Stock code：8021

尖點科技股份有限公司
TOPOINT TECHNOLOGY CO., LTD.

2013 Annual Report

Taiwan Stock Exchange Market Observation Post System：http://mops.twse.com.tw

Published on April 30, 2014

Topoint Technology Co., Ltd.

1. Spokesperson

   Name: Karen Lin

   Title: Special Assistant to Chairman

   Tel.: 886-2-2680-5868 ext. 818

   E-mail address:karen@topoint.tw

   Acting Spokesperson

   Name: Jenny Lien

   Title: Manager of the Human Resource Dept.

   Tel.: 886-2-2680-5868 ext. 809

   E-mail address: jenny_lien@topoint.tw

2. Addresses and telephone number of Headquarter and Factory

   Address: 203, Sec.3, Jiayuan Road, Shulin District, New Taipei City

   Tel.: 886-2-2680-5868

3. Stock transfer agent

   The Capital Group

   Address: B2F., No. 97, Sec. 2, Dunhua S. Rd., Taipei

   Tel.: 886-2-2702-3999

   Website: www.capital.com.tw

4. Auditors

   Deloittee & Touche

   Auditors: Shieh Chien-Shin,Lin Ku-Tung

   Address: 12F., No. 156, Sec. 3, Minsheng E. Rd., Taipei

   Tel.: 886-2-2545-9988

   Website: www.deloitte.com.tw

5. Name of the institute for oversea negotiable security trade : None

6. Company website: http://www.topoint.tw

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I. Letter to Shareholders

Dear shareholders,

Looking back over 2013, the global economy was on steady but slow recovery. In the face of more uncertain business climate, we must become accustomed to study and maintain sufficient flexibility and energy to cope the stresses resulting from change. As a result of all employees' efforts, our revenue continues to reach record high for 4th year in 2013. Here we would like to present a review on our business operations for the past year as well as our future plans to our shareholders.

With regards to Topoint's operating performance for 2013, the consolidated revenue was NT$2,535 million, which represented an increase of 7.1% over the previous year. Net income after tax was NT$280 million, which was up 2.4% over the previous year. Basic after-tax earnings per share (EPS) were NT1.78. Look forward to 2014, we expect to have revenue and profit above the average of the industry under a precise performance index set by the company. We hereby briefly report on our 2013 operating results and 2014 business plan as follows.

I. Operation Results in 2013

1. Consolidated financial result

Unit: NT$ 1,000

	2013		2012		Increase (decrease) amount	Percentage increase (decrease)
	AMT	%	AMT	%		
Net Sales	2,534,972	100%	2,365,885	100%	169,087	7.1%
Gross Profit	737,450	29%	748,609	31%	(11,159)	(1.5%)
Operating Income	331,365	13%	366,393	15%	(35,028)	(9.6%)
Pretax Income	348,528	13%	355,742	15%	(7,214)	(2.0%)
Net Income	280,315	11%	273,773	12%	6,542	2.4%

2. Budget Implementation

As dictated in current statutory laws and regulations, we didn't release our 2013 financial forecast to the public. However, our overall operating results are generally in line with the internal operation plan.

3. Profitability Analysis

Item	2013	2012
Debt to Asset Ratio (%)	30.46	31.69
Long-term Capital to Fixed Asset Ratio (%)	160.43	146.80
Current Ratio (%)	315.54	268.97
Accounts Receivable Turnover (x)	2.93	2.92
Inventory Turnover (x)	4.27	3.71
Return on Assets (%)	4.97	5.25
Return on Shareholders' Equity (%)	6.56	6.96
Basic after-tax EPS (NT$)	1.78	1.73

4. Research and Development Status

Topoint has seen significant results in our efforts to achieve product high performance and low cost goals. We hereby briefly report on our achievements and research plan as follows:

(1) We are continuously developing high aspect ratio drill series which solve breakage problems as well as improve drilling performance and quality.
(2) We are continuously developing coating cutting tools to increase their life time.
(3) We have successfully developed new brazing skill to enhance strength on micro drills.
(4) In order to meet customers' requirements and market demand, we have been devoted to the research and development of advanced products and technologies. R&D expense amounted to 3.2% of total revenue, reaching NT$80 million in 2013.
(5) To secure competitiveness by developing advanced technologies and applying patents, we have successfully applied for 38 patents by the end of 2013.

5. Other Projects Execution Results

(1) Corporate Governance: In 10th "Information Transparency and Disclosure Ranking System" conducted by Securities and Futures Institute (SFI), Topoint was ranked as "A+" company among the 1,297 listed companies appraised, in the top 6 percentile. The result was recognition of the Company's effort in continuously promoting better corporate governance, and maintaining the corporate information disclosure transparency.
(2) Total Productive Management: TPM is a strategy to continuously improve the production process. Eight function teams were built to ensure the implementation of TPM project. The 1st wrap-up presentation was held in June of 2013. Meanwhile, Topoint cooperates with Corporate Synergy Development Center, to be the demonstration factory in Eastern China Area.
(3) Energy Saving: the Company participated in "Energy Saving and Carbon Reduction Production Program" in 2013. At the same time, Topoint was granted 2013 "Energy Conservation Excellence Award" by the Economic Development Department of New Taipei City.
(4) Quality Control Circle: A quality circle is a volunteer group composed of workers, who are trained to identify, analyze and solve work-related problems and present their solutions to management in order to improve the performance of the organization, and motivate and enrich the work of employees. In July 2013, the Company held kick-off meeting and built five circles to ensure the implementation of QCC project.

II. Overview of Operation Plan in 2014

1. Operation Principle and Important Policies

(1) Continue to develop drills with finer size and better performance so as to catch market trends in the future, as well as proactively partner with customers for product technology development.
(2) Continue to increase cost competiveness by enhancing material technology, optimizing production process, and trend management.
(3) Continue to integrate and apply products and technologies across different business units in order to achieve maximum synergy.
(4) Continue to enhance and expand integration service platform to provide best solution to our key customers. The sixth plant is expected to start operation in 2014.

2. Perspectives

Looking forward, the global economy will continue to move steadily toward recovery. Smart phones, tablets, smart TVs, cloud computing and a new generation of notebook computers are still the expected drivers for electronics industry's growth, which accelerates the demand of micro-drill and blind/buried vias of high-end PCBs. We will cautiously observe the macroeconomic environment, market trends and its further development. Moreover, we will prudently react to economic changes to maintain stable operations and explode every opportunity for growth.

Finally, we would like to thank you for your continuing support. All of us at Topoint will continue to commit ourselves to make great achievements to benefit all our shareholders. We wish you all good health and good luck.

Sincerely yours,

Chairman / CEO **Xu-ting Lin**
General Manager **Jia-hong Wang**

II. Introduction of Corporation

1. Establishment date：

Established on: April 12, 1996

2. Development history：

1) 1996: Topoint Technology Co., Ltd. was established to engage in production and sales of precision drills with NT$15 million in capital.
2) 1997：In order to meet the market demand, it increased its capital by NT$17.5 million to purchase new machinery equipment. By then, the total paid-in capital was NT$32.5 million.
3) 1998：It increased its capital by NT$66.7 million to enlarge its business scale and purchase new machinery equipment. By then, the total paid-in capital was NT$99.2 million. The factory was relocated to Beinei Street of Shulin where the factory buildings were enlarged so as to meet future expanding operation
4) 1999: It garnered RWTUV ISO9002, a quality assurance accreditation, in April, and had a cash capital increase of NT$20.8 million on Sep. 20 for the purchase of leading-edge equipment to enhance production capacity. By then, the capital increase by earnings recapitalization was NT$18.25 million, whereas the paid-in capitalization was NT$138.25 million.
5) 2000: As approved by the competent authorities in May for public offer, it increased NT$120 million of capital in cash in June to purchase production equipment and advanced inspection instruments to elevate production capacity and assure product quality. By then, the capital increase by earnings recapitalization was NT$10.56 million, capital increase by capital surplus as stock dividends was NT$4.19 million and the paid-in capitalization was NT$273 million.
6) 2001: It increased NT$54.91 million of capital by earnings recapitalization and NT$12.09 million of capital by capital surplus as stock dividends in August. In December of the same year, it increased NT$ 50 million of capital in cash to purchase production equipment, repay bank loans and supplement the working capital. By then, the paid-in capitalization was NT$390 million.
7) 2003: It registered for the listing of the emerging stock on January 2, and increased NT20 million of capital in cash in December to purchase equipment and expand production capacity. By then, the paid-in capitalization was NT$410 million.
8) 2004: It increased NT$16.93 million of capital by earnings recapitalization in June to supplement the working capital. In December, it increased NT$57 million of capital in cash to repay bank loans. As a total the paid-in capitalization was NT$483.93 million. In December, its stock went public on the OTC market. New Shulin plant in Taiwan started operation and migrated headquarter to the new plate. Setup Topoint South China office in Shenzhen.
9) 2005: It relocated its factory to the present address having larger space so as to meet the demand for future expanding operation, and increased NT$68,651,250 of capital by earnings recapitalization in July. As a total, the paid-in capitalization was NT$552,581,250.
10) 2006: It issued NT$40 million of its first local unsecured convertible corporate bonds in February to

purchase equipment and repay bank loans, increased NT$100 million of capital in cash in March to purchase equipment and expand production capacity, issued 5,520 units of employee stock options in April, and increased NT$101,706,700 of capital by earnings recapitalization in July. As a total, the paid-in capitalization was NT$773,881,710.

11) 2007: It increased NT$112,269,820 of capital by earnings recapitalization in July to supplement the working capital. As a total, the paid-in capitalization was NT$954,691,270. Expanded Shulin and Shanghai plants to 13 million units of overall capacity. Topoint was granted qualified from Taiwan Corporate Governance Association. Established Japanese subsidiary Topoint Japan. Setup Topoint North China office.

12) 2008: It increased NT$115,873,410 of capital by earnings recapitalization and change shares of employee stock option. As a total, the paid-in capitalization was NT$1,070,564,680. Transferred stock listing from OTC exchange to TWSE exchange. Expanded Shulin and Shanghai plants to 17 million units of overall capacity. New Shanghai plant started operaiton.

13) 2009: It increased NT$100 million of capital in cash in August to repay bank loans,and issued NT$200 million of its first private of unsecured convertible bonds in September to repay bank loans, increased NT$96,153,230 of capital by earnings recapitalization and change shares of employee stock option. As a total, the paid-in capitalization was NT$1,266,717,910. Established Unipoint Technology Company.

14) 2010: It increased NT$23,696,680 of unsecured convertible bonds in November ,and increased NT$48,801,550 of capital by earnings recapitalization and change shares of employee stock option. As a total, the paid-in capitalization was NT$1,339,216,140. Expanded Shulin and Shanghai plants to 20 million units of overall capacity. Shanghai Topoint received ISO9001 and ISO 14001 quality system certification. Established Unipoint Technology(Shenzhen) Company and Sharpoint (Qinhuangdao) Company.

15) 2011: It increased NT$142,180,070 of unsecured convertible bonds ,increased NT$37,198,860 of capital by earnings recapitalization and increased NT$7,090,000 of employee stock option. As a total, the paid-in capitalization was NT$1,525,685,070. Established Sharpoint Technology(Shenzhen) Company and Sharpoint Technology(Suzhou) Company.

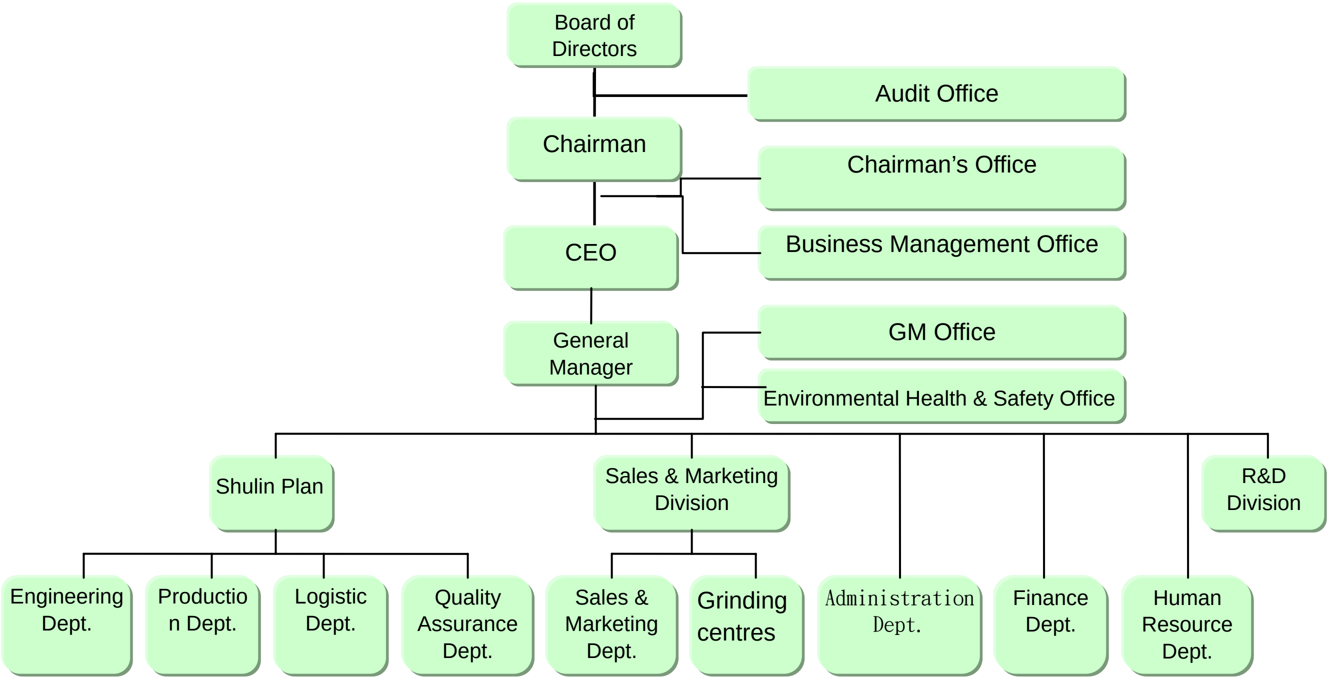
16) 2012: It increased NT$40,892,590 of capital by earnings recapitalization. As a total, the paid-in capitalization was NT$1,566,577,660. Established Kunshan Topoint Electronics Company.

17) 2013: It increased NT$12,327,800 of capital by earnings recapitalization. As a total, the paid-in capitalization was NT$1,578,905,460. Topoint was received “Energy Conservation and Carbon Reduction Award” by Research and Development Center of Green Industry of Economic Development Department.

III. Corporate Governance Report

1. Organization System

(1) Organization Chart



(2) Major Corporate Functions

Department	Major functions
Audit Office	To audit and evaluate the functions and operations of each department and the execution of internal control system.
Chairman Office	Planning and execution of relationships with investors. Corporate stock affairs and investment evaluation.
Business Management Office	To establish corporate guidelines, strategies and operation plans.
General Manager Office	To plan and management of company projects.
Environmental Health & Safety Office	Planning and implementation of the systems relating to factory environment, security and health.
Engineering Dept.	Management of production technology and process standardization, and maintenance of production equipment.
Production Dept.	Production schedule planning, and management of product process and manufacture.
Logistic Dept.	Management and planning of purchasing and warehousing

Department	Major functions
Quality Assurance Dept.	Planning and execution of quality control system.
Sales & Marketing Dept.	Planning sales and promotion strategies. Expansion of markets, introduction of customers, and increase market share to achieve company's sales goals. Provision of production forecast to coordinate production and sales.
Grinding centres	Management and Production planning of grinding.
Administration Dept.	Planning and execution of general affairs, factory affairs, and information systems.
Finance Dept.	Corporate financial planning and investment management. Planning and execution of accounting and taxes system.
Human Resource Dept.	Management of human resources, personnel administration and regulated systems.
Research & Development Division	R&D of advanced technologies and development of new products. Patent planning and management.

2. Information about Directors, Supervisors, General Manager , Vice presidents, Assistant presidents, Chiefs of Respective Divisions and Branch Offices

(1)Directors and supervisors：

a. directors and supervisors

April 30, 2013

Title	name	Elected (inaugurated) date	Term (years)	1st elected date	Shares held when being elected		Current shareholding		Shareholding of spouse and minors		Shares held in the names of others		Current post and/or education	Post concurrently taken in the company or other companies	Other executives, directors or supervisors in spouse relationship or kin relationship within 2nd degree		
					shares	Shareholding ratio	Number of shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relation
Chairman	Xu-ting, Lin	06/12/2012	3	03/18/1996	5,330,231	3.49%	5,516,149	3.49%	-	-	-	-	President of the company/Student of National Open University	CEO of the company	Spokesperson General manager	Ruo-ping, Lin Jia-hong, Wang	Father /. Daughter Affinity
Director	Jia-hong, Wang	06/12/2012	3	06/15/2010	661,745	0.43%	1,805,754	1.14%	3,727	0.00%	-	-	Manager of the company/ Soochow University, Accounting	General Manager of Topoint Technology	Chairman	Xu-ting, Lin	Affinity
Director	UMC Capital Corporation	06/12/2012	3	06/20/2006	4,741,455	3.11%	4,906,836	3.11%	-	-	-	-	-	Director of Crystalwise Technology Director of Candmark Electroptics Co.,Ltd Director of Excellence Optoelectronics Inc Director of ELE-CON TECHNOLOGY	-	-	-
	Sin-Yi, Lai	09/17/2012	3	09/17/2012	-	-	-	-	-	-	-	-	Manager of UMC Capital MBA from National Sun Yat-sen University	Director of UMC Capital		-	-
Director	CDIB Venture Capital Corporation	06/12/2012	3	06/12/2012	2,428,672	1.59%	2,513,383	1.59%	-	-	-	-	-	-	-	-	-
	Liang-Jie, Huang	06/12/2012	3	06/12/2012	-	-	-	-	-	-	-	-	MBA from London Business School	Director of China Development Industrial Bank	-	-	-
Independent director	Tsung-Ming, Lo	06/12/2012	3	06/06/2003	2,875	0.00%	2,975	0.00%	2,975	0.00%	-	-	Graduate of NTU College of Law/Legal affairs manager of Sampo Group.	Chairman of Sipo Land Agent Firm	-	-	-
Independent director	Po-cheng, Ko	06/12/2012	3	06/06/2003	-	-	-	-	-	-	-	-	Associate professor of the Accounting Department of Soochow University	Supervisor of CyberPower Systems,Inc Supervisor of Lustrous	-	-	-
Independent director	Jung-sheng, Pai	06/12/2012	3	06/13/2008	-	-	-	-	-	-	-	-	National Chung Hsing University, Chemistry	TPCA technical consultant. Technical consultant of Unimicron Corporation. Independent Director of ShineMore Corporation.	-	-	-
Supervisor	Ken-ching, Chen	06/12/2012	3	06/20/2006	1,587,852	1.04%	1,643,235	1.04%	368,129	0.23%	-	-	Graduate of a commercial senior high school / employee of Sampo Group	President of Hong Gy Co., Ltd. Chairman of Li-Herng Investment Chairman of Pai-Jing Investment Supervisor of Lustrous Technology Ltd.	-	-	-
supervisor	Cheng-chie, Niu	06/12/2012	3	06/20/2006	2,587	0.00%	2,676	0.00%	-	-	-	-	Ph.D. in Polymer Chemistry from Polytechnic Institute of Brooklyn.	Adjunct Assistant Professor in Biomedical Engineering department of I-Shou University.	-	-	-
supervisor	Chung-Ta, Wu	06/11/2013	2	06/11/2013	-	-	-	-	-	-	-	-	MS degree in Photographic Science & Instrumentation from Rochester Institute of Technology(RIT).	Chairman of Singda Electronic Systems			

Major institutional shareholders:

April 30, 2014

Name of institutional shareholder	Major shareholders of the institutional shareholders
UMC Capital Corporation	100% of shares are held by United Microelectronics Corp.
China Development Industrial Bank	100% of shares are held by China Development Industrial Bank

Major shareholders of the major shareholders that are Juridical Persons

April 30, 2014

Institutional shareholder name	Major shareholders of the institutional shareholder
United Microelectronics Corp.	8.87% of shares are held by UMC account GDR to J.P.Morgan. 3.41% of shares are held by Hsun Chieh Investment Co.,Ltd. 2.44% of shares are held by Silicon Integrated Systems Corp. 2.12% of shares are held by Bank of Taiwan custody Hill-Chester International Investors International Value Equity Trust Investment Account 1.33% of shares are held by Cathay Life Insurance Co.,Ltd. 1.14% of shares are held by Bank of Taiwan custody Hill-Chester International Investors International Value Equity Group Trust Investment Account 1.05% of shares are held by Nan Shan Life Insurance Company, Ltd 0.97% of shares are Saudi Arabian Monetary Agency to J.P.Morgan. 0.96% of shares held by a dimension emerging market evaluation fund commissioned to Citibank. 0.89% of shares are held by ABP Pension Fund Investment Account to J.P.Morgan.
China Development Industrial Bank	100 % of shares are held by China Development Financial Holding Co., Ltd.

b. Personal data of directors and supervisors

Condition / Name (Note1)	With over five years of job experience and the following business qualification			Are they in compliance with the independence terms（Note）										Also an independent director of other public company
	Teachers of public or private colleges for the subject Of commerce, law, finance, accounting, or business	Judge, prosecutor, attorney, accountant, or business salespersons passed national exam & certified specialists or technicians	With job experience in commerce, law, finance, accounting, or business	1	2	3	4	5	6	7	8	9	10	
Xu-ting, Lin			✓				✓	✓	✓	✓	✓	✓	✓	-
Jia-hong, Wang			✓				✓	✓	✓	✓	✓	✓	✓	-
Sin-Yi, Lai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Liang-Jie, Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Tsung-ming, Lo			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Po-cheng, Ko	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Jung-sheng, Pai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Ken-ching, Chen			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	-
Cheng-chie, Niu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Chung-Ta, Wu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Note: Directors and supervisors who have qualified the following conditions two years before being elected and during the term are to tick the box ("✓") of the corresponding condition.

（1） Not the employee of the company or its affiliated enterprises

（2） Not the director or supervisor of the company or its affiliated enterprises (however, it is not limited to the independent director of the subsidiary in which the company directly or indirectly holds more than 50% of voting shares.)

（3） Not the shareholder whose spouse, minor children or related persons in his or her name hold more for than 1% of the company's issued shares, nor the one who is one of company's top-10 nature person shareholders.

（4） Not the direct lineal blood relative (including spouse and the relatives within 2nd degree) of the persons listed in the preceding three items.

（5） Not the director, supervisor or employee of the institutional shareholder who directly holds more than 5% of the company's issued shares, nor the director, supervisor or employee of the top 5 institutional shareholders.

（6） Not the director, supervisor, manager of the specific company or institute having financial or business relationship with the company, nor the shareholders holding more than 5% of the company's shares.

（7） Not the professional who offers business, legal, accounting or consulting services to the company or its affiliated enterprises, nor the proprietor, partner, director, supervisor, manager and their spouses of the business entity solely invested or partnered by the company.

（8） Not the spouse nor a relative within two degrees of lineal consanguinity of an individual.

（9） Free of any of the behaviors as defined in Article 30 of Company Act.

（10） Not a governmental officer, juridical person or its representative as defined in Article 27 of Company Act.

(2) President, Vice President, Junior V.P., and Department Heads

April 30, 2013

Title	Name	Date Elected	Shareholding		Shareholding of spouse and minor		Shares held by other persons in their name		Experience (Education)	Current position with other companies	Executives who are spouses or second consanguinity		
			Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO	Xu-ting, Lin	11/29/2005	5,516,149	3.49	-	-	-	-	President of the company/Student of National Open University	The Chairman of the company	Special assistant to the Chairman President	Lin Ruo-ping Wang Jia-hong	Father/ daughter cousin-in-law
General Manager	Jia-hong, Wang	01/13/2011	1,805,754	1.14	3,727	0.00	-	-	Manager of Topoint / Graduate of the accounting department of Soochow University	-	CEO	Lin Xu-ting	cousin-in-law
Vice president	Yin-ming, Huang	05/08/2006	122,679	0.08	4,420	0.00	-	-	Manager of ASE Inc. / Graduate of the materials science and engineering department of Feng Chia University	-	-	-	-
Vice president	Zhao-yang, Chen	02/01/2002	134,694	0.09	-	-	-	-	Manager of Topoint / Graduate of Minghsin Junior College.	-	-	-	-
Vice president	Sheng-jhou, Wong	02/01/2014	878	0.00%	-	-	-	-	Manager of Topoint / Student of Affiliated Senior High School of National Taiwan Normal University	-	-	-	-
Director	Chang-long, Yan	02/01/2014	38,670	0.02%	27,516	0.02%	-	-	Gigabyte of Topoint / Graduate of the accounting department of Soochow University	-	-	-	-
Director	Cin-yi, Jhou	02/01/2014	-	-	-	-	-	-	Ph.D. in department of materials science and engineering from NTHU.	-	-	-	-
Financial Manager	Li-ching, Ko	06/26/2008	-	-	-	-	-	-	Junior manager of Taiwan International Securities / Graduate of the accounting department of Soochow University	-	-	-	-

(3) Remuneration of Directors, Supervisors, President, and Vice President

A. Remuneration of Directors

Unit: NT$1,000/1,000 shares

Title	Name	Remuneration								Total Remuneration(A+B+C+D)as a % of 2013 Net income		Compensation earned as employee of TOP or of TOP's consolidated entities										Total compensation as a % of 2013 Net income(Note2)		Compensation Received from Non-consolidated affiliates
		Base Compensation(A)		Severance Pay(B) (Note3)		Bonus to directors(C) (Note1)		Allowances(D)				Salary(E)		Severance Pay (F)		Employee profit sharing (G)				Exercisable employee stock options(H)				
		From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP		From all consolidated entities		From TOP	From all consolidated entities	From TOP	From all consolidated entities	
																Cash	Stock	Cash	Stock					
Chairman	Xu-ting, Lin	-	-	-	-	5,903	5,903	104	104	2.14%	2.14%	5,177	15,952	-	-	5,297	-	5,297	-	175,000	175,000	5.88%	9.72%	-
Director	Jia-hong, Wang																							
Director	UMC Capital Corporation：Sin-Yi, Lai																							
Director	CDIB Venture Capital Corporation: Liang-Jie, Huang																							
Independent director	Tsung-ming, Lo																							
Independent director	Po-cheng, Ko																							
Independent director	Jung-sheng, Pai																							

Note 1 : As passed in the board meeting on March 11, 2014 for 2013 annual earnings distribution, NT$7,568,521 is for remuneration of directors and supervisors and NT$37,842,602 for employee bonus. As of the annual report publication date, this resolution made in the board meeting has yet to be resolved by shareholders in the shareholders' meeting. The distributed amounts shown above were calculated according to last year's distribution ratio.

Note 2: Income after Income Tax is less by Bonus to employees.

Note 3: Total Severance Pay to TOP's directors in 2013 was $0.

Remuneration Bracket

Remuneration to directors	2013			
	Total Remuneration(A+B+C+D)		Total Compensation (A+B+C+D+E+F+G)	
	From TOP	From all consolidated entities	From TOP	From all consolidated entities
Below $2,000,000	Xu-ting, Lin、Jia-hong, Wang 、UMC Capital Corporation, CDIB Venture Capital Corporation、Tsung-ming, Lo、Po-cheng, Ko、Jung-sheng, Pai	Xu-ting, Lin、Jia-hong, Wang 、UMC Capital Corporation, CDIB Venture Capital Corporation、Tsung-ming, Lo、Po-cheng, Ko、Jung-sheng, Pai	Xu-ting, Lin、Jia-hong, Wang 、UMC Capital Corporation, CDIB Venture Capital Corporation、Tsung-ming, Lo、Po-cheng, Ko、Jung-sheng, Pai	UMC Capital Corporation, CDIB Venture Capital Corporation、Tsung-ming, Lo、Po-cheng, Ko、Jung-sheng, Pai
$2,000,000 ～ $5,000,000	-	-	-	-
$5,000,000 ～ $10,000,000	-	-	Xu-ting, Lin、Jia-hong, Wang	-
$10,000,000 ～ $15,000,000	-	-	-	Xu-ting, Lin、Jia-hong, Wang
$15,000,000 ～ $30,000,000	-	-	-	-
$30,000,000 ～ $50,000,000	-	-	-	-
$50,000,000 ～ $100,000,000	-	-	-	-
Over $100,000,000	-	-	-	-
Total amount	7	7	7	7

B. Remuneration for supervisors

Unit: NT$1,000/1,000 shares

Title	Name	2013								Total Remuneration(A+B+C+D)as a % of 2013 Net income (Note2)		Compensation Received from Non-consolidated affiliates
		Base Compensation(A)		Severance Pay(B) (Note3)		Bonus to supervisors (C) (Note1)		Base Compensation(D)				
		From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	
Supervisor	Ken-ching, Chen	-	-	-	-	1,665	1,665	30	30	0.60%	0.60%	-
Supervisor	Cheng-chie, Niu											
Supervisor	Chung-Ta, Wu											

Note 1：As passed in the board meeting on March 11, 2014 for 2013 annual earnings distribution, NT$7,568,521 is for remuneration of directors and supervisors and NT$37,842,602 for employee bonus. As of the annual report publication date, this resolution made in the board meeting has yet to be resolved by shareholders in the shareholders' meeting. The distributed amounts shown above were calculated according to last year's distribution ratio.
Note 2: Income after Income Tax is less by Bonus to employees.
Note 3: Total Severance Pay to TOP's directors in 2013 was $0.

Remuneration Bracket

Remuneration to supervisors	2013	
	Total Remuneration(A+B+C+D)	
	From TOP	From all consolidated entities
Below $2,000,000	Ken-ching, Chen、Cheng-chie, Niu、Chung-Ta, Wu	Ken-ching, Chen、Cheng-chie, Niu、Chung-Ta, Wu
$2,000,000 ～ $5,000,000	-	-
$5,000,000 ～ $10,000,000	-	-
$10,000,000 ～ $15,000,000	-	-
$15,000,000 ～ $30,000,000	-	-
$30,000,000 ～ $50,000,000	-	-
$50,000,000 ～ $100,000,000	-	-
Over $100,000,000	-	-
Total amount	3	3

C. Remuneration for President and V.P.

Unit: NT$1,000/1,000 shares

Title (Note1)	Name	Salary(A)		Severance Pay(B) (Note3)		Rewards and special payments, etc. (C)		Bonuses and Allowances(D) (Note1)				Total Remuneration(A+B+C+D)as a % of 2013 Net income (Note2)		Exercisable employee stock options		Compensation Received from Non-consolidated affiliates
		From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP	From all consolidated entities	From TOP		From all consolidated entities		From TOP	From all consolidated entities	From TOP	From all consolidated entities	
								Cash	Stock	Cash	Stock					
Chairman	Xu-ting, Lin	4,840	7,178	-	-	337	8,774	5,297	-	5,297	-	3.74%	7.58%	-	-	-
General Manager	Jia-hong, Wang															

Note 1：As passed in the board meeting on March 11, 2014 for 2013 annual earnings distribution, NT$7,568,521 is for remuneration of directors and supervisors and NT$37,842,602 for employee bonus. As of the annual report publication date, this resolution made in the board meeting has yet to be resolved shareholders in the shareholders' meeting. The distributed amounts shown above were calculated according to last year's distribution ratio.

Note 2: Income after Income Tax is less by Bonus to employees.

Note3: Total Severance Pay to TOP's President and V.P. in 2013 was $0, that pensions funded according to applicable law. In 2012 was NT$36,432.

Grades of remuneration

Grades of the remuneration for the company's general managers and vice general managers	2013	
	From TOP	From all consolidated entities
Below $2,000,000	-	-
$2,000,000 ～ $5,000,000	-	-
$5,000,000 ～ $10,000,000	Xu-ting, Lin 、Jia-hong, Wang	-
$10,000,000 ～ $15,000,000	-	Xu-ting, Lin 、Jia-hong, Wang
$15,000,000 ～ $30,000,000	-	-
$30,000,000 ～ $50,000,000	-	-
$50,000,000 ～ $100,000,000	-	-
Over $100,000,000	-	-
Total amount	2	2

D. Name of managers who received dividend and the distribution of dividend

April 30, 2014
Unit: NT$1,000

Title	Name	Stock Dividend	Cash Dividend (Note1)	Total	Ratio of total amount to net income (%) (Note2)
Chairman & CEO	Xu-ting, Lin	-	10,365	10,365	3.70%
General Manager	Jia-hong, Wang				
Vice President	Yin-ming, Huang				
Vice President	Zhao-yang, Chen				
Finance & Accounting Manager	Li-ching, Ko				

Note 1：As passed in the board meeting on March 11, 2014 for 2013 annual earnings distribution, NT$7,568,521 is for remuneration of directors and supervisors and NT$37,842,602 for employee bonus. As of the annual report publication date, this resolution made in the board meeting has yet to be resolved by shareholders in the shareholders' meeting. The distributed amounts shown above were calculated according to last year's distribution ratio.

Not 2: Income after Income Tax is less by Bonus to employees.

(1) Analysis of the ratio of the total remuneration for the directors, supervisors, general managers and vice general managers of the company and its consolidated statement companies in the recent two years to after-tax net profit, and description of remuneration payment policies, standards, combinations, procedure to determine the remuneration and the correlation with operating performance：

Year	Total remuneration of directors, supervisors, general managers and vice general managers	Ratio of the preceding remuneration to after-tax net profit(Note3)	Remuneration payment policies, standards, combinations, procedure to determine the remuneration and the correlation with operation performance
2012	28,887 thousand	10.54%	(Note1)
2013	28,951 thousand (Note2)	10.33%	(Note1)

Note 1: The remuneration for directors and supervisors is regulated according to the dividend distribution policy stipulated in the company's constitution, in which the annual earning distribution status shall be submitted to the board of directors for discussion before being sent to the shareholders' meeting for resolution. The remuneration for general managers shall be released according to the company's performance evaluation system.

Note 2：As passed in the board meeting on March 11, 2014 for 2013 annual earnings distribution, NT$7,568,521 is for remuneration of directors and supervisors and NT$37,842,602 for employee bonus. As of the annual report publication date, this resolution made in the board meeting has yet to be resolved by shareholders in the shareholders' meeting. The distributed amounts shown above were calculated according to last year's distribution ratio.

Note 3: Income after Income Tax is less by Bonus to employees.

3. Business management

(1) Board of Directors

The attendance of Directors for 6 (A) Board Meetings in 2013:

Title	Name	Attendance (B)	Proxy	Frequency of attendance (%)(B/A)	Remarks
Chairman	Xu-ting, Lin	6	0	100	-
Director	Jia-hong, Wang	6	0	100	-
Director	Representative of UMC Capital Corporation: Sin-Yi, Lai	5	0	83	-
Director	CDIB Venture Capital Corporation: Liang-Jie, Huang	0	6	0	-
Independent Director	Tsung-Ming, Lo	6	0	100	-
Independent Director	Po-cheng, Ko	5	1	83	-
Independent Director	Jung-sheng, Pai	5	0	83	-

Remarks:

1. For the events stated in SEC Article 14.3 and other opposing or qualified opinion of independent directors that are recorded or declared in writing, the date, term, the content of the case, independent director's opinion, and the company's response to the director's opinion must be stated in details: N/A
2. The name of the directors who have excused themselves from the meeting due to a conflict of interest, the name of the directors, the content of the case, the reason for the conflict of interest, and the voting must be stated in details: N/A.
3. The goal for improving the function of the board of directors (e.g. establishing the audit committee and enhancing information transparency, etc.) and execution evaluation:
   Other than placing Three independent directors, and according to the "rules of board meeting procedure", which was attendance of Directors to enhance their operating efficiency and reinforce their decision making capacity.

(2) Audit Committee or Board of Supervisors

(a) The attendance of Audit Committee in 2013:N/A
(b) The attendance of Supervisors for 6 (A) Board Meetings in 2013:

Title	Name	Attendance (B)	Proxy Frequency of attendance (%)(B/A)	Remarks
Supervisors	Ken-ching, Chen	6	100	
Supervisors	Cheng-chie, Niu	3	50	
Supervisors	Chung-Ta, Wu	4	100	Date Elected: 2013.6.11 Attendance of 4th

Remarks:

1. The formation and responsibility of the supervisors:
   (1) Communication among the employees and shareholders of the company:
   The company's supervisors use periodical or non-periodical meetings and shareholders' meetings to communicate with the company's employees and shareholders.
   (2) Communication among the audit Manager and CPA of the company:
   The company's supervisors use periodical or non-periodical meetings with the company's audit manager and CPA.
2. If supervisors have opinion from the meeting that are recorded or declared in writing, the date, term, the content of the case, supervisor's opinion, and the company's response to the supervisor's opinion must be stated in details: N/A

(3) Corporate governance and the deviation from the Rules Governing Listed & OTC corporate governance and the causes

Item	Operation	Deviation from the rules Governing Listed & OTC corporate governance and the causes
1. The company's equity structure and shareholders' equity （1）The way that the company handles suggestions and disputes with shareholders. （2）The status that the company gets hold of the list of the company's major active shareholders and the final controllers of the company's major shareholders. （3）The mechanism for company establishment, risk control of its affiliated enterprises, and fire wall establishment.	(1)The company has a spokesman (Ruo-ping, Lin), a deputy spokesperson (Chen-Hui, Lien) and the stock affairs division. (2) The company has entrusted a stock affairs agency (the stock affairs agency division of Taiwan International Securities Group) and has exclusive stock affairs personnel to serve shareholders. (3) The company has laid down the regulations for trading operation with its affiliated enterprises, and for surveillance of its subsidiaries.	None
2. Constitution of the board of directors and its function （1）The status of placing independent directors. （2）To periodically review the independence status of the certified public accountants	(1) The company places three independent directors (Tsung-Ming, Lo、Po-cheng, Ko and Jung-sheng, Pai) (2) In compliance with statutory regulations, the company's board of directors periodically evaluates the independent status of its certified public accountants.	None
3. The status for the establishment of communication channel with related parties.	The company setup Investor Relations on its website to periodically release the company's business and financial information.　In addition, an e-mail address is also available for shareholders to contact the company.	None
4. To make information public （1）The company uses its own website to disclose its financial status and company governance information （2）The company also uses other information disclosure ways (e.g. establishment of English website, designation of exclusive personnel to collect and disclose the company's information, fulfillment of spokesperson system, and posting prospectus seminar process on the company's website, etc.)	(1) The address of the company's website is: www.topoint.tw The company has already posted its governance information on the website.　Viewers may also use the website to link to the Market Observation Post System for enquiry of the company's financial and business information. (2) The company has its spokesperson system which is used to collect and disclose information and as the bridge to communicate with outsiders.	None
5. The operation of the function committees set for the function of nomination or remuneration determination.	Please refer to P18 in the annual report for details	None

Item	Operation	Deviation from the rules Governing Listed & OTC corporate governance and the causes
6. If the company has corporate governance rules stipulated according to the "rules governing Listed/ OTC corporate governance, "please state the variation of the business operation from the rules: The corporate governance rules instituted by the company and their spirit have all been included in the company's internal control system. The new entrants are all requested to follow the internal control system in their oriental training. At the same time, the "rules of shareholders' meeting procedure", "rules of board meeting procedure" and "director and supervisor election regulations" have all been laid down. The board of directors passed the "director, supervisor and manager moral code".		
7. Other in formation that helps understand the corporate governance (for example, advanced study of directors and supervisors, attendance of directors and supervisors for board meeting, enforcement of risk management policy and risk measurement standards, protection for consumers and customers, director's excusing himself/herself from a case involving conflict of interest, liability insurance acquired for directors and supervisors, and corporate social responsibilities): (1) Advanced study of directors and supervisors: Please go to the corporate governance section of the "Market Observation Post System" on http://newmops .twse.com.tw. (2) The risk management/measurement and customers protection policy are defined in the company's internal control system, and executed according to the regulations. (3) The directors and supervisors attend of the board when the trustee like fords to a trustee office row bill have excused themselves and benefit that not join the vote. (4) Liability insurance is acquired for directors and supervisors according to the articles of Incorporation.		
8. If there is an internal evaluation report or an independent appraisal report furnished on corporate governance, the internal (external) performance evaluation report must be furnished with the nonconformities (or suggestions) and corrective actions detailed: The Company has devoted to providing transparent information to shareholders. In "Information Transparency and Disclosure Ranking System" conducted by Securities and Futures Institute (SFI), the Company was ranked as "A" company in 2009 and 2012, and received the highest "A+" ranking in 2011 and 2013. This grading result demonstrates the Company's effort of pursuing better corporate governance and protecting the benefits of its shareholders.		

(4) Composition, Responsibilities and Operations of Compensation Committee：

Board resolution to establish compensation committee on December 28,2011 and remuneration committee under the Act, it shall adopt a remuneration committee charter. The remuneration committee members shall be appointed by resolution of the board of directors. The committee shall not be fewer than three members. The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors:

(a)Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.

(b)Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

The attendance of Compensation Committee for 2 (A) Board Meetings in 2013:

Title	Name	Attendance (B)	Proxy Frequency of attendance (%)(B/A)	Remarks	Title
President	Po-cheng, Ko	2	0	100	
Members	Tsung-Ming, Lo	2	0	100	
Members	Jung-sheng, Pai	2	0	100	

(5) Social Responsibility

Item	Implementation Status	Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
1. Exercising Corporate Governance (1)The company declares its corporate social responsibility policy and examines the results of the implementation. (2)The company establishes exclusively (or concurrently) dedicated units to be in charge of proposing and enforcing the corporate social responsibility policies. (3)The company organizes regular training on business ethics and promotion of matters prescribed in the preceding Article for directors, supervisors and employees, and should incorporate the foregoing into its employee performance appraisal system to establish a clear and effective reward and discipline system.	(1) None. (2) None. (3) The company has established "standards of conduct" as standards for compliance by directors, supervisors, managers and employees, Encourage reporting of any illegal conduct or conduct violating ethical behavior standards, Punishment: the Company shall investigate the responsibilities of any person that neglects his/her duties according to the violation condition and take appropriate legal actions.	N/A
2. Fostering a Sustainable Environment (1)The company endeavors to utilize all resources more efficiently and uses renewable materials which have a low impact on the environment. (2)The company establishes proper environmental management systems based on the characteristics of their industries. (3)The company establishes dedicated units or assigns dedicated personnel for environment management to maintain the environment. (4)The company monitors the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction.	(1) Ongoing waste reduction – reduce the creation of waste and reduce the waste volume created via recycle classification as much as possible . (2) Ongoing improvement – environmental protection popularization, safety and health training, environmental safety conscious reinforcement, environmental system and regulations implementation, systematic management, ongoing improvement, quality environmental protection construction, safe and healthy working place. (3) The Company has set the safety and health room dedicated personnel responsible for the maintenance and management of the environment. (4) Pollution Prevention - source management, carry out water reduction, energy saving, reuse, cleaning process, cost reduction, reduction impact to ecological environment and establishment of environmental management system (ISO 14001).	N/A

Item	Implementation Status	Deviations from "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
3. Preserving Public Welfare (1)The company complies with relevant labor laws and regulations, protects the legal rights and interests of employees, and has in place appropriate management methods and procedures. (2)The company provides safe and healthy work environments for its employees, and organizes training on safety and health for its employees on a regular basis. (3)The company establishes and discloses policies on consumer rights and interests and provides a clear and effective procedure for accepting consumer complaints. (4)The company cooperates with its suppliers to jointly foster a stronger sense of corporate social responsibility. (5)The company, through commercial activities, non-cash property endowments, volunteer service or other free professional services, participates in community development and charities events.	(1) The Company has emphasized employee welfare and interest since its establishment, and the labor relation is very cohesive. The Company holds labor meetings periodically and provides employee proposal and opinion boxes for employees to respond to problems and constitute good interaction. It is expected to establish a cohesive relationship between labor and capital. (2) Carry out health management and promote employees' physical and mental health. (3)、(4) Fair trade: treat the Company's customers, suppliers and competitors as fair as possible. (5) Various channels from time to time by the Company to participate in community development and related activities of charities.	N/A
4. Enhancing Information Disclosure (1)The measures of disclosing relevant and reliable information relating to their corporate social responsibility. (2)The company produces corporate social responsibility reports disclosing the status of their implementation of the corporate social responsibility policy.	(1) The appraisal result of "Information Transparency and Disclosure Ranking System" conducted by Securities and Futures Institute (SFI) is now released. Topoint is ranked as "A+" company and also remarked as a company that discloses information voluntarily. (2) N/A。	N/A
5. If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy between the principles and their implementation:N/A		
6. Other important information to facilitate better understanding of the Company's corporate social responsibility practices (e.g., systems and measures that the company has adopted with respect to environmental protection, community participation, contribution to society, service to society, social and public interests, consumer rights and interests, human rights, safety and health, other corporate social responsibilities and activities, and the status of implementation.)：Please go to "Newsroom" of company's website www.topoint.tw		

Item	Implementation Status	Deviations from “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and reasons
7. If the products or corporate social responsibility reports have received assurance from external institutions, they should state so below: (1)Establishment of environmental management system (ISO 14001 and OHSAS 18001). (2)Topoint Shanghai gains certification as "High Technology Enterprise" by Shanghai Science and Technology Commission for three years since 2010.		

(6) Integrity management company to perform the case and adopt measures:

Item	Implementation Status	Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and reasons
I. Establishment of Business conduct policy and plans (i) Regulations and external documents expressly business conduct policy, as well as the board of directors and management is committed to actively implement the circumstances. (ii)Establishment of unethical conduct prevention plan and its standard operating procedure (SOP), business conduct guide, and education/training. (iii)Measures to prevent corruption and acceptance of illegal political donations for business activities with higher risk of unethical conduct in the unethical conduct prevention plan.	(i) The Code of Business Conduct have been approved by Board Meeting on Mar. 19, 2013. (ii) The company shall periodically organize training and awareness programs for directors, supervisors, managers, employees, and substantial controllers and invite the company's commercial transaction counterparties so they understand the company's resolve to implement ethical corporate management, the related policies, prevention program and the consequences of committing unethical conduct. (iii) "Benefits" in the Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.	N/A

Item	Implementation Status	Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
II. Implementation of the Code of Business Conduct (i) Avoidance of business activities with businesses having unethical conduct records and defining ethical conduct clauses in business contracts. (ii) Establishment of dedicated / responsible unit for the promotion of business conduct and its status of operation. (iii) Promulgation of Policies for preventing conflicts of interests and offer channels for reporting conflicts of benefits. (iv) Effective operation of the accounting and internal audit systems established to enforce the code of business conduct and internal audits by internal auditors.	(i) When entering into contracts with other parties, The company shall include in such contracts provisions demanding ethical corporate management policy compliance and that in the event the trading counterparties are suspected of engaging in unethical conduct, the The company may at any time terminate or cancel the contracts (ii) To achieve sound ethical corporate management, the company are advised to form a dedicated unit to be in charge of establishing and enforcing the ethical corporate management policies and prevention program and reporting to the board of directors on a regular basis. (iii) Taking the overall interests of the company as consideration shall not be intended to make their own, spouse, parents, children, or relatives within three degrees of improper advantage or prejudice the company's interests. (iv) The company shall establish effective accounting systems and internal control systems for business activities which may at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. Internal auditors of the company shall periodically examine the company's compliance with the foregoing and prepare audit reports and submit the same to the board of directors.	N/A N/A

Item	Implementation Status	Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
III. Establishment of reporting channels and disciplinary and petition mechanisms for violations of the code of business conduct.	III.The company employees in suspected or found to be a violation of laws or the norms of the code of behavior, to supervisors, managers, the internal audit supervisor, head of Department of management or other appropriate reporting. The corporate identity for informers and report content should be confidential. The security and protection of reporting persons, making it from retaliation (or threats, harassment) risk.	N/A
IV. Improvements in information disclosure (i) The Company's website discloses business conduct related information Regarding "The Code of Ethics" and "The Code of Business Conduct". (ii)Other disclosure for TWSE/GTSM-Listed Companies. channels(i.e. English website; designated personnel in charge of company information collection and disclosure on company web site)	(i) The address of the company's website is: www.topoint.tw The company has already posted its governance information on the website. Viewers may also use the website to link to the Market Observation Post System for enquiry of the company's financial and business information. (ii) The company has its spokesperson system which is used to collect and disclose information and as the bridge to communicate with outsiders.	N/A
V. If you have established your own guidelines for the Code of Business Conduct" according to Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please state the discrepancies (if any) between actual operation and policy: No different.		
VI. Other important information revealing the company's ethical operations (e.g., the determination and policy to convince business partners to implement ethical operations; inviting them to participate in related education and training; and review and revision of the company's code of business conduct):None.		

(7) Enquiry of corporate governance rules and related regulations: Please go to the corporate governance section of the "Market Observation Post System"。

(8) The information to help investors more aware of how the company's corporate governance is operated:

a. Please go to "Investor Relations" of company's website www.topoint.tw

b. Advanced study the governance rules of Mangers: Please go to the corporate governance section of the "Market Observation Post System" on http://newmops .twse.com.tw.

(9) Execution of internal control system:

a. Internal control declaration: Please go to the "Market Observation Post System"

b. Entrustment of CPA to audit internal control system: N/A

(10) The punishments applied to the company and its employees due to law violation, the punishments applied by the company to its internal employee due to violation of internal control system, major drawbacks and improvement in the recent year and the current year as of the annual report publication date:

As regulated by the company, other than including the violation of internal control system in the rating of personnel annual performance evaluation, the company has also given a detailed account of the punishments, major drawbacks and expected improvement deadline in each audit report. At the same time, the audit unit has continued to track the improvement status and make records. The major drawbacks had been corrected in the recent year and the current year as of the annual report publication date.

(11) Major resolutions made in shareholders' meetings and board meetings in the recent year and the current year as of the annual report publication date:

A. The company had the 2013 general shareholders meeting held with the following resolution reached (06/11/2013):

Resolutions	Implementation Status
(a) Recognized the financial results for 2012.	(a) RESOLVED, that the above proposals be and hereby were approved as proposed.
(b) Recognized the 2012 earnings distribution (Distributed $0.7082/share of cash dividends and gave 7.8692 shares/1000 shares of stock dividends. The board of directors is authorized to adjust the ensuing change to be caused by the change in the shareholder's stock dividend/ cash dividend rate resulting from the outstanding shares which are influenced by the change of capitalization.)	(b) The ex-dividend date Aug. 18, 2013 was determined and the cash dividend was distributed on Sep. 23, 2013; stock dividend on Sep. 23, 2013.
(c) Passed the Company's issuance of new shares from the capital increase of the 2012 earnings and employee bonus recapitalization	(c) The earning distribution proposal was approved by Financial Supervisory Commission, Executive Yuan with letter Jin-Guan-Zeng 1020028331 on Jul. 19, 2013.
(d) Passed the amendment of the Procedure of External Lending.	(d) The case was managed in accordance with the approved resolution.
(e) Passed the amendment of the Endorsement & Guarantee Procedures..	(e) The case was managed in accordance with the approved resolution.
(f) Passed the amendment of the Articles of Incorporation.	(f) The case was managed in accordance with the approved resolution.
(g) Passed the amendment of the By-election of Supervisor.	(g) The newly elected list

Title	Name	Amounts of Voting
Supervisor	Chung-Ta, Wu	55,571,097

B. Board meetings

Date	Content
2013.03.19	1. Approved the Financial Statements and Business Report of 2012. 2. Approved dividend distribution of 2012. Cash dividends of NT$110,950,225(NT$0.7082 per share) Stock dividends of NT$12,327,800 (7.8692 shares for each 1,000 shares owned) 3. Approved new shares for capital increase. 4. Approved 2013 AGM agenda.
2013.05.14	1.Approved the Financial Statement for 1st quarter of 2013.
2013.07.23	1.Approved the record date for common share dividend.
2013.08.13	1.Approved the Financial Statement of first half year of 2013.
2013.11.11	1. Approved the Financial Statement for 3st quarter of 2013.
2013.12.30	1. Approved Year 2014 annual audit plan. 2. Announcement of the change for internal audit officer.
2014.03.11	1.Approved the Financial Statements and Business Report of 2013. 2.Approved dividend distribution of 2013. Cash dividends of NT$126,312,437(NT$0.8 per share) 3.Approved the indirect investment in Mainland China. 4.Approved 2014 AGM agenda.
2014.04.08	1. Approved the issuance of new shares of 2011 employee stock options.

(12)The directors or supervisors who have objected to the resolutions reached by the board of directors and the objections are recorded or declared in writing in the most recent years and up to the date of the annual report printed: N/A

(13) The resignation or discharge of personnel who are responsible for financial statements in the most recent years and up to the date of the annual report printed;

Title	Name	Employment date	Dismissal date	Reasons of resignation or discharge
Internal audit officer	Zhen-huei, Lien	Mar. 25,2011	Dec. 30, 2013	position adjustment

4.CPAs Fees:

Name of the firm	Names of CPA		During the audit	Notes
Deloitte & Touche	Wan-I, Liao	Chien-Shin, Shieh	Jan. 1,2013-Dec. 31,2013	

		Audit fees	Non-Audit fees	Total
1	Below $2,000,000		v	
2	$2,000,000 ～ $4,000,000			
3	$4,000,000 ～ $6,000,000	v		
4	$6,000,000 ～ $8,000,000			
5	$8,000,000 ～ $10,000,000			
6	Over $10,000,000			

A. When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed:N/A.
B. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed:N/A.
C. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed:N/A.

The professional fees for auditing services referred to in item (1) means the professional fees paid by the company to a certified public accountant for auditing, review, and secondary reviews of financial reports, financial forecast reviews, and tax certification.

5. CPA's Information:

(1) Regarding former CPA:

<table>
<tr><td>Replacement date</td><td colspan="5">Approved by the board of directors on Jun. 12, 2012.</td></tr>
<tr><td>Replacement reasons</td><td colspan="5">The CPA certifying the company's 2011 financial statements were Chien-Shin, Shieh and Ku-tung, Lin at Deloittee & Touche – Taiwan. However, due to the firm's internal task transfer and arrangement, the company's 2012 financial statements were certified by CPA Wan-I, Liao and Chien-Shin, Shieh.</td></tr>
<tr><td rowspan="3">Please explain whether the termination or refusal of the commission is initiated by the entrusted or CPA.</td><td colspan="2">The party
Status</td><td colspan="2">CPA</td><td>Entrustor</td></tr>
<tr><td colspan="2">Took initiative in terminating the commission</td><td colspan="3" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">Refusal (discontinuation) of the commission</td></tr>
<tr><td>The opinions on the auditing reports in the recent two years and reasons, except the issue of unqualified opinions.</td><td colspan="5">Not applicable</td></tr>
<tr><td rowspan="6">Different opinions with the issuer:</td><td rowspan="4">Yes</td><td colspan="2"></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td colspan="2"></td><td colspan="2">Disclosure of financial reports</td></tr>
<tr><td colspan="2"></td><td colspan="2">Auditing range and steps</td></tr>
<tr><td colspan="2"></td><td colspan="2">Others</td></tr>
<tr><td>No</td><td colspan="4">√</td></tr>
<tr><td>Why</td><td colspan="4">Not applicable.</td></tr>
<tr><td>Other disclosure items:
（The items required to be disclosed as per item 4, subparagraph 1 of article 11 in regulations governing the preparation of financial reports by securities issuers.）</td><td colspan="5">N/A</td></tr>
</table>

(2)Regarding successor CPA:

Name of the firm	Deloittee & Touche – Taiwan
Names of CPA	Wan-I, Liao and Chien-Shin, Shieh
Date of commission	As passed by the board of directors on Jun. 12, 2012
Items and results of the consultation made before the commission for the possible opinions on the accounting process method or accounting principle and the financial reports of specific transactions	N/A
The written opinions from the successor CPA against the ones from the former CPA.	N/A

(3) The response made by former CPA for the issues listed in item 3 of subparagraph 1 of article 22 of "regulations governing the preparation of financial reports by securities issuers": N/A

6. If the Chairman, General Manager, and financial or accounting manager of the company who had worked for the independent auditor or the related party in the most recent year, the name, title, and the term with the independent auditor or the related party must be disclosed: N/A

7. Information on Net Change in Shareholding and Net Chang in Shares Pledged by Directors, Supervisors, Department Heads, and Shareholders 10% shareholding or more:

(1) Information on Net Change in Shareholding and Net Change in Shares Pledged by Directors, Supervisors, Department Heads and Shareholders

Unit: share

Title	Name	2013		As of April 30,2014	
		Net change in Shareholding	Net change in Share Pledged	Net change in Shareholding	Net change in Share Pledged
Chairman	Xu-ting, Lin	43,068	-	-	-
Director	Jia-hong, Wang	10,195	-	500,000	-
Director	UMC Capital Corporation	38,311	-	-	-
	Sin-Yi, Lai	-	-	-	-
Director	CDIB Venture Capital Corporation	19,623	-	-	-
	Liang-Jie, Huang	-	-	-	-
Independent director	Tsung-ming, Lo	23	-	-	-
Independent director	Po-cheng, Ko	-	-	-	-
Independent director	Jung-sheng, Pai	-	-	-	-
Supervisor	Gen-qing, Chen	12,829	-	-	-
Supervisor	Cheng-chie, Niu	20	-	-	-
Supervisor	Chung-Ta, Wu				
Vice president	Yin-ming, Huang	957	-	-	-
Vice president	Zhao-yang, Chen	1,051	-	-	-
Vice president	Sheng-jhou,Wong	N/A			
Director	Chang-long,Yan				
Director	Cin-yi, Jhou				
Financial Manager	Li-ching, Ko	-	-	-	-

(2) The information of the related party who was the corresponding party of the equity transfer: N/A

(3) The information of the related party who was the corresponding party of the equity pledge: N/A

8. The relation of the top ten shareholders as defined by Finance Standard Article 6:

Name	Current shareholding		Shareholding of spouse and minors		Shares held in the names of others		The relation of the top ten shareholders as defined by Finance Standard Article 6	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	relationship
TLC Capital Co., Ltd.	6,408,735	4.06%	-	N/A	-	N/A	UMC Capital Corporation	Affiliates
Xu-ting, Lin	5,516,149	3.49%	-	N/A	-	N/A	Liu-ze, Lin	Brothers
UMC Capital Corporation	4,906,836	3.11%	-	N/A	-	N/A	TLC Capital Co., Ltd.	Affiliates
Zhen Ding Technology Holding Limited	4,610,388	2.92%	-	N/A	-	N/A	-	N/A
China Development Industrial Bank	3,958,910	2.51%	-	N/A	-	N/A	CDIB Venture Capital Corporation	Affiliates
Liu-ze, Lin	3,750,854	2.37%	-	N/A	-	N/A	Xu-ting, Lin	Brothers
CDIB Venture Capital Corporation	2,513,383	1.59%	-	N/A	-	N/A	China Development Industrial Bank	Affiliates
ASUSPOWER Investment Co., LTD.	2,427,768	1.54%	-	N/A	-	N/A	-	N/A
Emerging market evaluation fund commissioned to Citibank.	2,394,288	1.52%	-	N/A	-	N/A	-	N/A
Shin Yang Investment	2,010,706	1.27%	-	N/A	-	N/A	-	N/A

9. Investment form Directors, Supervisors, Managers and directly or indirectly controlled businesses:

Unit: Share

Trans-investment business	The company's investment		Investment made by directors, supervisors, managers and the businesses directly or indirectly controlled by the company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Total shareholding ratio
Topoint Technology Co.,Ltd.(B.V.I)	6,280	100%	-	-	6,280	100%
Unipoint Technology Co., Ltd.	29,657,917	59.67%	198,333	0.4%	29,856,250	60.07%
Warpspeed Corporation(B.V.I)	50,000	100%	-	-	50,000	100%
Topoint Japan Co., Ltd.	600	100%	-	-	600	100%
Shanghai Topoint Precision Tool Co., Ltd.	-	-	-	100%	-	100%
Unipoint Technology Holdings Co., Ltd.(B.V.I.)	-	-	11,200	100%	11,200	100%
Sharpoint Technology (Qinhuangdao) Co., Ltd.	-	-	-	100%	-	100%
Unipoint Technology Shenzhen Co., Ltd.	-	-	-	100%	-	100%
Sharpoint Technology (Shenzhen) Co., Ltd.	-	-	-	100%	-	100%
Sharpoint Technology (Suzhou) Co., Ltd.	-	-	-	100%	-	100%
Kunshan Restek Technology Co., Ltd.	-	-	-	75%	-	75%
Kunshan Topoint Technology Co., Ltd	-	-	-	100%	-	100%

IV. Stock subscription

1. Capital and shares:

(1) Stock capital

Unit: NT$1,000/1,000 shares

Month / year	Issued price ($)	Approved capitalization		Paid-in capitalization		Remarks			
						Capital sources		Use of non-cash property to pay for the shares	Others
		Shares	Amount	Shares	Amount	Amount	Source		
4/1996	10	1,500	15,000	1,500	15,000	15,000	Cash capital increase	-	04/12/1996 1996 Jien (3) Geng Zi No. 48510
5/1997	10	6,000	60,000	3,250	32,500	17,500	Cash capital increase	-	02/23/1998 1998 Jien (3) Jia Zi No. 124692
6/1998	10	20,000	200,000	9,920	99,200	49,200 17,500	Cash capital increase Capital surplus transfer	-	11/18/1998 1998 Jien (3) Jia Zi No. 259480
9/1999	10	20,000	200,000	13,852	138,253	20,800 18,253	Cash capital increase Earnings transfer	-	10/21/1999 Jing (1999) Shang Zi No. 08813853
5/2000	23	49,000	490,000	27,300	273,000	120,000 14,747	Cash capital increase, earnings and capital surplus transfer	-	06/28/200 Jing (2000) Shang Zi No. 089121529
05/2002	10	49,000	490,000	34,000	340,000	67,000	Earnings and capital surplus transfer	-	09/19/2001 Jing (2001) Shang Zi No. 0901372890
11/2002	20	49,000	490,000	39,000	390,000	50,000	Cash capital increase	-	01/03/2002 Jing (2001) Shang Zi No. 09001523010
12/2003	10	49,000	490,000	41,000	410,000	20,000	Cash capital increase	-	12/29/2003 Jing-Shou-Zhong Zi No. 09233192270
08/2004	10	42,693	426,930	42,693	426,930	16,930	Earnings transfer	-	10/05/2004 Jing-Shou-Zhong Zi No. 09332806590
10/2004	16.8	70,000	700,000	48,393	483,930	57,000	Cash capital increase	-	12/29/2004 Jing-Shou-Zhong Zi No. 09333262600
09/2005	10	70,000	700,000	55,258	552,581	68,651	Earnings and capital surplus transfer	-	09/16/2005 Jing-Shou-Shang Zi No. 09401183300
06/2006	10	140,000	1,400,000	65,258	652,581	100,000	Cash capital increase	-	06/20/2006 Jing-Shou-Shang Zi No 09501118760
09/2006	10	140,000	1,400,000	75,428	754,288	101,707	Earnings transfer	-	09/07/2006 Jing-Shou-Shang Zi No. 09501202460

Month / year	Issued price ($)	Approved capitalization		Paid-in capitalization		Remarks			
						Capital sources		Use of non-cash property to pay for the shares	Others
		Shares	Amount	Shares	Amount	Amount	Source		
10/2006	10	140,000	1,400,000	76,116	761,161	6,873	Shares transferred from corporate bonds	-	10/07/2006 Jing-Shou-Shang Zi No. 09501232720
01/2007	10	140,000	1,400,000	77,388	773,882	12,721	Shares transferred from corporate bonds	-	10/23/2007 Jing-Shou-Shang Zi No. 09601018460
04/2007	10	140,000	1,400,000	78,605	786,050	12,168	Shares transferred from corporate bonds	-	04/17/2007 Jing-Shou-Shang Zi No. 09601080210
07/2007	10	140,000	1,400,000	84,242	842,421	56,371	Shares transferred from corporate bonds	-	07/23/2007 Jing-Shou-Shang Zi No. 09601175210
08/2007	10	140,000	1,400,000	95,469	954,691	112,270	Earnings transfer	-	08/24/2007 Jing-Shou-Shang Zi No. 09601206420
08/2008	10	140,000	1,400,000	106,868	1,068,680	113,988	Earnings transfer	-	08/282008 Jing-Shou-Shang Zi No. 09701219390
10/2008	10	140,000	1,400,000	107,056	1,070,565	1,885	Stock Option transfer	-	10/21/2008 Jing-Shou-Shang Zi No. 09701266600
08/2009	21	200,000	2,000,000	117,056	1,170,564	100,000	Cash capital increase	-	08/26/2009 Jing-Shou-Shang Zi No. 09801191340
09/2009	10	200,000	2,000,000	126,584	1,265,840	95,275	Earnings transfer	-	09/11/2009 Jing-Shou-Shang Zi No. 09801205940
10/2009	10	200,000	2,000,000	126,671	1,266,717	877	Stock Option transfer	-	10/30/2009 Jing-Shou-Shang Zi No. 09801249110
01/2010	10	200,000	2,000,000	127,577	1,275,577	8,860	Stock Option transfer	-	01/19/2010 Jing-Shou-Shang Zi No. 09901011840
04/2010	10	200,000	2,000,000	127,694	1,276,947	1,370	Stock Option transfer	-	04/16/2010 Jing-Shou-Shang Zi No. 09901076220
09/2010	10	300,000	3,000,000	131,551	1,315,519	38,571	Earnings transfer	-	09/03/2010 Jing-Shou-Shang Zi No. 09901203020
11/2010	21.1	300,000	3,000,000	133,921	1,339,216	23,696	CB transfer	-	11/01/2010 Jing-Shou-Shang Zi No. 09901244520

Month / year	Issued price ($)	Approved capitalization		Paid-in capitalization		Remarks			
						Capital sources		Use of non-cash property to pay for the shares	Others
		Shares	Amount	Shares	Amount	Amount	Source		
01/2011	10	300,000	3,000,000	134,060	1,340,604	1,388	Stock Option transfer	-	01/25/2011 Jing-Shou-Shang Zi No. 10001017040
04/2011	21.1 10	300,000	3,000,000	139,370	1,393,699	53,096	CB transfer and Stock Option transfer	-	04/21/2011 Jing-Shou-Shang Zi No. 10001080020
07/2011	21.1	300,000	3,000,000	144,109	1,441,093	47,393	CB transfer	-	07/28/2011 Jing-Shou-Shang Zi No. 10001173710
08/2011	21.1 10	300,000	3,000,000	152,569	1,525,685	84,592	CB transfer and Earnings transfer	-	08/26/2011 Jing-Shou-Shang Zi No. 10001199400
08/2012	10	300,000	3,000,000	156,658	1,566,578	40,893	Earnings transfer	-	08/24/2012 Jing-Shou-Shang Zi No. 10101176420
09/2013	10	300,000	3,000,000	157,890	1,578,905	12,327	Earnings transfer	-	09/03/2013 Jing-Shou-Shang Zi No. 10201180390
04/2014	20.7	300,000	3,000,000	157,938	1,579,380	475	Stock Option transfe	-	04/15/2014 Jing-Shou-Shang Zi No. 10301065310

Unit: share

Type of Shares	Authorized Shares			Remarks
	Outstanding shares	Un-issued shares	Total	
Common stock	157,890,546	142,109,454	300,000,000	-

(2) Status of shareholders

April 13, 2014

Status of shareholders / Q'ty	Government agencies	Financial institutions	Other institutional investors	Domestic Natural Persons	Foreign institutional & Natural Persons	Total
Number of shareholders	1	6	36	13,647	62	13,752
Shareholding	87	4,870,874	28,955,185	110,962,802	13,207,598	157,996,546
Shareholding ratio	0.0%	3.08%	18.33%	70.23%	8.36%	100.00%

(3) Status of Shareholding Distributed

Face value per share: $10 April 13, 2014

Classification	Number of shareholder	Shareholding	Shareholding Ratio(%)
1-999	4,378	692,557	0.44
1000-5,000	5,846	13,450,926	8.51
5,001-10,000	1,577	11,882,521	7.52
10,001-15,000	599	7,327,029	4.64
15,001-20,000	374	6,868,942	4.35
20,001-30,000	369	9,237,887	5.85
30,001-40,000	163	5,707,541	3.61
40,001-50,000	89	4,102,667	2.60
50,001-100,000	196	13,990,428	8.86
100,001-200,000	84	11,754,214	7.44
200,001-400,000	40	10,688,748	6.76
400,001-600,000	9	4,283,717	2.71
600,001-800,000	7	4,918,659	3.11
800,001-1000,000	2	1,753,759	1.11
1000,001 以上	19	51,336,951	32.49
Total	13,752	157,996,546	100.00

(4) Roster of Major shareholders:

April 13, 2014

Shareholding / Shareholder's Name	Shareholding	Shareholding ratio
TLC Capital Co., Ltd.	6,408,735	4.06%
Xu-ting, Lin	5,516,149	3.49%
UMC Capital Corporation	4,906,836	3.11%
Zhen Ding Technology Holding Limited	4,610,388	2.92%
China Development Industrial Bank	3,958,910	2.51%
Liu-ze, Lin	3,750,854	2.37%
CDIB Venture Capital Corporation	2,513,383	1.59%
ASUSPOWER Investment Co., LTD.	2,427,768	1.54%
Emerging market evaluation fund commissioned to Citibank.	2,394,288	1.52%
Shin Yang Investment	2,010,706	1.27%

(5) Market price, net value, earnings, dividend per share and related information in the recent two years. .

Unit: NT$/share

Item \ Year			2012	2013	As of Mar. 31,2014
Market price per share	Highest		24.25	23.85	25.85
	Lowest		15.3	17.00	20.15
	Average		18.24	18.83	22.88
NAV	Pre-distribution		24.28	26.20	26.89(note1)
	Post-distribution		23.57	(note2)	-
EPS	Weighted average shares		156,658,000	157,891,000	157,891,000
	EPS (pre-adjustment) (post-adjustment)		1.75 1.73	1.78 (note2)	0.42(note1) -
DPS	Cash dividend		0.708	(note2)	-
	Scrip issue	Stock dividend from retained earnings	0.079	(note2)	--
		Stock dividend from capital reserve	-	-	--
	Accumulated dividends having yet to be paid		-	-	-
Analysis of ROI	P/E		10.54	(note2)	-
	Dividend ratio		28.18	(note2)	-
	Cash dividend yield		3.88%	(note2)	-

Note 1：The NAV and EPS shown above are the data certified by the CPA as of the 1st quarter of 2014.

Note 2: Subject to the approval of the annual shareholders meeting.

(6) Execution of Dividend Policy

a. Given the fact that the company is in its growing period and taking its future development, financial structure and shareholders' equity into account, the company has concurrently released stock and cash dividends, in which the cash dividend shall not be lower than 10% of the total shareholder bonus released in the current year.

b. The dividends planned to be distributed this year are as below: (the proposal has been passed by the board of directors, and planned to be submitted to the shareholders' meeting for discussion)
As passed in the board meeting on March 11, 2014 for 2013 earnings distribution, the company plans to distribute the cash dividend at $0.8 per share. (It is planned to request shareholders to authorize the board of directors to adjust the ensuing change to be caused by the change in shareholder's stock dividend/cash dividend rate resulting from the outstanding shares which are influenced by the change of capitalization).

(7) Impact of the proposed stock dividend in shareholders meeting on business performances and EPS:
Not Applicable
Note: The Company did not have financial forecast proposed up to the date of the annual report printed.

(8) Employee bonuses and remuneration of directors and supervisors

a. The ratio or range of employee bonuses and remuneration of directors and supervisors stated in the corporate constitution:
When allocating the net profits for each fiscal year, according to the following sequence:
(1) pay all taxes.
(2) offset its losses in previous years.
(3) set aside a legal reserve at 10%of the profit left over.
(4) set aside or return the special reserve which could be appropriated according.
(5) Remuneration of directors and supervisors shall be no more than 3%.
(6) Employees' bonus to employees in respect of a specified amount to the four remaining after the number, in the range of 1%to 25%.
(7) after deducting the above, and with previous years accumulated undistributed surplus earnings

distribution prepared by the Board of Directors, will be reported to shareholders.

The employees' dividend of distribution shell be stock or cash. The new stock provide by the shareholder meeting preceding on the Last Trade price and considered that eliminate influence of the rest, and above mentioned to count the shares.

Because the company is still in its growth stage, such as the transport business development plan in the Future, financial plan, shareholders interest, The dividend policy of stock dividend and cash dividend, The cash dividend is not lower than 10% of when the year provides the shareholder dividend assignment total amount.

b. Information of the employee bonus and director/supervisor remuneration passed by the board of directors:

1) The amounts of the employee cash bonus, stock bonus and director/supervisor remuneration planned to be distributed are as below:
   As approved by the board of directors on March 11, 2014, it is expected to distribute $37,842,602 of employee cash bonuses and $7,568,521 of director/supervisor remuneration or 2013.
2) The shares of employee stock bonuses planned to be distributed and their ratio to the increased capital from earnings transfer: N/A
3) Recounted EPS after recommended distribution of dividend to employees and remuneration to directors and superiors is NT$1.78.

c. The actual distributions of dividend to employees and remuneration to directors and supervisors with retained in 2013:

	Resolved in shareholders meeting	Resolved by board of directors	Difference
Distribution status:			
Employee cash bonus	36,983,000	36,983,000	-
Employee stock bonus			
Shares	-	-	-
Amount	-	-	-
Ratio to the outstanding shares at the end of 2012	-	-	-
Director/supervisor remuneration	$7,397,000	$7,397,000	-
Information of EPS			
Original EPS	$1.78	$1.78	-
EPS taking bonuses and remuneration into account	$1.78	$1.78	-

(9) Treasury stock: N/A

2. Corporate bonds: N/A

3. Preferred stock: N/A

4. ADR/GDR: N/A

5. Employee stock option certificates :

(1) The handling status as of the annual report publication date, and the influence on shareholders' equity:

April 30, 2014

Cat. of employee stock option certificates	3rd time (phase) Employee stock option certificate
Date approved by the competent authority	Sep. 19,2011
Issue date	Sep. 26,2011
Issued units	3,500
Ratio of the shares eligible for subscription to total issued shares	2.22%
Share subscription period	For Sep. 19,2011 through Sep. 26,2011
Fulfillment method	The common stock newly issued by the company
Restriction on subscription and ratio (%)	Two years of seniority: 50%； Three years of seniority: 75%；Four years of seniority：100%
Shares acquired	106,000
Amount of executed subscription shares	2,194,200
Unexecuted subscription shares	2,914,000
The unexecuted subscription share price	20.70
The ratio of the unexecuted subscription shares to total issued shares (%)	1.84%
Influence on shareholders' equity	The issue of employee stock option certificates may create common interests between the company and its shareholders. Furthermore, the issued shares have only very trivial impact on equity dilution, so no significant influence will be made on shareholders' equity

(2) Acquisition and subscription status of the managers acquired the employee stock option certificates, and the employees who acquired top 10 employee stock options:

April 30, 2013

Title	Name	Acquired subscription shares	Ratio of acquired subscription shares to total issued shares	Executed				Not yet to be executed			
				Executed subscription shares	Executed subscription price	Amount of executed subscription shares	Ratio of the executed subscription shares to total issued shares	Unexecuted subscription shares	Unexecuted subscription share price	Amount of unexecuted subscription shares	Ratio of unexecuted subscription shares to total issued shares
CEO	Xu-ting, Lin	990	0.63%	0	0	0	0.00%	990	20.7	20,493	0.63%
President	Jia-hong, Wang										
Vice president	Yin-ming, Huang										
Vice president	Zhao-yang, Chen										
Vice president	Sheng-jhou, Wong										
Director	Chang-long, Yan										
Director	Cin-yi, Jhou										
Financial Manager	Li-ching, Ko										
Manager	Zhen-jian, Liu										
Special Assistant	Ruo-ping, Lin										

6. New restricted employee shares: N/A

7. Merger and acquisition (including merger, acquisition, and split): N/A

8. Fund implementation plan:N/A

V. Overview of business operation

1. Principal activities

(1) Scope of Business

①. Major Business the Company has Engaged

i. Manufacture and sales of micro-drill bits exclusively for printed circuit boards
ii. Manufacture and sales of digital drilling machines exclusively for printed circuit boards
iii. Manufacture and sales of the peripheral facilities for the process of printed circuit boards
iv. General export/import trading and agency businesses

②. Major products and their ratios in the company's total businesses

Unit: NT$1,000

Business items	2012		2013	
	Amount of sales	% in revenue	Amount of sales	% in revenue
Cutting equipment	1,667,212	70.47	1,634,567	64.48
Others	698,673	29.53	900,405	35.52
Total	2,365,885	100.00	2,534,972	100.00

③. Major Products of the Company

Product		Specification
Drill bit	Micro size	Below 0.25mm
	Mini size	0.30mm~0.45mm
Router bit	Micro size	0.50 mm~0.75mm
	Mini size	0.80mm~3.175mm
	Large size	Over 3.175mm

④. New Products under Development

i. Continuous development of performance enhancing micro drills
ii. Continuous development of performance enhancing micro routers
iii. Development of high aspect ratio drills and prolonged tool life

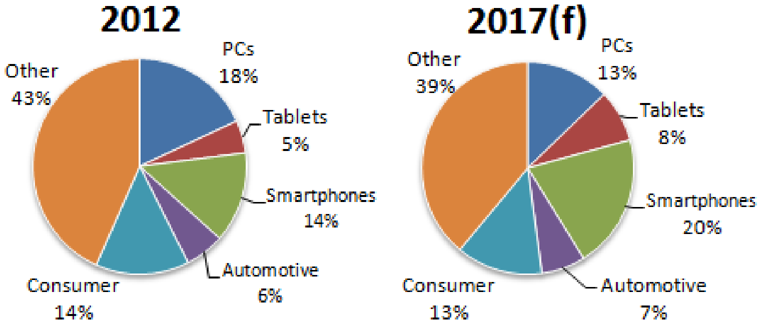
(2) Industry Overview

①. Industry Status and Development

Drill is one of the critical materials used in PCB manufacturing process. PCBs are fundamental components generally assembled in modern electronic devices. Based on studies from N.T. Information, the global PCB production output of 2013 was estimated at USD59.8 billion, about the same level as 2012, with slight growth by 0.02%. It also forecasted with 2014 worldwide economic prospects gradually turning upward trend, global PCB production output may reach a growth rate of 3.8%.

According to survey from Prismark, the future driving momentum of growth, categorized by application, shall be contributed majorly from tablets, smart phones, and automobile devices. The CAAGR of tablets and smart phones from 2012 to 2017 was estimated at 13.6% and 11.9% respectively, being items with the highest growth rate. Meanwhile, market trend of "thinner and smaller" portable devices stimulates application of high-end PCBs (any-layer PCB, multi-layer FPC, FC-CSP), and further drives the demand for advanced drills as well as blind/buried via drilling.

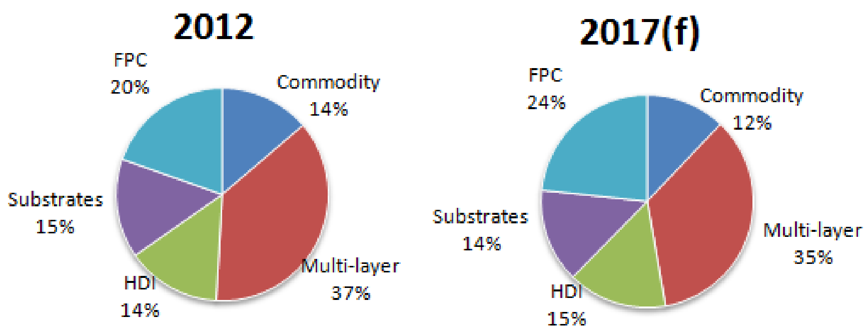
Growth Momentum of PCB Industry by Application



$M	2012	2017(f)	2012 - 2017 CAAGR
PCs	$9,931	$8,250	-3.6%
Tablets	$2,715	$5,136	13.6%
Smartphones	$7,538	$13,197	11.9%
Automotive	$3,259	$4,307	5.7%
Consumer	$7,738	$8,520	1.9%
Other	$23,858	$25,130	1.0%
Total	**$55,039**	**$64,540**	**3.2%**

Source: Prismark, 2013.10, compiled by Topoint.

Demand Growth by Types of PCB

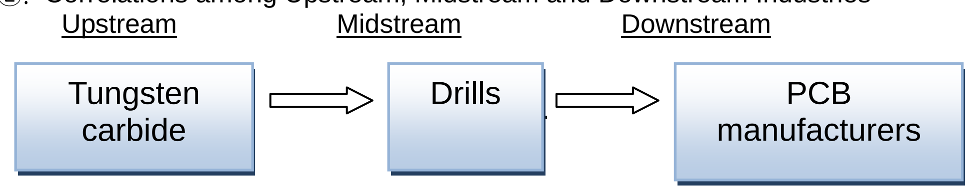


$M	2012	2017(f)	2012 - 2017 CAAGR
Commodity	$7,569	$7,818	0.6%
Multi-layer	$20,452	$22,685	2.1%
HDI	$7,918	$9,758	4.3%
Substrates	$8,313	$9,230	2.1%
FPC	$10,787	$15,049	6.9%
Total	**$55,039**	**$64,540**	**3.2%**

Source: Prismark, 2013.10, compiled by Topoint.

Data source：IEK (2012/7), compiled by the company

②. Correlations among Upstream, Midstream and Downstream Industries



③. Product Development

i. The market has continued to roll out “thinner and smaller” products, which has made the twin-high (high function and high speed) the mainstream. At the same time, the industry has also continued to develop products with high frequency, high speed and multiple IO chips. As a result, the design of PCB has to be developed towards the attributes of higher hole density, finer line width/space, and multiple electrical components. Hence, the demand for drilling quality, such as drilling hole accuracy, surface roughness, and no breakage drill property, has become more critical.

ii. Chipsets, memories and cell phones are major applications of high-end substrates. Moving toward smaller sizes and more units is the major trend of design. It will increase the demand of micro-size drills.

iii. Due to increasing worldwide consciousness of green environmental protection, higher norms (e.g. Halogen-Free, Lead-Free and High Tg, etc.) for PCB materials will be imposed. Under such circumstances, it is imperative for the company to take measures as early as possible to counter the change in materials, so our drilling quality can comply with the future market demand.

④. Competition Status

In the early days, Japan and Europe manufacturers were the mainstay of global drill production. However, in the face of new electronic products that kept rolling out in recent years, those electronic giants could no longer sustain intense price competition, so the production has been moved to Asia gradually. Drills are indispensable materials in the overall electronic supply chain, so they have also shown some change in competition. Led by Union Tool, Japan-based drill production is still taking up the highest global market share. On the other hand, as constrained by the problems of cost and development technology, European drill manufacturers had gradually lost their market share to Taiwan drill manufacturers. Currently, the market share taken by Taiwan drill manufacturers has continued to grow.

There are differences for the drills being applied to general PCB and IC substrates in terms of the hole diameter and technology level. The manufacturers in Taiwan and China have mainly produced the mini sizes (more than 0.30 mm) for traditional PCBs. Since there are too many competitors in this sector, it resulted in severe price competition. Meanwhile, Japanese drill manufacturers have mainly produced micro sizes (smaller than 0.25 mm) for HDIs and IC substrates. Topoint also focused on production for drills with diameters smaller than 0.25 mm. Besides Japanese manufacturers, our company currently has the highest micro-drill output volume in the world.

(3) Technology and R&D Overview

①. R&D personnel and their education as well as work experience

April 30, 2014

Item / Education	PhD / Masters	University graduates	Senior high school	Total	Service seniority
No. of personnel	0	10	2	12	8.52
Ratio	0%	83.33%	16.67%	100%	

②. Amounts invested in annual R&D in the recent five years

Unit: NT$1,000

Item / year	2012	2013
R&D expense	79,989	79,926
Sales revenue	2,365,885	2,534,972
Ratio	3%	3%

③. The products and technology successfully developed

2009	Development and trial production of high aspect ratio drills.
2010	Mass and trial production of high aspect ratio drills(0.15mm、0.2mm、0.25mm) Development production of Second-generation high aspect ratio drills.

2011	Mass and trial production of Second-generation high aspect ratio drills. Special type of soft board drills performance improvement.
2012	Second generation patent exterior drills, import the ”BGA “ and “Flip chip” substrate, drill diameter 0.075~0.2 high performance products, soft-plate cover and drill materials development guide.
2013	Mass and trial production of FC-CSP and Flex.

④. Long and Short-term Business Development Plans

i. Short-term Plan

a. Strengthen partnerships with existing customers and increase market share
b. Actively engage with target customers and profoundly develop the Japan, European and US market.
c. Build up comprehensive customer service and technology supporting system, to provide integrated resolutions according to clients demand in a timely basis.
d. Establish special cutting tools production and market share.
e. Develop integration service platform.

ii. Long-term Plan

f. Continue to develop core technology-related new business to build up driving momentum for future growth.
a. Continue to seek any opportunity of strategic alliances to enforce the company’s competitive capacity.

2. Market analysis and the condition of sale and production

(1) Market Analysis

①. Sales Breakdown by Region

Unit: NT$1,000

Region Year	2012		2013	
	Amount of sales	% in revenue	Amount of sales	% in revenue
Domestic sales	541,549	22.89	586,385	23.13
China	1,554,902	65.72	1,616,722	63.78
Others	269,434	11.39	331,865	13.09
Total	2,365,885	100.00	2,534,972	100.00

②. Market Share

According to the company’s estimation, the company’s global market share was around 22% according to its monthly sales volume is 18 million pieces in the same period. In terms of market share, the company is the 2nd largest drill manufacturer throughout the world.

③. The Status of Future Market Demand and Supply and its Growth

i. Demand Side

With the trend of electronic products being thinner and smaller with multi-function, circuit layout miniaturization has naturally turned out to be a related trend. Thus, the growth of the annual demand for drills is equivalent to (the growth rate of PCB) X (the growth rate of layout density). As estimated by N.T. Information, the compound average annual growth rate of global PCB for 2014 is 3.8%. Multiplying it with the growth rate of layout density, the annual growth rate of drill demand is estimated to be around 5-10%.

ii. Supply Side

Total monthly capacity of top three drill suppliers which took over 70% of global shares was around 76 million pieces in the end of 2013. There were no capacity expansions among drill manufacturers during the past 3 years. It will be helpful for the balance of demand and supply situation when the market demand recover.

④. Competition Niche

i. Key technologies for micro-drill at production level of 98.8% yield.
ii. Flexible capacity allocation capabilities on 20 million production base.
iii. Good cost control ability to present its competitiveness.

iv. Comprehensive customer base of worldwide well-known manufacturers

⑤. Advantages/Disadvantages for the Future Development and Solutions

i. Advantages

□、New generation of electronic products and technology drive the demands of extra-micro drills.

□、Establishment of “Cloud” servers and mobile phone base station has positive future prospects, and will increase demand for drills.

□、Integration service platform will benefit company’s sales and profit.

□、Continue to hold the leading position in advanced technology along with high-yield and stable production lines, which will enable us to take more orders.

ii. Disadvantages

□、Severe price competition for the low-end products in the industry is likely to result in vicious competition in the market.

□、Main raw material of the company’s products is tungsten carbide. The company’s bargaining power is relatively weak because of its characteristic of rareness.

iii.Policy of Response

□、Strengthen sales marketing activities

□、To expedite R&D and give mass production of high value-added products.

□、To strengthen process management capability and effectively reduce the production cost.

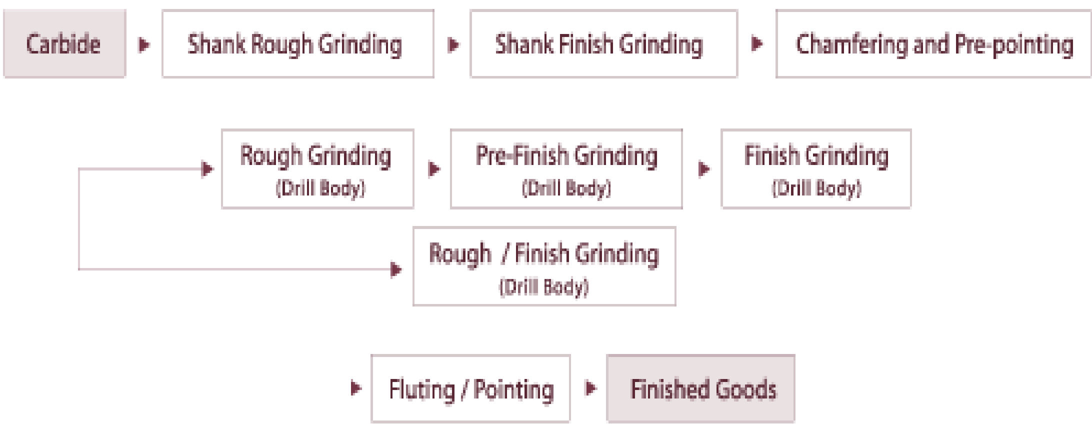
□、To develop new type of raw material, and further reduce the company’s material cost.

(2) Major Applications and Production Process of the Main Products

①. Major Applications of the Main Products

Item	Major Functions	Major Applications
Drills	Used to open through-holes for interlayer of IC substrate, HDI, traditional PCB and FPC	Computer：PC, notebook, server Communication: cell phones, PDA Consumer: tablet PCs, TV, digital camera, game console, DVD, set-top box
Routers	Used to cut printed circuit board	

②. Production process



③. Supply Status of Major Materials

The major material of the company’s products is tungsten carbide. Its material features and quality stability are the major concern of the company in purchase. The company has established good relationship with its suppliers; hence the supply has kept normal and stable.

Major material	Suppliers	Supply status
Tungsten carbide	Japan-based Mitsubishi Japan-based Sumitomo	Good

④. Major Customers with over 10%net sales and Suppliers with over 10% total purchases of the last two fiscal years:

a. Material supplier list

Unit: NT$1,000

2012				2013				2014 Q1			
Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer	Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer	Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer
A	151,566	28.21	None	A	155,027	28.11	None	A	20,183	14.92	None
Other	385,619	71.79		Other	396,549	71.89		Other	115,052	85.08	
Purchase Amount-Net	537,185	100		Purchase Amount-Net	551,576	100		Purchase Amount-Net	135,235	100.00	

Explanation for reason for increase or decrease: Mainly sales increase of 7% of 2013 years, resulting in increase purchase.

b. List of major clients

Unit: NT$1,000

2012				2013				2014 Q1			
Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer	Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer	Name	Amount	Ratio to annual net purchase amount (%)	Relationship with the issuer
A	319,140	13.49	None	A	342,493	13.51	None	A	79,470	12.3	None
B	314,074	13.28	subsidiary	B	321,726	12.69	subsidiary	B	85,983	13.31	subsidiary
Other	1,732,971	73.23		Other	1,870,753	73.8		Other	480,498	74.39	
Sales Amount-Net	2,365,885	100		Sales Amount-Net	2,534,972	100		Sales Amount-Net	645,951	100	

Explanation for reason for increase or decrease: Mainly to increase sales.

⑤. Output values in the recent two years

Unit: NT$1,000/1,000pcs.

Year/output value / Major products	2012			2013		
	Production capacity	Output	Output value	Production capacity	Output	Output value
Cutting equipment	218,628	192,392	1,213,805	215,798	190,693	1,214,052
Total	218,628	192,392	1,213,805	215,798	190,693	1,214,052

⑥. Sales turnovers in the recent two years

Unit: NT$1,000/1,000 pcs

Year/sales turnover / Major products	2012				2013			
	Domestic sales		Export sales		Domestic sales		Export sales	
	volume	value	Volume	Value	Volume	Value	Volume	value
Cutting equipment	40,395	421,261	133,733	1,245,951	41,966	414,345	134,804	1,220,222
Others	-	120,289	-	578,384	-	172,040	-	728,365
Total	40,395	541,550	133,733	1,824,335	41,966	586,385	134,804	1,948,587

3. Status of employees:

Year		2012	2013	April 30,2014
Number of employees	Indirect	149	111	110
	Direct	169	217	210
	Total	318	328	320
Average age		33.8	34.3	34.2
Average service years		4.52	5.07	5.25
Education distribution ratio	PhD	0.31%	0.31%	0.31%
	Master	2.83%	3.13%	3.72%
	College	43.39%	44.38%	43.33%
	Senior high school graduate	47.80%	47.50%	48.92%
	senior high school and Below	5.67%	4.68%	3.72%

4. Expenditure on Environmental Protection:

(1) To elaborate on the amount the company spent on loss (including compensation) and punishment caused by environmental pollution for the recent two years and the current year as of the annual report publication date, and disclose the counter measures (including improvement measures) and possible disbursements (covering the estimated amounts of possible losses, punishments and compensation caused by not taking counter measures. If the amounts can not be appropriately estimated, please state why): N/A

(2) Influence of RoHS：

As confirmed by the Industrial Development Bureau of Ministry of Economic Affairs as per doc. Guang-Dian-Zi no. 09500240130 dated March 29, 2006, the company is free from the restriction of RoHS requested by EU for hazardous substances.

5.Employee / Employer relation:

(1) Working environment and personal safety

The Company deeply believes that "sustainable development" is the challenging goal encountered by businesses in the 21st century: we will never forget to exercise social responsibilities while pursuing growth. In addition to continuously enhancing production technology and product quality, we also actively establish an environmental management system and safety and health management system, establish social environmental responsibilities and safety and health policies and exercise responsibilities of good social citizens. We are not only devoted to environmental protection, but also establish a safe healthy and comfortable working environment. For standards and compliance rules regarding environmental protection, safety health policies, we commit to following the following execution guidelines:

- Comply with various environmental regulations – comply and satisfy environmental protection, labor safety and health regulations and other requirements promulgated by the government, respond to global green environment, labor rights and zero disaster exercise.
- Constant environmental improvement – keep the environmental management system in constant operation, meanwhile being devoted to current environment improvement to enhance overall performance.
- Ongoing waste reduction – reduce the creation of waste and reduce the waste volume created via recycle classification as much as possible
- Ongoing pollution prevention - launch overall planning via stream thinking to reduce the possibility of gerneation pollution

- ■ Respect of life – safety is my responsibility, superiors in various degrees and all employees including OEM companies, contractors, suppliers, part-time students, contracted employees, temporary employees and outsourcing personnel shall comply with the governmental regulations and various work safety and environmental protection resolutions. In particular, superiors in different levels shall set a good example with their own conduct and execute good supervision.
- ■ Risk management – identify risks and by danger assessment and risk evaluation and control the risk according to risk levels. Meanwhile, carry out safety and health self-management and establish an occupational safety and health management system (OHSAS 18001)
- ■ Pollution Prevention - source management, carry out water reduction, energy saving, reuse, cleaning process, cost reduction, reduction impact to ecological environment and establishment of environmental management system (ISO 14001)
- ■ Ongoing improvement – environmental protection popularization, safety and health training, environmental safety conscious reinforcement, environmental system and regulations implementation, systematic management, ongoing improvement, quality environmental protection construction, safe and healthy working place.
- ■ Carry out health management and promote employees' physical and mental health

(2) Assessment of employees' behavioral ethics

The company has established "Ethical Corporate Management Best Practice Principles" and "standards of conduct" as standards for compliance by directors, supervisors, managers and employees

■When engaging in commercial activities, directors, supervisors, managers, employees of the company or persons having substantial control over such company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

■When conducting business, The company and their directors, supervisors, managers, employees and substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties, unless the laws of the territories where the company operate permit so.

■When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, The company and their directors, supervisors, managers, employees and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

■When making or offering donations and sponsorship, The company and their directors, supervisors, managers, employees and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

■The company and their directors, supervisors, managers, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

■Avoid conflict of interest: taking overall Company interest into consideration without intention to gain improper interest for themselves, spouse, parents, children or relative within the third-degree of kinship or impair the Company’s interest.

- Avoid chance to make money for one’s own: avoid opportunities to make money for one’s own by using Company property, information and or taking advantage of duties.
- Confidentiality: information regarding the Company itself or it businesses, unless it is publicized under authorization or legal regulations, shall be kept confidential.
- Fair trade: treat the Company’s customers, suppliers and competitors as fair as possible.
- Protect and properly use the Company’s assets: protect the Company’s assets to ensure that they can be efficiently and legally used for public affairs.
- Comply with laws and regulations: comply with all applicable regulations, rules and laws of the Company.
- Encourage reporting of any illegal conduct or conduct violating ethical behavior standards.
- Punishment: the Company shall investigate the responsibilities of any person that neglects his/her duties according to the violation condition and take appropriate legal actions.

(3) Employees’ welfare

To value employees and take good care of them, the Company has established an employee recreation area, and offered extra life and medical insurance to protect employees, in which the field personnel shall have accident insurance with a higher insurance amount.

There is an employee welfare committee organized to plan a variety of employee welfare matters. In addition to employee travel and various recreational activities, there are also subsidies for marriage, giving birth and education, solicitation money and gifts to three major holidays, birthdays, etc. provided.

(4) Employee advanced studies and training

Various training courses were implemented under the plan referring to “implementation and management procedures of educational training”, which allowed all employees to be capable of undertaking work. To ensure the efficiency of training, the training system is divided into: internal and external training courses and accreditation appraisal. The Company not only holds training courses for new comer and on service personnel, but also actively cultivates internal lecturers as well as a training system and advanced employee studies for the expectation to cultivate internal talents in different fields, enhance personnel quality and to achieve the goal of speed talent training, skill improvement and experience inheritance.

There were a total of 160 classes of various training courses held in 2013. The total curriculum hours were 3,411.5 hours with 947 employees participating and the total educational training expenditure was NT$165,589 dollars.

Category	Class	Hours	Persons
Specialization training	119	2,414.0	673
Management training	7	117.0	34
New comer training	5	419.0	60
Computer skill training	12	52.5	19
Labor safety and health training	17	409.0	161
Total	160	3,411.5	947

The best learning environment for all employees, the Company into diverse learning platform, in addition to the physical classroom, and build group video curriculum, and develop a knowledge management system and online teaching system, and motivating employees to the various learning activities.

(5) Retirement system

The Company follows Chapter 6 of the Labor Standard Law to implement employee retirement related affairs and contribute employee pension reserves as regulated in the old system and labor pension as required in the new system monthly pursuant to regulations. The Company has not yet ended December 31, 2013 to retirement-eligible, for retirement applications.

(6) Labor relationship

The Company has emphasized employee welfare and interest since its establishment, and the labor relation is very cohesive. The Company holds labor meetings periodically and provides employee proposal and opinion boxes for employees to respond to problems and constitute good interaction. It is expected to establish a cohesive relationship between labor and capital.

(7) As of the printing date of the annual report, the losses suffered and possible estimate amount in the future arising from disputes between labor and capital and correspondent actions. If it is unable to make a reasonable estimate, please explain the fact that cannot be reasonably estimated: N/A

6. Important agreements (including supply and sales contracts, technical corporation contracts, engineering contracts, long-term loan contracts, and the important contracts which may influence shareholders' equity)

Contract characteristics	The interested party	Contract start and end dates	Major content	Restriction
Long-term loan contract	Taiwan Cooperative Bank	2012.10~2015.10	Payment due date	N/A

1. Condensed balance sheet and Income statement of the last five years

A-1-1. Condensed Balance Sheet-IFRSs(Consolidated Financial Statements)

Unit: NT$ 1,000

Item \ Year		Condensed Balance Sheet of fiscal year 2009~2013					As of March 31, 2014
		2009	2010	2011	2012	2013	
Current Assets		N/A			2,364,396	2,731,325	2,880,264
Property,plant and equipment					3,314,030	3,266,291	3,159,275
Intangible Assets					8,137	6,508	8,531
Other Assets					140,762	203,893	239,178
Total Assets					5,827,325	6,208,017	6,287,248
Current Liabilities	Before allocation				879,049	865,594	897,886
	After allocation				989,999	*	-
Non-Current Liabilities					967,472	1,025,523	965,562
Total Liabilities	Before allocation				1,846,521	1,891,117	1,863,448
	After allocation				1,957,471	*	-
Equity attributable to shareholders of the company					3,793,223	4,136,137	4,244,981
Capital Stock					1,566,578	1,578,906	1,579,381
Capital surplus					1,194,724	1,200,741	1,201,891
Retained earnings	Before allocation				1,137,738	1,293,661	1,360,184
	After allocation				1,026,788	*	-
Other stockholders' equity					(105,817)	62,829	103,525
Treasury stock					-	-	-
Non-controlling interest					187,581	180,763	178,819
Total equities	Before allocation				3,980,804	4,316,900	4,423,800
	After allocation				3,869,854	*	-

***2014 regular meeting of shareholders resolution.**

A-1-2. Condensed Balance Sheet-IFRSs(Financial Statements)

Unit: NT$ 1,000

Item \ Year		Condensed Balance Sheet of fiscal year 2009~2013					As of March 31, 2014
		2009	2010	2011	2012	2013	
Current Assets		N/A			776,081	706,035	N/A
Property,plant and equipment					1,135,062	971,602	
Intangible Assets					2,415	1,144	
Other Assets					2,917,040	3,293,375	
Total Assets					4,830,598	4,972,156	
Current Liabilities	Before allocation				367,617	371,214	
	After allocation				478,567	*	
Non-Current Liabilities					669,758	464,805	
Total Liabilities	Before allocation				1,037,375	836,019	
	After allocation				1,148,325	*	
Equity attributable to shareholders of the company					3,793,223	4,136,137	
Capital Stock					1,566,578	1,578,906	
Capital surplus					1,194,724	1,200,741	
Retained earnings	Before allocation				1,137,738	1,293,661	
	After allocation				1,026,788	*	
Other stockholders' equity					(105,817)	62,829	
Treasury stock					-	-	
Non-controlling interest					-	-	
Total equities	Before allocation				3,793,223	4,136,137	
	After allocation				3,682,273	*	

***2014 regular meeting of shareholders resolution.**

A-2-1.Condensed Balance Sheet-ROC(Consolidated Financial Statements)

Unit: NT$ 1,000

Item \ Year		Condensed Balance Sheet of fiscal year 2008~2012				
		2008	2009	2010	2011	2012
Current Assets		1,971,588	1,779,270	2,128,617	2,395,098	2,403,242
Funds & investments		-	-	-	9,610	9,240
Fixed Assets		3,439,255	3,082,993	3,108,369	3,294,131	3,302,650
Intangible Assets		-	-	-	-	-
Other Assets		95,338	121,463	145,618	118,063	114,544
Total Assets		5,506,181	4,983,726	5,382,604	5,816,902	5,829,676
Current Liabilities	Before allocation	1,384,274	924,468	972,746	979,414	872,706
	After allocation	1,394,860	963,039	1,084,342	1,089,830	983,656
Long-term Liabilities		1,642,095	1,153,294	1,176,990	864,181	884,223
Other Liabilities		164	243	39,403	65,733	81,435
Total Liabilities	Before allocation	3,026,533	2,078,005	2,189,139	1,909,328	1,838,364
	After allocation	3,037,119	2,116,576	2,300,735	2,019,744	1,949,314
Capital Stock		1,070,566	1,275,578	1,340,604	1,525,685	1,566,578
Capital surplus		845,705	1,008,669	1,055,571	1,187,279	1,194,724
Retained earnings	Before allocation	398,461	482,904	681,309	835,422	958,064
	After allocation	387,875	444,333	569,713	725,006	847,114
Unrealized gain on financial instruments		-	27,100	18,309	7,770	656
Cumulative translation adjustements		164,228	109,426	(14,994)	190,040	83,567
Minority stake		688	2,044	112,666	161,378	187,723
Total shareholders' equity	Before allocation	2,479,648	2,905,721	3,193,465	3,907,574	3,991,312
	After allocation	2,469,062	2,867,150	3,081,869	3,797,158	3,880,362

A-2-2.Condensed Balance Sheet-ROC(Financial Statements)

Unit: NT$ 1,000

Item \ Year		Condensed Balance Sheet of fiscal year 2008~2012				
		2008	2009	2010	2011	2012
Current Assets		1,254,899	887,010	877,228	665,539	784,021
Funds&investments		1,353,866	1,665,550	2,124,454	2,799,319	2,984,244
Fixed Assets		1,734,551	1,564,074	1,390,504	1,244,693	1,136,212
Intangible Assets		-	-	-	-	-
Other Assets		55,904	67,188	42,826	25,712	28,811
Total Assets		4,399,220	4,183,822	4,435,012	4,735,263	4,933,288
Current Liabilities	Before allocation	571,680	503,239	393,829	356,562	406,901
	After allocation	582,266	541,810	505,425	466,978	517,851
Long-term Liabilities		1,263,211	704,520	890,362	574,503	655,946
Other Liabilities		85,369	72,386	70,022	58,002	66,852
Total Liabilities	Before allocation	1,920,260	1,280,145	1,354,213	989,067	1,129,699
	After allocation	1,930,846	1,318,716	1,465,809	1,099,483	1,240,649
Capital Stock		1,070,566	1,275,578	1,340,604	1,525,685	1,566,578
Capital surplus		845,705	1,008,669	1,055,571	1,187,279	1,194,724
Retained earnings	Before allocation	398,461	482,904	681,309	835,422	958,064
	After allocation	387,875	444,333	569,713	725,006	847,114
Unrealized gain on financial instruments		-	27,100	18,309	7,770	656
Cumulative translation adjustements		164,228	109,426	(14,994)	190,040	83,567
Total shareholders' equity	Before allocation	2,478,960	2,903,677	3,080,799	3,746,196	3,803,589
	After allocation	2,468,374	2,865,106	2,969,203	3,635,780	3,692,639

B-1-1. Condensed Income Statement-IFRSs(Consolidated Financial Statements)

Unit: NT$1,000

Item \ Year	Condensed Balance Sheet of fiscal year 2009~2013					As of March 31, 2014
	2009	2010	2011	2012	2013	
Net sales	N/A			2,365,885	2,534,972	645,951
Gross Profit				748,609	737,450	174,606
Operating Income				366,393	331,365	70,356
Non-operating income and expenses				(10,651)	17,163	(958)
Income before tax				355,742	348,528	69,398
Operating income				274,151	271,959	61,400
Loss of business units				-	-	-
Net income				274,151	271,959	61,400
Other comprehensive income				(118,179)	170,974	43,875
Total comprehensive income				155,972	442,933	105,275
Net income attributable to Shareholders of the company				273,773	280,315	66,382
Net income attributable to Non-controlling interest				378	(8,356)	(4,982)
Total comprehensive incom attributable to Shareholders of the company				158,071	447,847	107,219
Total comprehensive incom attributable to Non-controlling interest				(2,099)	(4,914)	(1,944)
Earnings per share				1.73	1.78	0.42

B-1-2. Condensed Income Statement- IFRSs(Financial Statements)

Unit: NT$1,000

Item \ Year	Condensed Balance Sheet of fiscal year 2009~2013					As of March 31, 2014
	2009	2010	2011	2012	2013	
Net sales	N/A			1,018,679	1,082,286	N/A
Gross Profit				276,414	305,720	
Operating Income				140,554	158,381	
Non-operating income and expenses				166,907	154,465	
Income before tax				307,461	312,846	
Operating income				273,773	280,315	
Loss of business units				-	-	
Net income				273,773	280,315	
Other comprehensive income				(115,702)	167,532	
Total comprehensive income				158,071	447,847	
Net income attributable to Shareholders of the company				273,773	280,315	
Net income attributable to Non-controlling interest				-	-	
Total comprehensive incom attributable to Shareholders of the company				158,071	447,847	
Total comprehensive incom attributable to Non-controlling interest				-	-	
Earnings per share				1.73	1.78	

B-2-1. Condensed Income Statement-ROC(Consolidated Financial Statements)

Unit: NT$1,000

Item \ Year	Condensed Income Statement of fiscal year 2008~2012				
	2008	2009	2010	2011	2012
Net sales	1,981,577	1,714,828	2,144,658	2,230,000	2,365,885
Gross Profit	673,444	499,781	752,452	776,138	748,609
Operating Income	357,913	301,911	434,009	398,548	368,092
Non operating income	47,920	33,531	25,358	41,825	29,494
Non operating expenses	120,909	76,418	94,698	49,519	41,592
Income from continuing operations before Tax	284,924	259,024	364,669	390,854	355,994
Income from continuing operations	258,119	190,001	266,444	295,157	274,351
Income from discontinued operations	-	-	-	-	-
Extraordinary gain (loss)	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-
Net Income	258,515	190,304	275,548	302,908	273,951
EPS($)	2.22	1.55	2.03	2.01	1.74

B-2-2. Condensed Income Statement-ROC(Financial Statements)

Unit: NT$1,000

Item \ Year	Condensed Income Statement of fiscal year 2008~2012				
	2008	2009	2010	2011	2012
Net sales	1,161,163	915,801	1,211,763	1,065,785	1,018,679
Gross Profit	373,141	230,427	326,961	288,599	276,414
Operating Income	161,219	114,253	187,831	141,446	130,773
Non operating income	191,009	120,745	190,126	229,000	194,513
Non operating expenses	80,545	29,501	57,962	18,332	17,577
Income from continuing operations before Tax	271,683	205,497	319,995	352,114	307,709
Income from continuing operations	258,515	190,304	275,548	302,908	273,951
Income from discontinued operations	-	-	-	-	-
Extraordinary gain (loss)	-	-	-	-	-
Cumulative effect of change in accounting principle	-	-	-	-	-
Net Income	258,515	190,304	275,548	302,908	273,951
EPS($)	2.22	1.55	2.03	2.01	1.74

C. Auditing by CPAs

CPAs and their auditing opinions in the past five years

Year	CPAs	Opinions
2009	Chao-Mei, Chen & Ku-Tung, Lin (Deloitte & Touche-Taiwan)	Amended Unqualified
2010	Chao-Mei, Chen & Ku-Tung, Lin (Deloitte & Touche-Taiwan)	Unqualified
2011	Chien-Shin, Shieh & Ku-Tung, Lin (Deloitte & Touche-Taiwan)	Unqualified
2012	Wan-Yi, Liao & Chien-Shin, Shieh (Deloitte & Touche-Taiwan)	Unqualified
2013	Wan-Yi, Liao & Chien-Shin, Shieh (Deloitte & Touche-Taiwan)	Unqualified

2-1-1. Financial analysis in the past five years-IFRSs(Consolidated Financial Statements)

Item	Year	2009	2010	2011	2012	2013	As of March 31, 2014
		Condensed Income Statement of fiscal year 2009~2013					
Financial structure (%)	Ratio of liabilities to assets	N/A			31.69	30.46	29.64
	Ratio of long-term capital to fixed assets				146.80	160.43	167.18
Solvency (%)	Current Ratio				268.97	315.54	320.78
	Quick Ratio				219.42	264.94	273.00
	Times interest Earned Ratio				10.45	11.64	9.79
Operating ability	Account Receivables Turnover (times)				2.92	2.93	2.96
	Days sales in accounts receivable				125.00	124.57	123.31
	Inventory Turnover (times)				3.71	4.27	4.56
	Account Payable Turnover (times)				11.91	13.52	2.36
	Average days in sales				98.38	85.48	80.04
	Fixed Assets Turnover (times)				0.71	0.78	0.20
	Total Assets Turnover(times)				0.41	0.41	0.10
Profit ability	Ratio of Return on assets (%)				5.25	4.97	1.17
	Ratio of Return on shareholders' equity (%)				6.96	6.56	1.52
	Ratio of Income before tax to Capital stock(%)				22.71	22.07	4.71
	Profit ratio (%)				11.59	10.73	10.28
	EPS ($)				1.73	1.78	0.42
Cash Flows (%)	Cash flow ratio (%)				62.95	105.42	21.36
	Cash flow adequacy ratio (%)				91.54	132.07	122.65
	Cash reinvestment ratio (%)				5.88	9.42	2.24
Balance	Degree of operating leverage				3.34	3.96	4.72
	Degree of financial leverage				1.11	1.11	1.14

2-1-2.Financial analysis in the past five years-IFRSs(Financial Statements)

Item	Year	Condensed Income Statement of fiscal year 2009~2013					As of March 31, 2014
		2009	2010	2011	2012	2013	
Financial structure (%)	Ratio of liabilities to assets	N/A	N/A	N/A	21.48	16.81	N/A
	Ratio of long-term capital to fixed assets				391.98	472.02	
Solvency (%)	Current Ratio				211.11	190.20	
	Quick Ratio				160.29	143.87	
	Times interest Earned Ratio				22.47	28.21	
Operating ability	Account Receivables Turnover (times)				3.59	3.61	
	Days sales in accounts receivable				101.67	101.11	
	Inventory Turnover (times)				4.10	4.61	
	Account Payable Turnover (times)				19.80	19.21	
	Average days in sales				89.02	79.18	
	Fixed Assets Turnover (times)				0.90	1.11	
	Total Assets Turnover(times)				0.21	0.22	
Profit ability	Ratio of Return on assets (%)				6.02	5.91	
	Ratio of Return on shareholders' equity (%)				7.27	7.07	
	Ratio of Income before tax to Capital stock(%)				19.63	19.81	
	Profit ratio (%)				26.88	25.90	
	EPS ($)				1.73	1.78	
Cash Flows (%)	Cash flow ratio (%)				71.77	127.64	
	Cash flow adequacy ratio (%)				168.50	288.89	
	Cash reinvestment ratio (%)				2.73	6.10	
Balance	Degree of operating leverage				4.39	4.04	
	Degree of financial leverage				1.12	1.09	

2-2-1. Financial analysis in the past five years-ROC(Consolidated Financial Statements)

Item			Year: Condensed Income Statement of fiscal year 2009~2013 2009	2010	2011	2012	2013
Financial structure (%)	Ratio of liabilities to assets		41.70	40.67	32.82	31.53	N/A
	Ratio of long-term capital to fixed assets		131.66	140.60	144.86	147.62	
Solvency (%)	Current Ratio		192.46	218.83	244.54	275.38	
	Quick Ratio		145.95	181.20	197.79	225.46	
	Times interest Earned Ratio		4.74	7.56	9.41	10.46	
Operating ability	Account Receivables Turnover (times)		3.30	3.15	2.91	2.92	
	Days sales in accounts receivable		110.61	115.87	125.43	125.00	
	Inventory Turnover (times)		2.25	3.54	3.60	3.71	
	Account Payable Turnover (times)		14.85	13.76	11.39	11.91	
	Average days in sales		162.22	103.11	101.39	98.38	
	Fixed Assets Turnover (times)		0.56	0.69	0.68	0.72	
	Total Assets Turnover(times)		0.34	0.40	0.38	0.41	
Profit ability	Ratio of Return on assets (%)		4.72	6.03	5.96	5.25	
	Ratio of Return on shareholders' equity (%)		7.06	8.74	8.31	6.95	
	Ratio to issued capital stock (%)	Before allocation	23.83	32.41	26.12	23.50	
		After allocation	20.45	27.23	25.62	22.72	
	Profit ratio (%)		11.08	12.42	13.24	11.60	
	EPS ($)		1.55	2.03	2.01	1.74	
Cash Flows (%)	Cash flow ratio (%)		69.81	56.32	68.18	71.69	
	Cash flow adequacy ratio (%)		47.16	54.85	59.51	63.14	
	Cash reinvestment ratio (%)		11.64	6.80	7.94	6.84	
Balance	Degree of operating leverage		3.00	2.52	2.90	3.31	
	Degree of financial leverage		1.30	1.15	1.13	1.11	
Explantions for significant changes (over20%) in operating results include:N/A							

2-2-2. Financial analysis in the past five years-ROC(Financial Statements)

Item			2009	2010	2011	2012	2013
Year			Condensed Income Statement of fiscal year 2009~2013				
Financial structure (%)	Ratio of liabilities to assets		30.60	30.53	20.89	22.90	N/A
	Ratio of long-term capital to fixed assets		230.69	285.59	347.13	392.49	
Solvency (%)	Current Ratio		176.26	222.74	186.65	192.68	
	Quick Ratio		129.16	182.69	134.81	146.77	
	Times interest Earned Ratio		8.20	15.54	20.21	22.48	
Operating ability	Account Receivables Turnover (times)		2.91	3.92	3.93	3.59	
	Days sales in accounts receivable		125.43	93.11	92.88	101.67	
	Inventory Turnover (times)		2.27	4.53	4.63	4.10	
	Account Payable Turnover (times)		17.08	17.69	17.20	19.80	
	Average days in sales		160.79	80.57	78.83	89.02	
	Fixed Assets Turnover (times)		0.59	0.87	0.86	0.90	
	Total Assets Turnover(times)		0.22	0.27	0.23	0.21	
Profit ability	Ratio of Return on assets (%)		4.93	6.48	6.67	5.91	
	Ratio of Return on shareholders' equity (%)		7.06	9.21	8.87	7.26	
	Ratio to issued capital stock (%)	Before allocation	9.02	14.03	9.27	8.35	
		After allocation	16.13	23.87	23.08	19.64	
	Profit ratio (%)		20.78	22.74	28.42	26.89	
	EPS ($)		1.55	2.03	2.01	1.75	
Cash Flows (%)	Cash flow ratio (%)		78.44	100.66	108.81	64.22	
	Cash flow adequacy ratio (%)		51.67	71.92	114.23	168.27	
	Cash reinvestment ratio (%)		8.92	7.39	5.15	2.65	
Balance	Degree of operating leverage		4.24	3.21	4.00	4.37	
	Degree of financial leverage		1.33	1.13	1.15	1.12	

Explantions for significant changes (over20%) in operating results include:N/A

Note1:Equations:

1. Financial structure
   (1)Ratio of liabilities to assets=Total liabilities/Total assets
   (2)Ratio of long-term capital to fixed assets= (Net Shareholder's equity + Long-term liabilities) / Net fixed assets.
2. Debt-paying ability
   (1)Current Ratio=Current assets/Current liabilities
   (2)Quick Ratio= (Current assets-Inventory-Prepaid expense) /Current liabilities
   (3)Times interest Earned Ratio= Net profit before tax and interest expense/interest expense
3. Operating ability
   (1) Receivables (Including accounts receivable and the notes receivable due to operation) turnover ratio= Net sales/Average receivables (including accounts receivable and the notes receivable due to operation) balance
   (2)Average cash receiving days=365/Turnover rate of total assets.
   (3) Inventory Turnover Ratio=Cost of sales/Average amount of inventory
   (4)Payables (including accounts payable and the notes payable due to operation) turnover ratio= Cost of sales/Average Payables (including accounts payable and the notes payable due to operation) balance
   (5)Average period of sales=365/Inventory Turnover Ratio
   (6)Ratio of Fixed Assets Turnover=Net sales/Net fixed assets
   (7)Ratio of Total Assets Turnover=Net sales/Total assets
4. Profitability
   (1)Return on assets = [gain and loss after tax + interest expense× (1-ax ratio)]/ Average Total assets
   (2)Return on shareholders' equity=gain and loss after tax/Average Net shareholders' equity.
   (3)Net profit margin=gain and loss after tax/Net sales
   (4)EPS= (Net income -Preferred dividend) /weighted average number of issued shares (Note4)
5. Cash Flows
   (1)Cash flow ratio=Operating net Cash Flows/Current liabilities
   (2) Net Cash flow adequacy ratio = the past five years' operating net Cash Flows/ the past five years' (capital expense+ inventory increasing amount+ cash dividend).
   (3)Ratio of cash reinvestment= (Operating net Cash Flows- cash dividend) / (Gross fixed assets+ Long-term investment+ other financial assets+ operating capital) (Note5)
6. Balance:
   (1)Degree of Operating leverage= (Net operating income- operating cost and expense changes) / Operating income (Note6)
   (2) Degree of Financial leverage=Operating income / (Operating income-interest expense)

Note2: The notice items for calculating EPS are as follows:

1. Based on weighted average common shares, not the weighted average number of issued shares.
2. For capitalization with cash or Treasury stock trade, the stock circulation must be included for consideration to calculate weighted average stock shares.
3. For capitalization with retained earnings and additional paid-in capital, the earnings per share calculated semi-annually and annually must be adjusted retroactively and proportionally to the capitalization but without considering the issuance period of the capitalization.
4. If preferred stock shares are nonconvertible and cumulative, the dividend of the year (whether it is distributed or not) should be deducted from net income or added to the net loss. If preferred stock shares are not cumulative, preferred stock dividend should be deducted from net income if there is any but it needs not be added to net loss if there is any.

Note3: The notice items for cash flow analysis are as follows:

1. Net cash flow from operating activity meant for the net cash inflow from operating activity on the Statement of Cash Flow.
2. Capital expenditure meant for the cash outflow of capita investment annually.
3. Increase of inventory is counted only when ending inventory exceeds beginning inventory. If the ending inventory is decreased, it is booked as zero value.
4. Cash dividend includes the amount for common stock and preferred stock.
5. Gross fixed assets meant for the total fixed assets before deducting the cumulative depreciation.

Note4: Issuers are to have operating cost and operating expenses classified into the category of fixed and variable. If the classification of operating cost and operating expense involves estimation or discretional judgment, it must be made reasonably and consistently.

3. Supervisor's Report in the past five years:Please refer to P63 in the annual report for details.

4. Consolidated financial difficulties of the Company and related party on the Company's financial position: Please refer to P64~138 in the annual report for details.

5. Financial statements in the most recent years: Please refer to P139~143 in the annual report for details.

6. Impact of financial difficulties of the Company and related party on the Company's financial position: N/A

Topoint Technology Co., Ltd.

Supervisor's Report

The 2013 consolidated financial statements, business report, and remuneration of the company and its subsidiaries has been audited and certified by the CPAs: Liao Wan-Yi and Shieh Chien-Shin of Deloitte & Touche-Taiwan. The supervisors have reviewed and audited the above-mentioned issued documents, composed and presented by the Board of Directors. It is concluded that the said documents are presented fairly; therefore, the Supervisor's Report is hereby issued in accordance with Article 219 of Company Law.

Sincerely yours,

2014 Shareholder's Meeting of TOP

Supervisor: Ken-Ching, Chen

Supervisor: Chung-Ta, Wu

Supervisor: Cheng-Chie, Niu

March 11, 2014

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Topoint Technology Co., Ltd.

We have audited the accompanying consolidated balance sheets of Topoint 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.

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 provide a reasonable basis for our opinion.

In our opinion, 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 financial statements of Topoint Technology Co., Ltd. as of and for the years ended December 31, 2013 and 2012 only, on which we have issued an unqualified report.

March 11, 2014

<u>*Notice to Readers*</u>

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 applied in the Republic of China.

For the convenience of readers, the independent 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.

TOPOINT 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 (Note 6)	$ 1,209,853	19	$ 778,766	13	$ 919,498	16
Available-for-sale financial assets - current (Notes 4, 7 and 29)	764	-	849	-	25,660	-
Notes receivable (Notes 4 and 8)	27,543	-	19,284	-	14,554	-
Accounts receivable (Notes 4, 5 and 8)	716,559	12	673,656	12	673,060	11
Accounts receivable - related parties (Notes 4 and 30)	109,915	2	182,592	3	58,075	1
Other receivables (Notes 4 and 8)	114,383	2	139,784	3	103,700	2
Inventories (Notes 4, 5 and 9)	418,404	7	423,471	7	447,714	8
Prepayments (Notes 10 and 14)	133,481	2	145,510	3	106,298	2
Other current assets	423	-	484	-	469	-
Total current assets	2,731,325	44	2,364,396	41	2,349,028	40
NONCURRENT ASSETS						
Financial assets measured at cost - noncurrent (Notes 4 and 11)	9,777	-	9,240	-	9,610	-
Property, plant and equipment (Notes 4, 12 and 31)	3,266,291	53	3,314,030	57	3,248,245	56
Intangible assets (Notes 4 and 13)	6,508	-	8,137	-	7,357	-
Deferred tax assets (Notes 4 and 22)	88,771	1	73,319	1	79,500	1
Long-term prepayments for lease (Note 14)	32,163	1	31,123	1	33,121	1
Other noncurrent assets (Notes 15, 27 and 30)	73,182	1	27,080	-	89,252	2
Total noncurrent assets	3,476,692	56	3,462,929	59	3,467,085	60
TOTAL	$ 6,208,017	100	$ 5,827,325	100	$ 5,816,113	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ 104,318	2	$ 92,600	2	$ 125,963	2
Notes payable	16	-	-	-	36	-
Accounts payable (Note 17)	119,511	2	129,443	2	133,433	2
Accounts payable - related parties (Note 30)	8,569	-	8,430	-	316	-
Other payables (Note 18)	425,681	7	431,344	7	351,101	6
Current tax liabilities (Notes 4 and 22)	40,992	1	27,654	1	39,571	1
Long-term borrowings - current portion (Notes 16, 30 and 31)	158,660	2	186,262	3	332,719	6
Other current liabilities	7,847	-	3,316	-	2,256	-
Total current liabilities	865,594	14	879,049	15	985,395	17
NONCURRENT LIABILITIES						
Long-term borrowings, net of current portion (Notes 16 and 31)	923,283	15	884,223	15	864,181	15
Accrued pension liabilities (Notes 4 and 19)	-	-	1,089	-	1,232	-
Guarantee deposits received	10,599	-	10,321	-	10,760	-
Deferred tax liabilities (Notes 4 and 22)	91,641	1	71,839	2	55,164	1
Total noncurrent liabilities	1,025,523	16	967,472	17	931,337	16
Total liabilities	1,891,117	30	1,846,521	32	1,916,732	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	1,578,906	26	1,566,578	27	1,525,685	26
Capital surplus	1,200,741	19	1,194,724	20	1,187,279	20
Retained earnings						
Legal reserve	253,267	4	225,872	4	195,581	3
Special reserve	198,770	3	198,770	4	198,770	4
Unappropriated earnings	841,624	14	713,096	12	623,038	11
Total retained earnings	1,293,661	21	1,137,738	20	1,017,389	18
Other equity	62,829	1	(105,817)	(2)	7,770	-
Total equity attributable to owners of the Company	4,136,137	67	3,793,223	65	3,738,123	64
NONCONTROLLING INTERESTS	180,763	3	187,581	3	161,258	3
Total equity	4,316,900	70	3,980,804	68	3,899,381	67
TOTAL	$ 6,208,017	100	$ 5,827,325	100	$ 5,816,113	100

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

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE (Note 30)	$ 2,538,636	100	$ 2,368,218	100
LESS: SALES RETURNS	1,054	-	853	-
SALES DISCOUNTS AND ALLOWANCES	2,610	-	1,480	-
NET OPERATING REVENUE	2,534,972	100	2,365,885	100
OPERATING COSTS				
Cost of goods sold (Notes 30)	1,797,522	71	1,617,276	69
GROSS PROFIT	737,450	29	748,609	31
OPERATING EXPENSES				
Selling and marketing	100,857	4	110,314	5
General and administrative	224,989	9	190,466	8
Research and development	79,926	3	79,989	3
Total operating expenses	405,772	16	380,769	16
OTHER OPERATING INCOME AND EXPENSES (Note 21)	(313)	-	(1,447)	-
PROFIT FROM OPERATIONS	331,365	13	366,393	15
NONOPERATING INCOME AND EXPENSES				
Interest income	12,921	-	10,043	1
Other income	10,037	-	3,903	-
Interest expenses (Note 30)	(32,746)	(1)	(37,627)	(2)
Foreign exchange gain, net (Note 21)	29,166	1	1,326	-
Gain on disposal of investment	-	-	12,985	1
Other expenses	(2,215)	-	(1,281)	-
Total nonoperating income and expenses	17,163	-	(10,651)	-
PROFIT BEFORE INCOME TAX	348,528	13	355,742	15
INCOME TAX EXPENSE (Notes 4 and 22)	(76,569)	(3)	(81,591)	(3)
NET PROFIT	271,959	10	274,151	12

(Continued)

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations	$ 172,173	7	$ (108,950)	(5)
Unrealized loss on available-for-sale financial assets	(85)	-	(7,114)	-
Actuarial loss arising from defined benefit plans	(1,342)	-	(2,548)	-
Income tax relating to components of other comprehensive income	228	-	433	-
Total other comprehensive income	170,974	7	(118,179)	(5)
TOTAL COMPREHENSIVE INCOME	$ 442,933	17	$ 155,972	7
NET PROFIT (LOSS) ATTRIBUTED TO:				
Owner of the Company	$ 280,315	11	$ 273,773	12
Noncontrolling interests	(8,356)	-	378	-
	$ 271,959	11	$ 274,151	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO:				
Owner of the Company	$ 447,847	17	$ 158,071	7
Noncontrolling interests	(4,914)	-	(2,099)	-
	$ 442,933	17	$ 155,972	7
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 23)				
Basic	$1.78		$1.73	
Diluted	$1.74		$1.69	

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

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Equity Attributable to Owners of the Company										
	Share Capital (Note 20)			Retained Earnings (Notes 4 and 20)			Other Equity (Note 20)				
	Share (Thousands)	Amount	Capital Surplus (Note 20)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Available-for-sale Financial Assets	Total	Noncontrolling Interest (Note 20)	Total Equity
BALANCE AT JANUARY 1, 2012	152,569	$ 1,525,685	$ 1,187,279	$ 195,581	$ 198,770	$ 623,038	$ -	$ 7,770	$ 3,738,123	$ 161,258	$ 3,899,381
Appropriation of the 2011 earnings											
Legal reserve	-	-	-	30,291	-	(30,291)	-	-	-	-	-
Cash dividends distributed by the Company - $0.724 per share	-	-	-	-	-	(110,416)	-	-	(110,416)	-	(110,416)
Share dividends distributed by the Company - $0.268 per share	4,089	40,893	-	-	-	(40,893)	-	-	-	-	-
	4,089	40,893	-	30,291	-	(181,600)	-	-	(110,416)	-	(110,416)
Increase in noncontrolling interests	-	-	-	-	-	-	-	-	-	28,422	28,422
Compensation cost of employee share options	-	-	7,445	-	-	-	-	-	7,445	-	7,445
Net profit for the year ended December 31, 2012	-	-	-	-	-	273,773	-	-	273,773	378	274,151
Other comprehensive loss for the year ended December 31, 2012, net of income tax	-	-	-	-	-	(2,115)	(106,473)	(7,114)	(115,702)	(2,477)	(118,179)
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	271,658	(106,473)	(7,114)	158,071	(2,099)	155,972
BALANCE AT DECEMBER 31, 2012	156,658	1,566,578	1,194,724	225,872	198,770	713,096	(106,473)	656	3,793,223	187,581	3,980,804
Appropriation of the 2012 earnings											
Legal reserve	-	-	-	27,395	-	(27,395)	-	-	-	-	-
Cash dividends distributed by the Company - $0.708 per share	-	-	-	-	-	(110,950)	-	-	(110,950)	-	(110,950)
Share dividends distributed by the Company - $0.079 per share	1,233	12,328	-	-	-	(12,328)	-	-	-	-	-
	1,233	12,328	-	27,395	-	(150,673)	-	-	(110,950)	-	(110,950)
Decrease in noncontrolling interests	-	-	-	-	-	-	-	-	-	(1,904)	(1,904)
Compensation cost of employee share options	-	-	6,017	-	-	-	-	-	6,017	-	6,017
Net profit for the year ended December 31, 2013	-	-	-	-	-	280,315	-	-	280,315	(8,356)	271,959
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	(1,114)	168,731	(85)	167,532	3,442	170,974
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	279,201	168,731	(85)	447,847	(4,914)	442,933
BALANCE AT DECEMBER 31, 2013	157,891	$ 1,578,906	$ 1,200,741	$ 253,267	$ 198,770	$ 841,624	$ 62,258	$ 571	$ 4,136,137	$ 180,763	$ 4,316,900

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

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 348,528	$ 355,742
Adjustments for:		
Provision for doubtful accounts	1,321	9
Depreciation	512,601	458,376
Amortization	4,828	5,159
Interest income	(12,921)	(10,043)
Compensation cost of employee share options	6,017	7,445
Interest expense	32,746	37,627
Loss on disposal of property, plant and equipment	313	1,447
Gain on disposal of available-for-sale financial assets	-	(12,985)
Amortization of prepayments for lease	752	735
Net changes in operating assets and liabilities		
Notes receivable	(8,259)	(4,730)
Accounts receivable	(43,969)	(761)
Accounts receivable - related parties	72,677	(124,517)
Other receivables	25,394	(36,082)
Inventories	4,173	23,659
Prepayments	12,072	(39,241)
Other current assets	61	(15)
Notes payable	16	(36)
Accounts payable	(9,932)	(3,990)
Accounts payable - related parties	139	8,114
Other payable	41,096	(12,156)
Other current liabilities	4,531	1,060
Accrued pension liabilities	(2,909)	(2,691)
Cash generated from operations	989,275	652,126
Interest received	12,928	10,041
Interest paid	(31,413)	(39,821)
Income tax paid	(58,321)	(68,961)
Net cash generated from operating activities	912,469	553,385
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of the sale of available-for-sale financial assets	-	30,682
Payments for property, plant and equipment (Note 26)	(447,085)	(478,545)
Proceeds of the disposal of property, plant, and equipment	619	37,491
Payments for intangible assets	(2,914)	(6,110)
Decrease (increase) in refundable deposits	(3,358)	395
Acquisition of noncontrolling interests (Note 25)	(1,904)	(1,778)
Decrease in other noncurrent assets	2,510	171
Net cash used in investing activities	(452,132)	(417,694)

(Continued)

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Year Ended December 31	
	2013	**2012**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in short-term borrowings	$ 11,718	$ (33,363)
Proceeds of long-term borrowings	356,519	295,007
Repayments for long-term borrowings	(353,010)	(400,453)
Increase (decrease) in guarantee deposits received	278	(439)
Cash dividends	(110,950)	(110,416)
Increase in noncontrolling interests (Note 20)	-	30,200
Net cash used in financing activities	(95,445)	(219,464)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	66,195	(56,959)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	431,087	(140,732)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	778,766	919,498
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,209,853	$ 778,766

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

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Topoint Technology Co., Ltd. (the "Company") was incorporated in 1996. On May 10, 2000, the Securities and Futures Commission (SFC) approved the Corporation's application to become a public company. Since December 21, 2004, the Company's shares have been traded on the GreTai Securities Market (over-the-counter securities exchange). Later, when the Company's shares ceased to be traded over the counter, the Corporation's shares became listed on the Taiwan Stock Exchange on January 21, 2008. The Company mainly manufactures and markets micro-drills for printed circuit boards (PCBs), numerically controlled drilling machines for PCBs and peripheral equipment used in PCB manufacture.

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 March 11, 2014.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS 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. 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. Furthermore, the FSC has not announced the effective date for the following New IFRSs that are not included in the 2013 IFRSs version.

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
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

(Continued)

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
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

(Concluded)

The New IFRSs Not Included in the 2013 IFRSs Version	Effective Date Announced by IASB (Note 1)
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
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
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 July 1, 2014; the amendment to IFRS 3 applies to business combinations for which the acquisition date is on or after July 1, 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. The initial application of the above new, amended and revised standards and interpretations is issue but not yet effective has not had any material impact on the Group's accounting policies, financial position and financial performance.

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 endorsed by the FSC (IFRSs).

The Group's consolidated financial statements for the years ended December 31, 2013 are its first IFRS consolidated financial statements. The date of transition to IFRSs was January 1, 2012. Refer to Note 37 for the impact of IFRS conversion on the Group's consolidated financial statements.

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.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cos 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 to use, refer to Note 37.

Current and Nonurrent Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within twelve months after the reporting period; and

c. 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:

a. Liabilities held primarily for the purpose of trading;

b. 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

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

Basis of Consolidation

a. 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 noncontrolling interests

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

b. Subsidiaries included in in consolidated financial statements

			% of Ownership		
Investor	**Investee**	**Main Business**	**December 31, 2013**	**December 31, 2012**	**January 1, 2012**
Topoint Technology Co., Ltd.	Topoint Technology Co., Ltd. (B.V.I.)	International investment	100.00	100.00	100.00
	Unipoint Technology Co., Ltd.	Testing of drill bits and mounting plate blot holes	59.67	59.26	58.50
	Warpspeed Corporation (B.V.I.)	International trade	100.00	100.00	100.00
	Topoint Japan Co., Ltd.	Selling electronic components	100.00	100.00	100.00
Topoint Technology Co., Ltd. (B.V.I.)	Shanghai Topoint Precision Technology Co., Ltd.	Manufacturing and selling precision equipment and measurement facilities	100.00	100.00	100.00
	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100.00	100.00	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012
	Sharpoint Technology (Shenzhen) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100.00	100.00	100.00
	Sharpoint Technology (Suzhou) Co., Ltd.	Testing of drill bits and mounting plate blot holes	100.00	100.00	100.00
Shanghai Topoint Precision Technology Co., Ltd.	Kunchan Restek Technology Co., Ltd.	Manufacturing, processing and selling print circuit board	75.00	75.00	75.00
	Kunchan Topoint Technology Co., Ltd.	Drilling bits	100.00	100.00	-
Unipoint Technology Co., Ltd.	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	International investment	100.00	100.00	100.00
Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Unipoint Technology Shenzhen Co., Ltd.	Testing of drill bits and mounting plate blot holes	100.00	100.00	100.00

(Concluded)

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 arising from settlement or translation are recognized in profit or loss in the period.

Nonmonetary 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 nonmonetary items are included in profit or loss for the period, except for exchange differences arising from the retranslation of nonmonetary 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.

Nonmonetary 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 operations in other countries or 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 noncontrolling interests as appropriate).

Inventories

Inventories consist of raw materials, supplies, work-in-process, finished goods and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made 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 on the balance sheet date.

Property, Plant and Equipment

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

Freehold land is not depreciated.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful life, 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.

When property, plant and equipment are retired or disposed of, the related cost, accumulated depreciation and accumulated impairment loss are removed from the accounts, and gains or losses are recognized in profit or loss.

Intangible Assets

Intangible assets with finite useful lives 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. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life, with the effect of any changes in estimate accounted for on a prospective basis.

When identifiable intangible assets are retired of disposal of, the related cost, accumulated amortization and accumulated impairment loss removed from the accounts, and gains or losses are recognized in profit or loss.

Impairment of Property, Plant and Equipment and Identifiable Intangible Assets

An impairment loss is recognized when the recoverable amount of an asset is less than its carrying amount. A reversal of the impairment loss is recognized if there is a subsequent recovery in the value of the asset. However, the carrying amount after reversal cannot exceed the original cost less accumulated depreciation or amortization.

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.

a. Financial assets

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

   1) Measurement category

      Financial assets are classified into the following categories: Available-for-sale financial assets, and borrowings and receivables.

a) Available-for-sale financial assets

Available-for-sale financial assets are nonderivatives that are either designated as available-for-sale or are not classified as borrowings 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.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

b) Borrowings and receivables

Borrowings and receivables (including accounts receivables, cash and cash equivalent, and other receivables) 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.

Cash equivalent includes time deposits with highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

2) 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 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 receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed as not impaired individually.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is based on historical recovery 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 objective evidence of impairment.

When an available-for-sale financial asset is considered 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 loss 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.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When an accounts receivable and other receivables are 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 accounts receivables and other receivables that are written off against the allowance account.

3) 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 is recognized in profit or loss.

b. Financial liabilities

The Company derecognizes financial liabilities only when, the Company's obligations are discharged or canceled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

a. Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed to the buyer.

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.

b. Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Leasing

When the Group is a lessee, operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Retirement Benefit Costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services 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 sheets 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.

Share-based Payment Arrangements

The Group elected to take the optional exemption from applying IFRS 2 "Share-based Payment" retrospectively for the shared-based payment transactions granted and vested before the date of transition.

After the transition to IFRSs, the Group started to apply IFRS 2 "Share-based Payment" to share-based payment arrangements.

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grate date when the share options granted vest immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

Taxation

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

a. Current tax

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

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

b. 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, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, and research and development expenditures 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, 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 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.

c. Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, 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.

Following are the key assumptions and sources of estimation uncertainty:

a. Estimated impairment of accounts receivable

When there is objective evidence of an impairment, the Group recognizes the impairment loss by assessing the impairment amount of each receivable and estimating the degree of collectibility based on historical experience to determine the uncollectable amount.

b. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is determined by the final selling price per unit less the estimated selling expenses. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The Group assesses the write-downs on the basis of the months in which inventories are slow-moving and on historical experience on inventory repairs and obsolescence.

c. Recognition and measurement of defined benefit plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	December 31, 2013	December 31, 2012	January 1, 2012
Cash on hand	$ 1,219	$ 1,324	$ 1,314
Checking accounts and demand deposits	735,341	569,836	698,648
Cash equivalents			
Time deposits	473,293	207,606	219,536
	$ 1,209,853	$ 778,766	$ 919,498

The market interest rate intervals of cash in bank and time deposits at the end of reporting period were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Cash in bank	0.01%-1.15%	0.01%-0.39%	0.01%-0.50%
Time deposits	0.35%-3.30%	0.35%-2.60%	0.20%-3.10%

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Listed shares	$ 764	$ 849	$ 25,660

8. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2013	December 31, 2012	January 1, 2012
Notes receivable			
Notes receivable - operating	$ 27,543	$ 19,284	$ 14,554
Accounts receivable			
Accounts receivable	$ 722,066	$ 677,587	$ 677,138
Less: Allowance for impairment loss	(5,507)	(3,931)	(4,078)
	$ 716,559	$ 673,656	$ 673,060
Other receivables			
Bank retention accounts	$ 78,076	$ 132,859	$ 85,448
Other	36,307	6,925	18,252
	$ 114,383	$ 139,784	$ 103,700

a. Notes receivable

The average credit period on sales of goods was 90 days. In determining the recoverability of a note receivable, the Group considered any change in the credit quality of the note receivable since the date credit was initially granted to the end of the reporting period. The notes receivable that are past due recognized 100% allowance for bad debt.

As of the reporting date, the Group had no notes receivables that were past due or impaired.

b. Accounts receivable

The average payment term for accounts receivable was 90 days after sales. When evaluating the recoverability of accounts receivable, the Group takes into account the possible changes in the credit quality of the receivable for the period from the original credit date to the balance sheet date. Accounts receivable are assessed individually when there is objective evidence of impairment. Accounts receivable that are past due for over 360 days are considered unrecoverable and are provided with a 100% allowance for bad debt. For the accounts receivable that are aged between 181 days and 360 days, the Group estimates the allowance for impairment loss on the basis of irrecoverable amounts determined through reference to historical trading experience.

For the accounts receivables 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 no 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 of receivables that were past due but not impaired was as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Less than 60 days	$ 3,213	$ 684	$ 1,623
61-120 days	3,694	344	70
121-180 days	250	-	-
	$ 7,157	$ 1,028	$ 1,693

The above aging schedule was based on the past due date.

Movements in the allowance for impairment loss recognized on accounts receivables were as follows:

	For the Year Ended December 31	
	2013	2012
Balance at January 1	$ 3,931	$ 4,078
Add: Impairment losses recognized on receivables	1,321	9
Effect of exchange rate changes	255	(156)
Balance at December 31	$ 5,507	$ 3,931

The Group recognized impairment losses of $4,149 thousand, $3,921 thousand and $4,078 thousand on trade receivables as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively. These amounts mainly related to customers that were in liquidation or in severe financial difficulties. The Group did not hold any collateral for these receivables.

The Group signed contracts for non-recourse factoring of accounts receivable with Mega International Commercial Bank and First Sino Bank, with revolving credits of US$4,000 thousand and RMB85,150 thousand, respectively, for the years ended December 31, 2013 and 2012. The amounts of the factoring account receivable for the years ended December 31, 2013 and 2012 were $561,690 thousand and $345,325 thousand, respectively.

As of December 31, 2013, December 31, 2012 and January 1, 2012, the outstanding factored accounts receivable were as follows:

Counterparties	Receivables Sold	Advances Received at Year-end	Not Yet Received as of Year-end	Retention	Interest Rates on Advances Received (%)
December 31, 2013					
First Sino Bank	$ 71,182	$ -	$ 56,946	$ 14,236	
Mega International Commercial Bank	58,944	52,050	1,261	5,633	1.53-1.59
	$ 130,126	$ 52,050	$ 58,207	$ 19,869	

(Continued)

Counterparties	Receivables Sold	Advances Received at Year-end	Not Yet Received as of Year-end	Retention	Interest Rates on Advances Received (%)
December 31, 2012					
First Sino Bank	$ 125,165	$ -	$ 100,132	$ 25,033	
Mega International Commercial Bank	65,950	58,256	1,222	6,472	1.35-1.60
	$ 191,115	$ 58,256	$ 101,354	$ 31,505	
January 1, 2012					
First Sino Bank	$ 80,115	$ -	$ 64,092	$ 16,023	
Mega International Commercial Bank	48,757	43,424	488	4,845	1.21-1.92
	$ 128,872	$ 43,424	$ 64,580	$ 20,868	

(Concluded)

The above factored accounts receivable had not been received and the retention amounts were reclassified to other receivable - bank retention accounts.

9. INVENTORIES

	December 31, 2013	December 31, 2012	January 1, 2012
Raw materials	$ 118,898	$ 115,268	$ 166,014
Supplies	84,290	93,738	84,872
Work in process	9,457	11,273	8,247
Finished goods	179,095	184,594	172,367
Merchandises	26,664	18,598	16,214
	$ 418,404	$ 423,471	$ 447,714

The costs of inventories recognized as cost of goods sold were as follows: (a) $1,113,893 thousand for the year ended December 31, 2013, which included a loss of $5,873 thousand on inventory obsolescence and a gain of $1,220 thousand on physical inventory; and (b) $1,080,093 thousand for the year ended December 31, 2012, which included a loss of $5,517 thousand on inventory obsolescence and a loss of $178 thousand on physical inventory.

10. PREPAYMENTS

	December 31, 2013	December 31, 2012	January 1, 2012
Prepaid value-added tax	$ 92,852	$ 100,868	$ 90,532
Prepaid expenses	19,639	12,158	10,356
Prepayment for purchases	14,487	27,104	4,564
Other prepayments	5,736	4,655	92
Land use right	767	725	754
	$ 133,481	$ 145,510	$ 106,298

11. FINANCIAL ASSETS MEASURED AT COST

	December 31, 2013	December 31, 2012	January 1, 2012
Foreign unlisted common shares	$ 9,777	$ 9,240	$ 9,610

Management believed that the above unlisted equity investments held by the Group had a fair value that could not be reliably measured because the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of the reporting period.

12. PROPERTY, PLANT, AND EQUIPMENT

	December 31, 2013	December 31, 2012	January 1, 2012
Land	$ 75,652	$ 75,652	$ 75,652
Buildings	393,017	403,178	443,322
Machinery and equipment	2,698,009	2,734,750	2,651,886
Transportation equipment	8,692	7,581	6,566
Office equipment	2,081	2,559	3,439
Miscellaneous equipment	88,840	90,310	55,732
Property in construction	-	-	11,648
	$ 3,266,291	$ 3,314,030	$ 3,248,245

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2012	$ 75,652	$ 581,715	$ 4,626,456	$ 9,981	$ 9,918	$ 109,107	$ 11,648	$ 5,424,477
Additions	-	206	588,742	3,168	525	26,543	15,560	634,744
Disposals	-	-	(45,921)	(637)	(490)	(1,079)	-	(48,127)
Reclassification	-	-	-	-	-	27,208	(27,208)	-
Effect of foreign currency exchange differences	-	(12,301)	(94,953)	(329)	(687)	(1,746)	-	(110,016)
Balance at December 31, 2012	$ 75,652	$ 569,620	$ 5,074,324	$ 12,183	$ 9,266	$ 160,033	$ -	$ 5,901,078
Accumulated depreciation								
Balance at January 1, 2012	$ -	$ 138,393	$ 1,974,570	$ 3,415	$ 6,479	$ 53,375	$ -	$ 2,176,232
Depreciation expense	-	29,347	408,324	1,804	815	18,086	-	458,376
Disposals	-	-	(7,170)	(527)	(440)	(1,052)	-	(9,189)
Effect of foreign currency exchange differences	-	(1,298)	(36,150)	(90)	(147)	(686)	-	(38,371)
Balance at December 31, 2012	$ -	$ 166,442	$ 2,339,574	$ 4,602	$ 6,707	$ 69,723	$ -	$ 2,587,048
Carrying amount at January 1, 2012	$ 75,652	$ 443,322	$ 2,651,886	$ 6,566	$ 3,439	$ 55,732	$ 11,648	$ 3,248,245
Carrying amount at December 31, 2012	$ 75,652	$ 403,178	$ 2,734,750	$ 7,581	$ 2,559	$ 90,310	$ -	$ 3,314,030

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Property in Construction	Total
Cost								
Balance at January 1, 2013	$ 75,652	$ 569,620	$ 5,074,324	$ 12,183	$ 9,266	$ 160,033	$ -	$ 5,901,078
Additions	-	3,497	327,770	3,561	409	18,980	-	354,217
Disposals	-	-	(1,622)	(2,039)	(342)	(207)	-	(4,210)
Effect of foreign currency exchange differences	-	17,943	157,154	566	333	2,642	-	178,638
Balance at December 31, 2013	75,652	591,060	5,557,626	14,271	9,666	181,448	-	6,429,723
Accumulated depreciation								
Balance at January 1, 2013	-	166,442	2,339,574	4,602	6,707	69,723	-	2,587,048
Depreciation expense	-	28,901	458,512	2,630	994	21,564	-	512,601
Disposals	-	-	(939)	(1,844)	(342)	(153)	-	(3,278)
Effect of foreign currency exchange differences	-	2,700	62,470	191	226	1,474	-	67,061
Balance at December 31, 2013	-	198,043	2,859,617	5,579	7,585	92,608	-	3,163,432
Carrying amount at December 31, 2013	$ 75,652	$ 393,017	$ 2,698,009	$ 8,692	$ 2,081	$ 88,840	$ -	$ 3,266,291

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

Building	
Main buildings	10-50 years
Elevators	8-15 years
Decorating constructions	3-10 years
Machinery and equipment	3-10 years
Transportation equipment	3-5 years
Office equipment	3-5 years
Miscellaneous equipment	3-10 years

Refer to Note 31 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings.

13. INTANGIBLE ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Carrying value for each classification			
Computer software	$ 6,172	$ 7,474	$ 5,343
Patents	336	663	2,014
	$ 6,508	$ 8,137	$ 7,357

	Computer Software	Patents	Total
Cost			
Balance at January 1, 2012	$ 8,597	$ 4,350	$ 12,947
Additions	5,707	403	6,110
Decrease	(1,159)	(1,359)	(2,518)
Effect of foreign currency exchange differences	(218)	(41)	(259)
Balance at December 31, 2012	$ 12,927	$ 3,353	$ 16,280

(Continued)

	Computer Software	Patents	Total
Accumulated amortization			
Balance at January 1, 2012	$ 3,254	$ 2,336	$ 5,590
Amortization expense	3,446	1,713	5,159
Decrease	(1,159)	(1,359)	(2,518)
Effect of foreign currency exchange differences	(88)	-	(88)
Balance at December 31, 2012	$ 5,453	$ 2,690	$ 8,143
Carrying amount at January 1, 2012	$ 5,343	$ 2,014	$ 7,357
Carrying amount at December 31, 2012	$ 7,474	$ 663	$ 8,137
Cost			
Balance at January 1, 2013	$ 12,927	$ 3,353	$ 16,280
Additions	2,914	-	2,914
Decrease	(2,650)	(2,800)	(5,450)
Effect of foreign currency exchange differences	439	23	462
Balance at December 31, 2013	13,630	576	14,206
Accumulated amortization			
Balance at January 1, 2013	5,453	2,690	8,143
Amortization expense	4,480	348	4,828
Decrease	(2,650)	(2,800)	(5,450)
Effect of foreign currency exchange differences	175	2	177
Balance at December 31, 2013	7,458	240	7,698
Carrying amount at December 31, 2013	$ 6,172	$ 336	$ 6,508

(Concluded)

The intangible assets were amortized on a straight-line basis over the following estimated useful lives of the assets:

Patents	5-10 years
Computer software	1-10 years

14. LONG-TERM PREPAYMENTS FOR LEASE

	December 31, 2013	December 31, 2012	January 1, 2012
Land-use right			
Current (classified under prepayments)	$ 767	$ 725	$ 754
Noncurrent	32,163	31,123	33,121
	$ 32,930	$ 31,848	$ 33,875

The above land use right is amortized by the straight-line method over 49 years.

15. OTHER NONCURRENT ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Prepayments for equipment	$ 53,946	$ 9,170	$ 70,776
Refundable deposits	15,735	12,377	12,772
Long-term prepaid expenses	1,830	2,265	2,757
Certificates of deposit - restricted	1,193	3,268	2,947
Prepaid pension cost	478	-	-
	$ 73,182	$ 27,080	$ 89,252

16. BORROWINGS

a. Short-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Unsecured borrowings	$ 104,318	$ 92,600	$ 125,963
Interest rate	1.37%-2.37%	1.12%-1.53%	1.54% -2.07%

b. Long-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Secured borrowings			
Taiwan Cooperative Bank	$ 164,108	$ 124,688	$ 147,847
Shin Kong Bank	53,023	11,687	-
Syndicated borrowing - China Development Bank, etc.	30,553	86,628	150,152
China Development Bank	-	-	105,707
China Development Industrial Bank	-	-	17,646
	247,684	223,003	421,352
Unsecured borrowings			
Syndicated borrowing - Industrial Bank of Taiwan, etc.	450,000	650,000	550,000
China Development Bank	216,086	29,911	36,330
Shanghai Commercial & Savings Bank	89,415	108,900	143,806
Chinatrust Commercial Bank	59,718	34,848	45,412
Taiwan Cooperative Bank	19,040	23,823	-
	834,259	847,482	775,548
Less: Current portion	158,660	186,262	332,719
Long-term borrowings	$ 923,283	$ 884,223	$ 864,181

1) Secured loan from Taiwan Cooperative Bank: The Company signed a contract for a loan repayable monthly from October 2004 to September 2014. As of December 31, 2013, December 31, 2012 and January 1, 2012, the loan balances were $5,930 thousand, $24,511 thousand and $93,192 thousand, respectively, at annual interest rates of 2.55%, 2.43% to 2.55%, and 2.38% to 2.43%, respectively. Unipoint Technology Co., Ltd. signed a contract for a loan repayable monthly from October 2011 to September 2018. As of December 31, 2013, December 31, 2012 and January 1, 2012, the loan balances were $158,178 thousand, $100,177 thousand and $54,655 thousand, respectively, at annual interest rates of 2.45% to 2.50%, 2.45% and 2.45%, respectively.

2) Secured loan from Shin Kong Bank: Unipoint Technology Co., Ltd. signed a contract for a loan repayable quarterly from January 2013 to May 2016. As of December 31, 2013 and 2012, the loan balances were $53,023 thousand and $11,687 thousand, respectively. The annual interest rate was 2.33% as of December 31, 2013 and 2012.

3) Syndicated loan from China Development Bank, etc.: In June 2009, Shanghai Topoint Precision Technology Co., Ltd. obtained a secured loan of $242,770 thousand (RMB50,000 thousand) from a banking syndicate comprising the China Development Bank and Shanghai Bank. The loan is repayable semiannually from December 2010 to June 2014. As of December 31, 2013, December 31, 2012 and January 1, 2012, the loan balances were $30,553 thousand, $86,628 thousand and $150,152 thousand, respectively. The annual interest rate was 6.90% as of December 31, 2013, December 31, 2012 and January 1, 2012.

4) Secured loan from China Development Bank: Shanghai Topoint Precision Technology Co., Ltd. signed a contract for a loan repayable semiannually from May 2009 to November 2012. As of January 1, 2012, the loan balance $105,707 thousand, with an annual interest rate of 6.90%. This loan was fully repaid in November 2012.

5) Secured loan from China Development Industrial Bank: The Company signed a contract for a loan repayable quarterly from April 2008 to April 2012. Under the loan contract, certain financial ratios based on audited annual standalone and consolidated financial statements of the Company must be in accordance with the criteria stated in the agreement. As of January 1, 2012, the loan balance was $17,646 thousand. The annual interest was 2.05% to 2.06% as of January 1, 2012.

6) Syndicated loan from Industrial Bank of Taiwan, etc.: In July 2010, the Company obtained another unsecured borrowing of $1,000,000 thousand from a banking syndicate comprising the Industrial Bank of Taiwan, Taipei Fubon Commercial Bank, Chinatrust Commercial Bank, Taiwan Cooperative Bank, Taiwan Land Bank and five other banks. In October 2012, the Corporation fully repaid this borrowing ahead of the maturity date.

   In July 2012, the Company obtained another unsecured borrowing $1,000,000 thousand from a banking syndicate comprising the Industrial Bank of Taiwan, Taipei Fubon Commercial Bank, Taiwan Cooperative Bank, Mega International Commercial Bank, Chang Hwa Bank, Taiwan Land Bank and five other banks.

Related information as of December 31, 2013, December 31, 2012 and January 1, 2012 is as follows:

	Credit Line	Amount to Be Paid	Interest Rate	Repayment
December 31, 2013				
Unsecured borrowing	$ 1,000,000	$ 450,000	1.758%-1.899%	Principal repayable on maturity in October 2015; if the principal exceeds the diminishing credit line balance on certain dates, the Corporation should pay the lending banks the excess.
December 31, 2012				
Unsecured borrowing	1,000,000	650,000	1.747%-1.788%	Principal repayable on maturity in October 2015; if the principal exceeds the diminishing credit line balance on certain dates, the Corporation should pay the lending banks the excess.
January 1, 2012				
Unsecured borrowing	1,000,000	550,000	1.703%	Principal repayable on maturity in December 2013; if the principal exceeds the diminishing credit line balance on certain dates, the Corporation should pay the lending banks the excess.

Under the borrowing agreement, certain financial ratios based on audited annual and semiannual consolidated financial statements of the Company must be in accordance with the criteria stated in the agreements. As of December 31, 2013 and 2012, and January 1, 2012, the Company had all met such criteria.

7) Unsecured loan from China Development Bank: Sharpoint (Shenzhen) Technology Co., Ltd. signed a loan agreement in November 2011. The loan is repayable from November 2012 to September 2016. As of December 31, 2013, December 31, 2012 and January 1, 2012, the loan balances were $22,354 thousand, $29,911 thousand and $36,330 thousand, respectively, at annual interest rates of 5.25%, 5.38% and 5.58%, respectively. Kunshan Topoint Technology Co., Ltd. signed a loan agreement in April 2013. The loan is repayable from April 2014 to April 2018. As of December 31, 2013, the loan balance was $193,732 thousand, at an annual interest rate of 4.75%.

8) Unsecured loan from Shanghai Commercial & Saving Bank: Topoint Technology Co., Ltd. (B.V.I.) signed a loan agreement in May 2011, with interest payable monthly. The loan is repayable quarterly from July 2014 to April 2016. As of December 31, 2013, December 31, 2012 and January 1, 2012, the loan balances were $89,415 thousand, $87,120 thousand and $90,825 thousand, respectively, with annual interest rates of 2.02%, 2.38% and 2.15%, respectively. Unipoint Technology Shenzhen Technology Co., Ltd. signed a contract for a loan repayable quarterly from September 2010 to August 2013. As of December 31, 2012 and January 1, 2012,

the loan balances were $21,780 thousand and $52,981 thousand, respectively, at annual interest rates of 2.64% and 2.32%, respectively.

9) Unsecured loan from Chinatrust Commercial Bank: Sharpoint (Qinhuangdao) Technology Co., Ltd. signed a loan agreement in January 2011. The loan is repayable semiannually from July 2012 to August 2016. As of December 31, 2013, December 31, 2012 and January 1, 2012, the loan balances were $59,718 thousand, $34,848 thousand and $45,412 thousand, respectively, at annual interest rates of 1.78%, 1.46% and 1.86%, respectively.

10) Unsecured loan from Taiwan Cooperative Bank: Unipoint Technology Co., Ltd. signed an agreement for a loan repayable monthly from October 2012 to September 2017. As of December 31, 2013 and 2012, the loan balances were $19,040 thousand and $23,823 thousand, respectively. The annual interest rate was 2.50%.

The Group's assets mortgaged or pledged as collaterals for the above long-term borrowings are disclosed in Note 31.

17. ACCOUNTS PAYABLE

	December 31, 2013	December 31, 2012	January 1, 2012
Accounts payable - operating	$ 119,511	$ 129,443	$ 133,433

The average credit period for purchases was 90 to 150 days. The Group has established financial risk management policies to ensure that all payables are repaid within pre-agreed credit periods.

18. OTHER PAYABLES

	December 31, 2013	December 31, 2012	January 1, 2012
Payable for purchase of equipment	$ 129,131	$ 177,223	$ 82,630
Accrued payroll and employee benefits	107,902	83,497	77,462
Bonus to employees and remuneration to directors	45,411	44,380	49,071
Payable for annual leave	6,749	6,343	5,981
Others	136,488	119,901	135,957
	$ 425,681	$ 431,344	$ 351,101

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company and Unipoint Technology Co., Ltd. of the Group adopted a pension plan under the Labor Pension Act (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 Mainland China are members of a state-managed retirement benefit plan operated by the government of Mainland 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.

There were no regular employees for Topoint Technology Co., Ltd. (B.V.I.), Warpspeed Corporation (B.V.I.) and Unipoint Technology Holdings Co., Ltd. (B.V.I.)

Pension expenses for these defined contribution plans are classified under the following accounts:

	For the Year Ended December 31	
	2013	**2012**
Operating cost	$ 21,711	$ 14,946
Operating expense	$ 9,811	$ 7,503

b. Defined benefit plan

The Company of the Group 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 contributes 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	2.00%	1.50%	2.75%
Expected return on plan assets	1.75%	1.75%	2.00%
Expected rate of salary increase	1.00%	1.00%	1.00%

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

	For the Year Ended December 31	
	2013	**2012**
Interest cost	$ 270	$ 270
Expected return on plan assets	(302)	(291)
	$ (32)	$ (21)

Actuarial gains on these defined benefit plans are classified under the following account:

	For the Year Ended December 31	
	2013	**2012**
Operating expense	$ (32)	$ (21)

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2013 and 2012 were $1,114 thousand and $2,115 thousand, respectively. The cumulative amounts of actuarial gains and losses recognized in other comprehensive income as of December 31, 2013 and 2012 were $3,229 thousand and $2,115 thousand, respectively.

The amounts included in the consolidated balance sheets arising from the Group's obligation on its defined benefit plans were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of funded defined benefit obligation	$ 19,569	$ 18,034	$ 15,357
Fair value of plan assets	(20,047)	(16,945)	(14,125)
Deficit (surplus)	(478)	1,089	1,232
Net actuarial gains (losses) not recognized	-	-	-
Past service cost not yet recognized	-	-	-
Net liability (asset) arising from defined benefit obligation	$ (478)	$ 1,089	$ 1,232

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	$ 18,034	$ 15,357
Interest cost	270	270
Actuarial losses	1,265	2,407
Closing defined benefit obligation	$ 19,569	$ 18,034

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	$ 16,945	$ 14,125
Expected return on plan assets	302	291
Actuarial losses	(76)	(141)
Contributions from the employer	2,876	2,670
Closing fair value of plan assets	$ 20,047	$ 16,945

The major categories of plan assets at the end of the reporting period for each category were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Equity instruments	44.77%	37.43%	40.75%
Cash	22.86%	24.51%	23.87%
Fix income	18.11%	16.28%	16.19%
Debt instruments	9.37%	10.45%	11.45%
Others	4.89%	11.33%	7.74%
	100.00%	100.00%	100.00%

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, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

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:

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ (19,569)	$ (18,034)	$ (15,357)
Fair value of plan assets	$ 20,047	$ 16,945	$ 14,125
Surplus (deficit)	$ 478	$ (1,089)	$ (1,232)
Experience adjustments on plan liabilities	$ (2,124)	$ (2,407)	$ -
Experience adjustments on plan assets	$ (76)	$ (141)	$ -

The Group expects to make a contribution of $3,119 thousand to the defined benefit plans during the annual period beginning after 2013.

20. EQUITY

a. Share capital - common stock

	December 31, 2013	December 31, 2012	January 1, 2012
Registered shares (thousand)	300,000	300,000	300,000
Registered capital	$ 3,000,000	$ 3,000,000	$ 3,000,000
Issued shares (thousand)	157,891	156,658	152,569
Issued capital	$ 1,578,906	$ 1,566,578	$ 1,525,685
Share premium	1,185,161	1,185,161	1,185,161
	$ 2,764,067	$ 2,751,739	$ 2,710,846

The par value of the issued common stock is NT$10. Each stock is entitled to a right to vote and to receive dividends.

Of the authorized capital, a total of 30,000 thousand shares should be reserved for on employee stock option plan, preferred stock with warrant and bonds with warrant attached.

b. Capital surplus

	December 31, 2013	December 31, 2012	January 1, 2012
Issued capital	$ 1,185,161	$ 1,185,161	$ 1,185,161
Employee share options	15,580	9,563	2,118
	$ 1,200,741	$ 1,194,724	$ 1,187,279

	Share Premium	Employee Share Options
Balance at January 1, 2012	$ 1,185,161	$ 2,118
Arising on share-based payments	-	7,445
Balance at December 31, 2012	1,185,161	9,563
Arising on share-based payments	-	6,017
Balance at December 31, 2013	$ 1,185,161	$ 15,580

The capital surplus from shares issued in excess of par and donations could be used to offset deficits; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from long-term investments, employee share options and share warrants may not be used for any purpose.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, the Company should make appropriations from its income net of taxes and any prior losses in the following order:

1) Pay all taxes.

2) Offset its losses in previous years.

3) Legal reserve at 10% of annual net income.

4) Special reserve.

5) Remuneration of 3% (maximum) to directors and supervisors;

6) Bonuses of 1% to 25% to employees; and

7) The remainder, together with the unappropriated earnings of prior years and adjustment of unappropriated earnings of the current year, to be distributed to the shareholders.

   These appropriations should be approved by the shareholders in, and given effect to in the financial statements of, the year following the year of earnings generation.

   To meet the requirements for present and future operational expansion and to satisfy the shareholders' need for cash inflow, the Company's dividend policy states that cash dividends should be at least 10% of total dividends.

   Based on past experience, the bonus to the Company's employees and the remuneration to directors and supervisors for 2013 were calculated at 15% and 3%, respectively, of net income less the 10% deduction for legal reserve.

   Based on past experience, the bonus to the Company's employees and the remuneration to directors and supervisors for 2012 were calculated at 15% and 3%, respectively, of net income less the 10% deduction for legal reserve.

After the end of the year, if the actual amounts subsequently resolved by the board of directors have significant difference from the proposed amounts, the adjustments to expenses are recorded in the year of recognition. At the date of shareholders' resolution, if the amount differs from the amount resolved by the board of directors, the differences are recorded in the year of shareholders' resolution 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 closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

When distributing the earnings, the Company should recognize special reserve equal to the net deduction in the shareholders' equity (i.e., the translation adjustments on foreign subsidiaries,). When the deduction in the shareholders' equity is reduced, the amount of reduction can be reversed to the unattributed earnings from the special reserve.

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", the Company was required to appropriate or reverse a special reserve.

Legal reserve should be appropriated 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 shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company

The appropriations from the 2012 and 2011 earnings were approved by the shareholders on June 11, 2013 and June 12, 2012, respectively, as follows:

	Appropriation of Earnings and Capitalization of Capital Surplus		Dividends Per Share (NT$)	
	2012	**2011**	**2012**	**2011**
Legal reserve	$ 27,395	$ 30,291		
Cash dividends	110,950	110,416	$ 0.708	$ 0.724
Stock dividends	12,328	40,893	0.079	0.268

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 Standards 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 the IFRSs.

Bonuses to employees and remuneration to directors and supervisors for 2012 and 2011 approved in the shareholders' meetings on June 11, 2013 and June 12, 2012, respectively, were as follows:

	For the Year Ended December 31	
	2012	**2011**
	Cash Dividends	**Cash Dividends**
Bonus to employees	$ 36,983	$ 40,893
Remuneration of directors and supervisors	7,397	8,178

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

The appropriations of earnings for 2013 had been proposed by the Company's board of directors on March 11, 2014. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 28,031	
Cash dividends	126,312	$0.800

The appropriations of earnings, the bonus to employees, and the remuneration to directors and supervisors for 2013 are subject to the resolution of the shareholders' meeting.

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

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

Under Rule No. 1010012865 issued by the FSC on April 6, on the first-time adoption of IFRSs, a company should appropriate to a special reserve 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 transition 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 amount of cumulative translation differences transferred to retained earnings was $190,040 thousand.

The increase in retained earnings that resulted from all IFRSs adjustments was not enough for this appropriation; therefore, the Company appropriated for special reserve an amount of $181,967 thousand, the increase in retained earnings that resulted from all IFRSs adjustments on transitions to IFRSs.

e. Other equity items

1) Exchange differences on translating foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) were reclassified to profit or loss on the disposal of the foreign operation.

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

	For the Year Ended December 31	
	2013	2012
Balance at January 1	$ 656	$ 7,770
Unrealized gain arising on revaluation of available-for-sale financial assets	(85)	5,871
Cumulative gain reclassified to profit on sale of available-for-sale financial assets	-	(12,985)
Balance at December 31	$ 571	$ 656

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

f. Noncontrolling interests

	For the Year Ended December 31	
	2013	2012
Balance at January 1	$ 187,581	$ 161,258
Attributable to noncontrolling interests:		
Share of profit (loss) for the year	(8,356)	378
Exchange difference arising on translation of foreign entities	3,442	(2,477)
Noncontrolling interests arising from acquisition of subsidiaries (see Note 25)	(1,904)	(1,778)
Issue of ordinary shares for cash	-	30,200
Balance at December 31	$ 180,763	$ 187,581

21. NET PROFIT

a. Depreciation, and amortization expenses

	For the Year Ended December 31	
	2013	2012
An analysis of deprecation by function		
Operating costs	$ 475,181	$ 419,911
Operating expenses	37,420	38,465
	$ 512,601	$ 458,376
An analysis of amortization by function		
Operating costs	$ 1,684	$ 424
Operating expenses	3,144	4,735
	$ 4,828	$ 5,159

b. Other gains and losses

	For the Year Ended December 31	
	2013	2012
Loss on disposal of property, plant and equipment	$ (313)	$ (1,447)

c. Employee benefit expenses

	For the Year Ended December 31	
	2013	2012
Post-employment benefit (Note 19)		
Defined contribution plans	$ 31,522	$ 22,479
Defined benefit plans	(32)	(21)
	31,490	22,458
Share-based payments		
Cash-settled share-based payments	6,017	7,445
Payroll expense	462,315	396,578
Labor and health insurance expense	19,288	16,092
Other employee benefit	12,190	6,957
Total employee benefit expense	$ 531,300	$ 449,530
An analysis of employee benefit expense by function		
Operating cost	$ 362,613	$ 306,496
Operating expenses	168,687	143,034
	$ 531,300	$ 449,530

d. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2013	2012
Foreign-currency exchange gains	$ 41,135	$ 6,441
Foreign-currency exchange losses	(11,969)	(5,115)
Net profit	$ 29,166	$ 1,326

22. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2013	2012
Current tax		
In respect of the current year	$ 60,850	$ 46,014
Income tax expense of unappropriated earnings	12,328	12,131
Prior period	(1,519)	(1,101)
	71,659	57,044

(Continued)

	For the Year Ended December 31	
	2013	2012
Deferred tax		
Current year	$ 4,910	$ 24,547
Income tax expense recognized in profit or loss	$ 76,569	$ 81,591

(Concluded)

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

	For the Year Ended December 31	
	2013	2012
Profit before tax from continuing operations	$ 348,528	$ 355,742
Income tax expense calculated at the statutory rate (17%)	$ 59,250	$ 60,476
Nondeductible expenses in determining taxable income	(27,384)	(30,118)
Tax preference	(2,749)	(2,914)
Additional income tax on unappropriated earnings	12,328	12,131
Effect of different tax rate of group entities operating in other jurisdictions	20,998	21,676
Adjustments for prior years' tax	(1,519)	1,101
Others	15,645	19,239
Income tax expense recognized in profit or loss	$ 76,569	$ 81,591

The applicable tax rate for the Group's members based in the ROC was 17%. The applicable tax rate used by subsidiaries in China was 25%, except for the lower corporate tax rate of 15% enjoyed in December 2010 by Shanghai Topoint Precision Technology Co., Ltd. as a high-technology enterprise.

Warpspeed Corporation (B.V.I.), Topoint Technology Co., Ltd. (B.V.I.) and Unipoint Technology Holdings Co., Ltd. (B.V.I.) are tax-exempt under the tax laws.

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 loss on defined benefit plan	$ 228	$ 433

c. Current tax liabilities

	December 31, 2013	December 31, 2012	January 1, 2012
Current tax liabilities			
Income tax payable	$ 40,992	$ 27,654	$ 39,571

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	Closing Balance
Deferred tax assets				
Temporary differences				
Deferred revenue	$ 16,238	$ 4,338	$ -	$ 20,576
Investment loss recognized under the equity method	13,354	4,814	-	18,168
Depreciation difference between financial accounting and taxation	8,077	631	-	8,708
Unpaid expense	6,479	(1,693)	-	4,786
Write-down of inventories	3,370	806	-	4,176
Payable for annual leave	1,108	(339)	-	769
Doubtful debts	879	238	-	1,117
Unrealized exchange losses	1,336	(284)	-	1,052
Impairment loss	470	(133)	-	337
Accrued pension cost	256	(6)	-	250
Defined benefit obligation	433	-	228	661
	52,000	8,372	228	60,600
Tax losses	21,319	6,852	-	28,171
	$ 73,319	$ 15,224	$ 228	$ 88,771
Deferred tax liabilities				
Temporary differences				
Investment gain recognized under the equity method	$ 71,114	$ 19,948	$ -	$ 91,062
Unrealized exchange gains	725	(146)	-	579
	$ 71,839	$ 19,802	$ -	$ 91,641

For the year ended December 31, 2012

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Deferred revenue	$ 12,896	$ 3,342	$ -	$ 16,238
Investment loss recognized under the equity method	10,616	2,738	-	13,354
Depreciation difference between financial accounting and taxation	7,366	711	-	8,077
Unpaid expense	6,089	390	-	6,479

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Write-down of inventories	$ 3,207	$ 163	$ -	$ 3,370
Payable for annual leave	1,037	71	-	1,108
Doubtful debts	912	(33)	-	879
Unrealized exchange losses	887	449	-	1,336
Impairment loss	671	(201)	-	470
Accrued pension cost	260	(4)	-	256
Defined benefit obligation	-	-	433	433
	1,232	(1,232)	-	-
Tax losses	45,173	6,394	433	52,000
Investment credits	18,960	2,359	-	21,319
	15,367	(15,367)	-	-
	$ 79,500	$ (6,614)	$ 433	$ 73,319
Deferred tax liabilities				
Temporary differences				
Investment gain recognized under the equity method	$ 54,973	$ 16,141	$ -	$ 71,114
Unrealized exchange gains	191	534	-	725
	$ 55,164	$ 16,675	$ -	$ 71,839

(Concluded)

e. Loss carryforwards as of December 31, 2013 comprised:

Company Name	Unused Amount	Expiry Year
Unipoint Technology Co., Ltd.	$ 1,525	2021
	297	2023
	1,822	
Unipoint Technology Shenzhen Co., Ltd.	2,862	2015
	6,387	2016
	4,771	2017
	3,885	2018
	17,905	
Sharpoint Technology (Suzhou) Co., Ltd.	1,671	2016
	958	2017
	2,629	
Kunshan Restek Technology Co., Ltd.	2,092	2014
	429	2015
	992	2017
	2,235	2018
	5,748	
Kunshan Topoint Technology Co., Ltd.	67	2017
	$ 28,171	

f. Integrated income tax

	December 31, 2013	December 31, 2012	January 1, 2012
Unappropriated earnings			
Unappropriated earnings from 1998	$ 841,624	$ 713,096	$ 623,038
Imputation credit account	$ 51,223	$ 29,582	$ 28,361

The creditable ratios for the distribution of the earnings of 2013 and 2012 were 9.58% (expected ratio) and 6.70% (actual ratio), respectively.

Under the Income Tax Law, for the distribution of earnings generated on or after January 1, 1998, the imputation credits allocable to ROC resident shareholders of the Company are calculated on the basis of the creditable ratio and the balances of the imputation credit accounts (ICA) as of the date of dividend distribution. Thus, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

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

g. Income tax assessments

Income tax returns of the Company and Unipoint Technology Co., Ltd. through 2010 had been examined and cleared by the tax authorities.

23. EARNINGS PER SHARE

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on August 18, 2013. This adjustment caused the basic and diluted after-tax earnings per share for the year ended December 31, 2012 to decrease from NT$1.75 to NT$1.73 and from NT$1.71 to NT$1.69, respectively.

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

Net Profit for the Year

	For the Year Ended December 31	
	2013	2012
Profit attributable to owners of the Company	$ 280,315	$ 273,773
Earnings used in the computation of basic earnings per share	$ 280,315	$ 273,773
Effect of potentially dilutive ordinary shares	-	-
Earnings used in the computation of diluted earnings per share	$ 280,315	$ 273,773

Weighted average number of common shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2013	2012
Weighted average number of common shares in computation of basic earnings per share	157,891	157,891
Effect of potentially dilutive common shares:		
Bonus issue to employees	2,898	3,857
Weighted average number of ordinary shares used in the computation of diluted earnings per share	160,789	161,748

If the Group offers to settle bonuses paid to employees in cash or shares, the Group will assume the entire amount of the bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding to be used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares will be 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.

Since the exercise price of the options issued by the Company exceeded the average market price of the shares in the years ended December 31, 2013 and 2012, they were anti-dilutive and excluded from the computation of diluted earnings per share.

24. SHARE-BASED PAYMENT ARRANGEMENTS

Effective Date	Resolution Date	Units	Exercise Price (In New Taiwan Dollars)	
2007.12.13	2007.12.18	5,000	$ 41.32	(Original price $68.20)
2011.09.19	2011.09.26	3,500	20.70	
		8,500		

Each of the option represented 1,000 common shares of the Company. The term of these options is five years. These options may be exercised after two years from the grant date. Under the terms of the stock option plan, if the number of the Company's common shares changes, the exercise price of options granted on September 11 is not be adjusted; the exercise price of the options granted on December 2007 will be revised.

The Company elected to take the optional exemption from applying IFRS 2 "Share-based Payment" retrospectively for the shared-based payment transactions granted and vested before the date of transition.

The Company's stock options in 2012 and 2011 are summarized as follows:

	2013			
	September 26, 2011 Issued		December 18, 2007 Issued	
	Thousand Units	Weighted-average Exercise Price (In Dollars)	Thousand Units	Weighted-average Exercise Price (In Dollars)
Outstanding units, beginning of year	3,310	$ 20.70	-	$ -
Canceled units	(62)	20.70	-	-
Outstanding units, end of year	3,248		-	
Exercisable units, end of year	1,586	20.70	-	

	2012			
	September 26, 2011 Issued		December 18, 2007 Issued	
	Thousand Units	Weighted-average Exercise Price (In Dollars)	Thousand Units	Weighted-average Exercise Price (In Dollars)
Outstanding units, beginning of year	3,500	$ 20.70	3,220	$ 41.32
Canceled units	(190)	20.70	(3,220)	41.32
Outstanding units, end of year	3,310		-	
Exercisable units, end of year	-		-	

Stock options outstanding as of December 31, 2013 are summarized as follows:

Exercise Price	Thousand Units	Weighted-average Remaining Contractual Life (Years)	Weighted-average Exercise Price (In Dollars)	Thousand Units	Weighted-average Exercise Price (In Dollars)
NT$20.70	3,248	2.74 years	$ 20.70	1,586	$ 20.70

Stock options outstanding as of December 31, 2012 are summarized as follows:

Exercise Price	Thousand Units	Weighted-average Remaining Contractual Life (Years)	Weighted-average Exercise Price (In Dollars)	Thousand Units	Weighted-average Exercise Price (In Dollars)
NT$20.70	3,310	3.74 years	$ 20.70	-	$ -

Compensation costs recognized were $6,017 thousand and $7,445 thousand for the years ended December 31, 2013 and 2012, respectively.

Had the Black-Scholes pricing model been used to calculate compensation cost using the fair value method, the assumptions would have been as follows:

		September 26, 2011 Issued	December 18, 2007 Issued
Assumptions	Expected dividend yield	4.21%	-
	Risk-free interest rate	1.12%	2.43%
	Expected duration	5 years	3.875 years
	Expected volatility	48.66%	44.35%
	Weighted-average fair value (in dollars)	$5.80	$25.17

25. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

On January 5, 2012, the Group acquired an additional 0.48% of its interest in Unipoint Technology Co, Ltd., increasing its continuing interest from 58.5 % to 58.98%.

On December 24, 2013, the Group acquired an additional 0.41% of its interest in Unipoint Technology Co, Ltd., increasing its continuing interest from 59.26 % to 59.67%.

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

	December 24, 2013	January 5, 2012
Cash consideration paid	$ (1,904)	$ (1,778)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	1,904	1,778
Differences arising from equity transaction	$ -	$ -

26. PARTIAL CASH TRANSACTIONS

For the years ended December 31, 2013 and 2012, the Group entered into the following partial cash investing activities, which were not reflected in the consolidated statement of cash flows:

	For the Year Ended December 31	
	2013	2012
Cash paid for property, plant and equipment acquisition		
Increase in property, plant and equipment	$ 354,217	$ 634,744
Net increase (decrease) in prepayment for equipment	44,776	(61,606)
Net decrease (increase) in payable for purchase of equipment	48,092	(94,593)
Cash paid	$ 447,085	$ 478,545

27. OPERATING LEASE AGREEMENT

The Group as lessee

The operating lease agreement refers to a plant. The lease term is five years. The Group does not have a bargain purchase option to acquire the leased land at the end of the lease period.

As of December 31, 2013, December 31, 2012 and January 1, 2012, the refundable deposits under the operating lease agreement were $1,453 thousand, $1,436 thousand and $1,448 thousand, respectively.

The future minimum lease payments on the noncancelable operating lease commitments were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Less than 1 year	$ 6,437	$ 6,334	$ 6,405
1 to 5 years	8,606	14,906	21,405
	$ 15,043	$ 21,240	$ 27,810

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

The management believes the carrying value of the financial assets and financial liabilities not carried at fair value is approximately equal to the fair value.

2) Fair value measurements recognized in the consolidated balance sheet 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).

December 31, 2013

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC equity securities	$ 764	$ -	$ -	$ 764

December 31, 2012

Available-for-sale financial assets	Level 1	Level 2	Level 3	Total
Securities listed in ROC equity securities	$ 849	$ -	$ -	$ 849

January 1, 2012

Available-for-sale financial assets	Level 1	Level 2	Level 3	Total
Securities listed in ROC equity securities	$ 25,660	$ -	$ -	$ 25,660

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

Quoted stocks traded in active liquid markets are determined with reference to quoted market prices.

b. Categories of financial instruments

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets			
Loans and receivables (Note 1)	$ 2,178,253	$ 1,794,082	$ 1,768,887
Available-for-sale financial assets	764	849	25,660
Financial liabilities			
Amortized cost (Note 2)	1,444,427	1,489,675	1,568,259

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, and other receivables.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term borrowings, notes payable, accounts payables, and part of other payables.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payables and borrowings. The Group's Corporate Treasury function 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 and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

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

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Approximately 13% of the Group's sales were denominated in currencies other than the functional currency of the group entity making the sale, while almost 13% of costs were denominated in the group entity's functional currency.

Monetary liabilities (including those eliminated on consolidation) and the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to U.S. dollars, Korea won and euros.

The table below shows the amount of fall/rise in income before tax if the Group's functional currency increase/decrease by 1% against the relevant foreign currency.

	U.S. Dollar			
	USD:NTD		**USD:RMB**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2013	**2012**	**2013**	**2012**
Gain (loss)	$ (2,049)	$ (2,641)	$ 5,739	$ 3,127

	Korea Won		**Euro Dollar**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2013	**2012**	**2013**	**2012**
Gain (loss)	$ (640)	$ (751)	$ (521)	$ (267)

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risks 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	$ 475,541	$ 209,077	$ 224,649
Financial liabilities	266,724	246,825	403,705
Cash flows interest rate risk			
Financial assets	733,093	568,365	693,535
Financial liabilities	919,537	916,260	919,158

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivative and nonderivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Had interest rates been 25 basis points higher/lower and all other variables been held constant, the Group's pretax profits for the years ended December 31, 2013 and 2012 would have decreased/increased by $466 thousand and $870 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its demand deposits and variable-rate borrowings.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 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 and financial guarantees provided by the Group could arise from the amount of contingent liabilities in relation to financial guarantee issued by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's concentration of credit risk of 40.72%, 45.02% and 39.43% in total trade receivables as of December 31, 2013 and 2012, and January 1, 2012, respectively, were related to the Group's five largest customers.

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 manages liquidity risk by maintaining adequate bank balance and banking facilities, and continuously monitoring forecast and actual cash flows as well as the maturity profiles of financial assets and liabilities.

The Group's noninteresting-bearing liabilities pertaining on nonderivative financial liabilities are paid in succession within one year.

The following table details the Group's remaining maturity for its borrowings 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.

In the following table, loan agreements with a repayment on demand clause were included in the second column, regardless of the probability of the banks choosing to exercise their repayment rights within a period longer than one month.

December 31, 2013

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	Over 1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year - 5 Years
Nonderivative financial liabilities					
Variable interest rate liabilities	2.58%	$ -	$ 14,903	$ 154,092	$ 750,542
Fixed interest rate liabilities	2.94%	6,681	8,502	78,800	172,741
		$ 6,681	$ 23,405	$ 232,892	$ 923,283

December 31, 2012

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	Over 1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year - 5 Years
Nonderivative financial liabilities					
Variable interest rate liabilities	1.90%	$ 20,000	$ 20,038	$ 132,568	$ 743,654
Fixed interest rate liabilities	4.06%	4,900	13,489	87,867	140,569
		$ 24,900	$ 33,527	$ 220,435	$ 884,223

January 1, 2012

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	Over 1 Month - 3 Months	Over 3 Months to 1 Year	Over 1 Year - 5 Years
Nonderivative financial liabilities					
Variable interest rate liabilities	1.97%	$ 20,000	$ 7,569	$ 185,673	$ 705,916
Fixed interest rate liabilities	5.26%	9,443	18,895	217,102	158,265
		$ 29,443	$ 26,464	$ 402,775	$ 864,181

30. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, the Group had business transactions with the following related parties:

a. The Group's related parties were as follows:

Related Party	Relationship with the Group
China Development Industrial Bank	Director and shareholder before June 12, 2012
Other related parties	
Unimicron Technology Corporation	The parent company of the equity-method investor of Unipoint Technology Co., Ltd.
Unimicron Technology (Shenzhen) Corp.	Investee of Unimicron Technology Corporation
Unimicron Technology (Kunshan) Corp.	Investee of Unimicron Technology Corporation
Unimicron Technology (FPC) Corp.	Investee of Unimicron Technology Corporation
Unimicron Technology (Suzhou) Corp.	Investee of Unimicron Technology Corporation

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.

b. Operating transaction

	For the Year Ended December 31	
	2013	2012
Operating revenue		
Other related party	$ 482,721	$ 446,387
Purchases of goods		
Other related party	$ 6,688	$ 7,953
Manufacturing overhead		
Other related party	$ 13,755	$ 3,822

Manufacturing overhead is payment to other related party for meal expenses and utilities expenses.

	December 31, 2013	December 31, 2012	January 1, 2012
Accounts receivable			
Other related party	$ 109,915	$ 182,592	$ 58,075

No allowance for bad debts was recognized for the years ended December 31, 2013 and 2012 because the accounts receivable from related parties were not past due or impaired.

	December 31, 2013	December 31, 2012	January 1, 2012
Accounts payable			
Other related party	$ 8,569	$ 8,430	$ 316
Prepayment for equipment (classified to other noncurrent assets)			
Other related party	$ 8,920	$ -	$ -

Transactions between the Group and other parties do not have significant difference between the Group and non-related parties.

c. Borrowings from related parties

Related Parties Types	December 31, 2013	December 31, 2012	January 1, 2012
China Development Industrial Bank	$ -	$ -	$ 17,646

The Group obtained borrowings from related parties at rates comparable to market interest rates. For the year ended December 31, 2012, the interest expense was $27 thousand.

d. Compensation of key management personnel:

	For the Year Ended December 31	
	2013	2012
Short-term employee benefits	$ 30,657	$ 31,201
Post-employment benefits	102	36
Share-based payments	602	744
	$ 31,361	$ 31,981

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2013	December 31, 2012	January 1, 2012
Property, plant and equipment	$ 775,531	$ 826,176	$ 2,023,108

32. SIGNIFICANT CONTINGENCIES 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:

	December 31, 2013	December 31, 2012	January 1, 2012
Acquisition of property, plant and equipment	$ 8,585	$ 5,077	$ 67,604

33. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In their meeting on January 3, 2014, the Board of Directors of Shanghai Topoint Precision Technology Co., Ltd. ("Shanghai Topoint") approved the establishment of Sharpoint Electronics (Huaian) Co., Ltd. The investment amount was RMB$10,000 thousand. The registration of Shanghai Topoint's establishment was completed on January 6, 2014.

In their meeting on February 27, 2014, the Board of Directors of Shanghai Topoint approved the establishment of Chengdu Raypoint Precision Tools Co., Ltd. The investment amount was RMB27,000 thousand. The registration of Shanghai Topoint's establishment was completed on March 5, 2014.

34. EXCHANGE RATES FOR FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11,461	29.805 (USD:NTD)	NT$ 341,601
USD	2,809	6.0969 (USD:RMB)	83,733
KRW	2,254,759	0.0284 (KRW:NTD)	64,035
EUR	1,278	8.4189 (EUR:RMB)	52,158
Nonmonetary items			
USD	108,014	29.805 (USD:NTD)	3,219,355
Financial liabilities			
Monetary items			
USD	4,586	29.805 (USD:NTD)	136,682
USD	22,065	6.0969 (USD:RMB)	657,653

December 31, 2012

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 13,291	29.04 (USD:NTD)	NT$ 385,971
USD	3,136	6.2855 (USD:RMB)	91,034
KRW	2,750,229	0.0273 (KRW:NTD)	75,082
EUR	694	8.3176 (EUR:RMB)	26,670
Nonmonetary items			
USD	98,362	29.04 (USD:NTD)	2,856,432
Financial liabilities			
Monetary items			
USD	4,196	29.04 (USD:NTD)	121,852
USD	13,902	6.2855 (USD:RMB)	403,704

January 1, 2012

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 7,780	30.275 (USD:NTD)	NT$ 235,540
USD	6,243	6.3009 (USD:RMB)	188,998
KRW	2,850,321	0.0263 (KRW:NTD)	74,963
EUR	455	8.1625 (EUR:RMB)	17,845
Nonmonetary items			
USD	90,311	30.275 (USD:NTD)	2,734,166
Financial liabilities			
Monetary items			
USD	2,252	30.275 (USD:NTD)	68,179
USD	15,450	6.3009 (USD:RMB)	467,722

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: Table 2 (attached)

3) Marketable securities held (excluding investment in subsidiaries: Table 3 (attached)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4 (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5 (attached)

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions: Table 9 (attached)

11) Information on investees: Table 6 (attached)

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, 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 7 (attached)

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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 8 (attached)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 8 (attached)

c) The amount of property transactions and the amount of the resultant gains or losses: Table 8 (attached)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)

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: None

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows: Taiwan area, Mainland China area and other areas. These segments mainly process PCBs and design, manufacture and sell related cutting equipment.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from operations by reportable segment

	Taiwan	Mainland China	Other	Eliminations	Total
Year ended December 31, 2013					
Revenues from external customers	$ 858,645	$ 1,674,103	$ 2,224	$ -	$ 2,534,972
Intersegment revenues	$ 350,069	$ 9,111	$ -	$ (359,180)	$ -
Segment income (loss)	$ 133,730	$ 216,333	$ (2,410)	$ 875	$ 348,528
Year ended December 31, 2012					
Revenues from external customers	$ 775,319	$ 1,590,566	$ -	$ -	$ 2,365,885
Intersegment revenues	$ 336,154	$ 3,068	$ -	$ (339,222)	$ -
Segment income (loss)	$ 169,468	$ 201,642	$ (1,609)	$ (13,759)	$ 355,742

b. Segment total assets

	December 31, 2013	December 31, 2012	January 1, 2012
Taiwan	$ 2,088,652	$ 2,186,896	$ 2,106,372
Mainland China	4,115,096	3,637,229	3,709,688
Others	4,269	3,200	53
Consolidated total assets	$ 6,208,017	$ 5,827,325	$ 5,816,113

c. Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services.

	For the Year Ended December 31	
	2013	2012
Cutting equipment	$ 1,634,567	$ 1,667,212
Others	900,405	698,673
	$ 2,534,972	$ 2,365,885

e. Geographical information

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

The Group's revenue from continuing operations from external customers by location of operations and information about its noncurrent assets by location of assets are detailed below.

	Revenue from External Customers		Noncurrent Assets		
	Year Ended December 31		December 31,	December 31,	January 1,
	2013	2012	2013	2012	2012
Taiwan	$ 586,385	$ 541,549	$ 1,260,531	$ 1,457,891	$ 1,389,660
Mainland China	1,616,722	1,554,902	2,124,332	1,929,300	1,997,925
Others	331,865	269,434	2,580	2,724	-
	$ 2,534,972	$ 2,365,885	$ 3,387,443	$ 3,389,915	$ 3,378,585

Noncurrent assets exclude noncurrent assets classified as deferred tax assets and post-employment benefit assets.

f. Information about major customers

Sales revenue exceeded 10% of the Group's revenue were as follows:

	For the Year Ended December 31	
	2013	2012
Customer A of Mainland China	$ 342,493	$ 319,140
Customer B of Taiwan	321,726	314,074
	$ 664,219	$ 633,214

37. 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 the consolidated balance sheet as of January 1, 2012

ROC GAAP		Impact of Transition to IFRSs		IFRSs		
Items	Amount	Recognition and Measurement Difference	Presentation Difference	Amount	Items	Notes
Current assets	$ 2,395,098	$ -	$ (46,070)	$ 2,349,028	Current assets	a), c),
Long-term investment	9,610	-	-	9,610	Long-term investment	
Property, plant and equipment	3,294,131	-	(45,886)	3,248,245	Property, plant and equipment	c), d)
	-	-	7,357	7,357	Intangle asset	c)
	-	-	33,121	33,121	Long-term prepayment for lease	c)
	-	-	2,757	2,757	Long-term prepaid expense	c)
Other assets	118,063	(980)	48,912	165,995	Other noncurrent assets	a), b), c), d), e), f)
Total assets	$ 5,816,902	$ (980)	$ 191	$ 5,816,113	Total assets	

(Continued)

ROC GAAP Items	ROC GAAP Amount	Impact of Transition to IFRSs: Recognition and Measurement Difference	Impact of Transition to IFRSs: Presentation Difference	IFRSs Amount	IFRSs Items	Notes
Current liabilities	$ 979,414	$ 5,981	$ -	$ 985,395	Current liabilities	e)
Long-term liabilities	864,181	-	-	864,181	Long-term borrowings	
Other liabilities	65,733	1,232	191	67,156	Other noncurrent liabilities	b), f)
Total liabilities	1,909,328	7,213	191	1,916,732	Total liabilities	
Capital stock	1,525,685	-	-	1,525,685	Share capital	
Capital surplus	1,187,279	-	-	1,187,279	Capital surplus	
Retained earnings	835,422	181,967	-	1,017,389	Retained earnings	e), f), g)
Other equity adjustments	197,810	(190,040)	-	7,770	Other equity	g)
Minority interests	161,378	(120)	-	161,258	Noncontrolling interests	e)
Total shareholders' equity	3,907,574	(8,193)	-	3,899,381	Total equity	
Total liabilities and shareholders' equity	$ 5,816,902	$ (980)	$ 191	$ 5,816,113	Total liabilities and equity	

(Concluded)

a) Deferred tax assets - current amounting to $46,824 thousand was reclassified to deferred tax assets - noncurrent after converting to IFRSs.

b) Under IFRSs, if an entity does not have a legally recognized right to offset tax assets and tax liabilities, the entity should not make this offset. Thus, deferred tax liabilities and deferred tax assets that had been offset against each other under ROC GAAP were reversed, and deferred tax liabilities - noncurrent and deferred tax assets - noncurrent increased by $191 thousand each.

c) The land use rights amounting to $754 thousand and $33,121 thousand listed in deferred charges under other assets were reclassified as prepayments and long-term prepayments for lease, respectively, on the basis of their nature. A renovation expense of $24,243 thousand was reclassified as property, plant and equipment. Computer software and patent amounting to $7,357 thousand was reclassified as intangible assets. Other intangible assets amounting to $647 thousand and $2,757 thousand were reclassified as property, plant and equipment and long-term prepayments, respectively.

d) Under IFRSs, prepayment for equipment is usually classified as prepayment under noncurrent assets. Thus, property, plant and equipment to amounting to $70,776 thousand was reclassified as other noncurrent assets.

e) i. Under ROC GAAP, the costs of accumulated compensated absences are recognized when employees actually go on leave. After converting to IFRSs, the Group should recognize the cost of accumulated compensated absences as employees render services that increase their entitlement to these absences. Thus, the Group deferred related expenses to the end of next year's reporting period. Thus, the Group recognized accrued expenses of $5,981 thousand and decreased retained earnings and noncontrolling interests by $5,823 thousand and $158 thousand, respectively.

ii. Deferred tax assets - noncurrent recognized on the above cost of accumulated compensated absences increased by $1,037 thousand. Thus, retained earnings and noncontrolling interests increased by $999 thousand and $38 thousand, respectively.

f) i. The balance of retirement benefit obligation under IFRSs was $1,232 thousand. Thus, the Group decreased prepaid pension cost by $2,683 thousand, recognized retirement benefit obligation of $1,232 thousand and decreased retained earnings by $3,915 thousand.

ii. Deferred tax assets - noncurrent recognized on the above retirement benefit obligation and retained earnings increased by $666 thousand each.

g) The Group recognized cumulative translation adjustments as zero on the date of transition to IFRSs; thus, retained earnings increased by $190,040 thousand.

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

ROC GAAP		Impact of Transition to IFRSs		IFRSs		
Items	Amount	Recognition and Measurement Difference	Presentation Difference	Amount	Items	Notes
Current assets	$ 2,403,242	$ -	$ (38,846)	$ 2,364,396	Current assets	a), c),
Long-term investment	9,240	-	-	9,240	Long-term investment	
Property, plant and equipment	3,302,650	-	11,380	3,314,030	Property, plant and equipment	c), d)
	-	-	8,137	8,137	intangible asset	c)
	-	-	31,123	31,123	Long-term prepayment for lease	c)
	-	-	2,265	2,265	Long-term prepaid expense	c)
Other assets	114,544	(3,076)	(13,334)	98,134	Other noncurrent assets	a), b), c), d), e), f)
Total assets	$ 5,829,676	$ (3,076)	$ 725	$ 5,827,325	Total assets	
Current liabilities	$ 872,706	$ 6,343	$ -	$ 879,049	Current liabilities	e)
Long-term liabilities	884,223	-	-	884,223	Long-term borrowings	
Other liabilities	81,435	1,089	725	83,249	Other noncurrent liabilities	b), f)
Total liabilities	1,838,364	7,432	725	1,846,521	Total liabilities	
Capital stock	1,566,578	-	-	1,566,578	Share capital	
Capital surplus	1,194,724	-	-	1,194,724	Capital surplus	
Retained earnings	958,064	179,674	-	1,137,738	Retained earnings	e), f), g)
Other equity adjustments	84,223	(190,040)	-	(105,817)	Other equity	g)
Minority interests	187,723	(142)	-	187,581	Noncontrolling interests	e)
Total shareholders' equity	3,991,312	(10,508)	-	3,980,804	Total equity	
Total liabilities and shareholders' equity	$ 5,829,676	$ (3,076)	$ 725	$ 5,827,325	Total liabilities and equity	

a) Deferred tax assets - current amounting to $39,571 thousand was reclassified to deferred tax assets - noncurrent after converting to IFRSs.

b) Under IFRSs, if an entity does not have a legally recognized right to offset tax assets and tax liabilities, the entity should not make this offset. Thus, deferred tax liabilities and deferred tax assets that had been offset against each other under ROC GAAP were reversed, and deferred tax liabilities - noncurrent and deferred tax assets - noncurrent increased by $725 thousand each.

c) The amounts of land use rights of $725 thousand and $31,123 thousand listed in deferred charges under other assets were reclassified as prepayments and long-term prepayments for lease, respectively, on the basis of their nature. A renovation expense of $20,155 thousand were reclassified as property, plant and equipment. Computer software and patent amounting to $8,137 thousand was reclassified as intangible assets. Other intangible assets amounting to $395 thousand and $2,265 thousand were reclassified as property, plant and equipment and long-term prepayments, respectively.

d) Under IFRSs, prepayment for equipment is usually classified as prepayment under noncurrent assets. The amount reclassified from property, plant and equipment to other noncurrent assets was $9,170 thousand.

e) i. Under IFRSs, the Group recognized accrued expenses of $6,343 thousand for accumulated compensated absences and decreased retained earnings and noncontrolling interests by $6,164 thousand and $179 thousand, respectively.

ii. Deferred tax assets - noncurrent recognized on the above cost of accumulated compensated absences increased by $1,108 thousand. Thus, retained earnings and noncontrolling interests increased by $1,071 thousand and $37 thousand, respectively.

f) i. The balance of retirement benefit obligation under IFRSs was $1,089 thousand. Thus, the Group decreased prepaid pension cost by $5,264 thousand, recognized retirement benefit obligation of $1,089 thousand and decreased retained earnings by $6,353 thousand. The actuarial loss for the year ended December 31, 2012 of $2,548 thousand, and the after-tax amount of $2,115 thousand were immediately recognized under other comprehensive income and retained earnings, respectively, in the statement of changes in equity.

ii. Deferred tax assets - noncurrent recognized on the above retirement benefit obligation increased by $1,080 thousand and retained earnings increased by $1,080 thousand.

g) The Group recognized cumulative translation adjustments as zero on the date of transition to IFRSs; thus, retained earnings increased by $190,040 thousand. As of December 31, 2012, the difference of $(108,950) thousand from the translation of financial statements of all overseas businesses was recognized under other comprehensive income.

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

ROC GAAP		Impact of Transition to IFRSs		IFRSs		
Items	Amount	Recognition and Measurement Difference	Presentation Difference	Amount	Items	Notes
Operating revenue	$ 2,365,885	$ -	$ -	$ 2,365,885	Operating revenue	
Operating cost	(1,617,276)	-	-	(1,617,276)	Operating cost	
Operating profit	748,609	-	-	748,609	Operating profit	
Operating expense	(380,517)	(252)	-	(380,769)	Operating expense	a), b)
	-	-	(1,447)	(1,447)	Other operating income and expenses	f)
Operating income	368,092	(252)	(1,447)	366,393	Operating income	
Nonoperating income and expense	(12,098)	-	1,447	(10,651)	Nonoperating income and expense	
Income before tax	355,994	(252)	-	355,742	Profit before income tax	
Income tax expense	(81,643)	52	-	(81,591)	Income tax expense	c)
Net income	$ 274,351	$ (200)	$ -	274,151	Net profit	
				(108,950)	Exchange differences on translating foreign operations	e)
				(7,114)	Unrealized loss on available-for-sale financial assets	
				(2,548)	Actual loss arising from defined benefit plans	d)
				433	Income tax relating to components of other comprehensive income	d)
				$ 155,972	Total comprehensive income	

a) Under IFRSs, the recognition of accumulated compensated absences amounting to $362 thousand increased employee benefit expenses by the same amount.

b) Under IFRSs, the recognition of the retirement benefit obligation amounting to $110 thousand decreased employee benefit expenses by the same amount.

c) A decrease in employee benefit expenses resulted in a decrease of $52 thousand in the related tax expense.

d) The balance of the retirement benefit obligation under IFRSs was $1,089 thousand. Thus, the Group decreased prepaid pension cost by $5,264 thousand, recognized a retirement benefit obligation of $1,089 thousand and decreased retained earnings by $6,353 thousand. The actuarial loss of $2,548 thousand for the year ended December 31, 2012 and the after-tax amount of $2,115 were immediately recognized in other comprehensive income and retained earnings, respectively, in the statement of changes in equity.

e) The Group recognized cumulative translation adjustments as zero on the date of transition to IFRSs; thus, retained earnings increased by $190,040 thousand. As of December 31, 2012, the difference of $(108,950) thousand from the translation of financial statements of all overseas businesses was recognized under other comprehensive income.

f) After the transition to IFRSs, loss on disposal of property, plant and equipment of $1,447 thousand was reclassified from nonoperating income and expenses to other gains and losses.

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:

Business combinations

The Group elected not to apply IFRS 3, "Business Combinations" retrospectively to business combinations that occurred before the date of transition. Therefore, in the opening balance sheet, the amount of goodwill generated from past business combinations remains the same compared with the one under ROC GAAP as of December 31, 2011.

The exemption of not applying IFRS 3 "Business Combinations" also applied to investments in associates acquired in the past.

Share-based payment transactions

The Group elected to take the optional exemption from applying IFRS 2 "Share-based Payment" retrospectively for the shared-based payment transactions granted and vested before the date of transition.

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.

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. Gains or losses of a subsequent disposal of any foreign operations will exclude the translation differences that arose before the date of transition to IFRSs.

5) Deemed cost of property, plant equipment and other intangible assets

The Group measured property, plant and equipment and other intangible assets on translation date under cost model accounting to IFRSs, and retroactively applied the relevant regulations.

6) 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:

Accounting Issues	**Description of Differences**
Actuarial gains and losses of defined benefit plans	Under ROC GAAP, an entity's actuarial gains and losses are amortized over the employees' average remaining service period to the income statement under the corridor approach.

(Continued)

Accounting Issues	Description of Differences
	After converting to IFRSs, actuarial gains and losses should be recognized immediately in other comprehensive income and retained earnings in the statement of changes in equity.
Unrecognized net transition obligation	Under ROC GAAP, unrecognized net transition obligation that resulted from the adoption of Statement of Financial Accounting Standards (SFAS) No. 18 "Accounting for Pensions" should be amortized using the straight-line method over the average remaining service years of employees, and be accounted for as pension costs.
	After converting to IFRS, due to non-adoption of the transitional arrangements under IAS 19 "Employee Benefits," the unrecognized net transition obligation is accounted and adjusted in retained earnings.
Land use rights	Under ROC GAAP, land use rights are classified as intangible asset.
	After converting to IFRSs a land use right is classified as prepayment in accordance with IAS 17 "Leases."
Reclassification of deferred charges	Under ROC GAAP, deferred charges are listed under other assets.
	After converting to IFRS, an enterprise should reclassify deferred charges to property, plant and equipment prepaid expense and long-term prepaid expense based on their nature.
Prepayment for equipment	Under ROC GAAP, prepayment for equipment is usually recognized as part of property, plant and equipment.
	After converting to IFRS, prepayment for equipment is usually classified as prepayment under noncurrent assets.
Classification of deferred tax assets/liabilities	Under ROC GAAP, classification as current and noncurrent is based on the classification of the underlying asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent on the basis of expected length of time before it is realized or settled.

(Continued)

Accounting Issues	Description of Differences
	After converting to IFRS, the classification of deferred income tax is always noncurrent. If an enterprise does not have a legally recognized right to offset the tax assets and tax liabilities, the amounts recognized in deferred tax assets should not offset with deferred tax liabilities under IFRS.
Offsetting deferred tax assets/liabilities	Under ROC GAAP, deferred tax liabilities - current related to the same taxable entity are offset. The same rule is applied to deferred tax assets - noncurrent and deferred tax liabilities - noncurrent.
	After converting to IFRS, if an enterprise does not have a legally recognized right to offset the tax assets and tax liabilities, the amounts recognized in deferred tax assets should not offset with deferred tax liabilities under IFRS.
Deferred tax arising from intragroup transactions	Under ROC GAAP, there is no related requirement about the tax rate use in tax rate used in the tax base of the deferred tax arising from unrealized gains. The Company recognized the deferred tax using the sellers' tax rate.
	After converting to IFRS, amount of deferred tax is calculated based on the applicable tax rate, usually the buyers' tax rate, in the jurisdiction.
Employee benefits - short-term accumulated compensated absences	Under ROC GAAP, there are no specific requirements for recognizing accumulated compensated absences at the ending of reporting periods. Companies usually recognize the related costs when the employees actually go on leave.
	After converting to IFRS, the expected cost of short-term accumulated compensated absences should be recognized as the employees render services that increase their entitlement to these compensated absences.
Gain/loss on disposal of property, plant and equipment	Under ROC GAAP, gain/loss on disposal of property, plant and equipment is usually recognized as part of nonoperating expenses.
	After converting to IFRS, an entity presents expenses and losses by function. Gain/loss on disposal of property, plant and equipment should be attributed to related functional expense.

(Concluded)

TABLE 1

TOPOINT 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 (Note 4)	Ending Balance (Notes 4 and 5)	Actual Borrowing Amount (Note 5)	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
1	Topoint Technology Co., Ltd. (B.V.I.)	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Other receivables	Yes	$ 59,610 (US$ 2,000 thousand)	$ 59,610 (US$ 2,000 thousand)	$ 59,610 (US$ 2,000 thousand)	2.37%	Short-term financing	$ -	Operating turnover	$ -	-	$ -	$ 4,136,137 (Note 2)	$ 4,136,137 (Note 2)
		Sharpoint Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	89,415 (US$ 3,000 thousand)	89,415 (US$ 3,000 thousand)	89,415 (US$ 3,000 thousand)	2.02%	Short-term financing	-	Operating turnover	-	-	-	4,136,137 (Note 2)	4,136,137 (Note 2)
		Topoint Japan Co., Ltd.	Other receivables	Yes	7,098 (JPY 25,000 thousand)	7,098 (JPY 25,000 thousand)	7,098 (JPY 25,000 thousand)	1.05%	Short-term financing	-	Operating turnover	-	-	-	4,136,137 (Note 2)	4,136,137 (Note 2)
3	Shanghai Topoint Precision Technology Co., Ltd.	Kunshan Restek Technology Co., Ltd.	Other receivables	Yes	19,554 (RMB 4,000 thousand)	19,554 (RMB 4,000 thousand)	19,554 (RMB 4,000 thousand)	6.00%	Short-term financing	-	Operating turnover	-	-	-	4,136,137 (Note 2)	4,136,137 (Note 2)
		Kunshan Topoint Technology Co., Ltd.	Other receivables	Yes	122,214 (RMB25,000 thousand)	122,214 (RMB25,000 thousand)	122,214 (RMB25,000 thousand)	6.00%	Short-term financing	-	Operating turnover	-	-	-	4,136,137 (Note 2)	4,136,137 (Note 2)
5	Unipoint Technology Co., Ltd.	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Other receivables	Yes	105,808 (US$ 3,550 thousand)	105,808 (US$ 3,550 thousand)	105,808 (US$ 3,550 thousand)	1.86%	Short-term financing	-	Operating turnover	-	-	-	177,995 (Note 1)	177,995 (Note 1)
6	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Unipoint Technology Shenzhen Co., Ltd.	Other receivables	Yes	105,808 (US$ 3,550 thousand)	105,808 (US$ 3,550 thousand)	105,808 (US$ 3,550 thousand)	1.86%	Short-term financing	-	Operating turnover	-	-	-	444,987 (Note 3)	444,987 (Note 3)

Note 1: The maximum financing allowed for a single party or the total financing provided is limited to 40% of the net value of Unipoint Technology Co., Ltd. as of December 31, 2013.

Note 2: The maximum financing allowed for a foreign company in which the Corporation directly and indirectly held 100% voting shares of is limited to the net value of the Company as of December 31, 2013.

Note 3: The maximum financing allowed for a foreign company in which Unipoint Technology Co., Ltd. directly and indirectly held 100% voting shares of is limited to the net value of Unipoint Technology Co., Ltd. as of December 31, 2013.

Note 4: The maximum balance for the period and ending balances were approved by the Board of Directors. The borrowing drawdown was the same as the ending balance.

Note 5: Eliminated from the consolidated financial statements.

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE 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	Maximum Amount Endorsed/ Guaranteed During the Period (Note 5)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Borrowing Amount	Amount Endorsed Guaranteed by Collaterals	Ratio of Accumulated Amount of Collateral to Net Equity Shown in the Latest Financial Statements (%) (Note 4)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 6)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 6)	Endorsement/ Guarantee Given On behalf of Companies in Mainland China (Note 6)
		Name	Relationship										
0	Topoint Technology Co., Ltd. (the "Corporation")	Topoint Technology Co., Ltd. (B.V.I.)	Subsidiary	$ 2,481,682 (Note 2)	$ 149,025 (US$ 5,000)	$ 149,025 (US$ 5,000)	$ 149,025 (US$ 5,000)	$ -	4	$ 4,136,137 (Note 2)	Y	-	-
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	Note 1	2,481,682 (Note 2)	387,465 (US$ 13,000) (Note 7)	59,610 (US$ 2,000)	59,610 (US$ 2,000)	-	1	4,136,137 (Note 2)	Y	-	Y
		Unipoint Technology (Shenzhen) Co., Ltd.	Note 1	2,481,682 (Note 2)	27,868 (US$ 935)	-	-	-	-	4,136,137 (Note 2)	Y	-	Y
		Sharpoint Technology (Shenzhen) Co., Ltd.	Note 1	2,481,682 (Note 2)	351,699 (US$ 11,800) (Note 7)	-	-	-	-	4,136,137 (Note 2)	Y	-	Y
		Sharpoint Technology (Suzhou) Co., Ltd.	Note 1	2,481,682 (Note 2)	351,699 (US$ 11,800) (Note 7)	-	-	-	-	4,136,137 (Note 2)	Y	-	Y
3	Shanghai Topoint Precision Technology Co., Ltd.	Sharpoint Technology (Shenzhen) Co., Ltd.	Note 1	2,481,682 (Note 2)	208,635 (US$ 7,000)	195,223 (US$ 6,550)	22,354 (US$ 750)	-	8	4,136,137 (Note 2)	-	-	Y
		Kunshan Technology Co., Ltd.	Subsidiary	2,481,682 (Note 2)	195,542 (RMB40,000)	195,542 (RMB40,000)	195,542 (RMB40,000)	-	8	4,136,137 (Note 2)	-	-	Y
5	Unipont Technology Co., Ltd.	Unipoint Technology Shenzhen Co., Ltd.	Note 1	444,987 (Note 3)	52,159 (US$ 1,750)	-	-	-	-	444,987 (Note 3)	-	-	Y

Note 1: A foreign company which the Company or Unipoint Technology Co., Ltd. indirectly held over 50% voting shares.

Note 2: The maximum total endorsement/guarantee provided is limited to the net value of the Company as of December 31, 2013. The maximum endorsement/guarantee provided for a single party is limited to 60% of the net value of the Corporation as of December 31, 2013.

Note 3: The maximum total endorsement/guarantee provided and the maximum endorsement/guarantee provided for a single party are limited to the net value of Unipoint Technology Co., Ltd.

Note 4: The rate is calculated in accordance with the financial statements of the endorsement/guarantee provider.

Note 5: The maximum balance for the period and ending balance were approved by the Board of Directors.

Note 6: Indicate "Y" if the endorsement/guarantee is given by parent on behalf of subsidiaries, gain by subsidiaries on behalf of parent or given on behalf of companies in Mainland China.

Note 7: The limit of US$11,800 thousand was shared by Sharpoint Technology (Qinhuangdao) Co., Ltd., Sharpoint Technology (Suzhou) Co., Ltd. and Sharpoint Technology (Shenzhen) Co., Ltd.

TOPOINT 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	Relationship with the Holding Company	Financial Statement Account	December 31, 2012				
				Shares	Carrying Value	Percentage of Ownership	Fair Value	Note
Topoint Technology Co., Ltd.	Stock							
	Key Ware Electronics Co., Ltd.	-	Available-for-sale financial assets	100,000	$ 764	0.06	$ 764	Note
Shanghai Topoint Precision Technology Co., Ltd.	Share certificates							
	Golden Creation (Tianjin) Trade Co., Ltd.	-	Financial assets measured at cost	-	RMB 2,000 thousand	2.75	-	-

Note: The market value was calculated at the closing price of the investee’s shares as of December 31, 2013.

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT$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)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Note/Account Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 1)	
Topoint Technology Co., Ltd.	Unimicron Technology Corporation	The parent company of the equity-method investor of Unipoint Technology Co., Ltd.	Sale	$ 214,512	20	Net 120 days after monthly closing	-	-	$ 17,531	7	-
Unipoint Technology Co., Ltd.	Unimicron Technology Corporation	The parent company of the equity-method investor of Unipoint Technology Co., Ltd.	Sales	130,516	98	Net 120 days after monthly closing	-	-	33,410	20	-
Topoint Technology Co., Ltd.	Warpspeed Corporation (B.V.I.)	Subsidiary	Sale	159,000	15	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	20,362	8	(Note 2)
Warpspeed Corporation (B.V.I.)	Topoint Technology Co., Ltd.	Parent company	Purchase	159,000	100	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	(20,362)	99	(Note 2)
	Shanghai Topoint Precision Technology Co., Ltd.	Subsidiary of Topoint Technology Co., Ltd. (B.V.I.)	Sale	172,910	88	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	22,378	87	(Note 2)
Shanghai Topoint Precision Technology Co., Ltd.	Warpspeed Corporation (B.V.I.)	Subsidiary of Topoint Technology Co., Ltd. (B.V.I.)	Purchase	172,910	36	Based on mutual agreement	Based on mutual agreement	Based on mutual agreement	(22,378)	18	(Note 2)

Note 1: The rate is calculated in accordance with individual financial statements of the Company.

Note 2: Eliminated from the consolidated financial statements.

TOPOINT 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 and U.S. Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Accounts Receivable - Related Parties		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
			Account	Ending Balance (Note 2)		Amount	Actions Taken		
Shanghai Topoint Precision Technology Co., Ltd.	Kunshan Topoint Technology Co., Ltd.	Subsidiary	Other receivables	$ 123,087	Note 1	$ -	-	$ -	$ -
Unipoint Technology Co., Ltd.	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Subsidiary	Other receivables	105,808	Note 1	-	-	-	-
Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Unipoint Technology (Shenzhen) Co., Ltd.	Subsidiary	Other receivables	105,808	Note 1	-	-	-	-

Note 1: Other receivables refer to financing provided and interest receivable.

Note 2: Eliminated from the consolidated financial statements.

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
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	Investment Amount		December 31, 2013			Net Income (Loss) of the Investee	Share of Profit (Notes 3 and 4)
				December 31, 2013	December 31, 2012	Shares	%	Carrying Value (Notes 3 and 4)		
Topoint Technology Co., Ltd.	Topoint Technology Co., Ltd. (B.V.I.)	British Virgin Islands	International investment	$ 1,490,014	$ 1,445,082	6,280	100.00	$ 2,982,936	$ 161,240	$ 161,728 (Note 1)
	Unipont Technology Co., Ltd.	Republic of China	Testing of drill bits and mounting plate bolt holes	296,182	294,278	29,657,917	59.67	261,914	(10,926)	(9,900) (Note 2)
	Warpspeed Corporation (B.V.I.)	British Virgin Islands	International trade	1,569	1,569	50,000	100.00	964	(56)	(56)
	Topoint Japan Co., Ltd.	Japan	Selling electronic components	7,667	7,667	600	100.00	(3,791)	(2,410)	(2,410)
Topoint Technology Co., Ltd. (B.V.I.)	Shanghai Topoint Precision Technology Co., Ltd.	Mainland China	Manufacturing and selling precision equipment and measurement facilities	921,271 (US$ 27,500 thousand)	921,271 (US$ 27,500 thousand)	-	100.00	2,515,041 (US$ 84,383 thousand)	158,381 (US$ 5,335 thousand)	158,381 (US$ 5,335 thousand)
	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Mainland China	Testing of drill bits and mounting plate bolt holes	250,222 (US$ 7,800 thousand)	250,222 (US$ 7,800 thousand)	-	100.00	302,242 (US$ 10,141 thousand)	14,019 (US$ 472 thousand)	14,019 (US$ 472 thousand)
	Sharpoint Technology (Shenzhen) Co., Ltd.	Mainland China	Testing of drill bits and mounting plate bolt holes	147,583 (US$ 5,000 thousand)	147,583 (US$ 5,000 thousand)	-	100.00	172,320 (US$ 5,782 thousand)	7,641 (US$ 257 thousand)	7,641 (US$ 257 thousand)
	Sharpoint Technology (Suzhou) Co., Ltd.	Mainland China	Testing of drill bits and mounting plate bolt holes	177,872 (US$ 6,000 thousand)	132,940 (US$ 4,500 thousand)	-	100.00	177,128 (US$ 5,943 thousand)	568 (US$ 19 thousand)	568 (US$ 19 thousand)
Shanghai Topoint Precision Technology Co., Ltd.	Kunshan Restek Technology Co., Ltd.	Mainland China	Manufacturing, processing and selling print circuit board	14,917 (RMB 3,110 thousand)	14,917 (RMB 3,110 thousand)	-	75.00	10,783 (RMB 2,206 thousand)	(6,623) (RMB -1,382 thousand)	(4,967) (RMB -1,037 thousand) (Note 3)
	Kunshan Topoint Technology Co., Ltd.	Mainland China	Drilling bits	97,228 (RMB20,800 thousand)	97,228 (RMB20,800 thousand)	-	100.00	101,079 (RMB20,677 thousand)	1,827 (RMB 381 thousand)	1,827 (RMB 381 thousand)
Unipoint Technology Co., Ltd.	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	British Virgin Islands	International investment	178,814 (US$ 5,600 thousand)	178,814 (US$ 5,600 thousand)	11,200	100.00	132,318	(13,039)	(13,039)
Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Unipoint Technology Shenzhen Co., Ltd.	Mainland China	Testing of drill bits and mounting plate bolt holes	178,814 (US$ 5,600 thousand)	178,814 (US$ 5,600 thousand)	-	100.00	132,318 (US$ 4,439 thousand)	(13,039) (US$ -439 thousand)	(13,039) (US$ -439 thousand)

Note 1: Investment gain is the investee’s net income of $161,240 thousand plus realized profits of $488 thousand from upstream and side stream intercompany transactions.

Note 2: The difference was the unrealized profits of $3,338 thousand from upstream transactions.

Note 3: The investees’ financial statements used as basis for calculating investment gains (losses) recognized had all been audited.

Note 4: Eliminated from the consolidated financial statements.

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

Investee Company	Investor Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2012	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2013	Net Income (Loss) of the Investee (Note 4)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 4 and 7)	Carrying Amount as of December 31, 2013 (Notes 4 and 7)	Accumulated Repatriation of Investment Income as of December 31, 2013
						Outflow	Inflow						
Topoint Technology Co., Ltd. (the "Corporation")	Shanghai Topoint Precision Technology Co., Ltd.	Manufacturing and selling precision equipment and measurement facilities	$ 1,443,066 (US$ 44,200 thousand) (Note 1)	Indirect: Through an investment company registered in a third region (Note 2)	$ 914,337 (US$ 27,300 thousand)	$ -	$ -	$ 914,337 (US$ 27,300 thousand)	$ 158,381 (US$ 5,335 thousand)	100.00	$ 158,381 (US$ 5,335 thousand)	$ 2,515,041 (US$ 84,383 thousand)	$ -
	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	250,222 (US$ 7,800 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	250,222 (US$ 7,800 thousand)	-	-	250,222 (US$ 7,800 thousand)	14,019 (US$ 472 thousand)	100.00	14,019 (US$ 472 thousand)	302,242 (US$ 10,141 thousand)	-
	Sharpoint Technology (Shenzhen) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	147,583 (US$ 5,000 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	147,583 (US$ 5,000 thousand)	-	-	147,583 (US$ 5,000 thousand)	7,641 (US$ 257 thousand)	100.00	7,641 (US$ 257 thousand)	172,320 (US$ 5,782 thousand)	-
	Sharpoint Technology (Suzhou) Co., Ltd.	Testing of drill bits and mounting plate bolt holes	177,872 (US$ 6,000 thousand)	Indirect: Through an investment company registered in a third region (Note 2)	132,940 (US$ 4,500 thousand)	44,932 (US$ 1,500 thousand)	-	177,872 (US$ 6,000 thousand)	569 (US$ 19 thousand)	100.00	569 (US$ 19 thousand)	177,128 (US$ 5,943 thousand)	-
Unipoint Technology Co., Ltd.	Unipoint Technology Shenzhen Co., Ltd.	Testing of drill bits and mounting plate bolt holes	178,814 (US$ 5,600 thousand)	Indirect: Through an investment company registered in a third region (Note 3)	178,814 (US$ 5,600 thousand)	-	-	178,814 (US$ 5,600 thousand)	(13,039) (US$ -439 thousand)	59.67	(13,039) (US$ -439 thousand)	132,318 (US$ 4,439 thousand)	-

Investor Company Name	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2013	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
Topoint Technology Co., Ltd. (the "Corporation")	$ 1,490,014 (US$ 46,100 thousand)	$ 2,020,984 (US$ 63,000) thousand) (Note 5)	$ 2,481,682
Unipoint Technology Co., Ltd.	178,814 (US$ 5,600 thousand)	178,814 (US$ 5,600 thousand)	266,992

Note 1: The amount includes the capitalization of retained earnings of US$16,700 of Shanghai Topoint Precision Technology Co., Ltd. and US$200 thousand invested by Topoint Technology Co., Ltd. (B.V.I.).

Note 2: Investment Company required in third region is Toping Technology Co., Ltd. (B.V.I.)

Note 3: Investment Company required in third region is Unipoint Technology Holdings Co., Ltd. (B.V.I.)

Note 4: Investment gains (losses) and carrying values were recognized on the basis of the investee's financial statements audited by the independent CPA of the Corporation.

(Continued)

Note 5: Investment amounts authorized by Investment Commission under the Ministry of Economic Affairs (MOEA) included the capitalization of retained earnings of US$16,700 thousand of Shanghai Topoint Precision Technology Co., Ltd. and US$200 thousand invested by Topoint Technology Co., Ltd. (B.V.I.).

Note 6: According to the Investment Commission under the MOEA, the Corporation's issued capital is between $80,000 thousand and $5,000,000 thousand, and the upper limit on the Corporation's investment is at the highest of 60% of the capital or $80,000 thousand.

Note 7: Eliminated from the consolidated financial statements.

(Concluded)

TABLE 8

TOPOINT TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investor Company	Investee Company	Transaction Details	Amount	% to Total Sales or Purchase	Transaction Details		Notes/Accounts Receivable (Payable)		Deferred Gain (Loss)	Note
						Payment Term	Comparison with Normal Transaction	Ending Balance	% to Total		
0	Topoint Technology Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	Sales	$ 255,409	24	Based on mutual agreement	Based on mutual agreement	$ 51,777	20	$ 5,040	Notes 1 and 4
			Purchase of materials	9,112	3	Based on mutual agreement	Based on mutual agreement	(1,240)	3	110	Notes 1 and 4
			Payment on behalf of others	-	-			228	-	-	Notes 1, 2 and 4
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	Sales	85,955	8	Based on mutual agreement	Based on mutual agreement	13,526	5	(7,521)	Notes 1 and 4
		Kunshan Topoint Technology Co., Ltd.	Sale of equipment	14,226	-	Based on mutual agreement	Based on mutual agreement	-	-	124	Note 4
			Purchase machinery and equipment on behalf of others	129,870	-	Based on mutual agreement	Based on mutual agreement	21,352	8	19,861	Notes 3 and 4
		Sharpoint Technology (Suzhou) Co., Ltd.	Sales	8,648	1	Based on mutual agreement	Based on mutual agreement	3,640	1	1,673	Notes 1 and 4
			Commission income	3,185	-	Based on mutual agreement	Based on mutual agreement	-	-	-	Note 4
			Purchase machinery and equipment on behalf of others	10,753	-	Based on mutual agreement	Based on mutual agreement	6,085	2	858	Notes 3 and 4
		Unipoint Technology Shenzhen Co., Ltd.	Sales	58	-	Based on mutual agreement	Based on mutual agreement	-	-	-	Notes 1 and 4
5	Unipoint Technology Co., Ltd.	Unipoint Technology Shenzhen Co., Ltd.	Purchase machinery and equipment on behalf of others	21,819	-	Based on mutual agreement	Based on mutual agreement	22,056	13	-	Notes 3 and 4

Note 1: Except for the Company's direct transaction with Shanghai Topoint Precision Technology Co., Ltd., Sharpoint Technology (Qinhuangdao) Co., Ltd. and Sharpoint Technology (Suzhou) Co., Ltd., other transactions were made indirectly through Warpspeed Corporation (B.V.I.). The prices and payment terms were based on mutual agreement.

Note 2: The transaction refers to the Company's purchase of new parts, material and supplies.

Note 3: The Company's purchase of machinery and equipment was on behalf of others.

Note 4: Eliminated from the consolidated financial statements.

TOPOINT 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. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
0	Topoint Technology Co., Ltd.	Warpspeed Corporation (B.V.I.)	1	Accounts receivable - related parties	$ 20,590	-	-
				Sales	159,000	-	6
		Shanghai Topoint Precision Technology Co., Ltd.	1	Inventories	209	-	-
				Accounts receivable - related parties	34,765	-	1
				Accounts payable - related parties	1,240	-	-
				Deferred credits	53,079	-	1
				Sales	115,926	-	5
				Cost of goods sold	9,431	-	-
				Unrealized profit	5,040	-	-
				Gain on disposal of property, plant and equipment	12,428	-	-
		Topoint Japan Co., Ltd.	1	Accounts receivable - related parties	738	-	-
				Rental revenue	763	-	-
		Unipoint Technology Co., Ltd.	1	Accounts receivable - related parties	4,077	-	-
				Rental revenue	36	-	-
				Guarantee deposits received	3	-	-
				Sales	6,992	-	-
				Deferred credits	272	-	-
				Unrealized profit	178	-	-
				Cost of goods sold	3,034	-	-
				Accounts payable - related parties	255	-	-
				Refundable deposits	300	-	-
		Unipoint Technology Shenzhen Co., Ltd.	1	Sales	4	-	-
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	1	Accounts receivable - related parties	10,176	-	-
				Sales	66,491	-	3
				Deferred credits	8,480	-	-
				Unrealized profit	7,521	-	-
				Cost of goods sold	8,480	-	-
		Sharpoint Technology (Suzhou) Co., Ltd.	1	Deferred credits	2,531	-	-
				Accounts receivable - related parties	9,725	-	-
				Unrealized profit	1,673	-	-
				Sales	8,648	-	-
				Other income	4,046	-	-
				Cost of goods sold	1,673	-	-
				Loss on disposal of property, plant and equipment	255	-	-
		Kunshan Topoint Technology Co., Ltd.	1	Accounts receivable - related parties	21,352	-	-
				Deferred credits	39,259	-	1
				Gain on disposal of property, plant and equipment	505	-	-
				Other income	2,025	-	-

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
1	Topoint Technology Co., Ltd. (B.V.I.)	Shanghai Topoint Precision Technology Co., Ltd.	3	Gain on disposal of property, plant and equipment	$ 14	-	-
		Topoint Japan Co., Ltd.	3	Accounts receivable - related parties	7,098	-	-
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	3	Accounts receivable - related parties	59,610	-	1
		Sharpoint Technology (Shenzhen) Co., Ltd.	3	Accounts receivable - related parties	89,415	-	1
				Payment on behalf of others	456	-	-
2	Warpspeed Corporation (B.V.I.)	Topoint Technology Co., Ltd.	2	Accounts payable - related parties	20,590	-	-
				Cost of goods sold	159,000	-	6
		Shanghai Topoint Precision Technology Co., Ltd.	3	Accounts receivable - related parties	22,378	-	-
				Sales	172,910	-	7
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	3	Accounts receivable - related parties	3,350	-	-
				Sales	19,464	-	1
		Unipoint Technology Shenzhen Co., Ltd.	3	Sales	53	-	-
3	Shanghai Topoint Precision Technology Co., Ltd.	Topoint Technology Co., Ltd.	2	Accounts receivable - related parties	1,240	-	-
				Accounts payable - related parties	34,765	-	1
				Machinery and equipment	256,829	-	4
				Accumulated depreciation	291,367	-	5
				Inventories	18,542	-	-
				Sales	9,111	-	-
				Cost of goods sold	141,647	-	5
		Warpspeed Corporation (B.V.I.)	3	Accounts payable - related parties	22,378	-	-
				Cost of goods sold	172,910	-	7
		Topoint Technology Co., Ltd. (B.V.I.)	3	Machinery and equipment	7,235	-	-
				Accumulated depreciation	7,235	-	-
				Cost of goods sold	14	-	-
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	3	Accounts receivable - related parties	14,864	-	-
				Sales	55,836	-	2
				Cost of goods sold	560	-	-
		Unipoint Technology Shenzhen Co., Ltd.	3	Accounts receivable - related parties	12,962	-	-
				Sales	27,871	-	1
				Cost of goods sold	222	-	-
		Sharpoint Technology (Shenzhen) Co., Ltd.	3	Accounts receivable - related parties	12,887	-	-
				Sales	30,659	-	1
				Cost of goods sold	30		-
		Sharpoint Technology (Suzhou) Co., Ltd.	3	Accounts receivable - related parties	559	-	-
				Sales	13,003	-	1
				Cost of goods sold	287	-	-
		Kunshan Restek Technology Co., Ltd.	3	Accounts receivable - related parties	19,776	-	-
				Sales	909	-	-
				Interest income	884	-	-
				Cost of goods sold	133	-	-
		Kunshan Topoint Technology Co., Ltd.	3	Accounts receivable - related parties	123,087	-	2
				Accounts payable - related parties	8,946	-	-
				Interest income	7,349	-	-
				Cost of goods sold	64,577	-	3
4	Topoint Japan Co., Ltd.	Topoint Technology Co., Ltd.	2	Accounts payable - related parties	738	-	-
				Cost of goods sold	763	-	-
		Topoint Technology Co., Ltd. (B.V.I.)	3	Accounts payable - related parties	7,098	-	-

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details: Financial Statement Account	Amount (Note 5)	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
5	Unipoint Technology Co., Ltd.	Topoint Technology Co., Ltd.	2	Accounts receivable - related parties	$ 255	-	-
				Inventories	272	-	-
				Accounts payable - related parties	4,077	-	-
				Refundable deposits	3	-	-
				Guarantee deposits received	300	-	-
				Cost of goods sold	7,442	-	-
				Rental expense	36	-	-
				Rental revenue	1,800	-	-
				Other income	1,506	-	-
		Unipoint Technology Holdings Co., Ltd. (B.V.I.)	3	Accounts receivable - related parties	105,808	-	2
				Interest income	1,685	-	-
		Unipoint Technology Shenzhen Co., Ltd.	3	Accounts receivable - related parties	22,056	-	-
6	Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Unipoint Technology Co., Ltd.	3	Accounts payable - related parties	105,808	-	2
				Interest expenses	1,685	-	-
		Unipoint Technology Shenzhen Co., Ltd.	3	Accounts receivable - related parties	105,808	-	2
				Interest income	1,685	-	-
7	Unipoint Technology Shenzhen Co., Ltd.	Topoint Technology Co., Ltd.	2	Cost of goods sold	4	-	-
		Warspeed Corporation (B.V.I.)	3	Cost of goods sold	53	-	-
		Shanghai Topoint Precision Technology Co., Ltd.	3	Inventories	222	-	-
				Cost of goods sold	27,871	-	1
				Accounts payable - related parties	12,962	-	-
		Unipoint Technology Holdings Co., Ltd. (B.V.I.)	3	Accounts payable - related parties	105,808	-	2
				Interest expenses	1,685	-	-
		Sharpoint Technology (Suzhou) Co., Ltd.	3	Other income	5,265	-	-
				Accounts receivable - related parties	857	-	-
		Kunshan Topoint Technology Co., Ltd.	3	Accounts receivable - related parties	192	-	-
				Other income	598	-	-
8	Sharpoint Technology (Qinhuangdao) Co., Ltd.	Topoint Technology Co., Ltd.	2	Accounts payable - related parties	10,176	-	-
				Inventories	8,480	-	-
				Cost of goods sold	82,492	-	3
		Warpspeed Corporation (B.V.I.)	3	Accounts payable - related parties	3,350	-	-
				Cost of goods sold	19,464	-	1
		Topoint Technology Co., Ltd. (B.V.I.)	3	Accounts payable - related parties	59,610	-	1
		Shanghai Topoint Precision Technology Co., Ltd.	3	Inventories	3	-	-
				Accounts payable - related parties	14,864	-	-
				Sales	563	-	-
				Cost of goods sold	55,836	-	2
		Sharpoint Technology (Shenzhen) Co., Ltd.	3	Accounts receivable - related parties	38	-	-
				Sales	31	-	-
9	Sharpoint Technology (Shenzhen) Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	3	Inventories	30	-	-
				Accounts payable - related parties	12,887	-	-
				Cost of goods sold	30,659	-	1
		Topoint Technology Co., Ltd. (B.V.I.)	3	Accounts payable - related parties	89,871	-	1
		Sharpoint Technology (Qinhuangdao) Co., Ltd.	3	Accounts payable - related parties	38	-	-
				Cost of goods sold	31	-	-

(Continued)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Note 5)	Payment Terms (Note 3)	% to Total Sales or Assets (Note 4)
10	Sharpoint Technology (Suzhou) Co., Ltd.	Topoint Technology Co., Ltd.	2	Inventories	$ 1,673	-	-
				Machinery and equipment	1,459	-	-
				Accounts payable - related parties	9,725	-	-
				Cost of goods sold	9,253	-	-
				Accumulated Depreciation	600	-	-
				Commission expense	3,185	-	-
		Shanghai Topoint Precision Technology Co., Ltd.	3	Inventories	287	-	-
				Accounts payable - related parties	559	-	-
				Cost of goods sold	13,003	-	1
		Unipoint Technology Shenzhen Co., Ltd.	3	Cost of goods sold	5,265	-	-
				Accounts payable - related parties	857	-	-
11	Kunshan Restek Technology Co., Ltd.	Shanghai Topoint Precision Technology Co., Ltd.	3	Accounts payable - related parties	19,776	-	-
				Sales	133	-	-
				Cost of goods sold	909	-	-
				Interest expenses	884	-	-
		Kunshan Topoint Technology Co., Ltd.	3	Accounts receivable - related parties	216	-	-
				Other income	1,450	-	-
12	Kunshan Topoint Technology Co., Ltd.	Topoint Technology Co., Ltd.	2	Machinery and equipment	41,850	-	1
				Cost of goods sold	2,530	-	-
				Accumulated Depreciation	2,591	-	-
				Accounts payable - related parties	21,352	-	-
		Shanghai Topoint Precision Technology Co., Ltd.	3	Accounts receivable - related parties	8,946	-	-
				Accounts payable - related parties	123,087	-	2
				Sales	64,577	-	3
				Interest expenses	7,349	-	-
		Unipoint Technology Shenzhen Co., Ltd.	3	Accounts payable - related parties	192	-	-
				Cost of goods sold	598	-	-
		Kunshan Restek Technology Co., Ltd.	3	Accounts payable - related parties	216	-	-
				Cost of goods sold	1,375	-	-
				Utilities expenses	75	-	-

Note 1: Companies are numbered as follows:

1. The number of Topoint Technology Co., Ltd. (“Topoint”) is “0.”
2. Subsidiaries are numbered from “1.”

Note 2: The flow of transactions is as follows:

1. From Topoint to the subsidiary.
2. From the subsidiary to Topoint.
3. Between subsidiaries.

Note 3: The prices and payment terms for related-party transactions were based on agreements.

Note 4: If the transaction amounts are related to the balance sheet accounts, the percentages are those of the year-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the total amounts of the year to the consolidated total sales.

Note 5: Eliminated from the consolidated financial statements.

(Concluded)

TOPOINT TECHNOLOGY CO.,LTD.

BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	2013/12/31 Amount	%	2012/12/31 Amount	%	2012/1/1 Amount	%
CURRENT ASSETS						
Cash and cash equivalents	$ 247,092	5	$ 213,742	4	$ 198,627	4
Available-for-sale financial assets	764	-	849	-	25,660	1
Notes receivable	9,614	-	7,599	-	4,904	-
Accounts receivable	128,776	3	130,958	3	151,532	3
Accounts receivable - related parties	118,954	2	203,087	4	68,841	2
Other receivables	22,641	1	7,710	-	5,898	-
Inventories	160,807	3	176,690	4	178,894	4
Prepayments	17,218	-	35,277	1	9,309	-
Other current assets	169	-	169	-	459	-
Total current assets	706,035	14	776,081	16	644,124	14
NON-CURRENT ASSETS						
Investments accounted for using equity method	3,245,814	65	2,884,323	60	2,721,596	58
Property,plant and equipment	971,602	20	1,135,062	23	1,226,947	26
Intangible assets	1,144	-	2,415	-	2,906	-
Deferred tax assets	33,004	1	25,922	1	37,009	1
Other non-current assets	14,557	-	6,795	-	23,728	1
Total non-current assets	4,266,121	86	4,054,517	84	4,012,186	86
TOTAL	$ 4,972,156	100	$ 4,830,598	100	$ 4,656,310	100

LIABILITIES AND EQUITY	2013/12/31 Amount	%	2012/12/31 Amount	%	2012/1/1 Amount	%
CURRENT LIABILITIES						
Short-term loans	$ 44,707	1	$ 34,520	1	$ 65,413	1
Notes payable	-	-	-	-	31	-
Accounts payable	44,016	1	34,199	1	37,101	1
Accounts payable - related parties	1,756	-	987	-	1,283	-
Other payables	242,543	5	255,493	5	126,974	3
Current tax liabilities	29,380	1	21,588	-	12,960	-
Long-term loans-current portion	5,930	-	18,565	-	86,335	2
Other current liabilities	2,882	-	2,265	-	1,133	-
Total current liabilities	371,214	8	367,617	7	331,230	7
NON-CURRENT LIABILITIES						
Long-term loans net of current portion	450,000	9	655,946	14	574,503	13
Accrued pension liabilities	-	-	1,089	-	1,232	-
Guarantee deposits received	10,435	-	10,167	-	10,599	-
Credit balance of investments accounted for using equity method	3,791	-	1,831	-	432	-
Deferred tax liabilities	579	-	725	-	191	-
Total non-current liabilities	464,805	9	669,758	14	586,957	13
Total liabilities	836,019	17	1,037,375	21	918,187	20
EQUITY						
Capital stock	1,578,906	32	1,566,578	32	1,525,685	33
Capital surplus	1,200,741	24	1,194,724	25	1,187,279	25
Retained earnings						
Legal reserve	253,267	5	225,872	5	195,581	4
Special reserve	198,770	4	198,770	4	198,770	4
Unappropriated earnings	841,624	17	713,096	15	623,038	14
Total retained earnings	1,293,661	26	1,137,738	24	1,017,389	22
Other equity	62,829	1	(105,817)	(2)	7,770	-
Total equity	4,136,137	83	3,793,223	79	3,738,123	80
TOTAL	$ 4,972,156	100	$ 4,830,598	100	$ 4,656,310	100

(With Deloitte & Touche auditors' report dated March 11, 2014)

TOPOINT TECHNOLOGY CO.,LTD.

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2013 AND 2012

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2013		2012	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUES				
Sales	$ 1,085,207	100	$ 1,020,518	100
Less：Sales returns	1,054	-	853	-
Sales discounts and allowances	1,867	-	986	-
Net Operating Revenues	1,082,286	100	1,018,679	100
OPERATING COSTS				
Cost of goods sold	777,551	72	728,525	72
GROSS PROFIT	304,735	28	290,154	28
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	-	-	13,740	1
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	985	-	-	-
REALIZED GROSS PROFIT	305,720	28	276,414	27
OPERATING EXPENSES				
Marketing and selling	40,159	3	34,025	3
General and administrative	85,287	8	78,523	8
Research and development	34,195	3	33,509	3
Total operating expenses	159,641	14	146,057	14
OTHER OPERATING INCOME AND EXPENSES	12,302	1	10,197	1
NET OPERATING INCOME	158,381	15	140,554	14
NON-OPERATING INCOME AND EXPENSES				
Interest income	395	-	413	-
Other income	7,856	1	1,815	-
Rental income	799	-	39	-
Interest expenses	(11,499)	(1)	(14,323)	(1)
Foreign exchange gain, net	7,552	-	-	-
Gain on disposal of investment	-	-	12,985	1
Foreign exchange loss, net	-	-	(631)	-
Share of the profit of subsidiaries	149,362	14	166,609	16
Total non-operating income and expenses	154,465	14	166,907	16
INCOME BEFORE INCOME TAX	312,846	29	307,461	30

(Continued)

TOPOINT TECHNOLOGY CO.,LTD.

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2013		2012	
	Amount	%	Amount	%
INCOME TAX EXPENSE	(32,531)	(3)	(33,688)	(3)
NET INCOME	280,315	26	273,773	27
OTHER COMPREHENSIVE INCOME				
Translation adjustments on foreign subsidiaries	168,731	15	(106,473)	(10)
Unrealized losses on Available-for-sale financial assets	(85)	-	(7,114)	(1)
Defined benefit actuarial losses	(1,342)	-	(2,548)	-
Tax of other comprehensive income	228	-	433	-
Total other comprehensive income	167,532	15	(115,702)	(11)
TOTAL COMPREHENSIVE INCOME	$ 447,847	41	$ 158,071	16
EARNINGS PER SHARE				
Basic	$ 1.78		$ 1.73	
Diluted	$ 1.74		$ 1.69	

(Concluded)

(With Deloitte & Touche auditors' report dated March 11, 2014)

TOPOINT TECHNOLOGY CO.,LTD.

STATEMENTS OF CASH FLOWS

YEARS ENDEN DECEMBER 31, 2013 AND 2012

(In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	$ 312,846	$ 307,461
Adjustments to reconcile net income to net cash provided by operating activities：		
Depreciation	184,698	185,334
Amortization	2,300	2,136
Share of the profit of subsidiaries	(149,362)	(166,609)
Interest income	(395)	(413)
Compensation Cost of employee stock options	6,017	7,445
Interest expenses	11,499	14,323
Gain on disposal of property, plant and equipment, net	(12,302)	(10,197)
Gain on disposal of available-for-sale financial assets	-	(12,985)
Unrealized gain on transactions with subsidiaries	-	13,740
Realized gain on transactions with subsidiaries	(985)	-
Net changes in operation assets and liabilities		
Notes receivable	(2,015)	(2,695)
Accounts receivable	3,768	21,746
Accounts receivable - related parties	85,269	(134,534)
Other receivables	(14,715)	(1,812)
Inventories	15,883	2,204
Prepayments	18,059	(25,968)
Other current assets	1	290
Notes payable	-	(31)
Accounts payable	9,741	(2,864)
Accounts payable - related parties	761	(295)
Other payable	28,921	79,399
Other current liabilities	19,558	17,867
Other payable		
Accrued pension liabilities	(2,909)	(2,691)
Cash provided by operating	516,638	290,851
Interest received	402	411
Interest paid	(11,479)	(14,406)
Income tax paid	(31,739)	(13,006)
Net cash provided by operating activities	473,822	263,850

(Continued)

TOPOINT TECHNOLOGY CO.,LTD.

STATEMENTS OF CASH FLOWS

YEARS ENDEN DECEMBER 31, 2013 AND 2012

(In Thousands of New Taiwan Dollars)

	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale financial assets	-	30,682
Acquisition of property, plant and equipment	(82,804)	(89,727)
Proceeds from disposal of property, plant and equipment	14,606	65,828
Acquisition of intangible assets	(1,029)	(1,645)
Decrease (increase) in refundable deposits	(2,486)	307
Acquisition of subsidiaries	(46,837)	(123,558)
Decrease in other non-current assets	30	30
Net cash used in investing activities	(118,520)	(118,083)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	9,878	(30,803)
Proceeds from long-term loans	-	200,000
Repayment of long-term loans	(218,581)	(186,327)
Increase in guarantee deposits received	1,066	634
Cash dividends paid	(110,950)	(110,416)
Proceeds from issuance of convertible bonds	-	-
Net cash used in financing activities	(318,587)	(126,912)
EFFECT OF EXCHANGE RATE CHANGES	(3,365)	(3,740)
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,350	15,115
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	213,742	198,627
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 247,092	$ 213,742

(Concluded)

(With Deloitte & Touche auditors' report dated March 11, 2014)

VII. Review of financial position, management performance and risk management

1. Financial position

A. Financial status comparison analysis

Unit:NT$1,000

Item \ Year	2013	2012	Difference	
			Amount	%
Current assets	$2,731,325	$2,364,396	366,929	15.52
Property, plant and equipment	3,266,291	3,314,030	(47,739)	(1.44)
Other noncurrent assets	210,401	148,899	61,502	41.30
Total assets	6,208,017	5,827,325	380,692	6.53
Current liabilities	865,594	879,049	(13,455)	(1.53)
Noncurrent liabilities	1,025,523	967,472	58,051	6.00
Total liabilities	1,891,117	1,846,521	44,596	2.42
Common stock	1,578,906	1,566,578	12,328	0.79
Capital surplus	1,200,741	1,194,724	6,017	0.50
Retained earnings	1,293,661	1,137,738	155,923	13.70
Total shareholders’ equity	4,316,900	3,980,804	336,096	8.44

Note: Other noncurrent assets increase is mainly due to the increase of Prepayments.

2. Management performance

A. Comparison of business performance

Unit: NT$ 1,000

Item \ Year	2013	2012	Amount change	Ratio change (%)
Net operating income	$2,534,972	$2,365,885	169,087	7.15
Operating cost	1,797,522	1,617,276	180,246	11.15
Gross profit	737,450	748,609	(11,159)	(1.49)
Operating expense	405,772	380,769	25,003	6.57
Operating income	331,365	366,393	(35,028)	(9.56)
Non-operating income and expenses	17,163	(10,651)	27,814	261.14
Net income before tax	348,528	355,742	(7,214)	(2.03)
Income tax expense(gain)	76,569	81,591	(5,022)	(6.16)
Net income	271,959	274,151	(2,192)	(0.80)
Net profit attributed to: Owner of the Company	280,315	273,773	6,542	2.39
Analysis of financial ratio change: Non-operating income and expenses increase is mainly due to the increase of foreign exchange gain.				

B.KPI

Industry-specific Key Performance Indicator (KPI):
The Company periodically reviews various financial and industrial key performance indicators among businesses in the same industry to control the competitive advantages and industrial movements in a timely manner. The key performance indicator analyses in 2013 are as follows (consolidated number):

Market Share (%)	22.5%
Quality Yield Rate (%)	98.8%
Production Utilization (%)	80.0%

3. Analysis of Cash Flows

A. Liquidity analysis of the last two years

Item \ Year	2013	2012	Fluctuation ratio %
Cash flow ratio	105.42	62.95	67.47%
Cash adequacy ratio	132.07	91.54	44.28%
Cash reinvestment ratio	9.42	5.88	60.20%
Analysis of financial ratio change: (1)The cash flow ratio increase is mainly due to the increase net cash flow from operating activity. (2)The cash adequacy ratio increase is mainly due to the increase of cash flows from operating activities, decrease of Capital expenditure and Inventories. (3) The cash reinvestment ratio increase is mainly due to the increase net cash flow from operating activity.			

B. Analysis of cash liquidity in one year

Unit:NT$ 1,000

Beginning cash balance	Expected net cash flow from operating activity of the year	Expected cash outflow of the year	Expected cash surplus (deficit)	Remedial measures for the expected insufficient cash	
				Investing activity	Financing activity
1,209,853	742,786	345,542	1,607,097	-	-
Remedial measures for the expected insufficient cash and liquidity analysis: N/A					

4. Impact of major capital expenditure on finance and business: N/A

5. Most recent fiscal year investment policies, reasons for gain or loss and action plan in regard to investment plans in current year and the next year:

(1) Most recent fiscal year investment policies: The degree of reinvestment profit, mainly integrated platform to increase revenues and profits as the main policies.

(2) The main reason for reinvestment profit: The company in 2013 under the equity method Investment income is NT$149,362,000, mainly overseas investee companies operating in good condition, due to profit.

(3) Investment plans next year:Based on “discipline, insistence and innovation”, the perspective of long-term strategic investment plan carefully assessed.

6. Risk Management

(1) Organization structure of risk management:

Name	Responsibility
High-ranked management level (CEO, president)	-Establish risk management decision and structure -Ensure the effectiveness of risk management policy
Chairman’s Office	-Implement risk management policy -Coordinate the risk management interaction and communication between cross departments -Organize the implementation results of risk management activity -Assist and supervise the risk management activities of the branches
Headquarters and the various departments	-Implement daily risk management activities -Self-evaluate the process of risk control activity

(2) Risk Factors

①. Management of Economy Risk: the impact of changes of recent annual interest rate and exchange rate, and inflation on company income and future countermeasures:

a. Interest rate: The Company’s interest expenses in 2013 and 2012 are respectively $32,746,000 and 37,627,000, which is reduce the amount of borrowing and interest rates. The company is in accordance with the fund demand and received a more favorable market loan financing interest rate and fund raising pathway, and has the most effective fund scheduling to reduce the interest expense.

b. Exchange rate: The Company’s exchange profit in 2013 and 2012 are respectively $29,166,000 and $1,326 ,000, therefore, the exchange profit does not have a significant influence on company profit. In exchange rate fluctuations, the company closely monitors the changes in foreign exchange rate, the foreign currency assets and liabilities adopted long-term foreign exchange risk hedging trading strategy to reduce currency exchange risk.

c. Inflation: There is no significant influence on the company’s profit due to inflation this year.

d. Future corresponding measures: The Company has grasped the changing situation of the upstream raw material price to reduce the impact on the company profit due to the raw material cost difference.

The economic risks control is responsible by the finance department.

②. Management of Finance Risk: transactions of high risk, high leverage investment, loan funds to others, endorsement, and derivatives commodity:

a. Transactions of high risk or high leverage investment: N/A.

b. The company has set up “loan funds to others”, “endorsement” and “transaction of derivatives commodity”, etc. operation measures to be the base of the operation. Transactions of loaning funds to others is due to the invested subsidiary having the demand for short-term financing, therefore, until the end of December 31, 2013, the balance of loan funds to others See pages 126 of the annual report. The balance of endorsement for subsidiaries, due to business relations, is See pages 127 of the annual report till the end of December 31, 2013. The balance of transaction of derivatives commodity for subsidiaries, due to business relations, is See pages 108~112 of the annual report till the end of December 31, 2013.

The finance risks control is responsible by the finance department.

③. Future R&D plans and expected R&D investment expense

Topoint has seen significant results in our efforts to achieve product high performance and low cost goals. The expected investment amount is about 3% of the operating revenue. This will help to cope with the industrial technology demand to increase the development of Flipchip drill performance and DDRII tools.

④. The impact of change in major policies, and laws, in Taiwan, and abroad, upon the financial standing of the company and the countermeasures:

The operations of the company have all followed the relevant laws and regulations, and noticed the policy direction and corresponded with the strategy appropriately; therefore, the company can always effectively correspond and grasp the domestic and international important policy and legal changes.

⑤. The impact of change in technology and industry upon the financial standing of the company and the countermeasures:

The company always attaches great attention to the relevant technology changes of the industry to grasp the market trend and assess the impact it may cause to the company operations.

⑥. The impact of change in corporate image upon corporate risk management and the countermeasures:

Since the establishment of the company, it has been actively strengthening internal management, improving management quality and effectiveness, continuing to follow and implement various corporate governance requirements, setting up independent directors and supervisors, and appointing relevant experts to provide timely advice to reduce the occurrence of risks and the impact of risks to the company.

⑦. Expected benefit(s) and possible risk(s) for M&A activities: N/A

⑧. Expected profit and possible risk of plant expansion: N/A

⑨. Purchase and sales risks and the countermeasures: The Company sought to scatter suppliers or customers to reduce its risk caused by excessive concentration.

⑩. The impact upon and potential risks for the company due to a significant transfer and the impact upon and potential risks for the company due to a significant transfer and change in shareholding of the directors and supervisors or major shareholders holding over 10%: N/A

⑪. The impact of change in management and its potential risks: N/A

⑫. Litigation and non-litigation matters:

a. The company’s major legal issues, non-legal issues, or administrative lawsuits settled or pending that may have a significant impact on shareholders’ equity or security price in the past two years: N/A

b. The major legal issues, non-legal issues, or administrative lawsuits settled or pending involved with the directors, supervisors, president and essential persons in charge, shareholders holding over 10% of shares that may have a significant impact on shareholders’ equity or security price in the past two years:

i. The director UMC Capital Corporation was Yuan quite Investment Corporation (Xia said "Yuan quite company") Taiwan Taipei local court prosecution on september 20,2011. Requests the company and remaining 10 people, joint paid NT 28,000,000 whole and the since up pleadings versions this served next day up to settlement day ended, by years interest rate 5% calculation of interest. The case is now under investigation of the Taiwan Taipei District Court .

⑬. Other major risks and countermeasures:

a. Market risk

The Corporation's available-for-sale assets were publicly traded securities, with fair values that are affected by changes in market prices. Since the Corporation carefully chooses its investments, there is no significant market risk. In addition, the Corporation uses forward exchange contracts to offset the exchange rate fluctuations of net assets, net liabilities or firm commitments. Thus, no significant market risk is anticipated.

b. Credit risk

The Corporation is exposed to credit risk on the default by counter-parties to forward contracts. Contracts with positive fair values at the balance sheet date are evaluated for credit risk. As a result, no material losses resulting from counter-party defaults are anticipated.

c. Liquidity risk

The Corporation's available-for-sale financial instruments are publicly traded in an active market and can be sold in the market at their fair values. In addition, the Corporation has enough operating capital to meet cash demand. Thus, no significant demand for extra cash is expected.

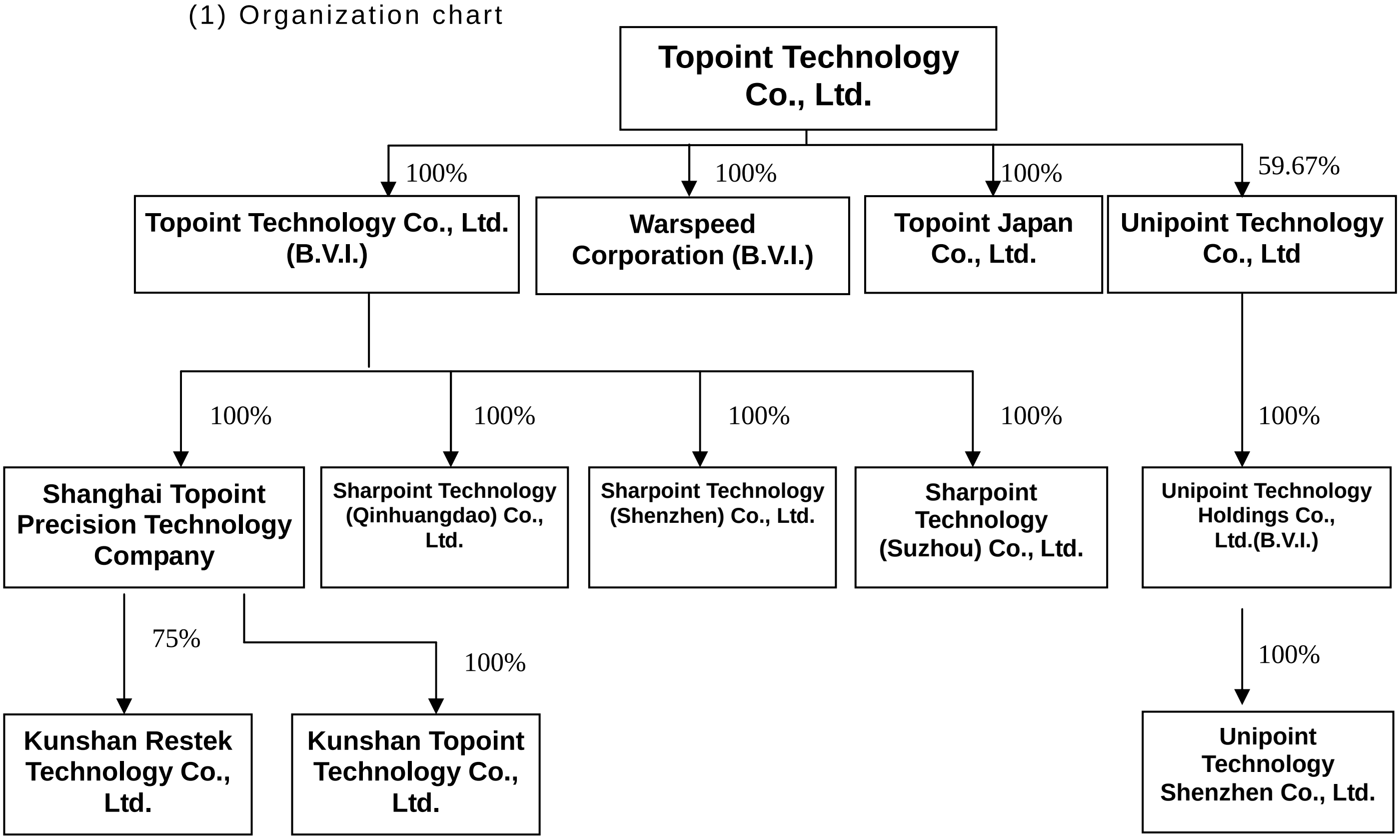
7. Other important matters: N/A

VIII. Special Disclosures

1. Information of Affiliated Firms

A. Affiliates Consolidated Business Report

(1) Organization chart



(2) Basic information

Name of the invested company	Area	Major business	Paid-up capital Unit: NT$ 1,000
Topoint Technology Co., Ltd.(B.V.I.)	British Virgin Islands	International Investment	1,490,014
Unipoint Technology Co., Ltd.	Republic of China	Hole drilling service & drill bits test	497,000
Warpspeed Corporation (B.V.I.)	British Virgin Islands	International Trade	1,569
Topoint Japan Co., Ltd.	Japan	Sales of electronic components	7,667
Shanghai Topoint Precision Technology Company	China	The production and sales of precision cutting tools and automatic measuring tools	1,443,066
Sharpoint Technology (Qinhuangdao) Co., Ltd.	China	Hole drilling service & drill bits test	250,222
Unipoint Technology Holdings Co., Ltd.(B.V.I)	British Virgin Islands	International Investment	178,814

Unipoint Technology Shenzhen Co., Ltd.	China	Hole drilling service & drill bits test	178,814
Sharpoint Technology (Shenzhen) Co., Ltd.	China	Hole drilling service & drill bits test	147,583
Sharpoint Technology (Suzhou) Co., Ltd.	China	Hole drilling service & drill bits test	177,872
Kunshan Restek Technology Co., Ltd.	China	Circuit board production, processing and sales	14,917
Kunshan Topoint Technology Co., Ltd.	China	Drilling bits	97,228

(3) The shareholder's information presumed to have control and subordination: N/A

(4) The industry covered by the overall affiliates operating business

The operating business of the company and its affiliated enterprises include the R&D, manufacture, and sales of drills, etc.

(5) Affiliated enterprises directors, supervisors, and presidents

Company Name	Position	Name/Representative	Share holding	
			Amount	%
Topoint Technology Co., Ltd. (B.V.I.)	Major Shareholder	Topoint Technology Xu-Ting, Lin	6,280	100%
Unipont Technology Co., Ltd.	Major Shareholder	Topoint Technology Xu-Ting, Lin	29,657,917	59.67%
Warpspeed Corporation (B.V.I.)	Major Shareholder	Topoint Technology Xu-Ting, Lin	50,000	100%
Topoint Japan Co., Ltd.	Major Shareholder	Topoint Technology Xu-Ting, Lin	600	100%
Shanghai Topoint Precision Technology Co., Ltd.	Director	Xu-Ting, Lin	-	-
	Director	Jia-Hong, Wang	-	-
	Director	Xiu-Tao, Chen	-	-
	Supervisor	Ching-Wen, Chen	-	-
Sharpoint Technology (Qinhuangdao) Co., Ltd.	Director	Jia-Hong, Wang	-	-
	Director	Xu-Ting, Lin	-	-
	Director	Chang-Long, Yan	-	-
Sharpoint Technology (Shenzhen) Co., Ltd.	Director	Xu-Ting, Lin	-	-
	Director	Chang-Long, Yan	-	-
	Director	Ying-Ming, Huang	-	-
	Supervisor	Sheng-Chou, Weng		
Sharpoint Technology (Suzhou) Co., Ltd.	Director	Xu-Ting, Lin	-	-
	Director	Jia-Hong, Wang	-	-
	Director	Chang-Long, Yan	-	-
	Supervisor	Ying-Ming, Huang	-	-
Kunshan Restek Technology Co., Ltd.	Director	Xu-Ting, Lin	-	-
	Director	Jia-Hong, Wang	-	-
	Director	Xiu-Tao, Chen	-	-
	Supervisor	Chang-Long, Yan		
Kunshan Topoint Technology Co., Ltd.	Director	Jia-Hong, Wang	-	-
	Director	Chang-Long, Yan	-	-
	Director	Sheng-Chou, Weng	-	-

	Supervisor	Xiu-Tao, Chen	-	-
Unipoint Technology Holdings Co., Ltd. (B.V.I.)	Major Shareholder	Unipoint Technology Xu-Ting, Lin	11,200	100%
Unipoint Technology Shenzhen Co., Ltd.	Director	Zhen-Jian, Liu	-	-
	Director	Xu-Ting, Lin	-	-
	Director	Guan-Fu, Chen	-	-
	Supervisor	Re-Ping, Lin	-	-

B. Affiliates Consolidated Financial Statements: See P.64~P.138

The affiliates of Topoint Technology Co., Ltd., which should have been included in the combined financial statements of Topoint Technology and its affiliates, as of 2013 (from January 1, 2013 to December 31, 2013), based on the "Principles and Guidelines for Preparation of the Affiliates Consolidated Business Report, Affiliates Consolidated Financial Statements, and the Report.", are the same as those included in the consolidated financial statements of Topoint Technology and its subsidiaries as of 2013, prepared under the Statement of Financial Accounting Standards No.7. The information required to be disclosed in the consolidated financial statements has already been disclosed in the above consolidated financial statements. Consequently, there is no need to prepare a separate consolidated financial statement of Topoint Technology and its affiliates.

C. Affiliation Report: N/A

2. Subscription of marketable securities privately in the most recent years: N/A

3. The stock shares of the company held or disposed by the subsidiaries in the most recent years: N/A

4. Supplementary disclosures:

(A) Transparent financial information related to personnel, to obtain the relevant licenses from the competent authority circumstances: The Company's internal audit staff on October 22, 2005. Foundation of Taiwan's financial Academy of banks' internal control basic test certificate of compliance ", June 26, 2007. Foundation Taiwan Banking and Finance Academy of the financial markets knowledge and professional ethics test scores qualified to prove. "

5. Occurrence of events defined in Securities Transaction Law Article 36.2.2 that has great impact on shareholder's equity or security price in the most years and up to the date of the report printed: N/A

TOPOINT TECHNOLOGY CO., LTD.

Chairman: Xu-Tingm, Lin