on the bonus to employees, directors and supervisors proposed by the Company's board of directors or approved by the stockholders' meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

d. Special reserves appropriated following first-time adoption of IFRSs

The Company's special reserves appropriated following first-time adoption of IFRSs were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Special reserve	$ 2,377,902	$ 2,377,902	$ 2,377,902

The Company appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which were NT$11,019 thousand and NT$2,366,883 thousand, respectively.

e. Others equity items

1) Exchange differences on translating foreign operations

	Year Ended December 31	
	2013	2012
Balance at January 1	$ (1,990,002)	$ -
Exchange differences arising on translating the foreign operations	2,780,524	(1,981,403)
Share of exchange difference of associates accounted for using the equity method	6,634	(8,599)
Balance at December 31	$ 797,156	$ (1,990,002)

2) Unrealized gain (loss) on available-for-sale financial assets

	Year Ended December 31	
	2013	2012
Balance at January 1	$ 50,744	$ 249
Unrealized gain arising on revaluation of available-for-sale financial assets	(187)	57,445
Cumulative (gain) loss reclassified to profit or loss on sale of available-for-sale financial assets	(36,480)	(6,950)
Balance at December 31	$ 14,077	$ 50,744

24. REVENUE

	Year Ended December 31	
	2013	2012
Revenue from the sale of goods	$ 43,225,982	$ 37,010,625
Rental income from property	19,568	18,173
	$ 43,245,550	$ 37,028,798

25. PROFIT BEFORE INCOME TAX

The details of profit before tax were as follows:

a. Other income

	Year Ended December 31	
	2013	2012
Government grants	$ 290,733	$ 148,685
Recycling income	62,280	11,425
Others	288,209	106,850
	$ 641,222	$ 266,960

b. Other gains and losses

	Year Ended December 31	
	2013	2012
Net gain(loss) arising on financial assets and liabilities at FVTPL	$ 39,358	$ (5,953)
Gain on disposal of investments	78,015	6,950
Others	(4,352)	(11,449)
	$ 113,021	$ (10,452)

c. Interest expense

	Year Ended December 31	
	2013	2012
Interest on bank loans	$ 254,345	$ 265,548
Interest on convertible bonds	52,593	52,330
Total interest expense for financial liabilities measured at amortized cost	306,938	317,878
Less: Amounts included in the cost of qualifying assets	15,525	15,332
	$ 291,413	$ 302,546

Information about capitalized interest was as follows:

	Year Ended December 31	
	2013	2012
Capitalized interest	$ 15,525	$ 15,332
Capitalization rate	1.4209% - 1.82%	1.146% - 1.557%

d. Depreciation and amortization

	Year Ended December 31	
	2013	2012
Property, plant and equipment	$ 5,172,902	$ 4,230,527
Investment property	5,618	5,627
Intangible assets and prepayments for lease	46,691	38,931
Total	$ 5,225,211	$ 4,275,085
An analysis of depreciation by function		
Operating costs	$ 4,821,700	$ 3,926,129
Operating expenses	356,820	310,025
	$ 5,178,520	$ 4,236,154

(Continued)

	Year Ended December 31	
	2013	2012
An analysis of amortization by function		
Operating costs	$ 10,443	$ 9,662
Selling and marketing expenses	17	32
General and administrative expenses	29,151	22,357
Research and development expenses	7,080	6,880
	$ 46,691	$ 38,931

(Concluded)

e. Employee benefits expense

	Year Ended December 31	
	2013	2012
Short-term employee benefits		
Salaries	$ 8,755,743	$ 7,515,496
Labor and health insurance	125,026	94,176
Others	902,355	612,229
	9,783,124	8,221,901
Post-employment benefits (refer to Note 22)		
Defined contribution plans	688,194	597,773
Defined benefit plans	1,987	1,682
	690,181	599,455
	$ 10,473,305	$ 8,821,356
An analysis of employee benefits expense by function		
Operating costs	$ 8,081,158	$ 6,656,767
Operating expenses	2,392,147	2,164,589
	$ 10,473,305	$ 8,821,356

f. Gain or loss on foreign currency exchange

	Year Ended December 31	
	2013	2012
Foreign exchange gains	$ 10,969,766	$ 9,220,608
Foreign exchange losses	(8,534,388)	(8,145,652)
	$ 2,435,378	$ 1,074,956

26. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense (income) were as follows:

	For the Year Ended December 31	
	2013	2012
Current tax		
In respect of the current year	$ 4,337,088	$ 3,179,768
In respect of prior periods	74,419	(2,373)
	4,411,507	3,177,395
Deferred tax		
In respect of the current year	(700,352)	(63,370)
Income tax expense recognized in profit or loss	$ 3,711,155	$ 3,114,025

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2013	2012
Profit before income tax	$ 17,528,275	$ 13,943,983
Income tax expense calculated at the statutory rate	$ 3,144,005	$ 2,184,579
Add (deduct) tax effects of:		
Temporary differences		
Depreciation	(83,238)	(4,685)
Others	3,872	(2,703)
Permanent differences		
Withholding tax on remittance of earnings	99,557	245,712
Amortization of discount on bonds payable	8,941	8,896
Tax-exempt income	(10,384)	(10,856)
Unrealized valuation gain on financial instruments	(6,769)	(1,746)
Others	10,154	18,781
Additional income tax on unappropriated earnings	529,722	671,480
Research and development tax credits from China	(52,603)	(52,110)
Tax - exempt income	(7,150)	(11,699)
Deferred income tax expense		
Temporary differences	-	71,750
Adjustments for prior years' tax	74,419	(2,373)
Effects of exchange rate changes	629	(1,001)
Income tax expense recognized in profit or loss	$ 3,711,155	$ 3,114,025

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2014 appropriations of earnings is uncertain, the potential income tax consequences of 2013 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31 2013	2012
Deferred tax		
In respect of the current year:		
Actuarial gains and losses on defined benefit plan	$ (460)	$ 579

c. Current tax assets and liabilities

	December 31, 2013	December 31, 2012	January 1, 2012
Current tax assets			
Tax refund receivable	$ 149,397	$ 28	$ 17
Current tax liabilities			
Income tax payable	$ 2,165,528	$ 1,275,657	$ 1,119,544

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2013

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred Tax Assets					
Provision for loss on inventories	$ 44,025	$ 9,241	$ -	$ 2,586	$ 55,852
Depreciation difference	127,333	332,671	-	14,106	474,110
Unrealized intercompany profit	413,182	333,599	-	13,383	760,164
Unrealized sales return	1,968	3,644	-	-	5,612
Unrealized foreign exchange loss	15,819	(15,819)	-	-	-
Defined benefit obligation	579	26	(460)	-	145
Payable for annual leave	11,033	754	-	445	12,232
Doubtful debts	1,135	(1,178)	-	43	-
Others	26,529	8,690	-	1,711	36,930
	641,603	671,628	(460)	32,274	1,345,045
Tax losses	-	48,649	-	981	49,630
	$ 641,603	$ 720,277	$ (460)	$ 33,255	$ 1,394,675
Deferred Tax Liabilities					
Depreciation difference	$ 84,222	$ 2,855	$ -	$ -	$ 87,077
Unrealized foreign exchange gain	-	16,610	-	-	16,610
Reserve for land value increment tax	12,597	-	-	-	12,597
Others	-	460	-	-	460
	$ 96,819	$ 19,925	$ -	$ -	$ 116,744

For the year ended December 31, 2012

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred Tax Assets					
Provision for loss on inventories	$ 75,768	$ (30,435)	$ -	$ (1,307)	$ 44,026
Depreciation difference	4,004	125,214	-	(1,885)	127,333
Unrealized intercompany profit	505,352	(73,151)	-	(19,020)	413,181
Unrealized sales return	888	1,080	-	-	1,968
Unrealized foreign exchange loss	-	15,819	-	-	15,819
Defined benefit obligation	-	-	579	-	579
Payable for annual leave	10,151	1,168	-	(286)	11,033
Doubtful debts	-	1,151	-	(16)	1,135
Others	30,304	(2,649)	-	(1,126)	26,529
	$ 626,467	$ 38,197	$ 579	$ (23,640)	$ 641,603
Deferred Tax Liabilities					
Depreciation difference	$ 67,545	$ 16,677	$ -	$ -	$ 84,222
Financial assets at FVTPL	29,268	(28,537)	-	(731)	-
Unrealized foreign exchange gain	13,313	(13,313)	-	-	-
Reserve for land value increment tax	12,597	-	-	-	12,597
	$ 122,723	$ (25,173)	$ -	$ (731)	$ 96,819

e. Information about unused tax-exemption

As of December 31, 2013, profits attributable to the following expansion projects were exempted from income tax for a five-year period:

Expansion of Construction project	**Tax- exemption period**
Five years tax - exemption expansion project approved by No. 1010231575 issued by Tainan City Government	From January 1, 2011 to December 31, 2015

f. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2013, December 31, 2012 and January 1, 2012, the taxable temporary differences associated with investment in subsidiaries for which no deferred tax liabilities have been recognized were NT$11,149,348 thousand, NT$8,539,494 thousand and NT$7,244,328 thousand, respectively.

g. Integrated income tax

	December 31, 2013	December 31, 2012	January 1, 2012
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	$ 11,609	$ 11,609	$ 11,609
Unappropriated earnings generated on and after January 1, 1998	40,285,782	32,075,792	25,240,307
	$ 40,297,391	$ 32,087,401	$ 25,251,916
Imputation credits accounts	$ 2,056,013	$ 1,562,265	$ 829,507

The creditable ratio for distribution of earnings of 2013 and 2012 was 6.87% (expected ratio) and 7.01%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident stockholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to stockholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the stockholders.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs.

h. Income tax assessments

The tax returns through 2011 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	Year Ended December 31	
	2013	2012
Profit for the period attributable to owners of the Company	$ 13,801,184	$ 10,811,975
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	15,448	41,925
Earnings used in the computation of diluted earnings per share	$ 13,816,632	$ 10,853,900

Weighted average number of ordinary shares outstanding (in thousand shares)

	Year Ended December 31	
	2013	**2012**
Weighted average number of ordinary shares in computation of basic earnings per share	750,703	750,694
Effect of potentially dilutive ordinary shares:		
Convertible bonds	19,635	19,103
Bonus issue to employees	958	975
Weighted average number of ordinary shares used in the computation of diluted earnings per share	771,296	770,772

If the Group offered to settle bonuses paid to employees in cash or shares, the Group assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2013, the Company acquired an additional 0.02% of I-Catcher Optoelectronics Corp., increasing its continuing interest from 99.98% to 100%.

In August 2012, the Group acquired an additional 2% of its interest in Sagitta International Co., Ltd. at a percentage different from current percentage of ownership in the investee, increasing its continuing interest from 93 % to 95%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	I-Catcher Optoelectronics Corp.	**Sagitta International Co., Ltd.**
Cash consideration paid	$ (10)	$ (226,960)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	8	228,424
Differences arising from equity transaction	$ (2)	$ 1,464

In 2013, the difference of equity transaction was insignificant, NT$ 2 thousand was adjusted to the investment loss of current year. Besides, in 2012, the difference of equity of transactions was NT$1,464 thousand, and recognized as capital surplus - the difference between the price of acquiring or disposing the subsidiaries and the book value.

29. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Aquila Technology (Suzhou) Co., Ltd. entered into an agreement to lease building from Hwa-Sheng Technology (Suzhou) Co., Ltd. The leasing period is from November 2010 to October 2015 and the future minimum lease payments of operating lease commitments were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Not later than 1 year	$ 10,953	$ 9,858	$ 10,253
Later than 1 year and not later than 5 years	9,127	18,854	29,989
	$ 20,080	$ 28,712	$ 40,242

b. The Group as lessor

Operating leases relate to the investment property owned by the Group with lease terms from March 2011 to June 2018. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

The future minimum lease payments of operating lease were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Not later than 1 year	$ 20,268	$ 17,808	$ 16,754
Later than 1 year and not later than 5 years	37,260	45,420	44,660
	$ 57,528	$ 63,228	$ 61,414

30. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, research and development activities, dividend payments, debt service requirements and other business requirements associated with its existing operations over the next 12 months.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values :

	December 31, 2013	
	Carrying Amount	Fair Value
Financial liabilities		
Convertible bonds	$ 3,492,625	$ 3,498,459

	December 31, 2012	
	Carrying Amount	Fair Value
Financial liabilities		
Convertible bonds	$ 3,487,922	$ 3,494,842

	January 1, 2012	
	Carrying Amount	Fair Value
Financial liabilities		
Convertible bonds	$ 3,441,822	$ 3,461,837

2) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Financial assets at FVTPL				
Financial assets designated as at fair value through profit or loss	$ 20,640	$ -	$ -	$ 20,640
Financial assets held for trading	-	1,447	-	1,447
	$ 20,640	$ 1,447	$ -	$ 22,087
Available-for-sale financial assets				
Convertible bonds	$ 49,975	$ -	$ -	$ 49,975
December 31, 2012				
Available-for-sale financial assets				
Private-placement domestic listed shares	$ -	$ 84,446	$ -	$ 84,446
Emerging market stocks	15,388	-	-	15,388
Convertible bonds	54,480	-	-	54,480
Mutual funds	882,881	-	-	882,881
	$ 952,749	$ 84,446	$ -	$ 1,037,195
Financial liabilities at FVTPL				
Financial liabilities held for trading	$ -	$ 37,772	$ -	$ 37,772
January 1, 2012				
Financial assets at FVTPL				
Forward foreign exchange contracts	$ -	$ 117,765	$ -	$ 117,765
Available-for-sale financial assets				
Private-placement domestic listed shares	$ -	$ 68,230	$ -	$ 68,230
Emerging market stocks	11,893	-	-	11,893
Convertible bonds	58,143	-	-	58,143
Mutual funds	1,285,178	-	-	1,285,178
	$ 1,355,214	$ 68,230	$ -	$ 1,423,444

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Financial foreign exchange contracts	$ -	$ 1,468	$ -	$ 1,468
Financial liabilities held for trading	-	48,040	-	48,040
	$ -	$ 49,508	$ -	$ 49,508

(Concluded)

There were no transfers between Level 1 and 2 in 2013 and 2012.

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

b) The fair values of derivative instruments were calculated using quoted prices. Where such prices were not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

c) The fair values of other financial assets and financial liabilities (excluding those described above) were determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of the liability component of convertible bonds was determined assuming redemption on April 27, 2016 and using the interest rate based on a quoted swap rate for a 2 years and a 5 years government bonds yield rate and holding the credit risk margin constant.

b. Categories of financial instruments

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 1,447	$ -	$ 117,765
Designated as at FVTPL	20,640	-	-
Loans and receivables (i)	60,355,066	61,142,129	52,714,341
Available-for-sale financial assets	49,975	1,037,195	1,423,444
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Held for trading	-	37,772	49,508
Amortized cost (ii)	29,264,341	38,234,294	31,850,130

(i) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes and accounts receivable, (including related parties) other receivables and refundable deposits.

(ii) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, notes and accounts payable (including related parties), other payables, refund of guarantee deposits and bonds issued.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, bonds payable and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below), interest rates (see (2) below) and other price (see (3) below).

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Group mainly exposed to the currency of United Stated dollars ("USD"), Renminbi ("RMB") and Japanese yen ("JPY").

The following table details the Group's sensitivity to a 5% increase and decrease in New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A positive number below indicates an increase in profit before income tax associated with NTD strengthens 5% against the relevant currency. For a 5% weakening of NTD against the relevant currency, there would be an equal and opposite impact on the profit before income tax and the balances below would be negative.

	RMB impact		
	For the Year Ended December 31		
	2013	2012	
Profit or loss	$ (250,993)	$ (735,392)	i

	USD impact		
	For the Year Ended December 31		
	2013	2012	
Profit or loss	$ (752,596)	$ (745,686)	ii

	JPY impact		
	For the Year Ended December 31		
	2013	2012	
Profit or loss	$ (41,638)	$ 629,630	iii

i. This was mainly attributable to the exposure outstanding on RMB cash and bank deposits, which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure to outstanding on USD cash and cash equivalent, bank deposits, receivables, payables and loans which were not hedged, at the end of the reporting period.

iii. This was mainly attributable to the exposure outstanding on JPY bank deposits and bank loans, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency decreased during the current period mainly due to the reduction net assets in Currency RMB and liabilities in Currency JPY. In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period. In addition, Currency USD sales increase or decrease with customers' orders, and Currency RMB and JPY are depend on the amount of investments and capital expenditures.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Fair value interest rate risk			
Financial assets	$ 37,162,046	$ 35,702,886	$ 30,859,634
Financial liabilities	3,492,625	3,487,922	3,441,822
Cash flow interest rate risk			
Financial assets	5,402,285	10,019,214	9,576,745
Financial liabilities	17,155,655	28,142,091	21,964,198

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the years ended December 31, 2013 and 2012 would decrease/increase by NT$11,753 thousand and NT$18,123 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

The Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in variable rate debt instruments.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities shares, emerging market shares, mutual funds and convertible bonds.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 5% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2013 and 2012 would increase/decrease by NT$2,499 thousand and NT$51,860 thousand, respectively, as a result of the changes in fair value of available-for-sale assets.

The Group's sensitivity to equity prices decreased because of reduction in available-for-sale investments held by the Group.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The counterparties to the foregoing financial instruments are reputable business organizations. Management does not expect the Group's exposure to default by those parties to be material; ongoing credit evaluation is performed on the financial condition of accounts receivable as well.

Information on credit risk concentration as of December 31, 2013 and 2012 refers ro Note 10.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's operating funds and bank loan credit line are deemed sufficient to meet the cash flow demand, therefore, liquidity risk is not considered to be significant.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2013

	Weighted Average Effective Interest Rate (%)	Less than 3months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 5,825,850	$ 2,397,197	$ 224,753	$ -
Variable interest rate liabilities	1.327	4,281,174	12,988,912	-	-
Fixed interest rate liabilities	1.2	-	3,492,625	-	-
		$ 10,107,024	$ 18,878,734	$ 224,753	$ -

December 31, 2012

	Weighted Average Effective Interest Rate (%)	Less than 3months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 4,138,621	$ 1,949,006	$ 295,550	$ -
Variable interest rate liabilities	0.8743	11,668,158	13,719,483	2,887,372	-
Fixed interest rate liabilities	1.2	-	3,487,922	-	-
		$ 15,806,779	$ 19,156,411	$ 3,182,922	$ -

January 1, 2012

	Weighted Average Effective Interest Rate (%)	Less than 3months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	-	$ 4,625,620	$ 1,522,849	$ 224,730	$ -
Variable interest rate liabilities	1.09	7,674,603	10,405,640	4,029,773	-
Fixed interest rate liabilities	1.2	-	-	3,441,822	-
		$ 12,300,223	$ 11,928,489	$ 7,696,325	$ -

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31, 2013	December 31, 2012	January 1, 2012
Unsecured bank overdraft facility, reviewed annually and payable at call:			
Amount used	$ 13,473,205	$ 7,134,425	$ 14,631,229
Amount unused	12,889,325	8,769,562	12,290,002
	$ 26,362,530	$ 15,903,987	$ 26,921,231
Secured bank overdraft facility:			
Amount used	$ 3,682,450	$ 21,007,666	$ 7,332,969
Amount unused	7,824,510	16,449,957	4,911,971
	$ 11,506,960	$ 37,457,623	$ 12,244,940

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Operating Transactions - Purchases of goods

	For the Year Ended December 31	
	2013	2012
Related parties types		
Associates	$ 460,211	$ 103,531

The purchase prices were not significantly different from those with third parties and the payment terms of each was 90 days after next month's closing.

	December 31, 2013	December 31, 2012	January 1, 2012
Related parties types			
Associates	$ 286,540	$ 49,262	$ 35,971

The outstanding accounts payable from related parties are unsecured.

b. Compensation of key management personnel

	For the Year Ended December 31	
	2013	2012
Short-term employee benefits	$ 213,578	$ 118,657
Post-employment benefits	20,329	17,871
	$ 233,907	$ 136,528

The remuneration of directors, supervisor and key executives was determined by the remuneration committee having regard to the performance of individuals, the performance of the Group, and the risk of the future.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for long-term bank borrowings:

	December 31, 2013	December 31, 2012	January 1, 2012
Land	$ 1,547,865	$ 1,547,865	$ 1,120,804
Buildings	500,473	525,885	-
Investment properties	197,035	201,515	205,994
Prepaid equipment (classified as other non-current assets)	-	-	596,813
Debt investments with no active market - non-current (mortgaged time deposits)	-	-	244,698
	$ 2,245,373	$ 2,275,265	$ 2,168,309

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2013, December 31, 2012 and January 1, 2012 were as follows:

a. As of December 31, 2013, December 31, 2012 and January 1, 2012, the unused letters of credit of the Group for purchasing of raw materials and equipment were NT$78,356 thousand, NT$80,341 thousand and NT$144,973 thousand.

b. Unrecognized commitments are as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Acquisition of property, plant and equipment	$ 5,219,911	$ 4,813,172	$ 7,342,898
Acquisition of inventories	$ 16,476	$ 29,929	$ 5,184

35. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 1,033,526	4.8493 - 4.894	$ 5,019,853
USD	519,829	29.755 (USD:NTD)	15,467,515
USD	527,650	6.0969 (USD:RMB)	15,472,932
JPY	2,949,132	0.2819 - 0.2824	832,756
Financial liabilities			
Monetary items			
USD	35,198	29.855 (USD:NTD)	1,050,834
USD	505,987	6.0969 (USD:RMB)	14,837,697

December 31, 2012

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 3,183,405	4.6202	$ 14,707,834
USD	348,967	28.99 (USD:NTD)	10,116,549
USD	604,315	6.2855 (USD:RMB)	17,549,315
JPY	610,155	0.3344 - 0.3373	204,386
Financial liabilities			
Monetary items			
USD	58,092	29.09 (USD:NTD)	1,689,890
USD	380,932	6.2855 (USD:RMB)	11,062,254
JPY	37,881,304	0.3373 - 0.3384	12,796,983

January 1, 2012

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 1,464,581	4.8046 - 4.8049	$ 7,036,786
USD	344,006	30.225 (USD:NTD)	10,397,594
USD	317,810	6.3009 (USD:RMB)	9,621,746
JPY	52,629	0.3886 - 0.3905	20,543
Financial liabilities			
Monetary items			
USD	82,603	30.325 (USD:NTD)	2,504,938
USD	473,973	6.3009 (USD:RMB)	14,349,624
JPY	34,067,021	0.3897 - 0.3926	13,308,219

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries and associates). (Table 3)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 4)

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital. (N/A)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (N/A)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments. (Notes 7 and 19)

10) Intercompany relationships and significant intercompany transactions. (Table 10)

11) Information on investees. (Table7)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, net income or loss of the investee and investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1,2,5,9 and 10):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

37. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a plant by plant basis with focus on the operating result of each plant. As each plant shares similar economic characteristics, produces similar products using similar production process and all products are distributed and sold to same level of customers through a central sales function, the Group's operating segments are aggregated into a single reportable segment. The Group's chief operating decision maker reviews segment information measured on the same basis as the financial statements. Information about reportable segment sales, profit or loss and assets refer to consolidated balance sheets and consolidated statements of comprehensive income as of December 31, 2013 and 2012.

a. Geographical information

The Group operates in two principal geographical areas - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers	
	Year Ended December 31	
	2013	2012
Taiwan	$ 7,403,718	$ 5,286,137
China	27,509,946	19,236,742
Mexico	2,388,888	1,376,613
Singapore	3,943,559	7,522,739
Sweden	344,019	100,403
United States	929,431	2,894,243
Others	725,989	611,921
	$ 43,245,550	$ 37,028,798

	Non-current Assets		
	December 31, 2013	December 31, 2012	January 1, 2012
Taiwan	$ 3,904,615	$ 8,147,816	$ 7,210,300
China	34,733,090	25,910,657	23,983,587
	$ 38,637,705	$ 34,058,473	$ 31,193,887

Noncurrent assets excluded those classified as financial instruments, deferred tax assets, and post-employment benefit assets.

b. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2013	2012
Custom A	$ 8,768,886	$ 2,311,846
Custom B	6,568,160	1,033,976
Custom C	6,492,120	5,102,659
Custom D	4,633,671	9,590,301
	$ 26,462,837	$ 18,038,782

38. FIRST-TIME ADOPTION OF IFRSs

a. Basis of the preparation for financial information under IFRSs

The Group's consolidated financial statements for the year ended December 31, 2013 were the first IFRS financial statements. The Group not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. Impact on the transition to IFRSs

After transition to IFRSs, the impact on the Group's consolidated balance sheets and consolidated statements of comprehensive income is stated as follows:

1) Reconciliation of consolidated balance sheet as of January 1, 2012

ROC GAAP		Impact of Transition to IFRSs		IFRSs		
Items	Amount	Differences in Presentation	Differences in Recognition and Measurement	Amount	Items	Notes 5
Cash and cash equivalents	$ 40,197,831	$ (4,655,979)	$ -	$ 35,541,852	Cash and cash equivalents	a)
Financial assets at fair value through profit or loss - current	117,765	-	-	117,765	Financial assets at fair value through profit or loss- current	
Available-for-sale financial assets - current	1,343,321	-	-	1,343,321	Available-for-sale financial assets - current	
Accounts receivable, net	12,322,837	-	-	12,322,837	Accounts receivable, net	
Other receivable	167,411	-	-	167,411	Other receivable	
Inventories	2,537,880	-	-	2,537,880	Inventories	
Deferred income tax assets - current	103,972	(103,972)	-	-	-	d)
-	-	10,889	-	10,889	Prepayments for lease	h)
-	-	4,655,979	-	4,655,979	Debt investment with no active market -current	a)
Other current assets	1,203,798	722	-	1,204,520	Other current assets	
Total current assets	57,994,815	(92,361)	-	57,902,454	Total current assets	
Investments accounted for by the equity method	1,356,340	-	(98)	1,356,242	Investments accounted for using equity method	o)
Available-for-sale financial assets - noncurrent	68,230	-	11,893	80,123	Available-for-sale financial assets - noncurrent	k)
Total investments	1,424,570	-	11,795	1,436,365		
Land	1,245,156	507,106	-	1,752,262	Cost of land	f)
Buildings	7,099,927	-	-	7,099,927	Cost of buildings	
Machinery and equipment	26,714,711	-	-	26,714,711	Cost of machinery and equipment	
Transportation equipment	66,456	-	-	66,456	Cost of transportation equipment	
Furniture and fixtures	731,270	-	-	731,270	Cost of furniture and fixtures	
Rental assets	314,974	(314,974)	-	-	-	f)
Leasehold improvement	8,991	-	-	8,991	Cost of leasehold improvement	
Miscellaneous equipment	338,139	304,538	-	642,677	Cost of miscellaneous equipment	g)
Total cost	36,519,624	496,670	-	37,016,294	Total cost	
Revaluation increment - land of rental assets	43,615	(43,615)	-	-	-	e), f)
Cost and revaluation increment	36,563,239	453,055	-	37,016,294	-	
Accumulated depreciation	9,477,309	(88,668)	-	9,556,202	Accumulated depreciation	f)
		167,561	-			g)
	27,085,930	374,162	-	27,460,092		
Construction in progress and prepayments for equipment	1,322,310	(853,874)	-	468,436	Construction in progress and equipment to be inspected	n)
Total property, plant and equipment	28,408,240	(479,712)	-	27,928,528	Property, plant and equipment	
-	-	271,076	-	271,076	Investment properties	f)
Land use rights	429,991	(429,991)	-	-	-	h)
-	-	101,625	-	101,625	Intangible assets	g)
Total intangible assets	429,991	(328,366)	-	101,625		
Refundable deposits	18,341	-	-	18,341	Refundable deposits	
Deferred income tax assets - noncurrent	4,004	-	502,663	626,467	Deferred tax assets	b)
		103,972	-			d)
		-	10,151			j)
		5,677	-			m)
Restricted assets - noncurrent	244,698	-	-	244,698	Debt investment with no active market - noncurrent	
Other assets - other	753,648	-	4,581	10,243	Prepaid pension cost- non current	i)
		(507,106)	-			f)
		(240,880)	-			g)
-	-	854,275	-	854,275	Prepayments – non-current	n)
-	-	419,102	-	419,102	Long-term prepayments for lease	h)
Total other assets	1,020,691	635,040	517,395	2,173,126		
Total assets	$ 89,278,307	$ 5,677	$ 529,190	$ 89,813,174	Total assets	

(Continued)

ROC GAAP		Impact of Transition to IFRSs		IFRSs		
Items	Amount	Differences in Presentation	Differences in Recognition and Measurement	Amount	Items	Notes 5
Short-term loans	$ 17,040,191	$ -	$ -	$ 17,040,191	Short-term borrowings	
Notes payable	136,454	-	-	136,454	Notes payable	
Accounts payable	3,085,509	-	-	3,085,509	Accounts payable	
Accounts payable - related parties	35,971	-	-	35,971	Accounts payable - related parties	
Income tax payable	1,119,544	-	-	1,119,544	Current tax liabilites	
Accrued expenses	3,070,734	-	44,531	3,115,265	Other payableds	j)
Financial liabilities at fair value through profit or loss-current	49,508	-	-	49,508	Financial liabilities at fair value through profit or loss - current	
Current portion of long-term debt	953,255	-	-	953,255	Current portion of long-term borrowings	
Deferred income tax liabilities - current	38,544	(38,544)	-	-	-	d)
Other current liabilities	221,201	-	-	221,201	Other current liabilities	
Total current liabilities	25,750,911	(38,544)	44,531	25,756,898		
Bonds payable	3,441,822	-	-	3,441,822	Bonds payable	
Long-term debt	3,970,752	-	-	3,970,752	Long-term borrowings	
Total long-term liabilities	7,412,574	-	-	7,412,574		
Reserve for land value increment tax	12,596	(12,596)	-	-	-	c)
Guarantee deposit received	31,485	-	-	31,485	Guarantee deposit received	
Deferred income tax liabilities - noncurrent	65,906	12,596	-	122,723	Deferred tax liabilities	c)
		38,544	-			d)
		5,677	-			m)
Total other liabilities	97,391	56,817	-	154,208		
Total liabilities	33,273,472	5,677	44,531	33,323,680	Total liabilities	
Capital stock	7,506,394	-	-	7,506,394	Capital stock	
Capital surplus	16,924,672	-	(8,346)	16,916,326	Capital surplus	l)
Retained earnings	29,014,195	-	4,581	31,873,314	Retained earnings	i)
		-	2,366,883			Cumulative translation adjustments
		-	11,019			e)
		-	(34,275)			j)
		-	502,663			b)
		-	8,346			l)
		-	(98)			o)
Other equity					Other equity	
Cumulative translation adjustments	2,366,883	-	(2,366,883)	-	Foreign currency translation reserve	Cumulative translation adjustments
Unrealized gain (loss) on financial instruments	(11,644)	-	11,893	249	Unrealized gain (loss) from available-for sale financial assets	k)
Unrealized revaluation increments on properties	11,019	-	(11,019)	-	-	e)
Total other equity	2,366,258	-	(2,366,009)	249		
Total stockholders' equity of parent company	55,811,519	-	484,764	56,296,283	Equity attributable to owners of the Company	
Minority interests	193,316	-	(105)	193,211	Non - controlling interests	j)
Total stockholders' equity	56,004,835	-	484,659	56,489,494	Total equity	
Total liabilities and stockholders' equity	$ 89,278,307	$ 5,677	$ 529,190	$ 89,813,174	Total - liabilities and equity	

(Concluded)

2) Reconciliation of consolidated balance sheet as of December 31, 2012

ROC GAAP Items	ROC GAAP Amount	Impact of Transition to IFRSs: Differences in Presentation	Impact of Transition to IFRSs: Differences in Recognition and Measurement	IFRSs Amount	IFRSs Items	Notes 5
Cash and cash equivalents	$ 45,725,615	$ (326,080)	$ -	$ 45,399,535	Cash and cash equivalents	a)
Available-for-sale financial assets - current	937,361	-	-	937,361	Available-for-sale financial assets - current	
Notes receivable	30	-	-	30	Notes receivable	
Accounts receivable, net	15,173,226	-	-	15,173,226	Accounts receivable, net	
Other receivable	212,834	-	-	212,834	Other receivable	
Current tax assets	28	-	-	28	Current tax assets	
Inventories	2,449,094	-	-	2,449,094	Inventories	
Deferred income tax assets - current	89,763	(89,763)	-	-	-	d)
-	-	15,601	-	15,601	Prepayments for lease	h)
-	-	326,080	-	326,080	Debt investment with no active market - current	a)
Other current assets	2,044,763	1,114	-	2,045,877	Other current assets	
Total current assets	66,632,714	(73,048)	-	66,559,666		
Investments accounted for by the equity method	1,633,938	-	(213)	1,633,725	Investments accounted for using equity method	l), o)
Available-for-sale financial assets – non-current	84,446	-	15,388	99,834	Available-for-sale financial assets - noncurrent	k)
Total investments	1,718,384	-	15,175	1,733,559		
Land	1,672,218	507,106	-	2,179,324	Cost of land	f)
Buildings	7,826,304	-	-	7,826,304	Cost of buildings	
Machinery and equipment	28,604,725	-	-	28,604,725	Cost of machinery and equipment	
Transportation equipment	75,976	-	-	75,976	Cost of transportation equipment	
Furniture and fixtures	918,890	-	-	918,890	Cost of furniture and fixtures	
Rental assets	314,974	(314,974)	-	-	-	f)
Leasehold improvement	8,784	-	-	8,784	Cost of leasehold improvement	
Miscellaneous equipment	387,887	330,708	-	718,595	Cost of miscellaneous equipment	g)
Total cost	39,809,758	522,840	-	40,332,598	Total cost	
Revaluation increment - land of rental assets	43,615	(43,615)	-	-	-	e), f)
Cost and revaluation increment	39,853,373	479,225	-	40,332,598	-	
Accumulated depreciation	11,144,371	(118,280)	-	11,242,384	Accumulated depreciation	f)
		216,293	-			g)
	28,709,002	381,212	-	29,090,214		
Construction in progress and prepayments for equipment	2,289,038	(564,395)	-	1,724,643	Construction in progress and equipment to be inspected	n)
Total property, plant and equipment	30,998,040	(183,183)	-	30,814,857	Property, plant and equipment	
-	-	265,449	-	265,449	Investment properties	f)
Land use rights	697,916	(697,916)	-	-	-	h)
-	-	78,969	-	78,969	Intangible assets	g)
Total intangible assets	697,916	(618,947)	-	78,969		
Refundable deposits	18,501	-	-	18,501	Refundable deposits	
Deferred income tax assets - noncurrent	127,333	-	411,331	641,603	Deferred tax assets - noncurrent	b)
		89,763	-			d)
		-	11,033			j)
		1,564	579			m)
Other assets - other	732,955	-	(5,949)	-	-	i)
		(507,106)	-			f)
		(219,900)	-			g)
		564,657	-	564,657	Prepayments – non-current	n)
		682,315	-	682,315	Long-term prepayments for lease	h)
Total other assets	878,789	611,293	416,994	1,907,076		
Total assets	$ 100,925,843	$ 1,564	$ 432,169	$ 101,359,576	Total assets	

(Continued)

ROC GAAP Items	ROC GAAP Amount	Impact of Transition to IFRSs: Differences in Presentation	Impact of Transition to IFRSs: Differences in Recognition and Measurement	IFRSs Amount	IFRSs Items	Notes 5
Short-term loans	$ 24,439,799	$ -	$ -	$ 24,439,799	Short-term borrowings	
Notes payable	308,002	-	-	308,002	Notes payable	
Accounts payable	2,980,944	-	-	2,980,944	Accounts payable	
Accounts payable - related parties	49,262	-	-	49,262	Accounts payable - related parties	
Income tax payable	1,275,657	-	-	1,275,657	Current tax liabilities	
Accrued expense	2,994,466	-	50,503	3,044,969	Other payables	j)
Financial liabilities at fair value through profit or loss - current	37,772	-	-	37,772	Financial liabilities at fair value through profit or loss - current	
Current portion of bonds payable	3,487,922	-	-	3,487,922	Current portion of bonds payable	
Current portion of long-term debt	839,417	-	-	839,417	Current portion of long-term borrowings	
Other current liabilities	328,133	-	-	328,133	Other current liabilities	
Total current liabilities	36,741,374	-	50,503	36,791,877		
Long-term debt	2,862,875	-	-	2,862,875	Long-term borrowings	
Reserve for land value increment tax	12,596	(12,596)	-	-	-	c)
Guarantee deposit received	16,224	-	-	16,224	Guarantee deposit received	
Accrued pension liabilities	-	-	3,406	3,406	Accrued pension liabilities	i)
Deferred income tax liabilities - noncurrent	82,659	12,596	-	96,819	Deferred tax liabilities	c)
		1,564	-			m)
Total other liabilities	98,883	14,160	-	116,449		
Total liabilities	39,715,728	1,564	53,909	39,771,201	Total liabilities	
Capital stock	7,507,031	-	-	7,507,031	Capital stock	
Capital surplus	16,932,463	-	(8,346)	16,924,117	Capital surplus	l)
Retained earnings	36,151,184	-	(8,776)	38,917,729	Retained earnings	i)
		-	2,366,883			Cumulative translation adjustments
		-	11,019			e)
		-	(40,225)			j)
		-	429,511			b)
		-	8,346			l)
		-	(213)			o)
	36,151,184	-	2,766,545	38,917,729		
Other equity					Others equity	
Cumulative translation adjustments	394,205	-	(2,366,883)	(1,990,002)	Foreign currency translation reserve	Cumulative translation adjustments
		-	(18,180)			b)
		-	856			j)
Unrealized gain (loss) on financial instruments	35,356	-	15,388	50,744	Unrealized gain (loss) from available-for-sale financial assets	k)
Unrealized revaluation increments on properties	11,019	-	(11,019)	-		e)
Total other equity	440,580	-	(2,378,838)	(1,939,258)		
Total stockholders' equity of parent company	61,031,258	-	378,361	61,409,619	Equity attributable to owners of Company	
Minority interests	178,857	-	(101)	178,756	Non-controlling interests	j)
Total stockholders' equity	61,210,115	-	378,260	61,588,375	Total equity	
Total liabilities and stockholders' equity	$ 100,925,843	$ 1,564	$ 432,169	$ 101,359,576	Total liabilities and equity	

(Concluded)

3) Reconciliation of consolidated statement of comprehensive income for the year ended December 31, 2012

ROC GAAP Items	ROC GAAP Amount	Impact of Transition to IFRSs: Differences in Presentation	Impact of Transition to IFRSs: Differences in Recognition and Measurement	IFRSs Amount	IFRSs Items	Notes 5
Net sales	$ 37,028,798	$ -	$ -	$ 37,028,798	Operating revenue	
Cost of sales	20,989,773	-	(4,253)	20,984,891	Operating cost	j)
		-	(9,135)			i), o)
Gross profit	16,039,025	-	4,882	16,043,907	Gross profit	
Operating expenses					Operating expenses	
Research and development	939,152	-	768	939,920	Research and development expenses	i), j)
Marketing	329,511	-	479	329,990	Selling and marketing expenses	j)
General and administrative	2,612,088	-	1,488	2,613,576	General and administrative expenses	j)
Total operating expenses	3,880,751	-	2,735	3,883,486	Total operating expenses	
Operating income	12,158,274	-	2,147	12,160,421	Operating income	
Non-operating income and gains					Non-operating income and expense	
Interest income	640,363	-	-	640,363	Interest income	
Investment income recognized under the equity method, net	114,395	-	(114)	114,281	Share of profits of associates	o)
Gain on disposal of property, plant and equipment	18,626	-	(18,626)	-	-	p)
Gain on sale of investments, net	6,950	-	-	6,950	Gain on disposal of investments, net	
Exchange gain, net	1,074,956	-	-	1,074,956	Foreign exchange gain, net	
Valuation gain on financial assets	5,038	-	-	5,038	Gain on financial assets at fair value through profit or loss	
Valuation gain on financial liabilities	10,268	-	-	10,268	Gain on financial liabilities at fair value through profit or loss	
Others	266,960	-	-	266,960	Others	
Total non-operating income and gains	2,137,556	-	(18,740)	2,118,816		
Non-operating expense and loss						
Interest expense	302,546	-	-	302,546	Interest expense	
Loss on disposal of property, plant and equipment	9,491	-	(9,491)	-	-	p)
Valuation loss on financial liabilities	21,259	-	-	21,259	Loss on financial liabilities at fair value through profit or loss	
Others	11,449	-	-	11,449	Others	
Total non-operating expenses and loss	344,745	-	(9,491)	335,254		
Income before income tax	13,951,085	-	(7,102)	13,943,983	Profit before income tax	
Income tax	3,042,042	-	73,151	3,114,025	Income tax expense	b)
		-	(1,168)			j)
Consolidated net income	$ 10,909,043	$ -	$ (79,085)	10,829,958	Net income	
					Other comprehensive income	
				(1,988,542)	Exchange differences arising on translation of foreign operations	
				50,495	Unrealized gain (loss) on available-for-sale financial assets	
				(14,643)	Actual loss from defined benefit pension plan	
				(8,599)	Share of the other comprehensive loss of associates	
				579	Income tax benefit relating to components of other comprehensive loss	
				(1,960,710)	Other comprehensive loss for the year, net of tax effect	
				$ 8,869,248	Total comprehensive income for the year	

4) Exemptions from IFRS 1

IFRS 1 establishes the procedures for the Group's first consolidated financial statements prepared in accordance with IFRSs. According to IFRS 1, the Group is required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs, January 1, 2012; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The major optional exemptions the Group adopted are summarized as follows:

Investments in Associates

The Group elected not to apply IAS 28 - "Accounting for Investments in Associates" to account for investments in associates made before the date of transition to IFRSs. Thus the carrying amount of negative goodwill on investments in associates in the opening IFRS consolidated balance sheet is the carrying amount based on ROC GAAP as of December 31, 2011.

Deemed cost

The Group elected to measure its land in investment property at the date of transition to IFRSs at its revalued amount determined under ROC GAAP as its deemed cost (Refer to Note 5) e) of the Notes to the reconciliation of the significant differences).

Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses in retained earnings as of the date of transition. In addition, the Group elected to apply the exemption disclosure requirement provided by IFRS 1, in which the experience adjustments are determined for each accounting period prospectively from the transition date (Refer to Note 5) i) of Notes to the reconciliation of the significant differences).

Cumulative translation differences

The Group elected to reset the cumulative translation differences to zero at the date of transition to IFRSs and adjusted retained earnings accordingly.

The effect of the abovementioned optional exemptions elected by the Group was stated in the following Note 5 - Explanations of significant reconciling items in the transition to IFRSs.

5) Explanations of significant reconciling items in the transition to IFRSs

Material differences between the accounting policies under ROC GAAP and the accounting policies adopted under IFRSs were as follows:

a) Bank deposits with original maturity of more than three months

Under ROC GAAP, time deposits that are cancellable without any loss of principal and negotiable certificates of deposit that are readily saleable without any loss of principal are classified as cash.

Under IFRSs, cash comprises cash on hand and demand deposits. Therefore, time deposits are not classified as cash. In accordance with IAS 7, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

b) Deferred income tax on intercompany transactions

Under ROC GAAP, there is no mention about the tax rate to be used in the calculation of deferred income tax on intercompany unrealized gains or losses.

Under IFRSs, intercompany unrealized gains or losses lead to a temporary difference that will result in taxable amounts in the future when the carrying amount of the asset is recovered or the liability is settled. Deferred income tax should be measured at the tax rates that are expected to be applied when the asset is realized or the liability is settled. The tax rate is usually the tax rate of the taxation jurisdiction of the buyer.

c) Land value increment tax

Under the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the reserve for land value increment tax accrued on land revaluation increment is classified as land value increment tax.

Under IFRSs, the Group elected to apply the optional exemption in IFRS 1 "First-time Adoption of International Financial Reporting Standards", and the related reserve for land value increment tax should be reclassified as deferred tax liabilities.

d) Classification of deferred income tax assets or liabilities

Under ROC GAAP, a deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred income tax asset or liability does not relate to an asset or liability in the financial statements, it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Under IFRSs, a deferred tax asset or liability is classified as noncurrent asset or liability.

e) Basis of property, plant and equipment

Under ROC GAAP, property, plant and equipment may be recorded at cost or at cost plus appreciation if assets are revalued in accordance with ROC government regulations. Revaluation value of land is based on the announced current value, while those of properties other than land are based on the values approved by the tax authorities. Thus, the revaluation value is different from the fair value under IAS 16. An estimated reserve for land value increment tax must be recorded as long-term liabilities. The appreciation in land value, net of the land value increment tax, is credited to equity as unrealized revaluation increment.

f) Classification of rental assets and other assets

Under ROC GAAP, the rental buildings and land are accounted for as fixed assets because leasing service is a business scope of the Company. Real estates are accounted for as other assets when they are held for own use in the future, but not yet under development and construction. Under IFRSs, properties held to earn rentals or for capital appreciation or both are classified as investment property; properties held for own use in the future are classified as property, plant and equipment.

g) Classification of deferred expenses

Under ROC GAAP, deferred expenses are recorded under other assets. Under IFRSs, the Group reclassified deferred expenses to property, plant and equipment, and intangible assets in accordance with their nature.

h) Land use rights

Under ROC GAAP, land use rights are recorded as intangible assets. Under IFRSs, land use rights are classified as long-term prepayment for lease, and reclassified as current assets or noncurrent assets in accordance with expected realization time.

i) Employee benefits

The Group had previously applied actuarial valuation to its defined benefit obligations and recognized the related pension cost and retirement benefit obligation in conformity with ROC GAAP. Under IFRSs, the group should carry out actuarial valuation of defined benefit obligations in accordance with IAS No. 19 - "Employee Benefits." The Group has opted to recognize actuarial gains and losses as other comprehensive income immediately in full in the period in which they occur. The subsequent reclassification to earnings is not permitted. Besides, the Group elected to apply the optional exemption in IFRS 1, "First-time Adoption of International Financial Reporting Standards", and all the unrecognized actuarial gains and losses were reclassified to retained earnings at the date of transition to IFRSs.

j) Employee benefits - short-term employee benefits

Under ROC GAAP, short-term employee benefits are not addressed and recognized as expense when actual payment is made.

Under IFRSs, an entity should recognize the expected cost of short-term employee benefits in the form of compensated absences as follows: (a) in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and (b) in the case of non-accumulating compensated absences, when the absences occur.

k) Valuation and classification of financial assets carried at cost

Under the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, investments in equity instruments with no quoted prices in an active market and with fair values that cannot be reliably measured, such as non-publicly traded stocks and stocks traded in the Emerging Stock Market, are measured at their original cost.

Under IFRSs, financial assets carried at cost need to be reclassified to available-for-sale financial assets. Equity investments that do not have active markets but the fair value is reliably measurable should be measured at fair value.

l) Investments and capital surplus - long-term equity investments when associates/subsidiaries issue new shares and the shareholder is not subscribing in accordance with its percentage of shares of the investee/parent company.

Under ROC GAAP, if an investee issues new shares and an investor does not buy new shares proportionately, the investor's ownership percentage and its interest in net assets of the investee will change. The resulting difference should be used to adjust the capital surplus and long-term equity investment accounts.

Under IFRSs, any equity changes in the invested associates without the loss of significant influence on the associates will be recognized as a deemed acquisition or a deemed disposal of the shares in the invested associates. Any equity changes in the invested subsidiaries without losing significant control over the subsidiaries will be deemed equity transactions. In addition, according to "Q&A for adopting IFRSs" issued by the TSE, accounts that do not conform to IFRSs or not covered under the Company Law as well as capital surplus items required by the Ministry of Economics Affairs should be adjusted at the date of transition to IFRSs.

m) Offsetting between deferred tax assets/liabilities

Under ROC GAAP, deferred current income tax liabilities and assets that belong to the same taxable entity should be offset and settled on net basis the same to deferred non-current income tax liabilities and assets. Under IFRS, deferred tax assets and deferred tax liabilities should be offset only if the entity has a legally enforceable right to settle on a net basis and they are levied by the same taxing authority on the same taxable entity (or different taxable entities which intend either to settle material current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period).

n) Classification of prepayments for equipment

Under ROC GAAP, the prepayments for equipment are usually recorded under fixed assets. Under IFRSs, prepayments for equipment are usually recorded under prepayments or long-term prepayments.

o) Investments in associates

In accordance with IFRSs and the optional exemption in IFRS 1, the Group has evaluated significant differences between current accounting policies and IFRSs for the Group's associates accounted for by the equity method.

p) Reclassify accounting subjects in accordance with the Regulations Governing the Preparation of Financial Reports.

6) Explanation of material adjustments to the statement of cash flows.

Time deposits that can be readily cancelled without eroding the principal and negotiable certificates of deposit that can be readily sold without eroding the principal meet the definition of cash in accordance with ROC GAAP. However, under IAS 7" Statement of Cash Flow", cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Therefore, time deposits with a carrying amount of NT$326,080 thousand and NT$4,900,677 thousand as of December 31, 2012 and January 1, 2012, respectively, held by the Group was for investment purposes and thus no longer classified as cash under IFRSs.

According to ROC GAAP, interest paid and received and dividends received are classified as operating activities while dividends paid are classified as financing activities. Additional disclosure is required for interest expenses when reporting cash flow using indirect method. However, under IAS 7" Statement of Cash Flow", cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as operating, investing or financing activities. Therefore, interests and dividends received by the Group of NT$643,492 thousand and NT$28,594 thousand, respectively, for the year ended December 31, 2012 were presented separately at the date of transition to IFRSs.

Except for the above differences, there are no other significant differences between ROC GAAP and IFRSs in the consolidated statement of cash flows.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
1	Castmate International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	$ 600,000	$ 596,100	$ 596,100	1.447 - 1.476	For short-term financing	$ -	Operating capital	$ -	-	-	$ 73,509,487	
		Topo Technology (Suzhou) Co., Ltd.	Ditto	Yes	1,535,820	-	-	1.483 - 1.511	Ditto	-	Ditto	-	-	-	73,509,487	
		Stella International Co., Ltd.	Ditto	Yes	928,181	922,763	922,763	-	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 1,518,863										$ 73,509,487
2	Lyra International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	1,847,910	$ 1,847,910	1,847,910	2.847 - 2.866	For short-term financing	-	Operating capital	-	-	-	73,509,487	$ 73,509,487
3	Stella International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Temporary payments	Yes	1,948,700	$ 1,698,885	1,698,885	1.447 - 2.868	For short-term financing	-	Operating capital	-	-	-	73,509,487	
		Catcher Technology (Suqian) Co., Ltd.	Ditto	Yes	900,000	894,150	894,150	1.447 - 1.476	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 2,593,035										$ 73,509,487
4	Gigamag Co., Ltd.	Stella International Co., Ltd.	Temporary payments	Yes	354,480	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	73,509,487	
		Avatar Co., Ltd.	Ditto	Yes	472,616	-	-	-	Ditto	-	Ditto	-	-	-	73,509,487	
		Castmate International Co., Ltd.	Ditto	Yes	767,910	-	-	-	Ditto	-	Ditto	-	-	-	73,509,487	
		Orion Co., Ltd.	Ditto	Yes	2,885,766	2,101,133	1,406,677	-	Ditto	-	Ditto	-	-	-	73,509,487	
		Leo Co., Ltd.	Ditto	Yes	4,171,336	1,220,136	1,220,136	-	Ditto	-	Ditto	-	-	-	73,509,487	
		Cygnus International Co., Ltd.	Ditto	Yes	1,341,225	1,341,225	1,341,225	-	Ditto	-	Ditto	-	-	-	73,509,487	
		Nanomag International Co., Ltd.	Ditto	Yes	3,934,260	3,934,260	1,728,690	-	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 8,596,754										$ 73,509,487
5	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Temporary payments	Yes	488,850	$ 488,850	488,850	1.21	For short-term financing	-	Operating capital	-	-	-	73,509,487	
		Catcher Technology (Suqian) Co., Ltd.	Ditto	Yes	3,158,437	3,055,313	3,055,313	3.25	Ditto	-	Ditto	-	-	-	73,509,487	
			Other receivables	Yes	278,044	278,044	278,044	-	Business transactions	337,929	-	-	-	-	337,929	
		Vito Technology (Suqian) Co., Ltd.	Temporary payments	Yes	488,850	488,850	488,850	3.25	For short-term financing	-	Operating capital	-	-	-	73,509,487	
						$ 4,311,057										$ 73,509,487
6	Orion Co., Ltd.	Avatar Co., Ltd.	Temporary payments	Yes	22	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	73,509,487	$ 73,509,487
7	Avatar Co., Ltd.	Stella International Co., Ltd.	Temporary payments	Yes	383,955	$ -	-	-	For short-term financing	-	Operating capital	-	-	-	73,509,487	
		Lyra International Co., Ltd.	Ditto	Yes	119,220	119,220	119,220	-	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 119,220										$ 73,509,487

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
8	Hoppi Co., Ltd.	Leo Co., Ltd.	Temporary payments	Yes	$ 900,000	$ -	$ -	-	For short-term financing	$ -	Operating capital	$ -	-	-	$ 73,509,487	
		Stella International Co., Ltd.	Ditto	Yes	197,868	-	-	-	Ditto	-	Ditto	-	-	-	73,509,487	
		Nanomag International Co., Ltd.	Ditto	Yes	2,086,350	2,086,350	536,490	-	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 2,086,350										$ 73,509,487
9	Topo Technology (Suzhou) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Temporary payments	Yes	2,775,844	$ 2,139,444	2,139,444	3.25	For short-term financing	-	Operating capital	-	-	-	73,509,487	
		Topo Technology (Taizhou) Co., Ltd.	Ditto	Yes	977,700	977,700	977,700	3.25	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 3,117,144										$ 73,509,487
10	Cygnus International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Temporary payments	Yes	2,533,425	$ 2,533,425	2,533,425	2.836 - 2.866	For short-term financing	-	Operating capital	-	-	-	73,509,487	
		Catcher Technology (Suqian) Co., Ltd.	Ditto	Yes	839,440	834,540	834,540	2.847 - 2.866	Ditto	-	Ditto	-	-	-	73,509,487	
						$ 3,367,965										$ 73,509,487

Note 1: The upper limit of the 100% subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of financier as of December 31, 2013, but the upper limit of ones who have business transactions with is no more than the needed amount for operation.

Note 2: The upper limit of the 100% subsidiaries held directly or indirectly by the Company is equivalent to 100% of the net asset value of financier as of December 31, 2013.

Note 3: The net asset value as the above mentioned was the equity attributable to owners of the Company on the consolidated balance sheet.

(Concluded)

TABLE 2

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given On behalf of Companies in Mainland China
		Name	Relationship										
0	Catcher Technology Co., Ltd.	Avatar Co., Ltd.	Subsidiary (indirect held 100%)	$ 36,754,744	$ 1,300,400	$ -	$ -	$ -	-		Y	N	N
		Orion Co., Ltd.	Subsidiary (indirect held 100%)	36,754,744	7,824,510	7,824,510	78,356	-	10.64		Y	N	N
		Gigamag Co., Ltd.	Subsidiary (held 100%)	36,754,744	13,257,833	-	-	-	-		Y	N	N
		Topo Technology (Taizhou) Co., Ltd.	Subsidiary (indirect held 100%)	36,754,744	1,200,000	596,100	596,100	-	0.81		Y	N	Y
		Topo Technology (Suzhou) Co., Ltd	Subsidiary (indirect held 100%)	36,754,744	1,350,000	-	-	-	-		Y	N	Y
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Subsidiary (indirect held 100%)	36,754,744	5,635,400	2,086,350	596,100	-	2.84		Y	N	Y
		Catcher Technology (Suqian) Co., Ltd.	Subsidiary (indirect held 100%)	36,754,744	5,368,500	1,490,250	1,490,250	-	2.03		Y	N	Y
						$ 11,997,210	$ 2,760,806	$ -		$ 73,509,487			

Note 1: The upper limit for the Company is equivalent to 50% of the net asset value of the Company as of December 31, 2013.

Note 2: The upper limit for the Company is equivalent to 100% of the net asset value of the Company as of December 31, 2013.

Note 3: The net asset value as the above mentioned was the equity attributable to owners of the Company on the consolidated balance sheet.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	December 31, 2013				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Catcher Technology Co., Ltd.	Yang Ming Marine Transport Corp. Unsecured Convertible Bond IV	None	Financial assets at FVTPL - Current	200,000	$ 20,640	-	$ 20,640	
	Mega International Commercial Bank Unsecured Convertible Bond I	None	Available-for-sale financials assets - current	500,000	$ 49,975	-	$ 49,975	

Note 1：The marketable securities mentioned above include stocks, bonds, mutual funds and derivative instruments of the above items under IAS 39 “Financial Instruments: Recognition and Measurement”.

Note 2：Information regarding to investments in subsidiaries and associates refer to Table 7 and Table 8.

TABLE 4

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Nanomag International Co., Ltd.	Stella International Co., Ltd.	Investments accounted for using equity method	Stella International Co., Ltd.	100% owned subsidiary	47,040,600	$ 15,858,654 (USD546,096,908)	64,203,498	$ 3,650,854 (USD108,474,750) (Note 1)	-	$ -	$ -	$ -	111,244,098	$ 19,509,508 (USD654,571,658)
Stella International Co., Ltd.	Lyra International Co., Ltd.	Investments accounted for using equity method	Lyra International Co., Ltd.	100% owned subsidiary	77,014,868	$ 14,162,333 (USD487,683,657)	64,203,498	$ 3,549,064 (USD106,558,835) (Note 2)	-	$ -	$ -	$ -	141,218,366	$ 17,711,397 (USD594,242,492)
Lyra International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Investments accounted for using equity method	Topo Technology (Taizhou) Co., Ltd.	100% owned subsidiary	-	$ 1,009,577 (USD 34,765,038)	-	$ 1,918,050 (USD 63,461,010) (Note 3)	-	$ -	$ -	$ -	-	$ 2,927,627 (USD 98,226,048)
Topo Technology (Taizhou) Co., Ltd.	RMB Wealth Management plan	Other financial assets			-	$ -	100,000,000	$ 484,600 (RMB 100,000,000)	100,000,000	$ 492,296 (RMB 100,100,822)	$ 484,600 (RMB 100,000,000)	$ 496 (RMB 100,822)	-	$ -
Topo Technology (Suzhou) Co., Ltd.	RMB Financial Products	Other financial assets			-	$ -	309,000,000	$ 1,503,903 (RMB 309,000,000)	309,000,000	$ 1,515,913 (RMB 309,180,789)	$ 1,503,903 (RMB 309,000,000)	$ 886 (RMB 180,789)	-	$ -
	RMB Financial Products	Other financial assets			-	-	63,500,000	305,435 (RMB 63,500,000)	63,500,000	307,011 (RMB 63,563,252)	305,435 (RMB 63,500,000)	306 (RMB 63,252)	-	-
	RMB Financial Products	Other financial assets			-	-	113,000,000	550,310 (RMB 113,000,000)	113,000,000	559,366 (RMB 113,232,005)	550,310 (RMB 113,000,000)	1,146 (RMB 232,005)	-	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	RMB Financial Products	Other financial assets			-	$ -	381,000,000	$ 1,854,327 (RMB 381,000,000)	381,000,000	$ 1,869,146 (RMB 381,225,025)	$ 1,854,327 (RMB 381,000,000)	$ 1,103 (RMB 225,025)	-	$ -
	RMB Financial Products	Other financial assets			-	-	99,000,000	482,130 (RMB 99,000,000)	99,000,000	489,713 (RMB 99,132,145)	482,130 (RMB 99,000,000)	653 (RMB 132,145)	-	-
Catcher Technology (Suqian) Co., Ltd.	RMB Financial Products	Other financial assets			-	$ -	70,000,000	$ 337,400 (RMB 70,000,000)	70,000,000	$ 339,123 (RMB 70,066,740)	$ 337,400 (RMB 70,000,000)	$ 323 (RMB 66,740)	-	$ -
	RMB Financial Products	Other financial assets			-	-	68,000,000	330,480 (RMB 68,000,000)	68,000,000	336,656 (RMB 68,149,041)	330,480 (RMB 68,000,000)	736 (RMB 149,041)	-	-
	RMB Financial Products	Other financial assets			-	-	98,000,000	476,280 (RMB 98,000,000)	98,000,000	485,499 (RMB 98,279,233)	476,280 (RMB 98,000,000)	1,379 (RMB 279,233)	-	-
	RMB Financial Products	Other financial assets			-	-	181,500,000	896,610 (RMB 181,500,000)	181,500,000	895,298 (RMB 181,601,938)	896,610 (RMB 181,500,000)	503 (RMB 101,938)	-	-
Hoppi Co., Ltd.	JPMorgan US Aggregate Bond Fund	Available-for-sale financial assets-current			1,180,027	$ 436,917 (USD 15,045,350)	-	$ -	1,180,027	$ 434,601 (USD 14,549,739)	$ 418,180 (USD 14,000,000)	$ 16,421 (USD 549,739)	-	$ -
	JPMorgan Global Corporate Bond Fund	Available-for-sale financial assets-current			1,049,685	445,964 (USD 15,356,893)	-	-	1,049,685	447,109 (USD 14,968,510)	448,050 (USD 15,000,000)	(941) (USD 31,490)	-	-

Note 1: Including incremental investment US$64,203,498, remittance of earnings US$35,068,758, share of profit of associates accounted using equity method US$63,822,096, and exchange gain on translating foreign operations US$15,517,914.

Note 2: Including incremental investment US$64,203,498, remittance of earnings US$35,068,758, share of profit of associates accounted using equity method US$61,906,181, and exchange gain on translating foreign operations US$15,517,914.

Note 3: Including incremental investment US$67,368,207, share of loss of associates accounted using equity method US$5,630,364, and exchange gain on translating foreign operations US$1,723,167.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Catcher Technology Co., Ltd.	Orion Co., Ltd.	Subsidiary	Sales	$ 811,702	4	Net 120 days after monthly closing	No comparable prices for general customers	Equivalent	$ 210,021	4	
	Leo Co., Ltd.	Ditto	Purchases	15,727,736	93	Net 90 days after next month closing	No comparable prices for general suppliers	Equivalent	(377,371)	(29)	
	Kon-Cheng Accuracy Co., Ltd.	Investments accounted for using equity method	Purchases	450,207	3	Net 90 days after next month closing	Equivalent	Equivalent	(286,016)	(22)	
Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same parent company	Sales	$ 4,970,502	45	Net 30 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ -	-	
	Catcher Technology (Suzhou) Co., Ltd.	Ditto	Sales	105,292	1	Net 90 days after monthly closing	Equivalent	Ditto	4,188	-	
	Orion Co., Ltd.	Ditto	Purchases	560,038	12	Net 90 days after monthly closing	Equivalent	Net 30 to 90 days after month closing for general suppliers	(17,093)	(1)	
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Same parent company	Sales	$ 925,499	13	Net 90 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ 410,725	32	
	Catcher Technology (Suqian) Co., Ltd. 司	Ditto	Sales	340,419	5	Net 90 days after monthly closing	Equivalent	Ditto	340,697	26	
	Leo Co., Ltd.	Ditto	Sales	5,372,713	79	Net 30 days after monthly closing	Equivalent	Ditto	241,298	19	
	Topo Technology (Suzhou) Co., Ltd.	Ditto	Sales	109,003	2	Net 90 days after monthly closing	Equivalent	Ditto	51,959	4	
	Orion Co., Ltd.	Ditto	Purchases	185,114	6	Net 90 days after monthly closing	Equivalent	Net 60 to 120 days after month closing for general suppliers	(753)	-	
Aquila Technology (Suzhou) Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	Sales	$ 433,599	80	Net 120 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ 213,993	83	
Catcher Technology (Suqian) Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	Sales	$ 956,896	5	Net 30 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ 223	-	
	Leo Co., Ltd.	Ditto	Sales	4,693,692	26	Net 90 days after monthly closing	Equivalent	Ditto	474,343	6	
	Catcher Technology (Suzhou) Co., Ltd.	Ditto	Sales	915,558	5	Net 30 days after monthly closing	Equivalent	Ditto	-	-	
Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	Same parent company	Sales	$ 912,757	24	Net 30 days after monthly closing	Equivalent	Net 60 to 180 days after monthly closing for general customers	$ -	-	
Topo Technology (Taizhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same parent company	Sales	$ 1,163,724	94	Net 90 days after monthly closing	No comparable prices for non-related parties	No comparable payment terms for non-related parties	$ 170,050	94	

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology Co., Ltd.	Orion Co., Ltd.	Subsidiary	$ 210,021	5.65	$ -	Not applicable	$ -	$ -
Topo Technology (Suzhou) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	$ 2,139,444	- (Note 1)	-	Not applicable	-	-
			61,700	- (Note 2)	-	Not applicable	-	-
			$ 2,201,144					
	Topo Technology (Taizhou) Co., Ltd.	Ditto	$ 977,700	- (Note 1)	-	Not applicable	-	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	$ 629,563	- (Note 2)	-	Not applicable	-	-
			278,044	- (Note 1)	-	Not applicable	-	-
			3,055,313	- (Note 1)	-	Not applicable	-	-
			$ 3,962,920					
			$ 340,697	1.89	-	Not applicable	-	-
	Leo Co., Ltd.	Ditto	$ 241,298	9.82	-	Not applicable	241,298	-
	Topo Technology (Taizhou) Co., Ltd.	Ditto	$ 410,725	3.57	-	Not applicable	-	-
			488,850	- (Note 1)	-	Not applicable	-	-
			103,091	- (Note 2)	-	Not applicable	-	-
	Vito Technology (Suqian) Co., Ltd.	Ditto	$ 488,850	- (Note 1)	-	Not applicable	-	-
			365,486	- (Note 2)	-	Not applicable	-	-
Aquila Technology (Suzhou) Co., Ltd.	Topo Technology (Suzhou) Co., Ltd.	Same parent company	$ 213,993	2.21	-	Not applicable	-	-
Topo Technology (Taizhou) Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same parent company	$ 170,050	8.67	-	Not applicable	-	-
Catcher Technology (Suqian) Co., Ltd.	Leo Co., Ltd.	Same parent company	$ 474,343	9.63	-	Not applicable	474,343	-
	Vito Technology (Suqian) Co., Ltd.	Ditto	$ 285,704	- (Note 2)	-	Not applicable	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Ratio	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Catcher Technology (Suzhou) Co., Ltd.	Vito Technology (Suqian) Co., Ltd.	Same parent company	$ 101,065	2.00	$ -	Not applicable	$ -	$ -
			679,168	- (Note 2)	-	Not applicable	-	-
Leo Co., Ltd.	Catcher Technology Co., Ltd.	Parent company	$ 377,371	15.89	-	Not applicable	-	-
Stella International Co., Ltd.	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Same parent company	$ 1,698,885	- (Note 1)	-	Not applicable	-	-
	Catcher Technology (Suqian) Co., Ltd.	Ditto	$ 894,150	- (Note 1)	-	Not applicable	-	-
Gigamag Co., Ltd.	Leo Co., Ltd.	Subsidiary	$ 1,220,136	- (Note 1)	-	Not applicable	-	-
	Orion Co., Ltd.	Ditto	$ 1,406,677	- (Note 1)	-	Not applicable	-	-
	Nanomag International Co., Ltd.	Same parent company	$ 1,728,690	- (Note 1)	-	Not applicable	-	-
	Cygnus International Co., Ltd.	Ditto	$ 1,341,225	- (Note 1)	-	Not applicable	-	-
Hoppi Co., Ltd.	Nanomag International Co., Ltd.	Same parent company	$ 536,490	- (Note 1)	-	Not applicable	-	-
Cygnus International Co., Ltd.	Topo Technology (Taizhou) Co., Ltd.	Same parent company	$ 2,533,425	- (Note 1)	-	Not applicable	-	-
	Catcher Technology (Suqian) Co., Ltd.	Ditto	$ 834,540	- (Note 1)	-	Not applicable	-	-
Castmate International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	$ 596,100	- (Note 1)	-	Not applicable	-	-
	Stella International Co., Ltd.	Ditto	922,763	- (Note 1)	-	Not applicable	-	-
			$ 1,518,863					
Lyra International Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	$ 1,847,910	- (Note 1)	-	Not applicable	-	-
Avatar Co., Ltd.	Lyra International Co., Ltd.	Same parent company	$ 119,220	- (Note 1)	-	Not applicable	-	-
Orion Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	Same parent company	$ 1,319,037	- (Note 2)	-	Not applicable	-	-

Note 1: The ending balance of financing provided is not applicable for the calculation of turnover ratio.

Note 2: The ending balance of receivable for disposal property, plant and equipment is not applicable for the calculation of turnover ratio.

(Concluded)

TABLE 7

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2013			Net Income (Loss) of the Investee	Share of Profits (Loss) (Note 1)	Note
				December 31, 2013	December 31, 2012	Shares	%	Carrying Amount			
Catcher Technology Co., Ltd.	Gigamag Co.,Ltd.	Offshore Chambers,P.O.Box 217, Apia, Samoa	Investing activities	$ 484,941	$ 484,941	14,377,642	100	$ 10,595,668	$ 2,778,375	$ 2,998,938	
	Nanomag International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	3,678,144	5,983,389	30	100	57,594,036	9,287,145	9,287,145	
	Amity Capital Inc.	1F., No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Investing activities	29,000	29,000	2,900,000	100	9,143	45	45	
	I-Catcher Optoelectronics Corp.	1F., No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Manufacturing and selling molds and electronic parts	5,000	4,990	500,000	100	4,031	21	19	
	Sinher Technology Co., Ltd.	10F-1., No. 29-1, Ln. 169, Kangning St., Xizhi Dist. New Taipei City 221, Taiwan (R.O.C.)	Manufacturing electronic parts	121,518	131,502	16,927,917	22.8	524,881	394,413	103,055	
	Epileds Technology Inc.	5F, No. 2 Chuangye Rd., Xinshi Dist. Tainan City 744, Taiwan (R.O.C.)	Manufacturing and selling LED wafer and chip	100,115	100,115	7,347,144	7.3	142,973	60,469	4,823	
	Yue-Kang Health Control Technology Inc.	1F., No. 10, Ln. 138, Renai St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	Health and medical treatment consultant	12,000	10,000	1,200,000	40	2,080	(4,617)	(1,847)	
	Kon-Cheng Accuracy Co., Ltd.	No. 113, Wugong 2nd Road, Wugu Dist., New Taipei City 248, Taiwan (R.O.C.	Manufacturing plastic products	50,000	50,000	5,000,000	40	60,852	27,203	11,252	
Gigamag Co., Ltd.	Hoppi Co., Ltd.	Offshore Chambers, P.O.Box 217, Apia Samoa	International trading	137,066 (USD 4,598,742)	137,066 (USD 4,598,742)	4,598,742	100	3,123,798	507,701		
	Avatar Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Ditto	206,790 (USD 6,938,100)	206,790 (USD 6,938,100)	6,938,100	100	(199,387)	91,986		
	Leo Co., Ltd.	Offshore Chambers, P.O.Box 217, Apia Samoa	Ditto	447,075 (USD 15,000,000)	447,075 (USD 15,000,000)	15,000,000	100	483,903	23,811		
	Orion Co., Ltd.	Offshore Chambers, P.O.Box 217, Apia Samoa	Ditto	149,025 (USD 5,000,000)	149,025 (USD 5,000,000)	5,000,000	100	113,121	1,088,623		
Nanomag International Co., Ltd.	Artery Co., Ltd.	Offshore Chambers, P.O. Box 217, Apia Samoa	Investing activities	18,852 (USD 632,495)	18,852 (USD 632,495)	632,495	100	1,094	99		
	Castmate International Co., Ltd.	P. O. Box 3443 Road Town, Tortola, British Virgin Island	Ditto	1,023,790 (USD 34,349,591)	1,023,790 (USD 34,349,591)	34,349,591	100	24,528,007	1,389,892		
	Stella International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	3,315,630 (USD 111,244,098)	1,402,450 (USD 47,040,600)	111,244,098	100	19,509,508	1,875,042		
	Aquila International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	33,382 (USD 1,120,000)	33,382 (USD 1,120,000)	1,050,000	75	353,445	76,749		
	Gemini International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	87,761 (USD 2,944,500)	87,761 (USD 2,944,500)	2,944,500	100	1,125	(169)		
	Uranus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Ditto	5,931,426 (USD 199,007,763)	5,931,426 (USD 199,007,763)	199,007,763	100	14,328,208	6,211,820		
	Grus International Co., Ltd.	Scotia Centre, 4th Floor, P.O.Box 2804, George Town,Grand Cayman, Cayman Islands	Ditto	894,258 (USD 30,003,618)	894,258 (USD 30,003,618)	30,003,618	100	949,617	(58,453)		
Artery Co., Ltd.	Catcher Technology Phils Inc.	#24 Innovative Street. Subic Bay Industrial Park Phase-1, Subic Bay Freeport Zone, Philippines	Manufacturing, selling and developing varied metal products	3,697 (USD 124,030)	3,697 (USD 124,030)	581,250	100	1,563	100		
Castmate International Co., Ltd.	Cygnus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	4,153,185 (USD 139,345,259)	4,153,185 (USD 139,345,259)	139,345,259	100	23,014,717	1,376,125		
Stella International Co., Ltd.	Lyra International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	4,209,013 (USD 141,218,366)	2,295,428 (USD 77,014,868)	141,218,366	100	17,711,397	1,839,733		
Aquila International Co., Ltd.	Cepheus International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	41,727 (USD 1,400,000)	41,727 (USD 1,400,000)	1,400,000	100	469,415	76,957		
Grus International Co., Ltd.	Sagitta International Co., Ltd.	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong	Investing activities	891,579 (USD 29,913,748)	891,579 (USD 29,913,748)	29,913,748	95	947,299	(61,587)		

Note 1：Share of profits (losses) is only reflected for the subsidiaries invested directly and the investments accounted for by the equity method.

Note 2：Information of investment in Mainland China refer to Table 8.

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital（Note11）	Method of Investment（Note1）	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2013（Note 11）	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2013（Note 11）	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)（Note 2）	Carrying Amount as of December 31, 2013	Accumulated Repatriation of Investment Income as of December 31, 2013
					Outward	Inward						
Catcher Technology (Suzhou) Co., Ltd.	Manufacturing, selling and developing varied metal products	$ 1,490,548 (USD 50,010,000)	2.Cygnus International Co., Ltd. (Note 8)	$ 993,699 (USD 33,340,000)	$ -	$ -	$ 993,699 (USD 33,340,000)	$ 52,425	100	$ 52,425 2.(1)	$ 4,315,463	$ -
Topo Technology (Suzhou) Co., Ltd.	Ditto	3,287,790 (USD 110,310,000)	2.Lyra International Co., Ltd. (Notes 4 and 5)	1,202,334 (USD 40,340,000)	-	-	1,202,334 (USD 40,340,000)	1,880,925	100	1,880,925 2.(1)	12,811,494	-
Topo Technology (Taizhou) Co., Ltd.	Ditto	2,988,523 (USD 100,269,184)	2.Lyra International Co., Ltd. (Note 9)	-	-	-	-	(167,074)	100	(167,074) 2.(1)	2,927,627	-
Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Ditto	3,656,179 (USD 122,670,000)	2.Cygnus International Co., Ltd. (Note 6)	-	-	-	-	1,157,356	100	1,157,356 2.(1)	13,341,391	-
Catcher Technology (Suqian) Co., Ltd.	Ditto	2,980,500 (USD 100,000,000)	2.Uranus International Co., Ltd. (Note 7)	2,831,445 (USD 94,999,000)	-	-	2,831,445 (USD 94,999,000)	6,346,529	100	6,346,529 2.(1)	11,515,626	-
Vito Technology (Suqian) Co., Ltd.	Ditto	2,950,695 (USD 99,000,000)	2.Uranus International Co., Ltd. (Note 10)	-	-	-	-	(134,703)	100	(134,703) 2.(1)	2,925,074	-
Aquila Technology (Suzhou) Co., Ltd.	Manufacturing and selling molds and electronic parts	41,727 (USD 1,400,000)	2.Cepheus International Co., Ltd.	33,382 (USD 1,120,000)	-	-	33,382 (USD 1,120,000)	83,518	75	62,639 2.(1)	408,277	-
WIT Technology (Taizhou) Co., Ltd. (Note 12)	Researching, developing and manufacturing communication electron products	125,181 (USD4,200,000)	2.Cetus International Co., Ltd.	87,627 (USD 2,940,000)	-	-	87,627 (USD 2,940,000)	-	70	-	-	-
Chaohu Yunhai Magnesium Co., Ltd.	Manufacturing and selling dolomite, aluminum, magnesium alloy and other alkaline-earth metal	1,075,470 (RMB 220,000,000)	2.Sagitta International Co., Ltd.	709,359 (USD 23,799,994)	-	-	709,359 (USD 23,799,994)	(125,461)	46	(58,230) 2.(1)	947,103	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2013（Note 11）	Investment Amounts Authorized by Investment Commission, MOEA（Note 11）	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA（Note 3）
$ 5,857,845 (USD 196,538,994)	$ 21,850,824 (USD 597,029,000) (RMB 829,779,000)	$ 44,105,692

Note 1: The investing methods are categorized as follows:
1: Direct investment in companies in Mainland China.
2: Investment in companies in Mainland China, which is made by the Company incorporated via a third region.
3: Others

Note 2: In the column:
1: This means the investee is under initial preparation and there were no gains or losses on investment.
2: The recognition of gains or losses on investment is based on:
(1)The financial statements audited by global accounting firms, which are affiliated with the accounting firms in the Republic of China.
(2)The financial statements audited by the certified public accountant of the parent company in Taiwan.
(3)Other.

Note 3：The upper limit on investment in Mainland China is calculated as:
$73,509,487×60%＝$44,105,692

Note 4：The paid-in capital of US$6,670,000, which is self-owned funding of Nanomag International Co., Ltd., is invested in Topo Technology (Suzhou) Co., Ltd. through Stella International Co., Ltd., and the paid-in capital of US$33,300,000 is earning distributed in the third quarter 2011.

Note 5：The paid-in capital of US$30,000,000 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd., and then reinvested in Topo Technology (Suzhou) Co., Ltd..

Note 6: The paid-in capital of US$106,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd., then invested in Meeca Technology (Suzhou Industrial Park) Co., Ltd., and the paid-in capital of US$16,670,000 is earning distributed in third quarter 2011.

Note 7: The paid-in capital of US$5,001,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd. to Castmate International Co., Ltd. and then invested in Catcher Technology (Suqian) Co., Ltd..

Note 8: The paid-in capital of US$16,670,000 is earnings distributed in the third quarter 2011.

Note 9: The paid-in capital of US$32,900,977 is earnings distributed from Topo Technology (Suzhou) Co., Ltd. to Stella International Co., Ltd. and then invested in Topo Technology (Taizhou) Co., Ltd. On the other hand, US$ 67,368,207 is earnings distributed from the investees in Mainland China to Nanomag International Co., Ltd., and then invested in Topo Technology (Taizhou) Co., Ltd via Lyra International Co., Ltd..

Note 10: The paid-in capital of US$99,000,000 is earnings distributed from Catcher Technology (Suzhou) Co., Ltd., to Nanomag International Co., Ltd. and then invested in Vito Technology (Suqian) Co., Ltd. via Uranus International Co., Ltd..

Note 11: The exchange rate is one US$ for 29.805 New Taiwan dollars on December 31, 2013.
The exchange rate is one RMB for 4.8885 New Taiwan dollars on December 31, 2013.

Note 12: WIT Technology (Taizhou) Co., Ltd. was dissolved in June 2012, and the rest amount of capital has not been wired back Taiwan.(Concluded)

TABLE 9

CATCHER TECHNOLOGY CO., LTD.

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2013
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

						Transaction Detail			Notes/Accounts Receivable (Payable)		
Investee Company	Counterparty	Nature of Relationship	Transaction Type	Amount	(%)	Price	Payment Term	Comparison with Normal Transaction	Ending Balance	(%)	Unrealized Gain (Loss)
Catcher Technology Co., Ltd.	Leo Co., Ltd.	Subsidiary	Purchases (Note 1)	$ 15,727,736	93	The purchase prices were incomparable	Net 90 days after next month closing	Equivalent	$ (377,371)	(29)	$ 10,236
	Orion Co., Ltd.	Subsidiary	Sales (Note 2)	811,702	4	The purchase prices were incomparable	Net 120 days after monthly closing	Equivalent	210,021	4	-
	Topo Technology (Suzhou) Co., Ltd.	Subsidiary	Purchases of property, plant and equipment	2,053	-	Bargaining	Net 120 days after acceptance	Equivalent	-	-	-

Note 1: The purchases from Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd., Catcher Technology (Suqian) Co., Ltd., and Meeca Technology (Suzhou Industrial Park) Co., Ltd. were made via Leo Co., Ltd.

Note 2: The sales to Catcher Technology (Suzhou) Co., Ltd., Topo Technology (Suzhou) Co., Ltd., Meeca Technology (Suzhou Industrial Park) Co., Ltd. and Catcher Technology (Suqian) Co., Ltd., were made via Orion Co., Ltd.

TABLE 10

CATCHER TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
0	Catcher Technology Co., Ltd.	Orion Co., Ltd.	1	Sales	$ 811,702	The sales prices were not different to those from third parties, net 120 days after monthly closing	1.88
				Sale of supplies and property, plant and equipment	267,710		0.62
				Receivable from related parties	210,021		0.20
				Purchases of property, plant and equipment	85,037	The purchases prices were bargaining, net 120 days after acceptance or prepaid	0.20
				Prepayments for equipment	12,523		0.01
		Leo Co., Ltd.	1	Purchases	15,727,736	The purchases prices were not different to those from third parties, net 90 days after next month closing	36.37
				Payables to related parties	377,371		0.36
1	Catcher Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3	Sales	912,757	The sales prices were not different to those from third parties, net 30 days after monthly closing	2.11
				Payables to related parties	70,403		0.07
		Orion Co., Ltd.	3	Purchases	50,333	The purchases prices were not different to those from third parties, net 90 days after month closing	0.12
				Other payables to related parties	36,607		0.03
				Purchases of property, plant and equipment	94,938	The purchases prices were bargaining, net 120 days after acceptance	0.22
		Vito Technology (Suqian) Co., Ltd.	3	Disposal of property, plant and equipment	608,405	The sales prices were bargaining, net 120 days after acceptance	1.41
				Other receivables from related parties	679,168		0.64
				Sales	68,105	The sales prices were not different to those from third parties, net 120 days after monthly closing	0.16
				Receivable from related parties	101,065		0.10
		Topo Technology (Suzhou) Co., Ltd.	3	Sales	16,092	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.04
				Receivable from related parties	42,041		0.04
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Disposal of property, plant and equipment	58,160	The sales prices were bargaining, net 120 days after acceptance	0.13
				Other receivables from related parties	63,711		0.06
		Catcher Technology (Suqian) Co., Ltd.	3	Sales	17,248	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.04
				Receivable from related parties	59,497		0.06
2	Topo Technology (Suzhou) Co., Ltd.	Leo Co., Ltd.	3	Sales	4,970,502	The sales prices were not different to those from third parties, net 30 days after monthly closing	11.49
				Payables to related parties	41,036		0.04
		Orion Co., Ltd.	3	Purchases	560,038	The purchases prices were not different to those from third parties, net 90 days after month closing	1.30
				Purchases of property, plant and equipment	186,761	The purchases prices were bargaining, net 120 days after acceptance	0.43
				Payables to related parties	23,408		0.02

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Purchases of property, plant and equipment	$ 18,395	The purchases prices were bargaining, net 120 days after acceptance	0.04
				Other payables to related parties	10,570		0.01
				Disposal of property, plant and equipment	36,855	The sales prices were not different to those from third parties, net 120 days after monthly closing	0.09
				Other receivables from related parties	43,981		0.04
		Catcher Technology (Suzhou) Co., Ltd.	3	Sales	105,292	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.24
		Catcher Technology (Suqian) Co., Ltd.	3	Sales	49,898	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.12
				Other receivables from related parties	2,201,144		2.09
				Disposal of property, plant and equipment	33,721	The sales prices were bargaining, net 120 days after acceptance	0.08
		Topo Technology (Taizhou) Co., Ltd.	3	Other receivables from related parties	977,700		0.93
				Interest income	12,913		0.03
		Vito Technology (Suqian) Co., Ltd.	3	Sales	22,673	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.05
				Receivable to related parties	22,969		0.02
3	Meeca Technology (Suzhou Industrial Park) Co., Ltd.	Leo Co., Ltd.	3	Sales	5,372,713	The sales prices were not different to those from third parties, net 30 days after monthly closing	12.43
				Receivable from related parties	241,298		0.23
		Orion Co., Ltd.	3	Purchases	185,114	The purchases prices were not different to those from third parties, net 90 days after month closing	0.43
				Purchases of property, plant and equipment	94,445	The purchases prices were bargaining, net 120 days after acceptance	0.22
		Stella International Co., Ltd.	3	Other payables to related parties	1,698,885		1.61
				Interest expense	32,468		0.08
		Catcher Technology (Suqian) Co., Ltd.	3	Sales	340,419	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.79
				Other income	165,125		0.38
				Disposal of property, plant and equipment	368,298	The sales prices were bargaining, net 120 days after acceptance	0.85
				Interest income	23,998		0.06
				Purchases of property, plant and equipment	15,720	The purchases prices were bargaining, net 120 days after acceptance	0.04
				Receivable from related parties	340,697		0.32
				Other receivables from related parties	3,962,920		3.76
		Topo Technology (Taizhou) Co., Ltd.	3	Sales	925,499	The sales prices were not different to those from third parties, net 90 days after monthly closing	2.14
				Other income	13,220		0.03
				Disposal of property, plant and equipment	97,233	The sales prices were bargaining, net 120 days after acceptance	0.22
				Receivable from related parties	410,725		0.39
				Other receivables from related parties	103,091		0.10
				Other receivables from related parties	488,850		0.46
		Topo Technology (Suzhou) Co., Ltd.	3	Sales	109,003	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.25
				Other income	22,412		0.05
				Receivable from related parties	51,959		0.05

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
		Vito Technology (Suqian) Co., Ltd.	3	Disposal of property, plant and equipment	$ 329,962	The sales prices were bargaining, net 120 days after acceptance	0.76
				Other receivables from related parties	365,486		0.35
				Other receivables from related parties	488,850		0.46
4	Aquila Technology (Suzhou) Co., Ltd.	Catcher Technology (Suqian) Co., Ltd.	3	Sales	22,501	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.05
				Receivable from related parties	21,592		0.02
		Catcher Technology (Suzhou) Co., Ltd.	3	Sales	58,895	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.14
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Sales	17,663	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.04
				Receivable from related parties	15,151		0.01
		Topo Technology (Suzhou) Co., Ltd.	3	Sales	433,599	The sales prices were not different to those from third parties, net 90 days after monthly closing	1.00
				Receivable from related parties	213,993		0.20
5	Catcher Technology (Suqian) Co., Ltd.	Leo Co., Ltd.	3	Sales	4,693,692	The sales prices were not different to those from third parties, net 90 days after monthly closing	10.85
				Receivable from related parties	474,343		0.45
		Orion Co., Ltd.	3	Purchases	61,399	The purchases prices were not different to those from third parties, net 90 days after month closing	0.14
				Purchases of property, plant and equipment	2,265,328	The purchases prices were bargaining, net 120 days after acceptance	5.24
				Other payables to related parties	1,319,037		1.25
		Castmate International Co., Ltd.	3	Other payables to related parties	596,100		0.57
		Stella International Co., Ltd.	3	Other payables to related parties	894,150		0.85
		Lyra International Co., Ltd.	3	Other payables to related parties	1,847,910		1.75
		Cygnus International Co., Ltd.	3	Other payables to related parties	834,540		1.14
				Interest expense	11,075		0.03
		Vito Technology (Suqian) Co., Ltd.	3	Technical service income	265,114		0.61
				Other receivables from related parties	285,704		0.39
		Catcher Technology (Suzhou) Co., Ltd.	3	Sales	915,558	The sales prices were not different to those from third parties, net 90 days after monthly closing	2.12
		Topo Technology (Suzhou) Co., Ltd.	3	Sales	956,896	The sales prices were not different to those from third parties, net 90 days after monthly closing	2.21
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Sales	54,313	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.13
				Other income	267,302		0.62
				Receivable from related parties	170,050		0.23
6	Topo Technology (Taizhou) Co., Ltd.	Orion Co., Ltd.	3	Purchases of property, plant and equipment	862,411	The purchases prices were bargaining, net 120 days after acceptance	1.17
		Cygnus International Co., Ltd.	3	Other payables to related parties	2,533,425		3.45
				Interest expense	10,384		0.02
		Meeca Technology (Suzhou Industrial Park) Co., Ltd.	3	Sales	1,163,724	The sales prices were not different to those from third parties, net 90 days after monthly closing	2.69
				Other income	267,302		0.62
				Receivable from related parties	170,050		0.23
		Topo Technology (Suzhou) Co., Ltd.	3	Sales	81,587	The sales prices were not different to those from third parties, net 90 days after monthly closing	0.19
				Receivable from related parties	10,785		0.01
7	Vito Technology (Suqian) Co., Ltd.	Orion Co., Ltd.	3	Purchase of property, plant and equipment	253,239	The purchases prices were bargaining, net 120 days after acceptance	0.34

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
8	Gigamag Co., Ltd.	Leo Co., Ltd.	3	Temporary payments	1,220,136		1.16
		Orion Co., Ltd.	3	Temporary payments	1,406,677		1.91
		Nanomag International Co., Ltd.	3	Temporary payments	1,728,690		2.35
		Cygnus International Co., Ltd.	3	Temporary payments	1,341,225		1.82
9	Hoppi Co., Ltd.	Nanomag International Co., Ltd.	3	Temporary payments	536,490		0.73
10	Castmate International Co., Ltd.	Stella International Co., Ltd.	3	Temporary payments	922,763		1.26
11	Avatar Co., Ltd.	Lyra International Co., Ltd	3	Temporary payments	119,220		0.16

Note: No. 1 represents transactions from parent company to subsidiaries.

No. 2 represents transactions from subsidiaries to parent company.

No. 3 represents transactions among subsidiaries.

(Concluded)