SILICONWARE PRECISION INDUSTRIES CO., LTD

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2013 AND 2012

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of

Siliconware Precision Industries Co., Ltd.

We have audited the consolidated balance sheets of Siliconware Precision Industries Co., Ltd. and its subsidiaries as of December 31, 2013, 2012, and January 1, 2012, and consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for the years then ended 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial reports based on our audits.

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

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Siliconware Precision Industries Co., Ltd. and its subsidiaries as of December 31, 2013, 2012, and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years then ended 2013 and 2012, in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" , "International Financial Reporting Standards", "International Accounting Standards", "International Financial Reporting Interpretations Committee" and "Standing Interpretations Committee" ratified by the Financial Supervisory Commission. R.O.C.

We have also audited the parent company only financial report of Siliconware Precision Industries Co., Ltd as of and for the years ended December 31, 2013 and 2012, and have expressed an unqualified opinion on such financial report.

PricewaterhouseCoopers, Taiwan

Republic of China

March 20, 2014

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of the independent accountants are not intended for use by those who are not informed about the accounting principles or audit standards generally accepted in the Republic of China, and their applications in practice.

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Note	2013.12.31	2012.12.31	2012.1.1
Current Assets				
Cash and cash equivalents	6 (1)、6 (6)	$ 16,975,247	$ 15,852,492	$ 15,939,100
Notes receivable, net	6 (6)	17,109	66,732	22,211
Accounts receivable, net	6 (2)、6 (6)、7	15,354,384	12,852,953	10,231,452
Other receivables	6 (6)	611,227	584,288	235,106
Inventories	6 (3)	3,667,592	3,135,203	3,985,115
Other current assets－other	6 (6)、8	1,199,572	953,939	931,194
		37,825,131	33,445,607	31,344,178
Non-current Assets				
Available-for-sale financial assets, non-current	6 (4)、6 (6)	6,087,053	5,394,451	5,317,145
Investments accounted for using the equity method	6 (5)	615,998	673,668	173,575
Property, plant and equipments	6 (7)	55,196,751	49,927,406	44,189,424
Intangible assets	6 (8)	355,313	516,087	583,080
Deferred income tax assets	6 (20)	828,243	1,262,346	1,791,978
Other non-current assets－other	6 (6)	901,082	627,885	674,933
		63,984,440	58,401,843	52,730,135
TOTAL ASSETS		$ 101,809,571	$ 91,847,450	$ 84,074,313
Current Liabilities				
Short-term loans	6 (6)、6 (9)	$ 2,533,850	$ 2,468,400	$ 1,513,750
Accounts payable	6 (6)	6,542,050	5,847,980	6,404,096
Other payables	6 (6)、6 (10)、9	9,214,227	6,741,376	6,363,651
Current income tax liabilities	6 (20)	778,348	502,318	483,595
Current portion of long-term loans	6 (6)、6 (9)	3,154,196	3,148,610	-
Other current liabilities－other		307,493	516,039	278,543
		22,530,164	19,224,723	15,043,635
Non-current Liabilities				
Long-term loans	6 (6)、6 (9)	15,355,557	12,038,181	9,532,335
Deferred income tax liabilities	6 (20)	103,417	76,182	15,711
Other non-current liabilities	6 (6)、6 (11)	1,350,497	1,076,253	1,063,074
		16,809,471	13,190,616	10,611,120
Total Liabilities		39,339,635	32,415,339	25,654,755
Stockholders' Equity				
Capital stock	6 (12)	31,163,611	31,163,611	31,163,611
Capital reserve	6 (13)	15,771,853	16,471,019	16,453,527
Retained earnings	6 (14)			
Legal reserve		8,207,777	7,645,816	7,162,092
Special reserve		244,604	-	-
Unappropriated earnings		5,965,224	5,017,089	4,298,861
Accumulated Other Comprehensive Income	6 (15)	1,116,867	98,764	305,655
Treasury stock	6 (16)	-	(964,188)	(964,188)
Total Stockholders' Equity		62,469,936	59,432,111	58,419,558
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 101,809,571	$ 91,847,450	$ 84,074,313

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

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Note	2013	2012
Operating Revenues	7	$ 69,356,192	$ 64,654,558
Operating Costs	6 (3)、6 (17)	(54,926,704)	(52,915,858)
Gross Profit		14,429,488	11,738,700
Realized Intercompany Profit		1,030	259
Realized Gross Profit		14,430,518	11,738,959
Operating Expenses	6 (17)		
Selling expenses		(839,723)	(808,420)
General and administrative expenses		(2,246,763)	(1,981,807)
Research and development expenses		(3,406,702)	(2,559,064)
		(6,493,188)	(5,349,291)
Operating Profit		7,937,330	6,389,668
Non-operating Revenues and Expenses			
Other income	6 (18)	270,612	326,886
Other gains and losses	6 (19)	331,144	150,412
Finance costs		(270,736)	(197,314)
Share of (loss) profit of associates and joint venture accounted for using the equity method	6 (5)	(85,378)	(8,992)
Dividends income		169,211	114,753
Loss of settlement	9	(896,250)	-
		(481,397)	385,745
Income from Continuing Operations before Income Tax		7,455,933	6,775,413
Income Tax Expense	6 (20)	(1,563,650)	(1,182,091)
Net Income		$ 5,892,283	$ 5,593,322
Other Comprehensive Income	6 (15)、6 (20)		
Exchange difference on translation of foreign financial statements		426,113	(260,136)
Unrealized gain (loss) on available-for-sale financial assets		692,602	103,514
Actuarial gain or loss on post employment benefit obligations		96,041	(20,156)
Income tax relating to other comprehensive income		(116,939)	(50,269)
Other Comprehensive Income for the year, net of tax		1,097,817	(227,047)
Total Comprehensive Income for the year		$ 6,990,100	$ 5,366,275
Net Income Attributable to:			
Owners of the parent		$ 5,892,283	$ 5,593,322
Non-controlling interests		$ -	$ -
Total Comprehensive Income Attributable to:			
Owners of the parent		$ 6,990,100	$ 5,366,275
Non-controlling interests		$ -	$ -
Earnings Per Share (in New Taiwan dollars)	6 (21)		
Basic		$ 1.90	$ 1.82
Diluted		$ 1.89	$ 1.81

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings			Other Comprehensive Income			
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain on Valuation of Available-for-sale Financial Assets	Exchange Difference on Translation of Foreign Financial Statements	Treasury Stock	Total
For the year ended December 31, 2012									
Balance at January 1, 2012	$31,163,611	$16,453,527	$ 7,162,092	$ -	$ 4,298,861	$ 305,655	$ -	($ 964,188)	$58,419,558
Appropriation for earnings for prior years:									
Legal reserve	-	-	483,724	-	(483,724)	-	-	-	-
Cash dividends	-	-	-	-	(4,371,214)	-	-	-	(4,371,214)
Changes in capital reserve									
Adjustment for changes in ownership percentage in equity investments	-	18,384	-	-	-	-	-	-	18,384
Other	-	(892)	-	-	-	-	-	-	(892)
Net income	-	-	-	-	5,593,322	-	-	-	5,593,322
Other comprehensive income	-	-	-	-	(20,156)	49,424	(256,315)	-	(227,047)
Total comprehensive income	-	-	-	-	5,573,166	49,424	(256,315)	-	5,366,275
Balance at December 31, 2012	$31,163,611	$16,471,019	$ 7,645,816	$ -	$ 5,017,089	$ 355,079	($ 256,315)	($ 964,188)	$59,432,111
For the year ended December 31, 2013									
Balance at January 1, 2013	$31,163,611	$16,471,019	$ 7,645,816	$ -	$ 5,017,089	$ 355,079	($ 256,315)	($ 964,188)	$59,432,111
Appropriation for earnings for prior years:									
Legal reserve	-	-	561,961	-	(561,961)	-	-	-	-
Special reserve	-	-	-	244,604	(244,604)	-	-	-	-
Cash dividends	-	-	-	-	(4,217,297)	-	-	-	(4,217,297)
Changes in capital reserve									
Adjustment for changes in ownership percentage in equity investments	-	(5,010)	-	-	-	-	-	-	(5,010)
Cash distribution from capital reserve	-	(923,496)	-	-	-	-	-	-	(923,496)
Share-based compensation	-	229,340	-	-	-	-	-	964,188	1,193,528
Net income	-	-	-	-	5,892,283	-	-	-	5,892,283
Other comprehensive income	-	-	-	-	79,714	594,470	423,633	-	1,097,817
Total comprehensive income	-	-	-	-	5,971,997	594,470	423,633	-	6,990,100
Balance at December 31, 2013	$31,163,611	$15,771,853	$ 8,207,777	$ 244,604	$ 5,965,224	$ 949,549	$ 167,318	$ -	$62,469,936

SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the years ended December 31	
	2013	2012
Cash flows from operating activities		
Consolidated income before tax	$ 7,455,933	$ 6,775,413
Adjustments to reconcile consolidated income before tax to net cash provided by operating activities:		
Depreciation	10,447,444	9,522,584
Amortization	586,295	577,789
Provision for (reversal of) bad debt expense	1,814	(10,551)
Interest expense	270,108	196,640
Interest income	(102,416)	(117,670)
Dividend income	(169,211)	(114,753)
Share-based compensation	232,056	-
Share of loss (profit) of associates and joint ventures accounted for using equity method	85,378	8,992
Impairment loss of associates accounted for using equity method	-	94,409
Gain on disposal of property, plant and equipments	(96,536)	(90,466)
Gain on disposal of investment	(1,363)	(212,682)
Impairment loss for property, plant, and equipments	111,715	192,115
Unrealized intercompany profit	(1,030)	(259)
Foreign currency exchange loss (gain) on long-term loan	207,928	(319,555)
Changes in current assets and current liabilities related to the operation		
Notes receivable	51,372	(44,992)
Accounts receivable	(2,381,845)	(2,645,648)
Other receivable	(3,140)	(326,578)
Inventories	(522,548)	837,718
Other current assets－other	(246,747)	(30,225)
Accounts payable	650,991	(539,575)
Other payable	2,317,869	(124,408)
Other current liabilities	(215,774)	303,683
Other non-current liabilities	(3,844)	(6,077)
Cash provided by operations	18,674,449	13,925,904
Interest received	94,596	117,234
Dividend received	181,469	120,003
Interest paid	(261,094)	(181,154)
Income tax paid	(941,464)	(615,855)
Net cash provided by operating activities	17,747,956	13,366,132

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

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SILICONWARE PRECISION INDUSTRIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the year ended December 31, 2013	For the year ended December 31, 2012
Cash flows from investing activities		
Proceeds from disposal of available-for-sale financial assets	$ -	$ 220,600
Proceeds from disposal of investments accounted for using the equity method	3,985	23,629
Increase of investments accounted for using the equity method	(31,717)	(618,178)
Acquisition of property, plant and equipments	(14,978,686)	(15,142,292)
Proceeds from disposal of property, plant and equipments	106,474	112,838
Increase in refundable deposits	(61,047)	(5,633)
Acquisition of intangible assets	(44,932)	(138,115)
Increase in other non-current assets	(582,338)	(325,260)
Net cash used in investing activities	(15,588,261)	(15,872,411)
Cash flows from financing activities		
Proceeds from short-term loans	-	1,027,075
Proceeds from long-term loans	6,206,000	5,953,356
Repayment of long-term loans	(3,178,166)	-
Increase (decrease) in deposit-in	1,107	(89,184)
Payment for cash dividends	(5,140,752)	(4,371,188)
Proceeds from transferring treasury stocks to employees	961,472	-
Net cash provided by financing activities	(1,150,339)	2,520,059
Effect on foreign currency exchange	113,399	(100,388)
Net (decrease) increase in cash and cash equivalents	1,122,755	(86,608)
Cash and cash equivalents at the beginning of the period	15,852,492	15,939,100
Cash and cash equivalents at the end of the period	$ 16,975,247	$ 15,852,492

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

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

1. History and Organization

Siliconware Precision Industries Co., Ltd. (the "Company") has been listed on the Taiwan Stock Exchange since April 1993. The Company is mainly engaged in the assembly, testing and turnkey services of integrated circuits. The address of the registered office is No. 123, Sec. 3, Da Fong Rd., Tantzu, Taichung 427, Taiwan, R.O.C.

2. Authorized for Issurance Date and the Procedure

The consolidated financial statements have been authorized to issue by the Board of Directors with consensus on March 20, 2014.

3. Application of New Standards, Amendments and Interpretations

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

Not applicable as it is the first-time adoption of IFRSs by the Group this year.

(2) Effect of not adopting new issuances of or amendments to IFRS as endorsed by the FSC

The International Accounting Standards Board ("IASB") published IFRS 9, 'Financial Instruments,' in November, 2009, which will take effect on January 1, 2013 with early application permitted (nevertheless, the IASB removed the mandotary effective date and allow entities to early adoption on November 19, 2013). Although the FSC has endorsed IFRS 9, FSC does not permit early application of IFRS 9 when IFRSs are adopted in R.O.C. in 2013. Instead, enterprises should apply International Accounting Standard No. 39 ("IAS 39"), 'Financial Instruments: Recognition and Measurement' reissued in 2009.

IFRS 9 was issued as the first phase to replace IAS 39. IFRS 9 outlines the new classification and measurement requirements for financial instruments, which might affect the accounting treatments for financial instruments of the Group. However, the overall influence over the Group is still not assessable since the FSC hasn't announced the effective date of IFRS 9.

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

A. The following are the assessments of new standards, interpretations and amendments issued by IASB but not yet endorsed by the FSC, thus the Group hasn't adopted them.

New Standards, Interpretations, and Amendments	Main Amendments	IASB Effective Date
Limited exemption from comparative IFRS 7 disclosures for first-time adopters	The amendment provides first-time adopters of IFRSs with the same transition relief that existing IFRS preparer received in IFRS 7, 'Financial Instruments: Disclosures' and exempts first-time adopters from providing the additional comparative disclosures.	2010/7/1
Improvements to IFRSs 2010	Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 34 and IFRIC 13.	2011/1/1
Disclosures - transfers of financial assets (amendment to IFRS 7)	The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognized and for any continuing involvement in transferred assets, existing at the reporting date.	2011/7/1

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

New Standards, Interpretations, and Amendments	Main Amendments	IASB Effective Date
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	When an entity's date of transition to IFRSs is on, or after, the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date at fair value on the date of transition to IFRSs. First-time adopters are allowed to apply the derecognition requirements in IAS 39, 'Financial instruments: Recognition and measurement', prospectively from the date of transition to IFRSs, and they are allowed not to retrospectively recognize related gains on the date of transition to IFRSs.	2011/7/1
Deferred tax: recovery of underlying assets (amendment to IAS 12)	The amendment gives a rebuttable presumption that the carrying amount of investment properties measured at fair value is recovered entirely by sale, unless there exists any evidence that could rebut this presumption. The amendment also replaces SIC 21, 'Income taxes — recovery of revalued non-depreciable assets'.	2012/1/1
Presentation of items of other comprehensive income (amendment to IAS 1)	The amendment requires profit or loss and other comprehensive income (OCI) to be presented separately in the statement of comprehensive income. Also, the amendment requires entities to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss subsequently.	2012/7/1
Disclosures—Offsetting financial assets and financial liabilities (amendment to IFRS 7)	The amendment requires disclosures to include quantitative information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements.	2013/1/1
Government loans (amendment to IFRS 1)	The amendment provides exception to first-time adopters to apply the requirements in IFRS 9, 'Financial instruments,' and IAS 20, 'Accounting for government grants and disclosure of government assistance,' prospectively to government loans that exist at the date of transition to IFRSs; and first-time adopters should not recognize the corresponding benefit of the government loan at a below-market rate of interest as a government grant.	2013/1/1
Improvements to IFRSs 2009-2011	Amendments to IFRS 1 and IAS 1, IAS 16, IAS 32 and IAS 34.	2013/1/1
IFRS 10, 'Consolidated financial statements'	The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where it is difficult to assess.	2013/1/1

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

New Standards, Interpretations, and Amendments	Main Amendments	IASB Effective Date
Consolidated financial statements, joint arrangements and disclosure of interests in other Entities: Transition guidance (amendments to IFRS 10, IFRS 11 and IFRS 12)	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10, 11 and 12 is adopted.	2013/1/1
IFRS 11,'Joint arrangements'	Judgments applied when assessing the types of joint arrangements-joint operations and joint ventures, the entity should assess the contractual rights and obligations instead of the legal form only. The standard also prohibits the proportional consolidation for joint ventures.	2013/1/1
IFRS 12,'Disclosure of interests in other entities'	The standard requires the disclosure of interests in other entities including subsidiaries, joint arrangements, associates and unconsolidated structured entities.	2013/1/1
IFRS 13, 'Fair value measurement'	IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.	2013/1/1
IAS 27,'Separate financial statements' (as amended in 2011)	The standard removes the requirements of consolidated financial statements from IAS 27 and those requirements are addressed in IFRS 10, 'Consolidated financial statements'.	2013/1/1
IAS 28,'Investments in associates and joint ventures' (as amended in 2011)	As consequential amendments resulting from the issuance of IFRS 11, 'Joint arrangements', IAS 28 (revised) sets out the requirements for the application of the equity method when accounting for investments in joint ventures.	2013/1/1
IAS 19 revised, 'Employee benefits' (as amended in 2011)	The revised standard eliminates corridor approach and requires actuarial gains and losses to be recognized immediately in other comprehensive income. Past-service costs will be recognized immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expenses, is recognized in other comprehensive income.	2013/1/1
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	Stripping costs that meet certain criteria should be recognized as the 'stripping activity asset'. To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the entity shall account for the costs of that stripping activity in accordance with IAS 2, 'Inventories.'	2013/1/1

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

New Standards, Interpretations, and Amendments	Main Amendments	IASB Effective Date
IFRS 9, 'Financial instruments: Classification and measurement of financial liabilities	IFRS 9 requires gains and losses on financial liabilities designated at fair value through profit or loss to be split into the amount of change in the fair value that is attributable to changes in the credit risk of the liability, which shall be presented in other comprehensive income, and cannot be reclassified to profit or loss when derecognising the liabilities; and all other changes in fair value are recognized in profit or loss. The new guidance allows the recognition of the full amount of change in the fair value in the profit or loss only if there is reasonable evidence showing on initial recognition that the recognition of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch (inconsistency) in profit or loss. (That determination is made at initial recognition and is not reassessed subsequently.)	2013/11/19 Not mandatory
IFRS 9 "Financial assets: hedge accounting" and amendments to IFRS9, IFRS7 and IAS39	1. IFRS 9 relaxes the requirements for hedged items and hedging instruments and removes the bright line of effectiveness to better align hedge accounting with the risk management activities of an entity. 2. An entity can elect to early adopt the requirement to recognize the changes in fair value attributable to changes in an entity's own credit risk from financial liabilities that are designated under the fair value option in ' other comprehensive income.'	2013/11/19 Not mandatory

B. The following are the assessments of new standards, interpretations and amendments issued by IASB but not yet effective or endorsed by the FSC, thus the Group hasn't adopted them.

New Standards, Interpretations, and Amendments	Main Amendments	IASB Effective Date
Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)	The amendments define ' Investment Entities ' and their characteristics. The parent company that meets the definition of investment entities should measure its subsidiaries using fair value through profit or loss instead of consolidating them.	2014/1/1
Offsetting financial assets and financial liabilities (amendment to IAS 32)	The amendments clarify the requirements for offsetting financial instruments on the statement of financial position: (i) the meaning of 'currently has a legally enforceable right to set off the recognized amounts'; and (ii) that some gross settlement mechanisms with certain features may be considered equivalent to net settlement.	2014/1/1
IFRIC 21, 'Levies'	The interpretation addresses the accounting for levies imposed by governments in accordance with legislation (other than income tax). A liability to pay a levy shall be recognized in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets.'	2014/1/1

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

New Standards, Interpretations, and Amendments	Main Amendments	IASB Effective Date
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives that were not impaired.	2014/1/1
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	The amendment states that the novation of a hedging instrument would not be considered an expiration or termination giving rise to the discontinuation of hedge accounting when the hedging instrument that is being novated complies with specified criteria.	2014/1/1
Services related contributions from employees or third parties (amendments to IAS 19R)	The amendment allows contributions from employees or third parties that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.	2014/7/1
Improvements to IFRSs 2010-2012	Amendments to IFRS 2, IFRS 3, IFRS 8,IFRS 13, IAS 16, IAS 24 and IAS 38.	2014/7/1
Improvements to IFRSs 2011-2013	Amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	2014/7/1

C. The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Compliance Statement

The accompanying consolidated financial statements are prepared in conformity with Rules Governing the Preparation of Financial Reports by Securities Issuers, the Taiwanese International Financial Reporting Standards (T-IFRSs) approved by the Financial Supervisory Commission, R.O.C. (FSC), as well as the International Accounting Standards (IAS) and relevant explanation approved by the FSC.

(2) Basis of Consolidation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets at fair value. The preparation requires the use of certain critical accounting estimates and also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

(3) Principles of Consolidation

A. Pursuant to IAS 27, "Consolidated and Separate Financial Statements", the consolidated financial report includes all the entities controlled by the Company. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. Control also exists when the parent owns half or less of the voting power of an entity when more than one control condition is met.

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B. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

C. Consolidated subsidiaries:

			% of ownership held by the named investors as of		
Name of investor	Name of subsidiaries	Main operating activities	December 31, 2013	December 31, 2012	January 1, 2013
The Company	SPIL (B.V.I.) Holding Limited	Investment activities	100%	100%	100%
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc. (SUI)	Communications and relationship maintenance with companies headquartered in	100%	100%	100%
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Investment activities	100%	100%	100%
SPIL (Cayman) Holding Limited	Siliconware Technology (Suzhou)	Assembly and testing services	100%	100%	100%

D. Non-consolidated subsidiaries: None

E. Adjustments for subsidiaries with different accounting periods: None

F. Extraordinary risks from foreign subsidiaries: None

G. Material limitations for capital transfer from subsidiaries to the parent company: None

H. The parent company’s stocks held by subsidiaries: None

I. Convertible bonds and stocks issued by subsidiaries: None

(4) Segment Reporting

The chief operating decision-makers assess performance and allocate resources based on the economic environments. All of the Company’s segments have similar economic characteristics and meet the criteria of aggreggation. As a result, the Company discloses a single reporting segment by aggregating all the operating segments.

(5) Foreign Currency Translation

A. Items included in the financial statements of each of the Group’s entities are measured using the functional currency. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Group’s presentation currency and the Company’s functional currency. Entities with presentation currency different from functional currency translate assets and liabilities at the closing rate, and income and expenses at the exchange rates at the dates of the transactions (or at the average rate for the period when this is a reasonable approximation.)

B. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized as other (losses)/gains in the statement of comprehensive income.

C. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

D. The results and financial position of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency.All resulting exchange differences are recognized in other comprehensive income. Those differences would be recorded as gain or loss of disposal of investments in the statement of comprehensive income if disposed.

(6) Classification of Current and Noncurrent Assets / Liabilities

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as noncurrent assets:
   (a) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operation cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets expected to be realized within twelve months from the balance sheet date;
   (d) Cash or cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as noncurrent liabilities:
   (a) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
   (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(7) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, time deposits with orginal maturities of 12 months or less, and other short-term highly liquid investments.

(8) Accounts Receivable

Accounts receivable is recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Accounts receivable expected to be collected within one year is not reported at present value due to the fact that the difference between the maturity value and the fair value discounted by implicit interest rate is immaterial and the frequency of transactions is high.

(9) Inventories

Inventories are recorded at cost when acquired under a perpetual inventory system. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads based on normal operting capacity. As of the balance sheet date, inventories are stated at the lower of cost or net realizable value by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and necessary selling expenses.

(10) Financial Assets

A. Classification
The Company classifies its financial assets in the following categories: at fair value throught profit or loss, loans and receivables, available-for-sale, and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category of acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group’s loans and receivables comprise “trade and other receivables” and “cash and cash equivalents” in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(d) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity.

B. Recognitoin and Measurement

(a) Regular purchases and sales of financial assets are recognized on the trade date (the date on which the Company commits to purchase or sell the asset). Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of comprehensive income. Other financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

(b) Financial assets at fair value through profit or loss and Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the statement of comprehensive income within “other gains and losses” in the period in which they arise. Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. Dividend income from these two assets is recognized in the statement of comprehensive income as part of other income when the Group’s right to receive payments is established.

(c) Loans and receivables and held-to-maturity investments are subsequently carried at amortized cost using the effective interest method. The interest arising subsequently is recognized in “other income” in the statement of comprehensive income.

(d) When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of comprehensive income as “gains and losses from investment securities”.

(11)Impairment of Financial Assets

A. Loans and Receivables

(a) The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial asset is impaired and impairment losses are incurred only if：

i. There is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a “loss event”),

ii. That loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets, and
iii. The amount can be reliably estimated

Evidences of impairment include：
i. The issuer or the debtor is experiencing significant financial difficulty;
ii. Default or delinquency in interest or principal payment;
iii. Concessions made to the insolvent debtor by creditors owing to economic or legal considerations;
iv. The probability that they will enter bankruptcy or other financial reorganisation;
v. The disappearance of an active market for that financial asset because of financial difficulties;
vi. Where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as:
- The repayment condition of the debtor to the Group of assets deteriorated
- Changes in areas or economic conditions that correlate with defaults

(b) For these assets, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the allowance and the amount of the loss is recognized in the consolidated the statement of comprehensive income. In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an impairment in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated the statement of comprehensive income.

B. Available-for-sale Financial Assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Other than the conditions mentioned above in item (a), in the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated the statement of comprehensive income on equity instruments are not reversed through the consolidated the statement of comprehensive income.

(12)Investments Accounted for Using the Equity Method

The investments accounted for using the equity method include investment in associates and in joint ventures.

A. Associates are all entities over which the Group has significant influence, exclusive of subsidiaries or joint ventures. Significant influence means the power to participate in the financial and operating policy decisions of the investees, but not control or jointly control those decisions. A joint venture is a contractual arrangement whereby the parties undertake an economic activity that is subject to joint control. As a result, all the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control. Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities. The Group applies the equity method to assess its investment in associates and interest in joint venture. The investments are initially recognized at cost, and the portion of acquisition cost over net identifiable assets is recognized as goodwill, which is never amortized and perceived as a segment of overall investment while assessing the impairment. Any excess of the Group's share of the net fair value of the identifiable assets over the acquisition cost is recognized in profit or loss. The Group performs the impairment test quarterly to see if there is any indication. If this is the case, the Group will calculate recoverable amount and recognize impairment loss.

B. The Group's share of post-acquisition profit or loss is recognized as "Share of (loss) profit of associates and joint ventures accounted for using the equity method" under "Non-operating Revenues and Expenses" in the consolidated statements of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. Profits and losses resulting from the transactions between the Group and its associates or joint ventures are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates or joint ventures. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates or joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. When the Group subscribes for additional associates or joint venture's new shares at percentage differs from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associates or joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of associates and joint venture's new shares, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associates and joint venture shall be reclassified to profit or loss on the same basis as would be required if the investee had direct disposed of the related assets or liabilities. Without ownership percentage fluctuation, the Group elects to recognize the equity changes other than the changes in profit or loss and in comprehensive income proportionately.

D. While the Group disposes the equity method investment upon losing significant influence over the associates, or the jointly control and significant influence over the joint venture, all the other comprehensive income and capital surplus previously recognized in relation to the investment in associates and joint venture shall be reclassified to profit and loss. In case of not losing the significant influence over the associates, or the jointly control and significant influence over the joint venture, the Group will only reclassify the aforementioned other comprehensive income and capital surplus to the gains or losses proportionately to the disposal.

E. The Group assesses its associates and joint venture's signs of impairment every quarter. If there is any, the Group would calculate the recoverable amount and identify the impairment loss.

(13) Acquisition Method for Business Combination

A. The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

(14)Property, Plant and Equipment

A. Property, plant and equipment are stated at historical cost. The acquisition costs include the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating, and the obligations to dismantle and remove the items and restore the site on which they are located. The subsequent costs will only be recognized under the conditions that future economic benefits associated with the item will flow to the Group and the item cost can be measured reliably. Day-to-day servicing costs and repairment expenditures are recognized as expenses as incurred.

B. The Group capitalize borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset as part of the cost of that asset. The capitalized borrowing costs will be depreciated through the residual useful lives of related items. Borrowing costs which unqualify capitalization criteria are recognized in profit or loss.

C. If material part of replacing items of property, plant and equipment has different useful live from the main asset, it should be recognized and depreciated separately. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. The service lives of fixed assets are 5 to 15 years, except for buildings, which are 20 to 55 years.

D. The assets' residual value, useful lives, and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized withiin "Other gains or losses" in the statement of comprehensive income.

(15)Intangible Assets

Intangible assets are the expenditures of license fees and computer software. License fees are capitalized at historical cost. Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Both license fees and computer software are intangible assets with limited useful lives. Computer software is amortized over 3 years whereas License fees are amortized over their economic lives or the contract years using straight-line method. Any subsequent measurements are recorded using costs to deduct accumulated amortization.

(16)Impairment of Non-financial Assets

A. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). The recoverable amount is the higher of an asset's net fair value or its value in use. The net fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less costs to sell and value in use. The value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

B. An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if there has been a change in the estimates used to determine the asset's recoverabe amount since the last impairment loss was recognized. The carrying amount of the asset shall be reversed to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(17)Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Accounts payables of which payment due is within one year or less are not discounted while their fair value are close to the value in maturity and they are transacted actively.

(18)Derecognition of Financial Liabilities

The Group shall remove a financial liability from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

(19)Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

(20)Current and Deferred Income Tax

A. The tax expense for the period comprises current and deffered tax. Tax is recognized in the income statment, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, that tax is also recognized in other comprehensive income or directly in equity, respectively.

B. The current income tax is calculated on the basis of the tax law enacted or substnantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

C. The Taiwan imputation tax system requires that any undistributed current earnings of a company to be subject to an additional 10% corporate income tax. It would be recognized as the current income tax expense after the earnings are distributed on shareholders' meeting.

D. Deffered income tax is recognized, using the liabilitiy method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

E. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the forseeable future.

F. Deferred income tax assets and liabilties are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

G. The Company's unused income tax credits generated from the acquisition of eligible equipment or technology, expenses for research and development and expenses for employee training are recognized as deferred income tax assets to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(21)Employee Benefits

A. Short-term employee benefits

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

B. Pensions

(a) For defined contribution plans, the Group pays contributions during employees' service years. The contributions are recognized as employee benefit expenses when they are due. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits.

(b) For defined benefit plan, the liability recognized in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Retained earnings in the consolidated statements of changes in equity shall be adjusted, but shall not be reclassified as profit or loss.

(c) For employees' bonuses and directors' and supervisors' remunerations, the Group recognizes expenses and related liabilities when the Group has legal obligation and could reasonably estimate such amount. Any difference between estimated amount and distributed amount resolved in the stockholders' meeting in the subsequent year shall be adjusted in the income/loss of the following year.

(22)Provision

A. Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

B. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

C. Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A present obligation that arises from past events but is not recognized because either that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or that the amount of the obligation cannot be measured wth sufficient reliability.

(23)Revenue Recognition

The Group provides assembly, testing, and turnkey services for integrated circuits. The Group recognizes revenue when:

A. the amount of revenue can be measured reliably;

B. it is probable that the economic benefits associated with the transaction will flow to the entity;

C. the stage of completion of the transaction at the end of the reporting period can be measured reliably;

D. the costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

The revenue amount to be recognized is based on the agreed price by both parties of the transaction and the stage of completion. The allowance is estimated by the experiences and recorded as a deduction to the revenue.

(24)Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(25)Treasury Shares

Where the company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company’s equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company’s equity holders.

(26)Share-based Compensation

The Group operates an equity-settled, share-based compensation plan under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognized as an expense immediately at grant date. The total amount to be expensed is determined by referrence to the fair value of the shares granted.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

5. Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(1) Deferred Income Tax
By using the balance sheet liability method, the Group recognizes future deferred tax assets and deferred tax liabilities, which are incurred from temporary differences and investment credits. While assessing the reliability of deferred tax assets, management exercises material accounting judgments and estimates, including assumptions related to projected growth of future revenues, profitability, tax-free period, usage of tax credits, and tax planning. Any environmental movements of global economic and industry, and regulations changes will impact the amount of current income tax expense and the net value of deferred tax assets. For more illustrations, please refer to Note 6 (20).

(2) Pension Benefits
The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. For relevant sensitivity analysis, please refer to Note 6 (11).

(3) Fair Value of Financial Assets
The fair value of financial instruments that are not traded in an active market (for example, over-the counter equity investment) is determined by using valuation techniques. The Group uses its professional judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For valuing these assets, the Group maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. For more illustration of related sensitivity analysis, please refer to Note 12 (1).

6. Illustration of Important Accounting Items

(1) Cash and Cash Equivalents

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Cash on hand and petty cash	1,279	1,032	980
Cash equivalents	8,397	1,155	7,372
Savings accounts and checking accounts	2,552,202	1,472,416	1,566,971
Time deposits	14,413,369	14,377,889	14,363,777
	16,975,247	15,852,492	15,939,100

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

(2) Accounts Receivable, Net

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Accounts receivable	15,545,077	13,010,759	10,412,304
Less: Allowance for sales discounts	(188,154)	(156,961)	(152,134)
Provision for impairment of accounts receivable	(2,539)	(845)	(28,718)
	15,354,384	12,852,953	10,231,452

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security. It was assessed that these receivables are highly likely to be recovered; therefore the credit risk is low. Please refer to note 12 (1) B for relevant analysis

Movement on the Group provision for impairment of accounts receivable are as follows：

	For the Years Ended December 31, 2013	2012
	NT$	NT$
At January 1,	845	28,718
(Reversal of) provision for receivables impairment	1,814	(10,551)
Write-offs during the period	(165)	(17,290)
Effect on foreign currency exchange	45	(32)
At December 31,	2,539	845

(3) Inventories

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Raw materials and supplies	3,355,721	2,942,291	3,286,576
Work in process and finished goods	423,479	318,729	786,446
	3,779,200	3,261,020	4,073,022
Less: Allowance for loss on obsolescence and decline in market value of inventories	(111,608)	(125,817)	(87,907)
	3,667,592	3,135,203	3,985,115

The above allowance for loss on obsolescence and decline in market value of inventories were caused by the valuation of raw materials and supplies.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	For the years ended December 31,	
	2013	2012
Expense / loss incurred related to inventories :	NT$	NT$
Cost of goods sold	54,955,354	52,955,922
Decline in (recovery of) market value and loss on obsolescence	(13,246)	38,109
Others	(15,404)	(78,173)
	54,926,704	52,915,858

Because some obsolescent inventories were disposed during the period, the Company recognized gains on recovery of loss on obsolescence.

(4) Available-for-sale Financial Assets

	As of December 31, 2013			
	Cost	Valuation	Accumulated Impairment	Carrying Amount
	NT$	NT$	NT$	NT$
Unimicron Technology Corporation	2,923,646	(1,194,699)	-	1,728,947
ChipMOS Technologies (Bermuda) Ltd.	1,653,969	1,211,226	(1,580,464)	1,284,731
ChipMOS Technologies Inc.	1,630,580	869,820	-	2,500,400
Hsieh Yong Capital Co., Ltd.	500,000	219,986	(330,000)	389,986
Mega Mission Limited Partnership	195,523	59,187	(71,721)	182,989
	6,903,718	1,165,520	(1,982,185)	6,087,053

	As of December 31, 2012			
	Cost	Valuation	Accumulated Impairment	Carrying Amount
	NT$	NT$	NT$	NT$
Unimicron Technology Corporation	2,923,646	(567,382)	-	2,356,264
ChipMOS Technologies (Bermuda) Ltd.	1,653,969	681,032	(1,580,464)	754,537
ChipMOS Technologies Inc.	1,630,580	156,940	-	1,787,520
Hsieh Yong Capital Co., Ltd.	500,000	190,192	(330,000)	360,192
Mega Mission Limited Partnership	195,523	12,136	(71,721)	135,938
	6,903,718	472,918	(1,982,185)	5,394,451

	As of January 1, 2012			
	Cost	Valuation	Accumulated Impairment	Carrying Amount
	NT$	NT$	NT$	NT$
Unimicron Technology Corporation	2,923,646	(200,172)	-	2,723,474
ChipMOS Technologies (Bermuda) Ltd.	2,243,686	374,993	(2,143,973)	474,706
ChipMOS Technologies Inc.	1,630,580	-	-	1,630,580
Hsieh Yong Capital Co., Ltd.	500,000	194,583	(330,000)	364,583
Mega Mission Limited Partnership	195,523	-	(71,721)	123,802
	7,493,435	369,404	(2,545,694)	5,317,145

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

A. The Company didn't dispose of any available-for-sale financial assets for the year ended December 31, 2013; however, the Company disposed of 800 thousand common shares of ChipMOS Technologies (Bermuda) Ltd. and recognized a gain on disposal of $194,392 for the year ended December 31, 2012.

B. The Company recognized profits of $692,602 and $103,514 for the change of fair value of available-for-sale financial assets in other comprehensive income for the years ended December 31, 2013 and 2012, respectively.

(5) Investments accounted for using the equity method

A. Investments on Associates

Associates and the Principal Place of Business	Carry Amount: As of December 31, 2013	Carry Amount: As of December 31, 2012	Carry Amount: As of January 1, 2012	Ownership: As of December 31, 2013	Ownership: As of December 31, 2012	Ownership: As of January 1, 2012
AcSiP Technology Corp. Taiwan, R.O.C.	$ 78,509	$ 102,977	$ 62,904	11.99%	12.56%	16.73%
Vertical Circuits, Inc. United States	-	-	110,671	30.68%	30.68%	30.68%
	$ 78,509	$ 102,977	$ 173,575			

(a) Although the Company holds less than 20% of the equity shares of AcSiP, the Company exercises significant influence by appointing one director of the Board of Directors in AcSiP and has the power to participate in the financial and operating policy decision of AcSiP. As a result of the increase of AcSiP's issued shares, which were not purchased proportionally by the Company, equity investments and gain on disposal of investments of $ 4,291 were adjusted. Thereafter, the Company disposed 100 thousand shares and recognized gain on disposal of investments of $1,363. The company's equity shares dropped to 11.99%, but the Company continue adopting the equity method after the evaluation determined that the Company still exercises significant influence over AcSip. In the resolution of shareholders' meeting on June 10, 2013 and June 25, 2012, the investee distributed cash dividends of five dollars and three dollars each, which could be deemed as return of investment cost under the equity method, and the Company decreased equity investment of $12,259 and $5,250, respectively.

(b) Pursuant to IAS 36, "Impairment of Assets", the Company assessed its equity investee, Vertical Circuits, Inc., whose board of directors for bankruptcy in June, 2012, and determined that the carrying amount exceeded the recoverable amount. As a result, the Company recognized total residual book value of $94,409 as impairment loss in 2012.

(c) Summarized financial information for the associates:

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
Total Assets	$ 638,249	$ 768,026	$ 593,427
Total Liabilities	(64,915)	(100,688)	(340,350)
Net Assets (Liabilities)	$ 573,334	$ 667,338	$ 253,077

	For the Years Ended December 31, 2013	For the Years Ended December 31, 2012
Revenues	$ 778,776	$ 3,054,632
Net Income	$ 15,000	$ 94,805
Share of (loss) profit of associates and joint ventures accounted for using equity method	($ 5,866)	$ 16,015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

Note: the board of directors of Vertical Circuits, Inc. had filed bankruptcy in June, 2012. The Company recognized total residual book value as impairment loss in June, 2012.

B.Investment on Joint Venture

The Company's joint venture is listed below:

Joint Ventures and the Principal Place of Business	Carry Amount			Ownership		
	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
Microcircuit Technology (S) Pte. Ltd. (MCT) Singapore	$ 537,489	$ 570,691	$ -	42.27%	42.27%	-

(a) In order to develop new generation substrates and increase substrate supply sources, the Company acquired 22,865 thousand shares of Microcircuit Technology (S) Pte. Ltd. (MCT) for US$20,500 and obtained 42.27% of the voting rights in July 2012. Also, the Company determined to increase cash capital on December 19, 2013 while mataining its share proportion. Part of the capital (USD 1,060) has been remitted in the same month. The Company holds 24,039 thousand shares in total.

(b) Summarized Financial Information of Joint Venture

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
Current Assets	$ 135,667	$ 317,498	$ -
Noncurrent Assets	$ 277,391	$ 119,818	$ -
Current Liabilities	$ 53,485	$ 42,239	$ -
Noncurrent Liabilities	$ 4,655	$ 10,851	$ -

	For the Years Ended December 31	
	2012	2013
Net Operating Revenues	$ 99,669	$ 51,947
Operating Costs	($ 172,842)	($ 81,270)
Operating Expenses	($ 19,036)	($ 5,386)
Non-Operating Revenues and Expenses	$ 12,825	$ 9,651
Income Tax Expense	$ -	$ -
Share of (loss) profit of associates and joint ventures accounted for using equity method	($ 79,512)	($ 25,007)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

(6) Financial Instruments by Category

	As of December 31, 2013		
	Book Value	Fair Value	Total
Financial Assets	NT$	NT$	NT$
Loans and receivables			
Cash and Cash Equivalent	16,975,247	-	16,975,247
Notes Receivable	17,109	-	17,109
Accounts Receivable	15,354,384	-	15,354,384
Other Receivable	611,227	-	611,227
Other Current Assets－Other	336,700	-	336,700
Other Non-Current Assets－Other	77,631	-	77,631
Available-for-sale financial assets	-	6,087,053	6,087,053
	33,372,298	6,087,053	39,459,351
Financial Liabilities			
Amortised cost			
Short-term Loans	2,533,850	-	2,533,850
Accounts Payable	6,542,050	-	6,542,050
Other Payable	9,214,227	-	9,214,227
Other Current Liabilities－Other	91,343	-	91,343
Long-term Loans (include current portion)	18,509,753	-	18,509,753
Other Non-Current Liabilities	377,327	-	377,327
	37,268,550	-	37,268,550

	As of December 31, 2012		
	Book Value	Fair Value	Total
Financial Assets	NT$	NT$	NT$
Loans and receivables			
Cash and Cash Equivalent	15,852,492	-	15,852,492
Notes Receivable	66,732	-	66,732
Accounts Receivable	12,852,953	-	12,852,953
Other Receivable	584,288	-	584,288
Other Current Assets－Other	336,700	-	336,700
Other Non-Current Assets－Other	16,506	-	16,506
Available-for-sale financial assets	-	5,394,451	5,394,451
	29,709,671	5,394,451	35,104,122
Financial Liabilities			
Amortised cost			
Short-term Loans	2,468,400	-	2,468,400
Accounts Payable	5,847,980	-	5,847,980
Other Payable	6,741,376	-	6,741,376
Other Current Liabilities－Other	90,898	-	90,898
Long-term Loans (include current portion)	15,186,791	-	15,186,791
	30,335,445	-	30,335,445

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	As of January 1, 2012		
	Book Value	Fair Value	Total
Financial Assets	NT$	NT$	NT$
Loans and receivables			
Cash and Cash Equivalent	15,939,100	-	15,939,100
Notes Receivable	22,211	-	22,211
Accounts Receivable	10,231,452	-	10,231,452
Other Receivable	235,106	-	235,106
Other Current Assets－Other	336,700	-	336,700
Other Non-Current Assets－Other	10,937	-	10,937
Available-for-sale financial assets	-	5,317,145	5,317,145
	26,775,506	5,317,145	32,092,651
Financial Liabilities			
Amortised cost			
Short-term Loans	1,513,750	-	1,513,750
Accounts Payable	6,404,096	-	6,404,096
Other Payable	6,363,651	-	6,363,651
Other Current Liabilities－Other	139,102	-	139,102
Long-term Loans	9,532,335	-	9,532,335
	23,952,934	-	23,952,934

(7) Property, Plant and Equipment

A. Cost, Accumulated Depreciation, and Accumulated Impairment of Each Category

	As of December 31, 2013			
	Cost	Accumulated depreciation	Accumulated Impairment	Book value
	NT$	NT$	NT$	NT$
Land	2,903,192	-	-	2,903,192
Buildings	21,020,767	(8,209,595)	-	12,811,172
Machinery and equipment	68,744,533	(36,028,610)	(216,325)	32,499,598
Utility equipment	1,451,857	(928,409)	(270)	523,178
Furniture and fixtures	970,493	(594,223)	(338)	375,932
Other equipment	4,454,150	(1,948,460)	(5,062)	2,500,628
Construction in progress and equipments to be inspected	3,583,051	-	-	3,583,051
	103,128,043	(47,709,297)	(221,995)	55,196,751

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	As of December 31, 2012			
	Cost	Accumulated depreciation	Accumulated Impairment	Book value
	NT$	NT$	NT$	NT$
Land	2,903,192	-	-	2,903,192
Buildings	18,992,837	(6,962,635)	-	12,030,202
Machinery and equipment	62,618,808	(33,641,507)	(227,265)	28,750,036
Utility equipment	1,306,963	(856,567)	(1,578)	448,818
Furniture and fixtures	1,019,541	(633,602)	(321)	385,618
Other equipment	3,225,829	(1,614,121)	(6,686)	1,605,022
Construction in progress and equipments to be inspected	3,804,518	-	-	3,804,518
	93,871,688	(43,708,432)	(235,850)	49,927,406

	As of January 1, 2012			
	Cost	Accumulated depreciation	Accumulated Impairment	Book value
	NT$	NT$	NT$	NT$
Land	2,903,192	-	-	2,903,192
Buildings	17,370,696	(5,696,547)	-	11,674,149
Machinery and equipment	57,562,391	(33,528,486)	(179,535)	23,854,370
Utility equipment	1,302,226	(742,086)	(260)	559,880
Furniture and fixtures	1,045,143	(589,765)	(257)	455,121
Other equipment	2,935,279	(1,544,149)	(10,635)	1,380,495
Construction in progress and equipments to be inspected	3,362,217	-	-	3,362,217
	86,481,144	(42,101,033)	(190,687)	44,189,424

B. Movement From Period Beginning to Period End

(a) From January 1, 2013 to December 31, 2013

i. Cost	For the year ended December 31, 2013					
	Balance as of January 1,	Additions	Disposals	Transfers	Exchange Differences, Net	Balance as of December 31,
	NT$	NT$	NT$	NT$	NT$	NT$
Land	2,903,192	-	-	-	-	2,903,192
Buildings	18,992,837	1,059,822	(17,442)	889,738	95,812	21,020,767
Machinery and equipment	62,618,808	9,949,625	(6,244,376)	2,281,646	138,830	68,744,533
Utility equipment	1,306,963	177,148	(92,608)	31,276	29,078	1,451,857
Furniture and fixtures	1,019,541	86,776	(161,736)	20,835	5,077	970,493
Other equipment	3,225,829	1,145,539	(244,502)	148,236	179,048	4,454,150
Construction in progress and Equipments to be inspected	3,804,518	3,097,602	-	(3,371,731)	52,662	3,583,051
	93,871,688	15,516,512	(6,760,664)	-	500,507	103,128,043

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

Depreciation

	For the year ended December 31, 2013					
	Balance as of January 1,	Additions	Disposals	Transfers	Exchange Differences, Net	Balance as of December 31,
	NT$	NT$	NT$	NT$	NT$	NT$
Buildings	6,962,635	1,243,901	(17,442)	-	20,501	8,209,595
Machinery and equipment	33,641,507	8,422,269	(6,124,793)	26,008	63,619	36,028,610
Utility equipment	856,567	143,440	(91,227)	-	19,629	928,409
Furniture and fixtures	633,602	118,358	(160,747)	-	3,010	594,223
Other equipment	1,614,121	519,476	(237,669)	(26,008)	78,540	1,948,460
	43,708,432	10,447,444	(6,631,878)	-	185,299	47,709,297

Impairment

	For the year ended December 31, 2013				
	Balance as of January 1, 2013	Additions	Disposals	Exchange Differences, Net	Balance as of December 31, 2013
	NT$	NT$	NT$	NT$	NT$
Machinery and equipment	227,265	105,620	(118,973)	2,413	216,325
Utility equipment	1,578	31	(1,381)	42	270
Furniture and fixtures	321	948	(937)	6	338
Other equipment	6,686	5,116	(6,824)	84	5,062
	235,850	111,715	(128,115)	2,545	221,995

(b) From January 1, 2012 to December 31, 2012

i. Cost

	For the year ended December 31, 2012					
	Balance as of January 1,	Additions	Disposals	Transfers	Exchange Differences, Net	Balance as of December 31,
	NT$	NT$	NT$	NT$	NT$	NT$
Land	2,903,192	-	-	-	-	2,903,192
Buildings	17,370,696	408,125	(3,972)	1,273,014	(55,026)	18,992,837
Machinery and equipment	57,562,391	11,183,554	(7,525,558)	1,677,604	(279,183)	62,618,808
Utility equipment	1,302,226	46,053	(34,685)	12,914	(19,545)	1,306,963
Furniture and fixtures	1,045,143	55,482	(82,978)	5,428	(3,534)	1,019,541
Other equipment	2,935,279	510,086	(315,655)	100,003	(3,884)	3,225,829
Construction in progress and Equipments to be inspected	3,362,217	3,561,462	-	(3,103,557)	(15,604)	3,804,518
	86,481,144	15,764,762	(7,962,848)	(34,594)	(376,776)	93,871,688

Depreciation

	For the year ended December 31, 2012					
	Balance as of January 1,	Additions	Disposals	Transfers	Exchange Differences, Net	Balance as of December 31,
	NT$	NT$	NT$	NT$	NT$	NT$
Buildings	5,696,547	1,275,712	(3,972)	5,674	(11,326)	6,962,635
Machinery and equipment	33,528,486	7,559,794	(7,357,240)	25,542	(115,075)	33,641,507
Utility equipment	742,086	154,148	(34,641)	6,502	(11,528)	856,567
Furniture and fixtures	589,765	128,464	(82,401)	-	(2,226)	633,602
Other equipment	1,544,149	404,466	(301,550)	(25,542)	(7,402)	1,614,121
	42,101,033	9,522,584	(7,779,804)	12,176	(147,557)	43,708,432

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

Impairment	For the year ended December 31, 2012				
	Balance as of January 1, 2013	Additions	Disposals	Exchange Differences, Net	Balance as of December 31, 2013
	NT$	NT$	NT$	NT$	NT$
Machinery and equipment	179,535	180,554	(131,195)	(1,629)	227,265
Utility equipment	260	1,378	(44)	(16)	1,578
Furniture and fixtures	257	645	(576)	(5)	321
Other equipment	10,635	9,538	(13,471)	(16)	6,686
	190,687	192,115	(145,286)	(1,666)	235,850

C. There is no interest capitalized during the periods.

D. For the equipments identified as idle, the Group adopted value-in-use method to measure their recoverable amount and recognized the impairment loss of $111,715 and $192,115 for the years ended December 31, 2013 and 2012, respectively.

(8) Intangible Assets

Item	For the year ended December 31, 2013				
	Balance as of January 1, 2013	Additions	Amortizations	Exchange Differences	Balance as of December 31,
	NT$	NT$	NT$	NT$	NT$
Licence Fee	365,517	7,408	(115,805)	-	257,120
Software	150,570	37,524	(90,344)	443	98,193
	516,087	44,932	(206,149)	443	355,313

Item	For the year ended December 31, 2012				
	Balance as of January 1, 2012	Additions	Amortizations	Exchange Differences	Balance as of December 31, 2012
	NT$	NT$	NT$	NT$	NT$
Licence Fee	417,498	58,266	(110,247)	-	365,517
Software	165,582	79,849	(94,645)	(216)	150,570
	583,080	138,115	(204,892)	(216)	516,087

For the years ended December 31 in 2013 and 2012, amortization of $6,665 and $6,701 are included in "operating cost", and amortization of $199,484 and $198,191 are included in "operating expense."

(9) Loans

A. Short-term Loans

Nature of loans	As of December 31, 2013	As of December 31, 2012	As of January 1 2012
	NT$	NT$	NT$
Credit loans	2,533,850	2,468,400	1,513,750
Interest rates	1.06%~1.14%	1.22%~1.46%	1.03%~1.61%

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

B. Long-term Loans

Name of financial institution	Line of credit	Loan period and repayment method	As of December 31 2013	As of December 31 2012	As of January 1 2012
			NT$	NT$	NT$
Mega International Commercial Bank (The management bank of co-financing loans)	NT$5 billion and US$0.15 billion	2010.10.29~2015.10.29 Repayables in 6 semi-annually installments starting from April 2014	6,318,833	9,363,500	9,548,750
Mega International Commercial Bank (The management bank of co-financing loans)	NT$3.257 billion and US$0.25 billion	2012.8.10~2017.8.10 Repayables in 6 semi-annually installments starting from February 2015	10,720,750	5,863,500	-
China Development Financial Holding Corporation	Loan amount for medium-term revolving fund	2013.12.31~2016.12.31 Extendible when due	1,500,000	-	-
Less:					
Amortization of arrangement fee of long-term co-financing loans			(29,830)	(40,209)	(16,415)
Current portion			(3,154,196)	(3,148,610)	-
			15,355,557	12,038,181	9,532,335
Available credit line			6,350,000	4,666,000	-
Interest rate			0.8964%~1.7548%	0.9120%~1.6295%	0.8911%~1.6552%

(1) In order to fulfill the requirements of operational and capital expenditures, the Company has entered into co-financing-loan agreements with eleven financial institutions, including Mega International Commercial Bank in October 2010 and August 2012, respectively. All long-term loans are with credit periods of five years and under floating interest rate.

(2) Pursuant to the loan agreement, the Company should maintain, on a semi-annual and annual basis, certain financial covenants, such as current ratio, debt ratio as well as the ratio of interest coverage. For the year ended December 31, 2013, the Company has been in compliance with all of the loan covenants.

(10)Other Payables

	As of December 31 2013	As of December 31 2012	As of January 1 2012
	NT$	NT$	NT$
Payables for equipment	3,105,262	2,557,830	2,100,222
Payables for employees' compensations	2,768,921	1,582,436	2,025,966
Others	3,340,044	2,601,110	2,237,463
	9,214,227	6,741,376	6,363,651

(11)Post-employment Benefit

A. In accordance with the Labor Standards Act, the Company has a funded defined benefit pension plan covering all eligible employees prior to the enforcement of the Labor Pension Act (“the Act”), effective on July 1, 2005, and employees choosing to continue to be subject to the pension mechanism under the Labor Standards Law after the enforcement of the Act. Pension benefits are generally based on service years and six-month average wages and salaries before retirement of the employee. Two units are earned per year for the first 15 years of service and one unit is earned for each additional year of service with a maximum of 45 units. Under the funding policy of the plan, the Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the pension fund, which is the custodian for labor pension, deposited with the Bank of Taiwan.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

B. Liabilities recognized for defined benefit obligations are as follows:

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Present value of defined benefit obligations	2,188,740	2,276,769	2,234,825
Fair value of plan assets	(1,204,615)	(1,188,218)	(1,159,263)
Deficit of funded plans	984,125	1,088,551	1,075,562
Present value of unfunded obligations	(11,112)	(12,162)	(13,212)
Liability in the balance sheet	**973,013**	**1,076,389**	**1,062,350**

C. Changes in the present value of the defined benefit obligations for the years ended December 31, 2013 and 2012 are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Defined benefit obligation at the beginning of the year	(2,276,769)	(2,234,825)
Service cost	(25,359)	(26,549)
Interest cost	(39,657)	(38,839)
Experience (gains)/losses	104,945	(8,093)
Contribution	48,100	31,537
Defined benefit obligation at the end of the year	(2,188,740)	(2,276,769)

D. Changes in fair value of plan assets for the years ended December 31, 2013 and 2012 are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Fair value of plan assets at the beginning of the year	1,188,218	1,159,263
Expected return of plan assets	24,030	23,364
Experience gains/(losses)	(8,904)	(12,063)
Contribution	49,371	49,191
Payments from plan	(48,100)	(31,537)
Fair value of plan assets at the end of the year	1,204,615	1,188,218

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

E. Expenses recognized in the statement of comprehensive income for the years ended December 31, 2012 and 2013 are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Current service cost	25,359	26,549
Interest cost	39,657	38,839
Expected return of plant assets	(24,030)	(23,364)
Amortization of past service cost	1,050	1,050
Current pension cost	42,036	43,074

F. Experience gains/ (losses) recognized in other comprehensive income are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Current experiencee gains/(losses)	(96,041)	20,156
Accumulated experience gains/(losses)	(75,885)	20,156

G. The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of December 31, 2013 and 2012 is given in the Annual Labor Retirement Fund Utilization Report published by the government.

Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilization by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

The actual return on plan assets for 2013 and 2012 are $15,126 and $11,301, respectively.

H. Principal actuarial assumptions for the reporting period are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Discount rate for defined benefit obligation	2.25%	1.75%
Long-term salary increase rate	2.00%	2.00%
Expected long-term average rate of return on plan	1.25%	2.00%

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

I. When the aforementioned discount rate and long-term salary increase rate vary from the management estimates for 0.25%, the impact on the carry amounts of defined benefit obligation is as follows:

	Impact on defined benefit obligation	
For the Year Ended December 31, 2013	0.25% increase in assumption	0.25% decrease in assumption
	NT$	NT$
Discount rate for defined benefit obligation	(77,372)	81,130
Long-term rate of compensation increase	81,150	(77,760)

	Impact on defined benefit obligation	
For the Year Ended December 31, 2013	0.25% increase in assumption	0.25% decrease in assumption
	NT$	NT$
Discount rate for defined benefit obligation	(86,010)	90,404
Long-term rate of compensation increase	89,971	(86,027)

J. Historical Experience (Gains)/ Losses are as follows

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Experience gains/(losses) on plan liabilities	61,290	(44,475)
Experience gains/(losses) on plan assets	8,904	12,063

K. As of December 31, 2013, the Company schedules to pay $50,358 as the contribution of pension plan within a year.

L. In accordance with the Labor Pension Act ("LPA"), effective July 1, 2005, the Company has a defined contribution pension plan covering employees (excluding foreign employees) who chose to be subject to the pension mechanism under this Act. The Company makes monthly contributions to the employees' individual pension accounts on a basis no less than 6% of each employee's monthly salary or wage. The principal and accrued dividends from an employee's personal pension account are claimed monthly or in full at one time. The Company recognized $496,050 and $433,840 net of pension costs following the defined contribution pension plan for the years ended December 31, 2013 and 2012.

M. SUI has established a 401(K) pension plan ("the Plan") covering substantially all employees. The Plan provides voluntary salary reduction contributions by eligible participants in accordance with Section 401(K) of the U.S. Internal Revenue Code, as well as discretionary matching contributions determined annually by its Board of Directors from SUI to its employees' individual pension accounts. Contributions made in accordance with the Plan amounted to $8,249 and $8,549 respectively, for the years ended December 31, 2013 and 2012, respectively.

N. Siliconware Technology（Suzhou）Limited contributes monthly an amount equal to certain percentage of employees' monthly salaries and wages according to the specific legal requirements in Suzhou to the Bureau of Social Insurance without bearing other obligations.

(12) Capital Stock

A. As of December 31, 2013, the authorized capital of the Company was $36,000,000 and the paid-in-capital was $31,163,611 with par value of $10 (in dollars) per share. The Company held 3,078,319 thousand outstanding shares as of January 1, 2013. The company's outstanding shares increased to 3,116,361 thousand as of December 31, 2013 due to the increase of treasure stocks distributed to employees, which is 38,042 thousand shares.

B. The Company issued $1,500,000 American Depositary Shares ("ADSs"), represented by 30,000,000 units of ADSs, in June 2000. Each ADS represents five shares of common stock of the Company with an offering price of US$ 8.49 (in dollars) per ADS. As of December 31, 2013, the outstanding ADSs amounted to 60,646,505 units. Major terms and conditions of the ADSs are summarized as follows:

(1) Voting Rights:

ADS holders will have no rights to vote directly in stockholders' meetings with respect to the Deposited Shares. The Depositary shall provide voting instruction to the Chairman of the Company and vote on behalf of the Deposited shares evidenced by ADSs. If the Depositary receives voting instructions from holders of at least 51% of the outstanding ADSs to vote in the same direction on a resolution, the Depositary will vote in the manner as instructed.

(2) Distribution of Dividends:

ADS holders are deemed to have the same rights as holders of common shares with respect to the distribution of dividends.

(13) Capital Reserve

A. Pursuant to the Company Law of the R.O.C., the capital reserve arising from paid-in capital in excess of par on the issuance of stocks, from merger, from the conversion of convertible bonds and from donation shall be exclusively used to cover accumulated deficits or transferred to capital proportionally either in issuing common stock or in returning cash. Other capital reserves shall be exclusively used to cover accumulated deficits. The amount of capital reserve used to increase capital is limited to 10% of the common stock each year when the Company has no accumulated deficits. The capital reserve can only be used to cover accumulated deficits when the legal reserve is insufficient to cover the deficits.

B. According to the Company Law of the R.O.C., captioned capital reserve is allowed to be transferred to share capital in the following year after the registration of capitalization is approved by the government authority.

C. As of June 14, 2013, the Company's Board of Directors resolved to distribute capital reserve of $923,496 as cash dividends, NTD 0.3 (in dollar) per share. It was also resolved that July 21 of the same year is the base of cash distribution.

(14) Retained Earnings

A. According to the Company's Articles of Incorporation, current year's earnings before tax, if any, shall be distributed in the following order:

(1) Pay all taxes and duties;
(2) Offset prior years' operating losses, if any;
(3) Set aside 10% of the remaining amount after deducting (1) and (2) as legal reserve;
(4) Set aside no more than 1% of the remaining amount after deducting items (1), (2), and (3) as directors' and supervisors' remunerations.
(5) After items (1), (2), (3), and (4) were deducted, 10% of the remaining amount may be allocated as employee bonus and 90% as stockholders' dividend. Dividends may be distributed by way of cash dividend and stock dividend. However, distribution shall be made preferably by way of cash dividend and the amount is subject to the resolution adopted by the Board of Directors and approved at the Stockholders' Meeting.

B. Legal reserve can only be used to offset deficits or increase capital in issuing common stock or in distributing cash. The amount of legal reserve that may be used to increase capital shall be limited to the portion of the reserve balance exceeding 25% of the capital stock.

C. In accordance with the R.O.C. Securities and Future Bureau (SFB) regulation, in addition to legal reserve, the Company should set aside a special reserve in an amount equal to the net change in the reduction of prior year's stockholders' equity, resulting from adjustments. Such special reserve is not available for dividend distribution. In the subsequent year(s), if the year-end balances no longer had a net reduction in the stockholders' equity, the special reserve previously set aside will then be available for distribution.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

D. The Taiwan imputation tax system requires that any undistributed current earnings of a company derived on or after January 1, 1998 to be subject to an additional 10% corporate income tax if the earnings are not distributed in the following year. As of December 31, 2013, December 31, 2012, and January 1, 2012, the undistributed earnings derived on or after the implementation of the imputation tax system were $5,965,224, $5,017,089, and $4,298,861, respectively.

E. As of December 31, 2013, December 31, 2012, and January 1, 2012, the balances of stockholders' imputation tax credit account of the Company were $25,150, $24,092, and $24,461, respectively. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings distributed in 2012 was 9.55%. The rate of stockholders' imputation tax credit to undistributed earnings for the earnings to be distributed in the following year is expecting to be approximately 11.88%.

F. However, the rate is subject to changes based on the balance of stockholders' imputation tax credit account, the undistributed earnings, and other tax credit amount in accordance with the R.O.C. tax law at the dividend allocation date.

G. The distributions of 2012, and 2011 dividends had been resolved at the stockholders' meeting on June 14, 2013 and June 19, 2012, respectively. Details are summarized below:

	For the Years Ended December 31,			
	2012		2011	
	Amount	Dividends per share (in NT dollars)	Amount	Dividends per share (in NT dollars)
Legal reserve	561,961		483,724	
Special reserve	244,604		-	
Cash dividends	4,217,297	1.37	4,371,214	1.42

At the stockholders' meetings on June 14, 2013, the Company's stockholders also resolved to distribute $468,589 as employees' cash bonuses and $48,130 as directors' and supervisors' remunerations, respectively. The aforementioned distributed amount is the same as the estimated amount accrued in 2012. It was resolved in the board meeting that July 21 of the same year is the ex-dividend date. Any information in relation to the Company's shareholders' resolution on earnings distribution will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

H. On March 20, 2014, the Company's Board of Directors proposed the following earnings distribution for 2013:

	Earnings distribution
Legal reserve	$ 589,228
Special reserve	(244,604)
Cash dividends (NT$1.8 in dollar per share)	5,609,450
	$ 5,954,074

On March 20, 2014, the Company's Board of Directors also proposed to distribute employees' bonuses of $623,272 and directors' and supervisors' remuneration of $55,477, all paid in cash. The aforementioned earnings distribution resolution hasn't been passed by the shareholder resolution. Any information in relation to the Company's Board of Directors' proposals and shareholders' resolution on earnings distribution will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchanges.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

I. Since the 2014 shareholders' meeting has yet been held, there's uncertainty about the earnings distribution. This is to say, the potential tax influence of the additional 10% tax on undistributed earnings cannot be reasonably estimated yet.

J. According to the Articles of Incorporation of the Company, for the years ended December 31, 2013 and 2012, the Company accrued $623,272 and $468,589 as employees' bonuses and $55,477 and $48,130 as directors' and supervisors' remuneration, respectively.

(15) Other Comprehensive Income, net of tax

	Unrealized Gain on Valuation of Available-for-sale Financial Assets	Exchange Difference on Translation of Foreign Financial Statements
	NT$	NT$
As of January 1, 2013	**355,079**	**(256,315)**
Changes in fair value		
of financial instruments		
- pretax	692,602	-
- tax	(98,132)	-
Differences in translation		
- equity method investments (pretax)	-	426,113
- equity method investments (tax)	-	(2,480)
As of December 31, 2013	**949,549**	**167,318**
As of January 1, 2012	**305,655**	**-**
Changes in fair value		
of financial instruments		
- pretax	297,906	-
- tax	(87,137)	-
Recognition of changes in fair value of		
financial instruments as profit or loss		
- pretax	(194,392)	-
- tax	33,047	-
Differences in translation		
- equity method investments (pretax)	-	(260,136)
- equity method investments (tax)	-	3,821
As of December 31, 2012	355,079	(256,315)

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

(16)Treasury Stock

A. Movement of treasury stock:

	For the Year Ended December 31, 2013			
Purpose	Balance as of January 1, 2013 (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Balance as of December 31, 2013 (thousand shares)
To transfer to employees	38,042	-	(38,042)	-

	For the Year Ended December 31, 2012			
Purpose	Balance as of January 1, 2012 (thousand shares)	Increase during the period (thousand shares)	Decrease during the period (thousand shares)	Balance as of December 31, 2012 (thousand shares)
To transfer to employees	38,042	-	-	38,042

The book value of treasury stock is $25.35 (in dollars) per share. As of December 31, 2013, the Company has transferred all the treasury stocks to employees and realized immediately on the date of transfer.

B. Pursuant to the Security Exchange Act, the treasury stocks held by the Company cannot be pledged as collateral, nor be entitled to voting rights or receiving dividends.

C. The Company recognized compensation cost of transferring treasury stocks at the fair value of the shares transferred at the grant date of $232,056 in 2013.

(17)Expenses by Nature

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Employee benefit expenses		
Wages and salaries	12,840,941	11,231,572
Post employment benefits	546,335	485,463
Others	1,812,624	1,747,776
	15,199,900	13,464,811
Raw material and consumables used	24,759,414	25,987,750
Depreciation and amortization expenses	11,033,739	10,100,373
Other expenses	10,426,839	8,712,215
	61,419,892	58,265,149

(18)Other Income

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Interest income	102,416	117,670
Others	168,196	209,216
	270,612	326,886

(19)Other Gains or Losses

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Foreign exchange gain - net	436,826	236,722
Gain on disposal of property, plant and equipments	96,536	90,466
Gain on disposal of equity investments	1,363	212,682
Impairment loss on property, plant and equipments	(111,715)	(192,115)
Impairment loss of associates accounted for using equity method	-	(94,409)
Others	(91,866)	(102,934)
	331,144	150,412

(20)Income Tax

A. Income taxes recognized in profit or loss for the years ended December 31, 2013 and December 31, 2012 are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Current income tax expense		
Recognition for the current period	1,153,379	619,370
Income tax adjustments to prior years	6,298	22,886
	1,159,677	642,256
Deferred income tax expense		
Temporary differences	(98,331)	113,035
Income tax credits	442,730	426,800
	344,399	539,835
Additional 10% tax on undistributed earnings	59,574	-
Income tax expense recognized in profit or loss	1,563,650	1,182,091

B. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Income tax expense calculated at the statutory tax rate	1,698,533	1,271,394
Tax exempt income and other permanent differences	(307,476)	(301,146)
Investment tax credits	6,338	46,605
Changes in allowance for deferred income tax assets	100,383	142,347
Additional 10% tax on undistributed earnings	59,574	-
Adjustment: over provision from prior years	6,298	22,891
Income tax expense recognized in profit or loss	1,563,650	1,182,091

The permanent differences for the years ended December 31, 2012 and 2013 are mainly attributed to the five-year exemptions permitted by Taiwan tax regulation and the tax exemption on domestic investments accounted for using the equity method.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

C. Income taxes recognized in other comprehensive income for the years ended December 31, 2012 and December 31, 2013 are as follows:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Unrealized gain on valuation of available-for-sale financial assets	(98,132)	(54,090)
Exchange difference on translation of foreign financial statements	(2,480)	3,821
Actuarial Gain or Loss	(16,327)	-
	(116,939)	(50,269)

D. Deferred tax assets and deferred tax liabilities derived from temporary differences and investment tax credits for the years ended December 31, 2013 and 2012 are analyzed below:

	2013			
	January 1	Profit or Loss	Other Comprehensive Income	December 31
	NT$	NT$	NT$	NT$
Deferred tax assets				
Investment tax credit	769,632	(442,730)	-	326,902
Temporary differences				
Unrealized sales allowance	23,601	(5,773)	-	17,828
Actuarial gain (loss) on defined benefit plan	168,698	-	(16,327)	152,371
Unrealize foreign curreycy exchange (gain)/loss	183,333	13,517	(98,132)	98,718
Accumulated translation adjustments	3,821	-	(2,480)	1,341
Others	113,261	117,822	-	231,083
	1,262,346	(317,164)	(116,939)	828,243
Deferred tax liabilities				
Temporary differences				
Unrealize foreign curreycy exchange (gain)/loss	(59,299)	36,993	-	(22,306)
Depreciation expense of fixed assets	(16,883)	(12,267)	-	(29,150)
Others	-	(51,961)	-	(51,961)
	(76,182)	(27,235)	-	(103,417)
Net deferred tax assets - noncurrent	1,186,164	(344,399)	(116,939)	724,826

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	2012			
	January 1	Profit or Loss	Other Comprehensive Income	December 31
	NT$	NT$	NT$	NT$
Deferred tax assets				
Investment tax credit	1,196,432	(426,800)	-	769,632
Temporary differences				
Unrealized sales allowance	25,846	(2,245)	-	23,601
Actuarial gain (loss) on defined benefit plan	165,271	3,427	-	168,698
Unrealize foreign curreycy exchange (gain)/loss	312,919	(75,496)	(54,090)	183,333
Accumulated translation adjustments	-	-	3,821	3,821
Others	84,564	28,697	-	113,261
	1,785,032	(472,417)	(50,269)	1,262,346
Deferred tax liabilities				
Temporary differences				
Unrealize foreign curreycy exchange (gain)/loss	6,946	(66,245)	-	(59,299)
Depreciation expense of fixed assets	(15,711)	(1,172)	-	(16,883)
	(8,765)	(67,417)	-	(76,182)
Net deferred tax assets - noncurrent	1,776,267	(539,834)	(50,269)	1,186,164

E. The Company is subject to income tax credits under the Statute for Upgrading Industries before it expired. Details are as follows:

	As of December 31, 2013		
	Deductible amount	Unused amount	Expiration years
	NT$	NT$	
Acquisition cost of qualifying machinery and equipment	524,793	326,902	2014~2015
Qualifying research and development expenditure	238,501	-	
	763,294	326,902	

	As of December 31, 2012		
	Deductible amount	Unused amount	Expiration years
	NT$	NT$	
Acquisition cost of qualifying machinery and equipment	967,137	531,131	2013~2015
Qualifying research and development expenditure	255,923	238,501	2013
	1,223,060	769,632	

	As of January 1, 2012		
	Deductible amount	Unused amount	Expiration years
	NT$	NT$	
Acquisition cost of qualifying machinery and equipment	967,962	890,755	2012~2015
Qualifying research and development expenditure	556,392	305,677	2013
	1,524,354	1,196,432	

F. Unrecognized deferred tax assets and deferred tax liabilities are as follows:

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Deferred tax assets			
Investment tax credit	315,968	215,585	73,238
Impairment loss for financial assets	-	1,861	1,861
	315,968	217,446	75,099

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Deferred tax liabilities			
Investment in foreign subsidiaries	740,581	410,160	271,729

G. The Company has met the requirement of “Incentives for Emerging Important Strategic Industries in Manufacturing and Technology Services” for its capitalization plans in 2005 and 2006 and is exempted from income tax for revenues arising from the assembly and testing of certain integrated circuit products for a five-year period from 2008, respectively. The five-year income tax exemptions will expire in December 2012 and May 2013, respectively. Also, the Industrial Development Bureau of Ministry of Economic Affairs has issued permission for the five-year income tax exemption of the Company’s 2007 registered capitalization plan in 2008. The Company acquired the work completion certificate from Taichung City Government Economic Development Bureau in 2013, but it is not applied yet.

H. According to the amended Enterprise Income Tax Law of the Peoples Republic of China, effective January 1, 2008, entities like Siliconware Technology (Suzhou) Limited who were eligible for tax incentives for lower income tax rate are required to move up the tax rate to 25% during a five year transition period. The annual tax rates are gradually adjusted from 2008 to 2012 at 18%, 20%, 22%, 24% and 25%, respectively. From January 1, 2008, two-year tax exemption and subsequent three-year 50% reduction of applicable tax rate are effective.

I. The income tax returns of the Company have been assessed and approved by the Tax Authority through 2011.

(21) Earnings Per Share

	For the year ended December 31, 2013		
	Income after tax	Weighted average outstanding common stock	Earnings per share (in dollars)
	NT$	(in thousands)	NT$
Basic earnings per share			
Net income	5,892,283	3,098,226	1.90
Dilutive effect of employee bonuses	-	18,392	
Diluted earnings per share	5,892,283	3,116,618	1.89

	For the year ended December 31, 2012		
	Income after tax	Weighted average outstanding common stock	Earnings per share (in dollars)
	NT$	(in thousands)	NT$
Basic earnings per share			
Net income	5,593,322	3,078,319	1.82
Dilutive effect of employee bonuses	-	15,922	
Diluted earnings per share	5,593,322	3,094,241	1.81

(22) Non-Cash Transactions

The investment activities partially paid by cash:

	For the years ended December 31,	
	2013	2012
Purchasing fixed assets	15,516,512	15,764,762
Increase/ (Decrease) in prepayment for equipment	(1,158)	6,815
Increase/ (Decrease) in equipment payable, net	(547,432)	(457,608)
Current cash payment	10,764	(171,677)
	14,978,686	15,142,292

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

7. Related Party Transactions

The intercompany transactions between the Company and its subsidiaries have been eliminated during preparation of the consolidated financial report, thus they are not disclosed in this note. The detailed transactions between the Company and related parties are disclosed below:

(1) Sales

	For the years ended December 31,			
	2013		2012	
	Amount	% of net sale	Amount	% of net sale
	NT$		NT$	
Associates	40,527	-	43,811	-

The sales price and payment terms provided to related parties were generally comparable to those provided to non-related parties.

(2) Accounts Receivables

	As of December 31, 2013		As of December 31, 2012		As of January 1, 2012	
	Amount	% of account receivables	Amount	% of account receivables	Amount	% of account receivables
	NT$		NT$		NT$	
Associates	5,803	-	6,228	-	9,860	

(3) Key Management Compensation

Key management includes directors, supervisors, president, and vice presidents. Their compensation is shown as below:

	For the Years Ended December 31,	
	2013	2012
	NT$	NT$
Salaries and other short-term employee benefits	76,120	74,397
Bonus	48,833	55,813
Expenses for services rendered	3,092	2,399
Earnings distribution	83,796	73,658
Post-employment benefits	2,439	2,066
Share-based compensations	20,161	-
	234,441	208,333

8. Assets Pledged as Collateral

The following assets have been pledged as collateral against certain obligations of the Company:

Assets	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012	Subject of collateral
	NT$	NT$	NT$	
Time deposits (shown as other financial assets, current)	336,700	336,700	336,700	Guarantees for custom duties and leasing lands from Hsinchu Science Park Administration

9. Commitments and Contingencies

(1) For the needs of future operations, the Company and its subsidiaries entered into several construction agreements amounting to $1,887,888, of which $180,882 remained unpaid as of December 31, 2013.

(2) The Company entered into several contracts with five foreign companies for the use of certain technologies and patents. The Company agreed to pay royalty fees according to the contracts. Contracts are valid through May 2014, December 2015, March 2018, May 2018, and until all patents included in the contracts expire or until both parties agree to terminate the contracts, respectively.

(3) The license breach and patents infringement lawsuit between the Company and its subsidiary, Siliconware USA, Inc., and Tessera has been settled as of April 30, 2013. As a result, the Company recognized settlement fee of USD 30,000 in the consolidated financial statements.

10. Significant Disaster Loss

None.

11. Significant Event After the Reporting Period

None.

12. Others

(1) Financial Risk Management

The Group’s activities expose it to a variety of financial risk: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquid risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

A. Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and the JPY. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Group implements the policy of natural hedging and follows the rate fluctuation closely to manage the risk. The Group’s exposure to foreign exchange risk is as follows:

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	As of December 31, 2013				
			Sensitivity analysis		
(Foreign currencies : Functional currencies)	Foreign Currencies	Exchange rate	Movement	Impact to profit and loss before tax	Impact to equities before income tax
	(in thousand)			NT$	NT$
Financial Assets					
Monetary assets					
United States Dollars : New Taiwan Dollars	607,757	29.755	5%	904,190	-
United States Dollars : Chinese Renminbi	8,743	6.0969	5%	2,665	-
Nonmonetary assets					
United States Dollars : New Taiwan Dollars	49,319	29.760	5%	-	73,387
Long-term investments under equity method					
United States Dollars : New Taiwan Dollars	18,030	29.810	5%	-	26,874
Financial Liabilities					
Monetary liabilities					
United States Dollars : New Taiwan Dollars	524,451	29.855	5%	782,874	-
United States Dollars : Chinese Renminbi	107,023	6.0969	5%	32,625	-
Japanese Yen : New Taiwan Dollars	2,881,461	0.2859	5%	41,190	-
Japanese Yen : Chinese Renminbi	152,263	0.0578	5%	440	-
Euro : New Taiwan Dollars	2,541	41.29	5%	5,246	-

	As of December 31, 2012				
			Sensitivity analysis		
(Foreign currencies : Functional currencies)	Foreign Currencies	Exchange rate	Movement	Impact to profit and loss before tax	Impact to equities before income tax
	(in thousand)			NT$	NT$
Financial Assets					
Monetary assets					
United States Dollars : New Taiwan Dollars	442,229	28.99	5%	641,011	-
United States Dollars : Chinese Renminbi	23,700	6.2855	5%	34,353	-
Nonmonetary assets					
United States Dollars : New Taiwan Dollars	30,717	28.99	5%	-	44,524
Long-term investments under equity method					
United States Dollars : New Taiwan Dollars	19,652	29.04	5%	-	28,535
Financial Liabilities					
Monetary liabilities					
United States Dollars : New Taiwan Dollars	411,744	29.09	5%	598,882	-
United States Dollars : Chinese Renminbi	107,393	6.2855	5%	156,204	-
Japanese Yen : New Taiwan Dollars	2,991,511	0.3384	5%	50,616	-
Japanese Yen : Chinese Renminbi	145,706	0.07305	5%	2,465	-
Euro : New Taiwan Dollars	1,525	38.69	5%	2,950	-

	As of January 1, 2012				
			Sensitivity analysis		
(Foreign currencies : Functional currencies)	Foreign Currencies	Exchange rate	Movement	Impact to profit and loss before tax	Impact to equities before income tax
	(in thousand)			NT$	NT$
Financial Assets					
Monetary assets					
United States Dollars : New Taiwan Dollars	342,240	30.225	5%	517,210	-
United States Dollars : Chinese Renminbi	12,522	6.3009	5%	18,923	-
Nonmonetary assets					
United States Dollars : New Taiwan Dollars	19,802	30.225	5%	-	29,925
Long-term investments under equity method					
United States Dollars : New Taiwan Dollars	3,656	30.275	5%	-	5,534
Financial Liabilities					
Monetary liabilities					
United States Dollars : New Taiwan Dollars	280,958	30.325	5%	426,003	-
United States Dollars : Chinese Renminbi	59,259	6.3009	5%	89,852	-
Japanese Yen : New Taiwan Dollars	2,799,317	0.3926	5%	54,951	-
Japanese Yen : Chinese Renminbi	35,909	0.08110	5%	705	-

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

(b) Price risk

Pursuant to the objective of strategic investments, the Group is exposed equity securities price risk in public market because of investments held by the Group and classified on the consolidated balance sheet as available-for-sale financial assets. To manage their market price risk, the Group keeps paying attention to the future development of the investees and the market trend. Most investees of the Group mainly belong to electronic industry

Unimicron Technology Co. and ChipMOS Technologies (Bermuda) Ltd. can be traded publicly in the market. Unimicron Technology Co. is listed in Taiwan Stock Exchange, and ChipMOS Technologies (Bermuda) Ltd. is listed in NASDAQ. To other equity investees, which are not traded in public market, the Group implements suitable techniques to perform the assessments. As of December 31, 2013, December 31, 2012, and January 1, 2012, if the market price had increased/decreased by 10% with all other variables held constant, other comprehensive income would have increased/decreased $279,527, $298,253, and $311,748.

(c) Interest rate risk

The Group's interest rate risk arises from cash, cash equivalent, and borrowings. Mostly, residual cash will be held as deposit. As of December 31, 2013, December 31, 2012, and January 1, 2012, the Group withheld financial assets with cash flow interest rate risk of $132,531, $162,257, and $3,737,200, and financial liabilities with cash flow interest rate risk of $18,539,583, $15,227,000, and $9,548,750. If the interest rate had been increased/decreased 10 points, income before income tax for the period would have been $18,407, $15,065, and $5,812 higher/lower.

B. Credit risk

The Group's credit risk mainly arises from cash and cash equivalents (deposits with banks or financial institutions), accounts and notes receivable, and refundable deposits.

(a) For risks from banks and financial institutions, the Group periodically assesses banks' and institutions' credit with information provided by external independent rating institutes. Furthermore, to minimize the credit risk, the Group allocates deposits in accordance with each bank's rating, from high to low. After the assessment, most of our correspondent banks and financial institutions are with minimum rating of "A", which represents low possibility of occurrence of credit default.

(b) For risks from accounts and notes receivable, the Group assesses customers' credit quality through internal risk assessment, taking into account their current financial conditions and past experiences. After the assessment, the Group does not expect any losses from non-performance by these counterparties.

(c) Aging analysis of accounts receivable is as follows:.

	As of December 31, 2013		
	Book value	Impaired	Unimpaired
	NT$	NT$	NT$
1~90 days	1,518,563	1,654	1,516,909
91~180 days	218,802	41	218,761
Over 180 days	4,830	844	3,986
	1,742,195	2,539	1,739,656

	As of December 31, 2012		
	Book value	Impaired	Unimpaired
	NT$	NT$	NT$
1~90 days	1,258,472	-	1,258,472
91~180 days	50,490	-	50,490
Over 180 days	38,907	845	38,062
	1,347,869	845	1,347,024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	As of January 1, 2012		
	Book value	Impaired	Unimpaired
	NT$	NT$	NT$
1~90 days	1,075,010	180	1,074,830
91~180 days	21,687	-	21,687
Over 180 days	21,757	18,121	3,636
	1,118,454	18,301	1,100,153

Note: As of January 1, 2012, December 31, 2012, and December 31, 2013, The Group accrued impairment loss of $10,417, $0, and $0 for accounts receivables that are not past due but impaired, respectively.

(d) As of December 31, 2013, December 31, 2012 and January 1, 2012, The Group's ten largest customers accounted for 64%, 62% and 55% of accounts receivables, respectively. The Group considers the concentration of credit risk is immaterial for the remaining accounts receivable.

C. Liquidity risk

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business needs, and to maintain adequate cash, banking facilities, and the ability to reimburse the borrowings. By considering its debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets, and other important factors, the financial department of the Company monitors the Group's cash requirements and forecasts its future cash flow.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	As of December 31, 2013				
	Less than 1 year	1~2 years	2~3 years	over 3 years	Total
	NT$	NT$	NT$	NT$	NT$
Short-term Loans	2,552,039	-	-	-	2,552,039
Accounts Payable	6,542,050	-	-	-	6,542,050
Other Payable	9,214,227	-	-	-	9,214,227
Other Current Liabilities－Others	91,343	-		-	91,343
Long-term Loans (include the current portion)	3,426,661	6,924,863	3,681,944	5,099,306	19,132,774
Other Non-Current Liabilities	-	107,478	107,478	162,371	377,327
	21,826,320	7,032,341	3,789,422	5,261,677	37,909,760

	As of December 31, 2012				
	Less than 1 year	1~2 years	2~3 years	over 3 years	Total
	NT$	NT$	NT$	NT$	NT$
Short-term Loans	2,490,160	-	-	-	2,490,160
Accounts Payable	5,847,980	-	-	-	5,847,980
Other Payable	6,741,376	-	-	-	6,741,376
Other Current Liabilities－Others	90,898	-		-	90,898
Long-term Loans (include the current portion)	3,321,543	3,284,209	5,157,679	3,954,647	15,718,078
	18,491,957	3,284,209	5,157,679	3,954,647	30,888,492

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

	As of January 1, 2012				
	Less than 1 year	1~2 years	2~3 years	over 3 years	Total
	NT$	NT$	NT$	NT$	NT$
Short-term Loans	1,531,223	-	-	-	1,531,223
Accounts Payable	6,404,096	-	-	-	6,404,096
Other Payable	6,363,651	-	-	-	6,363,651
Other Current Liabilities－Others	76,909	-		-	76,909
Long-term Loans	147,384	3,309,763	3,261,681	3,212,310	9,931,138
	14,523,263	3,309,763	3,261,681	3,212,310	24,307,017

(2) Capital Risk Management

The capital includes common share, paid-in capital, legal reserve, and other comprehensive income. The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure by using adequate manner, the Group keeps reviewing change of internal capital structure and other competitors’ ratios. The Group monitors the capital on the basis of external limits, including Current ratio, Liability to Equity ratio, and Interest Protection Multiples (earnings before interest, taxes, depreciation, and amortization), as follows:

A. Current ratio: Current assets divide by current liabilities
B. Liability to Equity ratio: Total liabilities plus externally guaranteed amounts divide by shareholders’ equities
C. Interest Protection Multiples: Earnings before income taxes plus interest expenses plus depreciation and amortization expenses divide by interest expenses

The strategy to manage the capital remained unchanged during the period. The details are to keep the current ratio at no less than 100%, Liability to Equity ratio no more than 100%, and Interest Protection Multiples no less than 4 times. For the year ended December 31, 2013 and December 31, 2012, no violation occurred, and the financial ratios are as follows:

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Current assets	37,825,131	33,445,607	31,344,178
Current liabilities	22,530,164	19,224,723	15,043,635
Current ratio	168%	174%	208%

	As of December 31, 2013	As of December 31, 2012	As of January 1, 2012
	NT$	NT$	NT$
Total liabilities	39,339,635	32,415,339	25,654,755
Total shareholders' equity	62,469,936	59,432,111	58,419,558
Liability to Equity ratio	63%	55%	44%

	2013	2012
	NT$	NT$
Earnings before income taxes	7,455,933	6,775,413
Interest expenses	270,108	196,640
Depreciation and amortization	11,033,739	10,100,373
Interest Protection Multiples	69	87

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

(3) Fair Value Information

A. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

B. The Group's financial instruments measured at fair value are as follows:

	As of December 31, 2013		
	Level 1	Level 2	Level 3
	NT$	NT$	NT$
Available-for-sale financial assets	3,013,678	3,073,375	-

	As of December 31, 2012		
	Level 1	Level 2	Level 3
	NT$	NT$	NT$
Available-for-sale financial assets	3,110,801	2,283,650	-

	As of January 1, 2012		
	Level 1	Level 2	Level 3
	NT$	NT$	NT$
Available-for-sale financial assets	3,198,180	2,118,965	-

For financial instruments with fair value not traded in active markets, the Group uses valuation techniques, which maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. The valuation technique currently used is the market approach. The valuation is based on the benchmark companies' stock price and other specific indexes. If the investees are investment companies, the Group uses their net equities as fair value; otherwise, the Group uses their valuation techniques as fair value.

13. Special Disclosure Items

(1) Significant Transaction Information

A. Loans to third parties attributed to financial activities: None.

B. Endorsement and guarantee provided to third parties: None.

C. The ending balances of securities are summarized as follows:

Investor	Type of securities	Name of securities	The relationship of the issuers with the Company	General ledger accounts	For the year ended December 31, 2013 Numbers of shares (in thousands)	Book value	Percentage of ownership	value per share (in dollars)	Notes
Siliconware Precision Industries Co., Ltd.	Stock	Unimicron Technology Corporation	—	Available-for-sale financial assets—noncurrent	76,502	1,728,947	4.97%	22.60	6
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies (Bermuda) Ltd.	—	Available-for-sale financial assets—noncurrent	2,244	1,284,731	7.06%	572.58	3 and 5
Siliconware Precision Industries Co., Ltd.	Stock	ChipMOS Technologies Inc.	—	Available-for-sale financial assets—noncurrent	133,000	2,500,400	15.78%	18.80	4
Siliconware Precision Industries Co., Ltd.	Stock	Hsieh Yong Capital Co., Ltd.	—	Available-for-sale financial assets—noncurrent	57,810	389,986	7.58%	6.75	2
Siliconware Precision Industries Co., Ltd.	Stock	Mega Mission Limited Partnership	—	Available-for-sale financial assets—noncurrent	(Note 1)	182,989	4.00%	-	2 and 5

Note 1: The contributed capital was US$6,000.

Note 2: The market value is not available; therefore, the net equity per share as of December 31, 2013 was used.

Note 3: The closing price of US$ 19.24 (in dollars) per share on December 31, 2013 was used. (Exchange rate at US$1:NT$29.76)

Note 4: The market value is not available; therefore, the Company refer to the same trade's information as well as appropriate evaluation model to evaluate the fair value

Note 5: All the relevant numbers used in this table that involve foreign currencies are translated to New Taiwan Dollars using the exchange rates at the balance sheet date

Note 6: The market prices in publicly traded stocks as of December 31, 2013

D. Securities for which total buying or selling exceeds the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2013: None

E. Acquisition of real estate with an amount exceeding the lower of NT$300,000 or 20 percent of the capital stock:

For the year ended December 31, 2013: None.

F. Disposal of real estate with an amount exceeding the lower of NT$300,000 or 20 percent of the capital stock:

For the year ended December 31, 2013: None.

G. Related party transactions with purchases and sales amounts exceeding the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2013

			Description of the transaction				Description of and		Notes or accounts receivable/		
Purchases/ sales company	Name of the counterparty	Relationship with the counterparty	Purchases/ (sales)	Amount (note 2)	Percentage of net purchases/ (sales)	Credit terms	Unit price	Credit terms	Accounts payable amount (note 2)	Percentage of notes or accounts receivable/ payable	Note
Siliconware Precision Industries Co., Ltd.	Siliconware Technology (Suzhou) Limited	Indirect subsidiary of the Company	Net of purchases	$ 128,087	0.50%	Note 1	—	—	($ 114,187)	1.75%	—

Note 1: The purchase prices and payment terms provided by Siliconware Technology (Suzhou) Limited were determined in accordance with mutual agreement due to no comparable transactions.

Note 2: Eliminated under consolidation.

H. Receivables from related parties exceeding the lower of NT$100,000 or 20 percent of the capital stock:

For the year ended December 31, 2013: None.

I. Transaction of derivative financial instruments:

For the year ended December 31, 2013: None.

J. Others: the business relationships and the significant transactions as well as amounts between the parent company and the subsidiaries:

For the year ended December 31, 2013:

				Transaction			
No.	Company name	Counterparty	Relationship	ledger Account	Amount (Note 2)	Transaction terms	Percentage of consolidated revenues or total assets
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Commision	$393,381	As specified in contract	0.57%
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Accrued expense	41,370	Comparable to those provided by non-related parties	0.04%
0	Siliconware Precision Industries Co., Ltd.	Siliconware Technology (Suzhou) Limited	Indirect owned subsidiary	Purchases	128,087	(Note 1)	0.18%
0	Siliconware Precision Industries Co., Ltd.	Siliconware Technology (Suzhou) Limited	Indirect owned subsidiary	Accounts payable	114,187	Comparable to those provided by non-related parties	0.11%

For the year ended December 31, 2012:

				Transaction			
No.	Company name	Counterparty	Relationship	ledger Account	Amount (Note 2)	Transaction terms	Percentage of consolidated revenues or total assets
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Commision	$362,212	As specified in contract	0.56%
0	Siliconware Precision Industries Co., Ltd.	Siliconware USA, Inc.	Indirect owned subsidiary	Accrued expense	42,896	Comparable to those provided by non-related parties	0.05%

Note 1: The purchase prices and payment terms provided by Siliconware Technology (Suzhou) Limited were determined in accordance with mutual agreement

Note 2: Eliminated under consolidation.

(2) Related Information on Investee Companies

For the year ended December 31, 2013

				Original investments		The Company / majority owned subsidiary owns			Current period		
Investor	Name of Investee	Location	Main activities	Current period ending balance	Prior period ending balance	Shares (in thousands)	Ownership percentage	Book value	Net income (loss) of investee	Income (loss) recognized by the Company	Note
Siliconware Precision Industries Co., Ltd.	SPIL (B.V.I.) Holding Limited	British Virgin Islands	Investment activities	$ 3,827,604	$3,827,604	128,400	100.00%	$8,554,846	$1,532,129	$ 1,532,129	1,5, and 6
Siliconware Precision Industries Co., Ltd.	Vertical Circuits, Inc.	Scott Valley, CA, USA	Assembly service providing	149,050	149,050	15,710	30.68%	-	-	-	3 and 5
Siliconware Precision Industries Co., Ltd.	AcSiP Technology Corp.	Taoyuan, Taiwan	Researching, designing, and selling RF modules	29,900	45,500	2,367	11.99%	78,509	15,000	(5,866)	3,4, and 7
Siliconware Precision Industries Co., Ltd.	Microcircuit Technology (S) Pte. Ltd.	Singapore	Designing, manufacturing, and selling substrates.	642,607	611,105	24,039	42.27%	537,489	(189,455)	(79,512)	3,4, and 5
SPIL (B.V.I.) Holding Limited	Siliconware USA, Inc.	San Jose, CA, USA	Communications and relationship maintenance with companies headquartered in North America	37,263	37,263	1,250	100.00%	163,943	8,276	8,276	2, 5, and 6
SPIL (B.V.I.) Holding Limited	SPIL (Cayman) Holding Limited	Cayman Islands, British West India	Investment activities	3,881,262	3,881,262	130,200	100.00%	8,429,759	1,524,290	1,524,290	2,5, and 6

Note 1: The Company’s 100% owned subsidiary.
Note 2: The Company’s indirect subsidiary.
Note 3: The Company’s associates and joint venture accounted for under the equity method.
Note 4: The current recognized investment income (loss) had excluded the amounts of unrealized intercompany profit or (loss) on disposal of assets and sales.
Note 5: The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation to New Taiwan Dollar.
Note 6: Eliminated under consolidation.
Note 7: The closing price of the Taiwan Emerging Stock Market as of December 31, 2013 is $33.31.

(3) Information of investment in Mainland China:

A. Information of investment in Mainland China: (The amount in USD is presented in thousands.)

Name of investee in Mainland China	Main activities of investee	Capital	Investment method	Accumulated remittance as of January 1, 2012	Remitted or (collected) this period	Accumulated remittance as of December 31,	Ownership held by the Company (Direct and	Current period income (loss) of the investee
Siliconware Technology (Suzhou) Limited	Assembly and testing service providing	$ 3,875,300 (USD 130,000) (Note 3)	(Note 1)	$ 3,875,300 (USD 130,000) (Note 3)	$ -	$ 3,875,300 (USD 130,000) (Note 3)	100%	$1,522,964

Investment income (loss) recognized by the Company during the	Ending balance of investment	The investment income (loss) remitted back as of December 31, 2012	Accumulated remittance from Taiwan to Mainland	The investment balance approved by Investment Commissions, Ministry of	The ceiling of investment in Mainland China according to Investment Commissions, Ministry of Economic
$1,524,377 (Note 2, 3, 4, and 5)	$8,429,384 (Note 3 and 5)	$ -	$ 3,875,300 (USD 130,000)	$ 3,875,300 (USD 130,000)	(Note 6)

Note 1: The Company set up a subsidiary in the third country to invest in Mainland China.
Note 2: The investment income (loss) was recorded based on the Company's audited financial statements.
Note 3: The foreign currency exchange rates prevailing at the balance sheet date were used for the currency translation.
Note 4: The current recognized investment income (loss) had excluded the amounts of unrealized intercompany profit or (loss) on disposal of assets and sales.
Note 5: Eliminated under consolidation.
Note 6: Based on the Rule No. 09704604680, Regulations Governing Security Investment and Technical Cooperation in the Mainland Area” set by Ministry of Economic Affairs, the Company received documents from the Industrial Development Bureau of Ministry of Economic Affairs which proved that the Company’s operation is qualified for operations of operating headquarters. Therefore, the Company is not required to impute the ceiling of investment in Mainland China.

B. Material transactions occurred directly or indirectly between the Company and its Mainland China investee companies via enterprises in other areas:

(a) Property transactions between the parent company and the subsidiary for the years ended December 31, 2013 and 2012:

	For the year ended December 31, 2013						
	Name of the property	Sales amount	Book value	Gain on disposal of property, plant and equipment	Other receivables	Purchase amount	Other payables
Siliconware Technology (Suzhou) Limited	Equipment	$ 61,857	$ 32,474	$ 29,384	$ 5,488	$ 11,187	$ 7,52

	For the year ended December 31, 2012						
	Name of the property	Sales amount	Book value	Gain on disposal of property, plant and equipment	Other receivables	Purchase amount	Other payables
Siliconware Technology (Suzhou) Limited	Equipment	$ 19,700	$ 8,599	$ 11,101	$ 6,544	$ 54,032	$ 49,68

(b) Operating revenues and accounts receivable transactions for the years ended December 31, 2013 and 2012:

	For the year ended December 31			
	2013		2012	
	Operating revenues	Accounts receivable	Operating revenues	Accounts receivable
Siliconware Technology (Suzhou) Limited	$ 66,542	$ 303	$ 11,850	$ 905

(c) Purchases and accounts payable transactions for the years ended December 31, 2013 and 2012:

	For the year ended December 31			
	2013		2012	
	Purchases	Accounts	Purchases	Accounts
Siliconware Technology (Suzhou) Limited	$ 128,087	$ 114,187	$ 2,816	$ 313

(d) Other revenues and other receivables transactions for the years ended December 31, 2013 and 2012:

	For the year ended December 31			
	2013		2012	
	Other Revenues	Other	Other Revenues	Other
Siliconware Technology (Suzhou) Limited	$ 256,298	$ 55,962	$ 166,584	$ 59,212

The Company collected technology fee from the subsidiary in accordance with the contract.

(e) Transactions above were eliminated in consolidation.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

14. Segment Information

(1) General Information

The Group's chief operating decision maker assesses the performance and makes decision to allocate resources based on the different regulatory environments. All of our segments have identical economic characteristics and meet all criteria of aggregation. As a result, we disclose a single reporting segment by aggregating all our operating segments. Segment profit or loss, segment assets, and segment debts are unanimous with the financial reports. Please refer to consolidated balance sheet and the consolidated the statement of comprehensive income for detailed information.

(2) Breakdown of the Revenue From Different Products and Services:

	For the Years Ended December 31, 2013	2012
Packaging	$ 55,954,022	$ 53,167,849
Test and others	13,402,170	11,486,709
	$ 69,356,192	$ 64,654,558

(3) Operations in Different Geographic Areas:

	For the Years Ended December 31, 2013		2012	
	Revenues	Noncurrent Assets	Revenues	Noncurrent Assets
Taiwan	$ 15,182,913	$ 49,826,931	$ 13,752,354	$ 44,489,797
Asia, exclude Taiwan	14,992,412	6,624,974	11,860,230	6,665,906
North America	33,973,623	2,119	32,442,236	2,145
Others	5,207,244	537,489	6,599,738	570,691
	$ 69,356,192	$ 56,991,513	$ 64,654,558	$ 51,728,539

(4) Major Customers:

No major customer is identified as the party that accounts for more than 10 % of the Group's net revenues during the periods.

15. Disclosure for the implementation of International Financial Reporting Standards

(1) The Company used to prepared consolidated financial statements according to the R.O.C. General Accepted Accounting Principles (R.O.C. GAAP). As of 2013, the Company first adopts IFRSs approved by the FSC to prepare for the consolidated financial statements. As a result, the accounting policies set out in Note 4 have been applied in preparing the financial statements for the year ended December 31, 2013 and in the preparation of an opening IFRSs consolidated balance sheet on January 1, 2012 (the Group's transition date to IFRSs). This consolidated financial report therefore is the Company's first annual consolidated financial report based on IFRSs. In accordance with IFRS 1, "First Time Adoption of International Financial Reporting Standards," the Company set January 1, 2012 as the date of transition to IFRSs. In compliance with IFRS 1, the basis of the Company's first IFRS consolidate financial report are as follows:

A. All the periods covered by the opening IFRS balance sheet and the first IFRS financial report adopt the same accounting policies.

B. Adopted accounting policies are in compliance with the IFRSs approved by the FSC at the closing date of the reporting period of the first IFRS financial report.

C. The Group elects and exempts retrospective application of some aspects of other IFRSs. The Group has elected the exceptions and abided by the exemptions.

(2) The exemptions of retrospective application items the Company abides by are illustrated below:

Estimate: the Company's estimates in accordance with IFRSs at the date of transition to IFRSs shall be consistent with estimates made for the same date in accordance with previous Generally Accepted Accounting Principles of R.O.C. (R.O.C. GAAP) (after adjustments to reflect any difference in accounting policies).

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

(3) Reconciliations and relevant notes are as follows:

A. Reconciliation of balance sheet accounts as previously reported under R.O.C. GAAP to IFRSs as of January 1, 2012:

R.O.C. GAAP		Differences on Recognition and Measurement	Differences on Presentation	IFRSs		Note
Current Assets					Current Assets	
Cash and cash equivalents	$ 15,941,600	$ -	($ 2,500)	$ 15,939,100	Cash and cash equivalents	7
Notes receivable, net	22,211	-	-	22,211	Notes receivable, net	
Accounts receivable, net	10,231,452	-	-	10,231,452	Accounts receivable, net	
Other financial asssets-- current	569,306	-	(334,200)	235,106	Other receivables	7
Inventories	3,985,115	-	-	3,985,115	Inventories	
Deferred income tax assets-- current	307,496	-	(307,496)	-		1
Other current assets－other	594,494	-	336,700	931,194	Other current assets－other	7
	31,651,674	-	(307,496)	31,344,178		
Non-current Assets					Non-current Assets	
Available-for-sale financial assets, non-current	3,198,180	2,118,965	-	5,317,145	Available-for-sale financial assets, non-current	2
Financial assets at cost, non-current	1,932,643	(1,932,643)	-	-		2
Long-term investments accounted for using the equity method	173,575	-	-	173,575	Investments accounted for using the equity method	8
	5,304,398					
Property, plant and equipments	44,144,804	-	44,620	44,189,424	Property, plant and equipments	7
Other assets						
Refundable deposits	10,937	-	(10,937)	-		
Deferred expenses	1,151,271	-	(1,151,271)	-		7
Intangible assets	-	-	583,080	583,080	Intangible assets	7
Deferred income tax assets, non-current	1,274,263	194,508	323,207	1,791,978	Deferred income tax assets	1, 4, and 5
Other non-current assets－other	153,637	(13,212)	534,508	674,933	Other non-current assets－other	4 and 7
	2,590,108			52,730,135		
TOTAL ASSETS	**$ 83,690,984**	**$ 367,618**	**$ 15,711**	**$ 84,074,313**	**TOTAL ASSETS**	
Current Liabilities					Current Liabilities	
Short-term loans	$ 1,513,750	$ -	$ -	$ 1,513,750	Short-term loans	
Accounts payable	6,404,096	-	-	6,404,096	Accounts payable	
Current income tax liabilities	483,595	-	-	483,595	Current income tax liabilities	
Accrued expenses	2,998,870	-	(2,998,870)	-		
Other payables	3,203,519	161,262	2,998,870	6,363,651	Other payables	5 and 7
Other current liabilities－other	278,543	-	-	278,543	Other current liabilities－other	
	14,882,373	161,262	-	15,043,635		
Long-term liabilities					Non-current Liabilities	
Long-term loans	9,532,335	-	-	9,532,335	Long-term loans	
	-	-	15,711	15,711	Deferred income tax liabilities	1
Other liabilities						
Other liabilities--other	481,406	581,668	-	1,063,074	Other non-current liabilities	4
				10,611,120	Non-current liabilities	
Total Liabilities	**24,896,114**	**742,930**	**15,711**	**25,654,755**	**Total Liabilities**	
Stockholders' Equity					Stockholders' Equity	
Capital stock					Capital stock	
Common stock	31,163,611	-	-	31,163,611	Common stock	
Capital reserve	16,453,527	-	-	16,453,527	Capital reserve	
Retained earnings					Retained earnings	
Legal reserve	7,162,092	-	-	7,162,092	Legal reserve	
Unappropriated earnings	4,871,009	(572,148)	-	4,298,861	Unappropriated earnings	2, 4, 5, and 6
Other adjustments on stockholders' equity					Other equity	
Unrealized gain/(loss) on financial instruments	111,072	194,583	-	305,655	Gain/(loss) on available-for-sale financial assets	2
Cumulative translation adjustment	375,051	(375,051)	-	-	Exchange differences on translation of foreign operations financial report	6
Net loss not recognized as pension cost	(377,304)	377,304	-	-		4
Treasury stock	(964,188)	-	-	(964,188)	Treasury stock	
Total Stockholders' Equity	**58,794,870**	**(375,312)**	**-**	**58,419,558**	**Total Stockholders' Equity**	
Total Liabilities and Stockholders' Equity	**$ 83,690,984**	**$ 367,618**	**$ 15,711**	**$ 84,074,313**	**Total Liabilities and Stockholders' Equity**	

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

B. Reconciliation of balance sheet accounts as previously reported under R.O.C. GAAP to IFRSs as at December 31, 2012:

R.O.C. GAAP		Differences on Recognition and Measurement	Differences on Presentation		IFRSs	Note
Current Assets					Current Assets	
Cash and cash equivalents	$ 15,858,048	$ -	($ 5,556)	$ 15,852,492	Cash and cash equivalents	7
Notes receivable, net	66,732	-	-	66,732	Notes receivable, net	
Accounts receivable, net	12,852,953	-	-	12,852,953	Accounts receivable, net	
Other financial asssets-- current	915,432	-	(331,144)	584,288	Other receivables	7
Inventories	3,135,203	-	-	3,135,203	Inventories	
Deferred income tax assets-- current	338,463	-	(338,463)	-		1
Other current assets－other	617,239	-	336,700	953,939	Other current assets－other	7
	33,784,070	-	(338,463)	33,445,607		
Non-current Assets					Non-current Assets	
Available-for-sale financial assets, non-current	3,110,801	2,283,650	-	5,394,451	Available-for-sale financial assets, non-current	2
Financial assets at cost, non-current	1,932,643	(1,932,643)	-	-		2
Long-term investments accounted for using the equity method	673,668	-	-	673,668	Long-term investments accounted for using the equity method	3 and 7
	5,717,112					
Property, plant and equipments	49,888,659	-	38,747	49,927,406	Property, plant and equipments	7
Other assets						
Refundable deposits	16,506	-	(16,506)	-		
Deferred expenses	1,030,375	-	(1,030,375)	-		7
Intangible assets	-	-	516,087	516,087	Intangible assets	7
Deferred income tax assets, non-current	636,151	211,550	414,645	1,262,346	Deferred income tax assets	1, 4, and 5
Other non-current assets－other	148,000	(12,162)	492,047	627,885	Other non-current assets－other	3,4, and 7
	1,831,032			58,401,843		
TOTAL ASSETS	**$ 91,220,873**	**$ 550,395**	**$ 76,182**	**$ 91,847,450**	**TOTAL ASSETS**	
Current Liabilities					Current Liabilities	
Short-term loans	$ 2,468,400	$ -	$ -	$ 2,468,400	Short-term loans	
Accounts payable	5,847,980	-	-	5,847,980	Accounts payable	
Current income tax liabilities	502,318	-	-	502,318	Current income tax liabilities	
Accrued expenses	2,719,959	-	(2,719,959)	-		
Other payables	3,775,164	246,253	2,719,959	6,741,376	Other payables	5 and 7
Long-term liabilities-- current portion	3,148,610	-	-	3,148,610		
Other current liabilities－other	516,039	-	-	516,039	Other current liabilities－other	
	18,978,470	246,253	-	19,224,723		
Long-term liabilities					Non-current Liabilities	
Long-term loans	12,038,181	-	-	12,038,181	Long-term loans	
	-	-	76,182	76,182	Deferred income tax liabilities	1
Other liabilities						
Other liabilities--other	496,003	580,250	-	1,076,253	Other non-current liabilities	4
				13,190,616	Non-current liabilities	
Total Liabilities	**31,512,654**	**826,503**	**76,182**	**32,415,339**	**Total Liabilities**	
Stockholders' Equity					Stockholders' Equity	
Capital stock					Capital stock	
Common stock	31,163,611	-	-	31,163,611	Common stock	
Capital reserve	16,471,911	(892)	-	16,471,019	Capital reserve	6
Retained earnings					Retained earnings	
Legal reserve	7,645,816	-	-	7,645,816	Legal reserve	
Unappropriated earnings	5,635,673	(618,584)	-	5,017,089	Unappropriated earnings	2, 4, 5, and 6
Other adjustments on stockholders' equity					Other equity	
Unrealized gain/(loss) on financial instruments	(2,126)	357,205	-	355,079	Gain/(loss) on available-for-sale financial assets	2
Cumulative translation adjustment	118,305	(374,620)	-	(256,315)	Exchange differences on translation of foreign operations financial report	6
Net loss not recognized as pension cost	(360,783)	360,783	-	-		4
Treasury stock	(964,188)	-	-	(964,188)	Treasury stock	
Total stockholders' Equity	**59,708,219**	**(276,108)**	**-**	**59,432,111**	**Total Stockholders' Equity**	
Total Liabilities and Stockholders' Equity	**$ 91,220,873**	**$ 550,395**	**$ 76,182**	**$ 91,847,450**	**Total Liabilities and Stockholders' Equity**	

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

C. Reconciliation of comprehensive income as previously reported under R.O.C. GAAP to IFRSs in 2012:

R.O.C. GAAP		Differences on Recognition and Measurement	Differences on Presentation		IFRS	Note
Net operating revenues	$ 64,654,558	$ -	$ -	$ 64,654,558	Net operating revenues	
Cost of goods sold	(52,877,216)	(38,642)	-	(52,915,858)	Cost of goods sold	4 and 5
Gross profit	11,777,342	(38,642)	-	11,738,700	Gross profit	
Unrealized intercompany profit	259	-	-	259	Unrealized intercompany profit	
Realized gross profit	11,777,601	(38,642)	-	11,738,959	Realized gross profit	
Operating Expenses					Operating Expenses	
Selling expenses	(797,126)	(883)	(10,411)	(808,420)	Selling expenses	4 and 5
General and administrative expenses	(1,980,081)	(1,726)	-	(1,981,807)	General and administrative expenses	4 and 5
Research and development expenses	(2,554,469)	(4,595)	-	(2,559,064)	Research and development expenses	4 and 5
	(5,331,676)	(7,204)	(10,411)	(5,349,291)		
Operating Income	6,445,925	(45,846)	(10,411)	6,389,668	Operating Profit	
Non-operating Income and Gain						
Interest income	117,670	-	(117,670)	-		7
Dividends income	114,753	-	-	114,753	Dividends income	
Gain on disposal of investments	212,682	-	(212,682)	-		7
Others	549,562	-	(549,562)	-		7
Investment income recognized under equity method	-	-	(8,992)	(8,992)	Share of (loss) profit of associates and joint ventures accounted for using the equity method	
	994,667	-	(888,906)	105,761		
Non-operating Expenses and Losses						
Interest expenses	(196,640)	-	196,640	-		7
Others	(423,154)	-	423,154	-		7
	(619,794)	-	619,794	-		
	-	-	326,886	326,886	Other income	7
	-	461	149,951	150,412	Other gains and losses	6 and 7
	-	-	(197,314)	(197,314)	Finance costs	7
Income from Continuing Operations before Income Tax	6,820,798	(45,385)	-	6,775,413		
Income Tax Expense	(1,201,196)	19,105	-	(1,182,091)	Income Tax Expense	4 and 5
Consolidated Net Income	5,619,602	(26,280)	-	5,593,322		
					Other Comprehensive Income	
				(260,136)	Exchange difference on translation of foreign financial statements	
				103,514	Unrealized gain (loss) on available-for-sale financial assets	
				(20,156)	Actuarial gain or loss on post employeement benefit obligations	
				(50,269)	Income tax relating to other comprehensive income	
				(227,047)	Other Comprehensive Income for the year, net of tax	
				5,366,275	Total Comprehensive Income for the year	

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, UNLESS STATED OTHERWISE)

D. Reconciliation of equity

	Note	December 31, 2012	January 1, 2012
Equity Under R.O.C. GAAP		$ 59,708,219	$ 58,794,870
Adjustments:			
Recognition and measurement of	2	350,348	187,726
Defined Benefit Plan	4	(423,714)	(429,609)
Compensated Absences	5	(205,414)	(134,843)
Others		2,672	1,414
Equity Under IFRS		$ 59,432,111	$ 58,419,558

E. Illustration to reconcile statement of cash flows as previously reported under R.O.C. GAAP to IFRSs in 2012:

By using the indirect method, the Group prepared its statement of cash flows in accordance with R.O.C. GAAP and was not required to disclose the amounts of paid interest, received interest, and paid tax. However, pursuant to IAS No. 17, “Statement of Cash Flows”, the Group disclosed received interest of $117,234, paid interest of $181,154 (exclude capitalized interest), and paid tax of $615,855, respectively. The Group also classified received interest, paid interest, and paid tax to the category, “from operating activities”, and classified payment for cash dividends to the category, “financing activities”, by their nature.

Moreover, the definition of cash in accordance with IAS No. 7, “Statement of Cash Flows”, comprises cash on hand, demand deposits, and the short-term, highly liquid investments that are readily convertible to known amounts.

Except for the differences above, there is no material difference within the consolidated statements of cash flows prepared under R.O.C. GAAP and IFRSs.

(4) Reasons for differences are outlined below:

A. Income tax:

In accordance with R.O.C. GAAP, a deferred tax asset can be offset by another deferred tax liability for the income taxes levied by the same taxation authority. However, pursuant to IAS No. 12, ”Income Taxes”, the entity can offset deferred tax assets and deferred tax liabilities if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities. As of January 1, 2012 and December 31, 2012, the Group reclassified partial deferred tax assets of $15,711 and $76,182 to deferred tax liabilities.

Furthermore, under R.O.C. GAAP, a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, pursuant to IFRSs, a deferred tax asset or liability should be classified as non-current, and therefore, the reclassified amounts were $307,496 and $338,463 as of January 1, 2012 and December 31, 2012.

B. Financial assets:

In accordance with R.O.C. GAAP, unlisted stocks and emerging stocks held by the Group should be measured at cost and recognized as “Financial assets carried at cost.” However, pursuant to IAS 39, ”Financial Instruments – Recognition and Measurement,” investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value. As of January 1, 2012 and December 31, 2012, by electing the exemption of IFRS 1, the Group designated the investments previously classified as "Financial assets carried at cost" as "Available-for-sale financial assets" of $1,932,643 and $1,932,643, and recognized fair value adjustment for "Available-for-sale financial assets" of $186,322 and $351,007 and "Unrealized gain on available-for-sale financial assets" of $194,583 and $357,205 (net of tax influence of $2,063) under shareholders' equity. The Group also recognized an adjustment to retained earnings for impairments recognized in prior years with continuing decline in fair value against the book value of available-for-sale financial assets of $6,857 (net of tax influence of $1,404).

C. Prepayments for equipment:

The R.O.C. GAAP lists prepayments made for property, plant and equipment under property, plant, and equipment. To comply with the requirements under IFRSs, the Group reclassified the prepayments to other noncurrent assets of $0 and $6,815 as of January 1, 2012 and December 31, 2012.

D. Employee benefits:

The Company adopted the exemption under IFRS 1 and recognized all accumulated actuarial gains and losses of defined benefit plan as retained earnings $806,913 (net of tax influence of $165,271) as of January 1, 2012. Further, the Company valued defined benefit obligations and recognized related pension costs and accrued pension liabilities under R.O.C. standards. After the valuation under IAS 19, "Employee Benefits", the Company recognized accrued pension liabilities $972,184 and $992,340 with actuarial loss $20,156 recognized in other comprehensive income in 2012, respectively, as of January 1, 2012 and December 31, 2012, and reversed the lowest pension liabilities $390,516 and $372,945, respectively, as of January 1, 2012 and December 31, 2012. As a result, the equity adjustments increased $377,304 and $360,783, respectively, and other assets decreased $13,212 and $12,162. In addition, the Group reversed the pension costs recognized under R.O.C. GAAP and recognized pension costs according to IAS 19, "Employee Benefits". The adjustments decreased other liabilities of $39,145, operating costs of $27,249, and expenses of $11,896 for the year ended December 31, 2012.

E. Recognition of accumulated unused compensated absences:

Current R.O.C. GAAP does not have any specified rules for recognition of accumulated unused compensated absences. The Company recognizes such costs as salary expense upon actual payment. However, IAS 19, "Employee Benefit", requires that the costs of accumulative compensated absences be accrued as expenses at the end of the reporting period. As of January 1, 2012 and December 31, 2013, the Company increased other payables of $161,262 and $246,253; decreased retained earnings of $134,843 (net of tax influence of $26,419) and $205,414 (net of tax influence of $40,839); increased operating costs of $65,891 and $19,100, respectively.

F. Translation of foreign operating institutions' financial reports:

The Group has elected to reset the translation of foreign operating institution's financial reports arising on the translation of the financial statements of foreign entities under R.O.C. GAAP to zero at January 1, 2012, and increased retained earnings of $375,051 consequently. Total equity does not change due to this adjustment.

Under R.O.C. GAAP, the functional currency of the intermediate investment holding companies is determined to be U.S. Dollars. However, under IFRSs, the functional currency of those intermediate investment holding companies is determined to be New Taiwan Dollars and their financial results have been remeasured as of the transition date. The remeasurement difference of $461 was adjusted in Income Statements of 2012.

G. Presentation of financial statements:

To comply with the T-IFRSs approved by the FSC and the Rules Governing the Preparation of Financial Reports by Securities Issuers , some accounting accounts would be reclassified properly. For example, time deposit with original maturity over one year is reclassified from cash and cash equivalents to other receivables; deferred expenses would be reclassified to intangible assets and other assets according to their substances; Leasing assets and idle assets previously under other assets would be reclassified to plant, property, and equipments, and their depreciation expenses would be reclassified from other losses to operating expenses.

(5) Exemptions elected:

Except for the aforementioned exemptions ruled by the IFRS 1 and the 2013 R.O.C. GAAP, the Group also elects the exemptions below:

A. Business combination:

The Group elected not to retrospectively adopt the rule of IFRSs 3, “Business Combinations” for the transactions occurred before the IFRSs transition date.

B. Compound financial instruments:

For compound financial instruments with liability component that have been settled as of the transition date, the Group elected not to retrospectively bifurcate the instruments. The liability component and equity component will be bifurcated in accordance with IAS 32, “Financial Instrument- Presentation” for future issuance of compound financial instruments.

C. Share-based compensation:

The Group elected not to retrospectively adopt the rule of IFRS 2, “Shared-based Payment” for the share-based compensation vested before the IFRSs transition date.

D. Borrowing costs:

The Group elected to adopt the transaction rules under paragraphs 27 and 28 of IAS 23, “Borrowing Costs”, amended in 2007, which means that the Group will apply the standards set forth in IAS 23 starting from the transition date.