TEST RESEARCH, INC.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2011 AND 2010

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

Report of Independent Accountants Translated from Chinese

To the Board of Directors and Stockholders of
Test Research, Inc.

We have audited the accompanying consolidated balance sheets of Test Research, Inc. and subsidiaries as of December 31, 2011 and 2010, and the related statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. As described in Note 1(2) to the consolidated financial statements, we did not audit the 2011 and 2010 financial statements of certain consolidated subsidiaries whose statements reflect total assets of $29,761 thousand and $27,241 thousand, constituting 0.58% and 0.60% of total consolidated assets as of December 31, 2011 and 2010, respectively, and total operating revenues of $213 thousand and $480 thousand, both constituting 0.01% of consolidated operating revenues for the years then ended, respectively. The financial statements of these consolidated subsidiaries were audited by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these consolidated subsidiaries, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the "Rules Governing the 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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Test Research, Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan

February 17, 2012

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 financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	DECEMBER 31, 2011	DECEMBER 31, 2010
ASSETS			
Current Assets			
Cash and cash equivalents	4(1)	$ 1,102,863	$ 660,286
Notes receivable, net		17,734	12,904
Accounts receivable, net	4(2)	937,930	847,671
Other receivables		21,361	30,568
Inventories, net	4(3)	753,719	696,940
Deferred income tax assets - current	4(9)	15,399	21,753
Other current assets		15,219	20,544
		2,864,225	2,290,666
Property, Plant and Equipment	4(4) and 6		
Cost			
Land		1,166,021	1,166,021
Buildings and improvements		921,538	921,538
Machinery and equipment		281,428	206,873
Transportation equipment		5,196	5,334
Office equipment		84,641	113,495
Miscellaneous equipment		67,756	148,727
		2,526,580	2,561,988
Less: Accumulated depreciation		(261,376)	(341,936)
		2,265,204	2,220,052
Intangible Assets			
Patents		331	3,842
Computer software costs		4,075	3,728
		4,406	7,570
Other Assets			
Assets leased to others		2,604	6,212
Refundable deposits		2,734	2,312
Deferred expenses		1,664	3,002
Deferred income tax assets - non-current	4(9)	2,608	-
		9,610	11,526
TOTAL ASSETS		$ 5,143,445	$ 4,529,814

(Continued)

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	DECEMBER 31, 2011	DECEMBER 31, 2010
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Notes payable		13,446	17,067
Accounts payable		261,435	300,848
Income tax payable	4(9)	143,034	58,211
Accrued expenses	4(8)	217,344	189,519
Other payables		16,641	16,434
Other current liabilities		17,252	27,931
		669,152	610,010
Other Liabilities			
Accrued pension liabilities	4(5)	25,814	25,976
Deposits received		-	376
Deferred income tax liabilities - non-current	4(9)	27,608	3,210
		53,422	29,562
Total Liabilities		722,574	639,572
Stockholders' Equity			
Common stock	4(6)	2,163,560	2,022,020
Capital reserve	4(7)		
Paid-in capital in excess of par value		51,874	51,874
Long-term investments		1,416	1,416
Retained earnings	4(8)		
Legal reserve		457,958	367,346
Undistributed earnings		1,702,673	1,436,171
Cumulative translation adjustments		43,390	11,415
Total Stockholders' Equity		4,420,871	3,890,242
Contingent Liabilities	7		
Significant subsequent Events	9		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 5,143,445	$ 4,529,814

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2012.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNT)

	Notes	FOR THE YEARS ENDED DECEMBER 31, 2011	FOR THE YEARS ENDED DECEMBER 31, 2010
Operating revenues			
Sales		$ 3,872,186	$ 3,744,905
Less: Sales returns		(17,798)	(38,117)
Sales allowances		(5,788)	(260)
Net sales		3,848,600	3,706,528
Maintenance income		49,072	49,903
Net operating revenues		3,897,672	3,756,431
Operating costs			
Cost of sales	4(3)	(1,764,473)	(1,670,058)
Cost of maintenance		(12,530)	(13,818)
Net operating costs		(1,777,003)	(1,683,876)
Gross profit		2,120,669	2,072,555
Operating expenses			
Selling		(630,747)	(608,909)
General		(126,150)	(121,391)
Research and development		(239,437)	(218,809)
Total operating expenses		(996,334)	(949,109)
Operating income		1,124,335	1,123,446
Non-operating income and gains			
Interest income		6,179	1,537
Exchange gain - net		57,609	-
Rental income		5,348	6,645
Other income		3,244	7,805
Total non-operating income and gains		72,380	15,987
Non-operating expenses and losses			
Interest expense		(3)	(1,926)
Loss on disposal of property, plant and equipment		(2,375)	(5,057)
Exchange loss - net		(-)	(93,371)
Other expenses		(3,843)	(2,571)
Total non-operating expenses and losses		(6,221)	(102,925)
Income before income tax		1,190,494	1,036,508
Income tax expense	4(10)	(226,775)	(130,387)
Consolidated net income		$ 963,719	$ 906,121
Attributable to:			
Equity holders of the Company		$ 963,719	$ 906,121

	Notes	2011 Before tax	2011 After tax	2010 Before tax	2010 After tax
Earnings per common share (in dollars)	4(11)				
Basic earnings per share		$ 5.50	$ 4.45	$ 4.79	$ 4.19
Diluted earnings per share		$ 5.46	$ 4.42	$ 4.77	$ 4.17

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2012.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings			
2010	Common Stock	Capital Reserve	Legal Reserve	Undistributed Earnings	Cumulative Translation Adjustments	Total
Balance at January 1, 2010	$ 1,925,734	$ 53,290	$ 347,754	$ 742,214	$ 37,244	$ 3,106,236
Appropriations of 2009 earnings: (Note)						
Legal reserve	-	-	19,592	(19,592)	-	-
Stock and cash dividends	96,286	-	-	(192,572)	-	(96,286)
Net income for 2010	-	-	-	906,121	-	906,121
Cumulative translation adjustments on foreign long-term investments	-	-	-	-	(25,829)	(25,829)
Balance at December 31, 2010	$ 2,022,020	$ 53,290	$ 367,346	$ 1,436,171	$ 11,415	$ 3,890,242

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TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CONTINUED)
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Retained Earnings			
2011	Common Stock	Capital Reserve	Legal Reserve	Unappropriated Earnings	Cumulative Translation Adjustments	Total
Balance at January 1, 2011	$ 2, 022, 020	$ 53, 290	$ 367, 346	$ 1, 436, 171	$ 11, 415	$ 3, 890, 242
Appropriations of 2010 earnings: (Note)						
Legal reserve	-	-	90, 612	(90, 612)	-	-
Stock and cash dividends	141, 540	-	-	(606, 605)	-	(465, 065)
Net income for 2011	-	-	-	963, 719	-	963, 719
Cumulative translation adjustments on foreign long-term investments	-	-	-	-	31, 975	31, 975
Balance at December 31, 2011	$ 2, 163, 560	$ 53, 290	$ 457, 958	$ 1, 702, 673	$ 43, 390	$ 4, 420, 871

Note: For the years ended December 31, 2010 and 2009, directors' and supervisors' remuneration amounting to $6,560 and $2,600, respectively, and employees' bonus amounting to $34,192 and $32,517, respectively, had been deducted from the consolidated statement of income.

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2012.

TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	FOR THE YEARS ENDED DECEMBER 31,	
	2011	2010
Cash flows from operating activities:		
Consolidated net income	$ 963,719	$ 906,121
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation	106,351	87,619
Depreciation on assets leased to others	1,396	2,615
Amortization	8,264	9,902
Loss on disposal of property, plant and equipment (including assets leased to others)	2,375	5,057
(Reversal of allowance) provision for doubtful accounts	(20,498)	16,814
Provision for inventory obsolescence and market price decline	17,487	10,421
Net change in deferred income tax assets and liabilities	28,144	34,428
Changes in assets and liabilities:		
(Increase) decrease in:		
Notes and accounts receivable	(74,591)	(147,383)
Other receivables	9,207	(20,517)
Inventories	(194,599)	(294,817)
Other current assets	5,325	2,218
Increase (decrease) in:		
Notes payable	(3,621)	(6,383)
Accounts payable	(39,413)	(40,335)
Income tax payable	84,823	31,243
Accrued expenses	27,825	60,884
Other payables	207	3,302
Other current liabilities	(10,679)	(1,017)
Accrued pension liabilities	(162)	(708)
Net cash provided by operating activities	911,560	659,464

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TEST RESEARCH, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	FOR THE YEARS ENDED DECEMBER 31, 2011	2010
Cash flows from investing activities:		
Acquisition of property, plant and equipment	($ 23,900)	($ 51,859)
Proceeds from disposal of property, plant and equipment	2,074	8,289
Increase in deferred expenses	(3,578)	(2,195)
(Increase) decrease in refundable deposits	(422)	2,703
Net cash used in investing activities	(25,826)	(43,062)
Cash flows from financing activities:		
Decrease in bank loans	-	(35,000)
Decrease in deposits received	(376)	-
Payment of cash dividends	(465,065)	(96,286)
Net cash used in financing activities	(465,441)	(131,286)
Effect due to changes in exchange rates	22,284	(22,587)
Net increase in cash and cash equivalents	442,577	462,529
Cash and cash equivalents at beginning of year	660,286	197,757
Cash and cash equivalents at end of year	$ 1,102,863	$ 660,286
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	$ -	$ 1,896
Income tax	$ 113,237	$ 62,142
Operating and financing activities which have no effect on cash flows		
Inventories transferred to property, plant and equipment and assets leased to others	$ 126,104	$ 17,646
Property, plant and equipment and assets leased to others transferred to inventories	$ 5,771	$ 5,654

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated February 17, 2012.

TEST RESEARCH, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Test Research, Inc. was incorporated in April 1989 under the provisions of the Company Law of the Republic of China (R.O.C.). The Company is engaged in the design, manufacture, sales, repairs and maintenance of semiconductor testers and in-circuit testers. As of December 31, 2011, the Company and its subsidiaries included in the consolidated financial statements had approximately 740 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and generally accepted accounting principles in the Republic of China. The Group's significant accounting policies are summarized as follows:

1) Basis of consolidation

a) Basis for preparation of consolidated financial statements
All majority-owned subsidiaries wherein the Group owns more than 50% ownership and controlled entities are included in the consolidated financial statements. Effective January 1, 2008, the Group prepares consolidated financial statements quarterly. Significant inter-company transactions, assets and liabilities arising from inter-company transactions are eliminated.

b) Names of consolidated subsidiaries, their major business activities, the percentage owned by the Company and their changes are as follows:

Subsidiary	Main activities	% of shares held as of Dec. 31, 2011	2010
DOLI TRADING LIMITED (DOLI)	Trading	100%	100%
TEST RESEARCH USA INC. (TRU)	Trading	100%	100%
TEST RESEARCH SINGAPORE PTE. LTD. (TRS) (Note 3)	Trading	-	100%
TRI TEST RESEARCH EUROPE GMBH (TRE)	Trading	100%	100%
TRI JAPAN CORPORATION (TRJ)	Trading	100%	100%
TRI MALAYSIA SDN. BHD (TRM) (Note 2)	Trading	100%	-
TRI INVESTMENTS LIMITED (TIL)	Investment holdings	100%	100%

Subsidiary	Main activities	% of shares held as of Dec. 31, 2011	2010
TRI ELECTRONIC (SHENZHEN) LIMITED	Manufacture and sales of test equipment	Note 1	Note 1
TRI ELECTRONIC (SUZHOU) LIMITED	Manufacture and sales of test equipment	Note 1	Note 1
TRI ELECTRONIC (SHANGHAI) LIMITED	Manufacture and sales of test equipment	Note 1	Note 1

Note 1: TIL holds 100% of the investees' voting stock.

Note 2: It was incorporated in September 2010.

Note 3: The subsidiary had been liquidated in 2011. Therefore, the income (loss) of the subsidiary was excluded from the consolidated statement of income effective the date on which the Company lost control over the subsidiary.

The financial statements of TRU, TRE and TRM for the year ended December 31, 2011, and the financial statements of TRU, TRS, TRE and TRM for the year ended December 31, 2010 were audited by other independent accountants. The total assets of these subsidiaries as of December 31, 2011 and 2010 were $29,761 and $27,241, constituting 0.58% and 0.60% of the consolidated total assets, respectively, and the related total operating revenues were $213 and $480, both constituting 0.01% of the consolidated operating revenues for the years then ended, respectively.

c) Subsidiaries not included in the consolidated financial statements: None.

d) Adjustments for subsidiaries with different balance sheet dates: None.

e) Special operating risks in foreign subsidiaries: None.

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

g) Contents of subsidiaries' securities issued by the parent company: None.

h) Information on convertible bonds and common stock issued by subsidiaries: The issuance of convertible bonds and new common stock by subsidiaries had no significant effects on stockholders' equity of the parent company.

2) Translation of financial statements of foreign subsidiaries

Assets and liabilities of foreign subsidiaries are translated into New Taiwan dollars using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings, which are carried forward from piror year's balance. Profit and loss accounts are translated at weighted-average rates of the year. The resulting translation differences are included in "cumulative translation adjustments" under stockholders' equity.

3) Foreign currency translation

Transactions denominated in foreign currencies are translated into functional currency at the spot exchange rates prevailing at the transaction dates. Exchange gains or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the date of actual receipt and payment are recognized in current year's profit or loss. Receivables, other monetary assets and liabilities denominated in foreign currencies at year-end are translated at rates of exchange ruling at the balance sheet date. All exchange gains or losses are included in current year's profit or loss.

4) Criteria for classifying assets and liabilities as current or non-current items

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

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

5) Accounts receivable and other receivables

a) Accounts receivable are claims resulting from the sale of goods or services. Other receivables are those arising from transactions other than the sales of goods or services.

b) Allowance for doubtful accounts is provided based on the results of evaluating the collectibility of notes and accounts receivable and other receivables, taking into account the bad debts incurred in prior years and the aging analysis of the receivables.

c) Effective January 1, 2011, the Company assesses at each balance sheet date whether there is any objective evidence that notes and accounts receivable and other receivables are impaired. If such evidence exists, a provision for impairment of those receivables is recognized.

6) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are stated at cost. Cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

7) Property, plant and equipment

a) Property, plant and equipment are stated at cost. Interest incurred during the construction or installation of the assets is capitalized. Major renewals and improvements are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred. Gain or loss on disposal of property, plant and equipment is recorded in the current year's profit or loss.

b) Depreciation is provided under the straight-line method over the estimated useful lives of the assets plus an additional year as salvage value. Salvage value of fully depreciated assets that are still in use is depreciated over the re-estimated useful lives. The estimated useful lives are 50 - 55 years for buildings and 2 - 10 years for other property, plant and equipment.

8) Assets leased to others

Assets leased to others are stated at cost. Depreciation is provided under the straight-line method over the estimated useful lives of the assets plus an additional year as salvage value. Depreciation is classified as "Non-operating Expenses and Losses".

9) Intangible assets

a) Patents

Patents are stated at cost and amortized over the estimated life of 10 years using the straight-line method.

b) Computer software

Computer software is stated at cost and amortized over the estimated life of 3 to 5 years using the straight-line method.

10)Impairment of non-financial assets

a) The Company and consolidated subsidiaries recognize impairment loss when there is indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life.

b) When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.

11)Retirement plan and pension reserve

a) Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. The net periodic pension costs include service cost, interest cost, expected return on plan assets, and amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized over 15 years based on the straight-line method.

b) Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

12)Product warranty

Product warranty expense is estimated based on past experience and included in the current year's operating expenses. The related liability is classified as "Other current liabilities".

13)Income tax

a) Provision for income tax includes deferred income tax resulting from temporary differences, investment tax credits and loss carryforward. Over or under provision of prior year's income tax liabilities is included in current year's income tax expense. When a change in the tax laws is enacted, the deferred tax liability or asset is recomputed accordingly in the period of change. The difference between the new amount and the original amount, that is, the effect of changes in the deferred tax liability or asset, is recognized as an adjustment to current income tax expense (benefit).

b) Investment tax credits resulting from expenditures for the acquisition of equipment or technology, research and development, staff trainings, and investments are recognized in the year the related expenditures are incurred.

c) The additional 10% corporate income tax on undistributed current earnings, on tax basis, is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

d) DOLI and TIL, subsidiaries of the Company, are exempted from income tax in accordance with the British Virgin Islands and Western Samoa local laws, respectively.

e) If the regular income tax is equal or more than the basic tax, the income tax payable shall be calculated in accordance with the Income Tax Act and other relevant laws. Whereas the regular income tax is less than the basic tax, the income tax payable shall be equal to the basic tax.

14)Employees' bonuses and directors' and supervisors' remuneration

Pursuant to EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", the costs of employees' bonuses and directors' and supervisors' remuneration are accounted for as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF 97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", the Company calculates the number of shares of employees' stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

15)Earnings per share

The Company's potential common shares are the employee stock options issued by the Company and employees' bonus that could be distributed in the form of stock. The treasury stock method will be used to test whether or not potential common shares have dilutive effect in calculating diluted EPS.

16) Recognition of revenues, costs and expenses

Revenues are recognized when the earning process is substantially completed and are realized or realizable. Costs are recognized when the related revenues are incurred. Expenses are recognized as incurred under the accrual basis.

17) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those assumptions and estimates.

18) Operating segments

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

b) In accordance with R.O.C. SFAS No. 41, "Operating Segments", effective January 1, 2011, segment information is disclosed in the consolidated financial statements rather than in the separate financial statements of the Company.

3. CHANGES IN ACCOUNTING PRINCIPLES

1) Notes and accounts receivable and other receivables

Effective January 1, 2011, the Group adopted the amendments of SFAS No. 34, "Financial Instruments: Recognition and Measurement". Under this standard, a provision for impairment (bad debt) of accounts and notes receivable and other receivables is established when there is objective evidence that they are impaired. This change in accounting principle had no significant effect on the net income for the year ended December 31, 2011.

2) Operating segments

Effective January 1, 2011, the Group adopted SFAS No. 41, "Operating Segments", replacing the original SFAS No. 20, "Segment Reporting". The segment information for the year ended December 31, 2010 has been re-prepared in accordance with the standard. This change in accounting principle had no significant effect on the net income and earnings per share for the year ended December 31, 2011.

4. DETAILS OF SIGNIFICANT ACCOUNTS

1) Cash and cash equivalents

	December 31,			
	2011		2010	
Cash on hand	$	3, 393	$	2, 155
Checking and demand deposits		351, 430		283, 729
Time deposits		198, 046		184, 402
Cash equivalents-Repurchase of Bonds		549, 994		190, 000
	$	1, 102, 863	$	660, 286

2) Accounts receivable - net

	December 31,			
	2011		2010	
Accounts receivable	$	940, 132	$	870, 371
Less：Allowance for doubtful accounts	(	2, 202)	(	22, 700)
	$	937, 930	$	847, 671

3) Inventories

	December 31,			
	2011		2010	
Raw materials	$	707, 174	$	598, 466
Work in process		52, 964		90, 098
Finished goods		17, 843		26, 101
Merchandise		25, 231		17, 301
		803, 212		731, 966
Less：Allowance for decline in market value and obsolescence	(	49, 493)	(	35, 026)
	$	753, 719	$	696, 940

The inventories were not pledged.

Expense and loss incurred on inventories for the years ended December 31, 2011 and 2010 were as follows:

	For the years ended December 31,			
	2011		2010	
Cost of inventories sold	$	1, 747, 237	$	1, 659, 196
Loss on market price decline		17, 487		10, 421
Others	(	251)		441
	$	1, 764, 473	$	1, 670, 058

4) Property, plant and equipment

	December 31, 2011		
	Cost	Accumulated Depreciation	Book Value
Land	$ 1,166,021	$ -	$ 1,166,021
Buildings and improvements	921,538	(86,381)	835,157
Machinery and equipment	281,428	(121,123)	160,305
Transportation equipment	5,196	(2,970)	2,226
Office equipment	84,641	(24,475)	60,166
Miscellaneous equipment	67,756	(26,427)	41,329
	$ 2,526,580	($ 261,376)	$ 2,265,204

	December 31, 2010		
	Cost	Accumulated Depreciation	Book Value
Land	$ 1,166,021	$ -	$ 1,166,021
Buildings and improvements	921,538	(68,199)	853,339
Machinery and equipment	206,873	(97,167)	109,706
Transportation equipment	5,334	(3,322)	2,012
Office equipment	113,495	(72,342)	41,153
Miscellaneous equipment	148,727	(100,906)	47,821
	$ 2,561,988	($ 341,936)	$ 2,220,052

Please see Note 6 for details of pledged property, plant and equipment.

5) Accrued pension liabilities

a) The Company has a non-contributory and funded defined benefit pension plan (the Plan) in accordance with the Labor Standards Law, covering all regular employees. Under the Plan, an employee earns 2 units for each year of service for the first 15 years, and one unit for each additional year thereafter, subject to a maximum of 45 units. Upon retirement, an employee is entitled to receive a lump sum payment equal to the units earned multiplied by the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with the trust department of Bank of Taiwan, under the name of the independent retirement fund committee.

The following sets forth the pension information based on the actuarial report:

(1) Actuarial assumptions

	December 31,	
	2011	2010
Discount rate	1.90%	2.25%
Expected rate of return on plan assets	1.90%	2.00%
Adjustment of salary	3.00%	3.00%

(2) Funded status of the pension plan

	December 31,	
	2011	2010
Vested benefit obligation	$ -	$ -
Non-vested benefit obligation	(54,343)	(46,989)
Accumulated benefit obligation	(54,343)	(46,989)
Additional benefits based on future salaries	(28,017)	(28,619)
Projected benefit obligation	(82,360)	(75,608)
Plan assets at fair value	30,340	27,835
Funded status	(52,020)	(47,773)
Unrecognized net transition obligation	459	919
Unrecognized loss on plan assets	25,747	20,878
Accrued pension liabilities	($ 25,814)	($ 25,976)

(3) Net pension costs comprise the following:

	2011	2010
Service cost	$ 12	$ 74
Interest cost	1,701	1,434
Expected return on plan assets	(581)	(525)
Amortization of unrecognized net transition obligation	460	460
Unrecognized pension loss	666	202
	$ 2,258	$ 1,645

b) Effective July 1, 2005, the Company has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Employees have the option to be covered under the New Plan. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The pension cost recognized under the New Plan for the years ended December 31, 2011 and 2010 was $15,348 and $13,519, respectively.

c) The subsidiaries, DOLI, TIL, TRU, TRE, TRJ and TRM, have no pension plan, and its local laws have no compulsory requirements on the establishment of a pension plan. However, the subsidiaries, TRI ELECTRONIC (SHENZHEN) LIMITED, TRI ELECTRONIC (SUZHOU) LIMITED and TRI ELECTRONIC (SHANGHAI) LIMITED, have a funded defined contribution pension plan in accordance with the local pension regulations. The pension costs of these subsidiaries recognized for the years ended December 31, 2011 and 2010 were $8,304 and $6,900, respectively.

6) Capital stock

a) As of January 1, 2010, the Company's authorized and outstanding capital was \$2,000,000 and \$1,925,734, respectively. As approved at the shareholders' meeting held in June 2010, the Company approved the capitalization of earnings from stock dividends of \$96,286.

b) As approved at the shareholders' meeting held in June 2011, the Company approved the capitalization of earnings from stock dividends of \$141,540. The Company has obtained approval from SFB. As of December 31, 2011, the Company's authorized and outstanding capital was \$2,500,000 and \$2,163,560, respectively.

7) Capital reserve

a) The Company Act requires that capital reserve arising from paid-in capital in excess of par value on issuance of common stock and donations can be used to cover accumulated deficit, or to increase capital or payment of cash in proportion to ownership percentage when the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the capital reserve can be capitalized once a year and the amount shall not exceed 10% of the paid-in capital.

b) Capital reserve arising from valuation of long-term equity investments accounted for under the equity method shall not be used for any purpose.

8) Retained earnings

a) Under the Company's Articles of Incorporation as amended on June 18, 2010, the residual dividend policy is adopted taking into consideration the Company's capital expenditure budget and future capital requirements. According to the dividend policy adopted by the Board of Directors, cash dividends shall account for at least 10% of the total dividends distributed. 10% of the annual net income, after offsetting losses of prior years, if any, shall be set aside as legal reserve. The net income after deducting legal reserve shall be allocated as follows:

(1) 1% to 3% as remuneration to directors and supervisors;

(2) at least 1% as special bonus to employees; and

(3) the remaining balance shall be distributed in accordance with the resolution adopted by the Board of Directors and approved at the shareholders' meeting.

b) The appropriations of 2010 and 2009 earnings had been resolved at the stockholders' meeting on June 9, 2011 and June 18, 2010, respectively. Details are summarized below:

	2010 earnings		2009 earnings	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 90,612	-	$ 19,592	-
Stock dividends	141,540	$ 0.7	96,286	$ 0.5
Cash dividends	465,065	2.3	96,286	0.5
Total	$ 697,217		$ 212,164	

The abovementioned appropriations for 2010 and 2009 earnings are not different from that proposed by the Board of Directors on April 22, 2011 and April 23, 2010, respectively. The appropriations of employees' bonus and directors' and supervisors' remuneration for 2010 and 2009 as approved by the shareholders were $40,752 and $35,117, respectively. These amounts were not significantly different from the amounts recognized by the Company in 2010 and 2009. Information on the appropriation of the Company's earnings as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

c) The appropriations of 2011 earnings had been proposed by the Board of Directors on February 17, 2012. Details are summarized below:

	2011 earnings	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 96,372	-
Stock dividends	64,900	$ 0.3
Cash dividends	584,161	2.7
Total	$ 745,433	

As of the report date, the abovementioned appropriations of 2011 earnings had not been resolved by the stockholders. The appropriations of employees' bonus and directors' and supervisors' remuneration for 2011 as proposed by the board of directors were $45,300 and $8,690, respectively.

d) Except for covering accumulated deficit, increasing capital or payment of cash, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to stockholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in-capital.

e) The estimated amounts of employees' bonus and directors' and supervisors' remuneration for 2011 and 2010 are $53,990 and $40,752, respectively, which were recognized as operating costs or operating expenses for 2011 and 2010. The estimated amounts were based on a certain percentage of the net income, net of legal reserve. While, if the estimated amounts are different from the amounts approved by the stockholders subsequently, the difference is recognized as gain or loss for the following year.

f) Details of imputation tax system

	December 31,	
	2011	2010
Balance of imputation tax credit account (ICA)	$ 84, 340	$ 57, 741

	2011 (Estimate)	2010 (Actual)
Creditable tax ratio	13. 19%	7. 59%

Note: Creditable ratio is calculated based on ICA balance plus income tax payable as of December 31, 2011 divided by the balance of the undistributed earnings after 1998. The ratio shall not be higher than the upper limit under Income Tax Act.

g) Details of undistributed earnings

	December 31,	
	2011	2010
A. Earnings generated in and before 1997	$ 270	$ 270
B. Earnings generated in and after 1998		
a. Subjected to additional 10% corporate income tax	738, 684	529, 780
b. Not yet subjected to additional 10% corporate income tax	963, 719	906, 121
Undistributed earnings	$ 1, 702, 673	$ 1, 436, 171

9) Income tax

a) Income tax expense and income tax payable:

	For the years ended December 31, 2011	2010
Tax determined by applying statutory rate to income before income tax	$ 226,864	$ 213,109
10% additional income tax on prior year's undistributed earnings	20,891	-
Tax exempt income	(7,117)	(65,246)
Permanent differences	3,632	(5,910)
Investment tax credits	(14,189)	(12,192)
Under provision of prior year's income tax	(3,306)	1,811
Tax effect of change in income tax rate	-	5,015
Valuation allowance	-	(6,200)
Income tax expense	226,775	130,387
Net change in deferred income tax assets and liabilities	(28,144)	(34,428)
Prepaid tax	(58,903)	(35,937)
Under provision of prior year's income tax	3,306	(1,811)
Income tax payable	$ 143,034	$ 58,211

b) Deferred income tax assets and liabilities

	December 31, 2011	2010
Deferred tax assets - current	$ 15,399	$ 21,753
Deferred tax assets - non-current	6,160	10,496
Deferred tax liabilities - non-current	(27,608)	(10,200)
Valuation allowance - non-current	(3,552)	(3,506)
	($ 9,601)	$ 18,543

c) Details of temporary differences and investment tax credits resulting in deferred income tax assets and liabilities are as follows:

	December 31, 2011		2010	
	Amount	Tax effect	Amount	Tax effect
Current				
Temporary differences				
Accrued warranty	$ 11,599	$ 1,972	$ 10,852	$ 1,845
Unrealized exchange (gain) loss	(11,050)	(1,879)	44,035	7,486
Profit from affiliated company	45,285	7,698	42,704	7,260
Provision for inventory obsolescence	40,253	6,843	22,850	3,884
Provision for rework	3,156	538	6,651	1,131
Others	1,338	227	866	147

	December 31,			
	2011		2010	
	Amount	Tax effect	Amount	Tax effect
		15,399		21,753
Non-current				
Temporary differences				
Provision for pension	25,814	4,388	25,976	4,416
Investment gain	(188,213)	(31,996)	(60,000)	(10,200)
Loss carryforwards	-	6,160	-	6,080
Valuation allowance	-	(3,552)	-	(3,506)
		(25,000)		(3,210)
		($ 9,601)		$ 18,543

d) Income derived from products approved by the Ministry of Finance, R.O.C. and the Industrial Development Bureau of the Ministry of Economic Affairs of R.O.C. is exempt from income tax for five years. The tax exemption of the separate products commenced on March 1, 2006. In 2011 and 2010, the tax exempt income was approximately $41,862 and $383,797, respectively.

e) The Company's income tax returns through 2006 have been assessed and approved by the Tax Authority. The Company was assessed with additional tax payable of $143,775 for the 2006 income tax return, because the products developed by the Company did not qualify for the relevant regulations under the Statute for Upgrading Industry. Accordingly, the Company had filed for tax re-examination in June, 2011. As of the report date, the re-examination is still pending.

f) As of December 31, 2011, losses available to be carried forward for consolidated U.S. subsidiaries, calculated based on the laws of U.S. Federal Government and California State Government, were $11,760 and $25,652, respectively, and income tax rate was 34% and 8.84%, respectively. Final year losses can be carried forward is 2017.

10) Earnings per share

	For the year ended December 31, 2011				
	Amount			Earnings per share (in dollars)	
	Before tax	After tax	Weighted-average outstanding common shares (in thousands)	Before tax	After tax
Basic earnings per share:					
Net income attributable to common stockholders	$1,190,494	$ 963,719	216,356	$ 5.50	$ 4.45
Dilutive effect of common stock equivalents:					
Employee bonus	-	-	1,879		
Diluted earnings per share					
Net income attributable to common stockholders plus	$1,190,494	$ 963,719	218,235	$ 5.46	$ 4.42

dilutive effect of common
stock equivalents

	For the year ended December 31, 2010				
	Amount			Earnings per share (in dollars)	
	Before tax	After tax	Weighted-average outstanding common shares (in thousands)	Before tax	After tax
Basic earnings per share:					
Net income attributable to common stockholders	$1,036,508	$ 906,121	216,356	$ 4.79	$ 4.19
Dilutive effect of common stock equivalents:					
Employee bonus	-	-	868		
Diluted earnings per share					
Net income attributable to common stockholders plus dilutive effect of common stock equivalents	$1,036,508	$ 906,121	217,224	$ 4.77	$ 4.17

As employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would increase from employees' stock bonus issuance in the calculation of the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effect of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year including the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year. Since capitalization of employees' bonus no longer belongs to distribution of stock dividends, the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively.

11)Personnel, depreciation and amortization expenses

	For the year ended December 31, 2011			
	Operating costs	Operating expenses	Non-operating expenses	Total
Personnel expenses				
Salaries	$ 69,916	$ 499,206	$ -	$ 569,122
Labor and health insurance	5,130	30,780	-	35,910
Pension and retirement	3,363	22,547	-	25,910
Others	3,258	11,729	-	14,987
	81,667	564,262	-	645,929
Depreciation	28,679	77,672	-	106,351
Depreciation - assets leased to others	-	-	1,396	1,396

Amortization	3, 465	4, 799	−	8, 264
	$ 113, 811	$ 646, 733	$ 1, 396	$ 761, 940

	For the year ended December 31, 2010			
	Operating costs	Operating expenses	Non-operating expenses	Total
Personnel expenses				
Salaries	$ 70, 291	$ 446, 107	$ −	$ 516, 398
Labor and health insurance	4, 396	22, 894	−	27, 290
Pension and retirement	3, 054	19, 010	−	22, 064
Others	3, 053	11, 710	−	14, 763
	80, 794	499, 721	−	580, 515
Depreciation	22, 710	64, 909	−	87, 619
Depreciation - assets leased to others	−	−	2, 615	2, 615
Amortization	5, 241	4, 661	−	9, 902
	$ 108, 745	$ 569, 291	$ 2, 615	$ 680, 651

5. RELATED PARTY TRANSACTIONS

Remuneration information of key management (including directors, supervisors, general manager and vice general managers)

	For the years ended December 31,	
	2011	2010
Salaries	$ 2, 748	$ 2, 606
Bonuses	4, 516	5, 100
Services fees	38	38
Distribution of earnings	10, 290	6, 700
	$ 17, 592	$ 14, 444

1) Salaries and bonuses include regular wages, special responsibility allowances, pensions, severance pay, various bonuses, rewards, etc.

2) Service execution fees include travel or transportation allowances, special expenditures, various allowances, housing and vehicle benefits, etc.

3) Directors' and supervisors' remuneration and employees' bonuses were those amounts estimated and accrued in the statement of income for the current year.

4) Please refer to the Company's Annual Report for the related information.

6. PLEDGED ASSETS

Item	Book Value December 31, 2011	Book Value December 31, 2010	Purpose
Property, plant and equipment			
- Land	$ 388,990	$ 388,990	Security for lines of credit
- Buildings and improvements	64,878	66,471	Security for lines of credit
	$ 453,868	$ 455,461	

7. CONTINGENT LIABILITIES

Except for the matters described in Note 4(9)(e), the Group had no other significant commitments and contingent liabilities.

8. SIGNIFICANT DAMAGE LOSS

None.

9. SIGNIFICANT SUBSEQUENT EVENTS

Except for the matters described in Note 4(8)(c), no other significant subsequent events occurred.

10. OTHERS

1) Fair values of the financial instruments

	December 31, 2011		
		Fair value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments			
Assets			
Financial assets with fair values equal to book values	$ 2,082,622	Note	Note
Liabilities			
Financial liabilities with fair values equal to book values	$ 508,866	Note	Note

	December 31, 2010		
		Fair value	
	Book value	Quotations in an active market	Estimated using a valuation technique
Non-derivative financial instruments			
Assets			
Financial assets with fair values equal to book values	$ 1, 553, 741	Note	Note
Liabilities			
Financial liabilities with fair values equal to book values	$ 524, 244	Note	Note

Note: As assets and liabilities were short-term instruments, their fair values were determined based on their carrying values, and not based on quotations in an active market or estimated using a valuation technique.

The methods and assumptions used to estimate the fair values of the above financial instruments are summarized below:

a) For short-term instruments, the fair values were determined based on their carrying values because of the short maturities of the instruments. This method was applied to Cash and cash equivalents, Notes receivable, Accounts receivable, other receivables, Notes payable, Accounts payable, Accrued expenses and Other payables.

b) The fair value of refundable deposits was based on the present value of expected cash flow amount. The discount rate was the one-year deposit rate of the Directorate General of Postal Remittances and Savings Bank. The Group uses the carrying value if the difference of the present value amount is not significant.

2) Procedure of financial risk control and hedge

The Group adopts an overall risk management and control system to identify and measure a variety of financial risks including market risk, credit risk, liquidity risk and cash flow interest rate risk.

The Group's management considers economic environment, competition and market value risk to achieve the best position of investment risk, maximize the investment of excess liquidity and control the overall market risk.

To meet its risk management objectives, the Group adopts the following strategies to control financial risk:

a) Foreign exchange risk

To reduce foreign exchange risk, the Group's management considers international economic environment to measure the overall foreign exchange risk.

b) Credit risk

The Group has a stringent credit policy in place. Transactions are conducted only with counterparties with good credit conditions. Appropriate measures are also undertaken where necessary to protect the Group's credit rights and thereby mitigate credit risk.

3) Information of material financial risk

a) Market risk

The Group is engaged in export, and some of its transactions involve foreign currency which is exposed to exchange rate fluctuation. The information on foreign currency denominated monetary assets and liabilities which are significantly affected by exchange rate fluctuation is as follows:

	December 31, 2011		December 31, 2010	
	Foreign Currency Amount (In dollars)	Exchange Rate	Foreign Currency Amount (In dollars)	Exchange Rate
Financial assets				
Monetary items				
USD：TWD	$ 27,303,210	30.28	$ 7,538,474	29.13
Financial liabilities				
Monetary items				
USD：TWD	2,933,107	30.28	2,021,741	29.13

b) Credit risk

The Group has lower significant concentrations of credit risk. It has policies in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. The maximum loss to the Group is the book value of accounts receivable.

c) Cash flow risk arising from fluctuations in interest rates

The Group has no borrowings; thus, no cash flow risk would arise from the fluctuations of interest rate.

(4) Intercompany transactions eliminated

	For the year ended December 31, 2011							
	Company name							
Transactions eliminated	TRI	DOLI	TIL	TRU	TRS	TRE	TRJ	TRM
A. Long-term investments and stockholders' equity	($ 660,238)	$ 22,534	$ 599,748	$ 19,539	$ -	$ 6,418	$ 6,445	$ 5,554
B. Receivables and payables (including other receivables and payables)	(495,048)	449,382	49,475	(3,063)	-	(650)	(49)	(47)
C. Profit and loss accounts	1,871,153	(1,952,131)	15,561	31,937	-	13,244	12,111	8,125

	For the year ended December 31, 2010							
	Company name							
Transactions eliminated	TRI	DOLI	TIL	TRU	TRS	TRE	TRJ	TRM
A. Long-term investments and stockholders' equity	($ 501,162)	($ 14,847)	$ 482,118	$ 18,544	$ 2,740	$ 3,684	$ 6,330	$ 2,593
B. Receivables and payables (including other receivables and payables)	(463,395)	439,142	26,025	(2,837)	-	2,888	(483)	(1,340)
C. Profit and loss accounts	1,926,291	(2,027,896)	17,421	43,737	12,273	12,530	14,304	1,340

11. OTHER DISCLOSURE ITEMS

1) Information on significant transactions:

All the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The disclosure information as follows is for reference only.

The required information of TRU, TRE and TRM were based on the investee companies' financial statements which were audited by other auditors.

a) Loans granted during the year ended December 31, 2011: None.

b) Endorsements and guarantees provided during the year ended December 31, 2011: None.

c) Marketable securities held as at December 31, 2011:

				As of December 31, 2011				
Securities held by	Marketable securities	Relationship of the securities issuer with the Company	General ledger account	Number of shares	Book value	Ownership (%)	Market value	Remarks
Test Research, Inc.	Common Stock - TRI Investments Limited	Subsidiary accounted for under the equity method	Long-term equity investments accounted for under the equity method	6, 724, 109	$ 599, 748	100%	$ 600, 060	None
	Common Stock - DOLI Trading Limited	〃	〃	801	22, 534	100%	34, 192	None
	Common Stock - Test Research USA, Inc.	〃	〃	1, 018, 935	19, 539	100%	19, 539	None
	TRI Test Research Europe GmbH	〃	〃	Note	6, 418	100%	6, 418	None
	TRI Japan Corporation	〃	〃	720	6, 445	100%	6, 445	None
	TRI MALAYSIA SDN. BHD	〃	〃	200,000	5, 554	100%	5, 554	None
TRI Investments Limited (TIL)	TRI Electronic (Shenzhen) Limited	Subsidiary of TIL accounted for under the equity method	〃	Note	353, 125	100%	353, 125	None
	TRI Electronic (Suzhou) Limited	〃	〃	Note	111, 089	100%	111, 089	None
	TRI Electronic (Shanghai) Limited	〃	〃	Note	135, 728	100%	135, 728	None

Note: A limited liability company.

d) Acquisition or sale of the same security with the accumulated cost exceeding $100,000 or 20% of the Company's paid-in capital during the year ended December 31, 2011: None.

e) Acquisition of real estate properties exceeding $100,000 or 20% of the Company's paid-in capital during the year ended December 31, 2011: None.

f) Disposals of real estate properties exceeding $100,000 or 20% of the Company's paid-in capital during the year ended December 31, 2011: None.

g) Purchases from or sales to related parties exceeding $100,000 or 20% of the Company's paid-in capital during the year ended December 31, 2011:

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/Seller	Counterparty	Relationship with the Company	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remark
Test Research, Inc.	DOLI Trading Limited	A company accounted for under the equity method	Sales	$1, 952, 253	58%	The payment terms are 90-120 days.	If the purchases from TRI will be resold to the indirect 100% owned companies of TRI, the price is 40%-70% of standard prices; otherwise, before June 30, 2011, the price is 93% of final sales price, after June 30, 2011, the price is 92% of final sales price.	The collection terms are 90-120 days, and are similar to third parties.	Accounts receivable $ 499, 323	63%	None
DOLI Trading Limited	TRI Electronic (Shenzhen) Limited	Same ultimate parent company	Sales	$ 140, 828	7%	The payment terms are 90-120 days.	The price is 40%-70% of standard prices.	The payment terms are 90-120 days.	Accounts receivable $ 32, 754	6%	None
DOLI Trading Limited	Test Research, Inc.	Parent company	Purchases	$1, 952, 253	100%	The payment terms are 90-120 days.	The price is determined by TRI, the only counterparty for purchase transactions of DOLI.	The payment terms are 90-120 days.	Accounts payable $ 499, 323	100%	None

h) Receivables from related parties exceeding $100,000 or 20% of the Company's paid-in capital during the year ended December 31, 2011:

					Overdue receivables			
Creditor	Counterparty	Relationship with the Company	Balance as at December 31, 2011	Turnover rate	Amount	Actions taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Test Research, Inc.	DOLI Trading Limited	A company accounted for under the equity method	$ 499, 323	4. 05	$ -	-	$ 94, 109 (Note 1)	(Note 2)

Note 1: The subsequent collections were received prior to the opinion date.

Note 2: According to the EITF 76-069, prescribed by the R.O.C. Accounting Research and Development Foundation, no allowance for doubtful accounts will be provided for accounts receivable from related parties which are included in the Company's consolidated financial statements.

i) Derivative financial instruments undertaken during the year ended December 31, 2011: None.

2) Disclosure information of investee company:

All the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The disclosure information as follows is for reference only.

The required information of TRU, TRE and TRM were based on the investee companies' financial statements which were audited by other auditors.

a) Related information on investee companies:

				Initial investment amount		Shares held as at December 31, 2011			Net income	Investment income	
Investor	Investee	Location	Main activities	Balance as at 12/31/2011	Balance as at 1/1/2011	No. of shares	Ownership (%)	Book value	(loss) of the investee	(loss) recognized by the Company	Remarks
Test Research, Inc.	TRI Investments Limited	Offshore Chamber, PO Box 217, Apia, Samoa	Investment holdings	$ 219, 811	$ 219, 811	6, 724, 109	100%	$ 599, 748	$ 84, 576	$ 84, 576	None
	DOLI Trading Limited	The Lake Building, 1st Floor Wickhams Cav 1 PO Box 3152 Road Town, Tortola B.V.I.	Trading	131, 973	131, 973	801	100%	22, 534	41, 012	37, 206	(Note 3)
	Test Research USA, Inc.	500 Laurelwood Road Suite #1 Santa Clara, Ca950542471, USA	Trading	30, 297	30, 297	1, 018, 935	100%	19, 539	728	728	None
	TRI Test Research Europe GmbH	O'Brien Strasse 14 91126 Schwabach, Germany	Trading	17, 679	17, 679	(Note 1)	100%	6, 418	3, 585	3, 585	None
	TRI Japan Corporation	2-9-9 Midori, Sumida-ku, Tokyo, 130-0021 Japan	Trading	10, 750	10, 750	720	100%	6, 445	(381)	(381)	None
	TRI MALAYSIA SDN. BHD	C-11-1, Ground Floor, Lorong Bayan Inda h 3 Bay Avenue 11900 Bayan Lepas Penang	Trading	$ 2, 066	$ 2, 066	$ 200, 000	100%	$ 5, 554	3, 193	3, 193	None
TRI Investments Limited	TRI Electronic (Shenzhen) Limited	5/F, No. 3, Guangxia Road, Shangmeilin, Shenzhen, China	Manufacture and sales of test equipment	USD 750, 000	USD 750, 000	(Note 1)	100%	353, 125	89, 578	(Note 4)	(Note 2)

Investor	Investee	Location	Main activities	Initial investment amount: Balance as at 12/31/2011	Initial investment amount: Balance as at 1/1/2011	Shares held as at December 31, 2011: No. of shares	Shares held as at December 31, 2011: Ownership (%)	Shares held as at December 31, 2011: Book value	Net income (loss) of the investee	Investment income (loss) recognized by the Company	Remarks
TRI Investments Limited	TRI Electronic (Suzhou) Limited	63 Huo Jiu Road, Suzhou New District, Suzhou, China	Manufacture and sales of test equipment	USD 2,000,000	USD 2,000,000	(Note 1)	100%	111,089	(3,178)	(Note 4)	(Note 2)
	TRI Electronic (Shanghai) Limited	6/F, No. 481 Guiping Road, Shanghai, China	Manufacture and sales of test equipment	USD 3,900,000	USD 3,900,000	(Note 1)	100%	135,728	(1,824)	(Note 4)	(Note 2)

Note 1: A limited liability company.
Note 2: The unit of foreign currency is dollar.
Note 3: The investment loss included the elimination of intercompany transactions.
Note 4: The investment income (loss) recognized by TRI Investment Limited.

b) Disclosure of investee companies: Please see (1) above for information on significant transactions.

3) Disclosure of investments in Mainland China:

All the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The disclosure information as follows is for reference only.

The required information of TRU, TRE and TRM were based on the investee companies' financial statements which were audited by other auditors.

a) The related information of investments in Mainland China is as follows:

Investee in Mainland China	Main activities	Paid-in capital	Investment method	Accumulated amount of remittance to Mainland China as of January 1, 2011	Amount remitted to Mainland China during the year	Amount remitted back to Taiwan during the year	Accumulated amount of remittance to Mainland China as of December 31, 2011	Ownership held by the Company (direct/indirect)	Investment income (loss) recognized by the Company for the year	Book value of investments in Mainland China as of December 31, 2011	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2011
TRI Electronic (Shenzhen) Limited	Manufacture and sales of test research equipment	USD 3,050,000	Indirect subsidiary invested by 100% owned TRI Investments Limited	USD 750,000	−	−	USD 750,000	100%	89,578 (Note 1)	353,125	None
TRI Electronic (Suzhou) Limited	Manufacture and sales of test research equipment	USD 2,588,915	Indirect subsidiary invested by 100% owned TRI Investments Limited	USD 2,000,000	−	−	USD 2,000,000	100%	(3,178) (Note 1)	111,089	None
TRI Electronic (Shanghai) Limited	Manufacture and sales of test research equipment	USD 3,900,000	Indirect subsidiary invested by 100% owned TRI Investments Limited	USD 3,900,000	−	−	USD 3,900,000	100%	(1,824) (Note 1)	135,728	None

Note 1: Amount based on the financial statements audited by the Company's auditors.

Accumulated investment in Mainland China at the end of year	Limitation of investment approved by the Investment Commission of the Ministry of Economic Affairs	Limitation of investment in Mainland China (Note 2)
USD 6,650,000	USD 8,913,915	NTD 2,652,524

Note 2: The limitation was the higher amount between $80,000 and 60% of stockholders' equity.
$80,000, or 60% of stockholders' equity = $4,420,871* 60% = $2,652,524

b) Significant transactions with investee companies in Mainland China:

Year	Investee company	Sales (purchases) Amount	%	Accounts receivable (payable) Amount	%	Other significant events
2011	TRI Electronic (Shenzhen) Limited	$ 140,828	4%	$ 32,391	4%	$ 7,538 (Note)
2011	TRI Electronic (Suzhou) Limited	47,783	1%	14,843	2%	6,265 (Note)
2011	TRI Electronic (Shanghai) Limited	57,319	2%	5,577	1%	1,758 (Note)

Note: Warranty expenses, agency expenses and expenses on purchases made by related parties on behalf of the Company.

4) Relationship and significant transactions between the Company and its subsidiaries

For the year ended December 31, 2011:

Number	Name of counterparty	Name of transaction parties	Relationship	Subject	Amount	Transaction terms	Percentage of total combined revenue or total assets
0	Test Research, Inc.	DOLI TRADING LIMITED	Note 1	Sales	$ 1,952,253	Note 3	50%
0	Test Research, Inc.	DOLI TRADING LIMITED	〃	Accounts receivable	499,323	Note 3	10%
0	Test Research, Inc.	TEST RESEARCH USA, INC.	〃	Agency expenses	31,859	Note 4	1%
		TRI JAPAN CORPORATION	〃	〃	12,732	〃	0%
		TRI TEST RESEARCH EUROPE GMBH	〃	〃	13,244	〃	0%
1	DOLI TRADING LIMITED	TRI ELECTRONIC (SUZHOU) LIMITED	Note 2	Warranty expenses	24,503	None	1%
		TRI ELECTRONIC (SHENZHEN) LIMITED	〃	Agency expenses	38,023	Note 4	1%
		TRI ELECTRONIC (SHANGHAI) LIMITED	〃	〃	12,680	〃	0%
1	DOLI TRADING LIMITED	TRI ELECTRONIC (SHENZHEN) LIMITED	〃	Sales	140,828	Note 3	4%
		TRI ELECTRONIC (SUZHOU) LIMITED	〃	〃	47,783	〃	1%
		TRI ELECTRONIC (SHANGHAI) LIMITED	〃	〃	57,319	〃	1%
1	DOLI TRADING LIMITED	TRI ELECTRONIC (SHENZHEN) LIMITED	〃	Accounts receivable	32,754	〃	1%
		TRI ELECTRONIC (SUZHOU) LIMITED	〃	〃	14,843	〃	0%

Note 1: The relationship with the transaction parties is the Company to the consolidated subsidiary.

Note 2: The relationship with the transaction parties is the consolidated subsidiary to indirect wholly-owned subsidiaries of the Company.

Note 3: The purchases from the Company will be resold to the indirect 100% owned companies of TRI, and the price is 40%-70% of standard prices; otherwise, before June 30, 2011, the price is 93% of final sales price; after June 30, 2011, the price is 92% of final sales price. The payment terms are 90-120 days.

Note 4: The Company signed agency agreements with subsidiaries, and the subsidiaries act as product sales agent.

Note 5: Only related party transactions in excess of $10,000 are disclosed.

For the year ended December 31, 2010:

Number	Name of counterparty	Name of transaction parties	Relationship	Subject	Amount	Transaction terms	Percentage of total combined revenue or total assets
0	Test Research, Inc.	DOLI TRADING LIMITED	Note 1	Sales	$ 2,046,817	Note 3	55%
0	Test Research, Inc.	DOLI TRADING LIMITED	〃	Purchases	10,210	Note 5	0%
0	Test Research, Inc.	DOLI TRADING LIMITED	〃	Accounts receivable	465,982	Note 3	10%
0	Test Research, Inc.	TEST RESEARCH USA, INC.	〃	Agency expenses	43,766	Note 4	1%
		TRI JAPAN CORPORATION	〃	〃	13,311	〃	0%
		TRI TEST RESEARCH EUROPE GMBH		〃	12,531	〃	0%
		TRI ELECTRONIC (SHENZHEN) LIMITED		〃	12,343	〃	0%
		TEST RESEARCH SINGAPORE PTE LTD.		〃	12,273	〃	0%
1	DOLI TRADING LIMITED	TRI ELECTRONIC (SUZHOU) LIMITED	Note 2	Warranty expenses	22,143	None	1%
		TRI ELECTRONIC (SHENZHEN) LIMITED	〃	Agency expenses	49,245	Note 4	1%
		TRI ELECTRONIC (SHANGHAI) LIMITED	〃	〃	11,945	〃	0%
1	DOLI TRADING LIMITED	TRI ELECTRONIC (SHENZHEN) LIMITED	〃	Sales	171,916	Note 3	5%
		TRI ELECTRONIC (SUZHOU) LIMITED	〃	〃	24,930	〃	1%
		TRI ELECTRONIC (SHANGHAI) LIMITED	〃	〃	96,063	〃	3%
1	DOLI TRADING LIMITED	TRI ELECTRONIC (SHENZHEN) LIMITED	〃	Accounts receivable	12,438	〃	0%
		TRI ELECTRONIC (SHANGHAI) LIMITED	〃	〃	16,759	〃	0%

Note 1: The relationship with the transaction parties is the Company to the consolidated subsidiary.

Note 2: The relationship with the transaction parties is the consolidated subsidiary to indirect wholly-owned subsidiaries of the Company.

Note 3: The purchases from the Company will be resold to the indirect 100% owned companies of TRI, and the price is 40%-70% of standard prices; otherwise, before September 30, 2010, the price is 94% to 96% of final sales price; after September 30, 2010, the price is 93% of the final price. The payment terms are 90-120 days.

Note 4: The Company signed agency agreements with subsidiaries, and the subsidiaries act as product sales agent.

Note 5: DOLI purchases fixtures for the Company, which the Company purchases from DOLI at the original price. Accounts payable is netted with accounts receivable from DOLI.

Note 6: Only related party transactions in excess of $10,000 are disclosed.

12. SEGMENT INFORMATION

1) General information

The businesses of the Group are mainly divided into two parts: Board tester and Semiconductor tester.
Circuit board inspection department manufactures equipment that can precisely detect those bad parts on circuit boards to elevate the quality of manufacturing process of circuit boards.
Semiconductor testing department manufactures wafer testing and related finished goods testing equipment to check whether IC meets qualified standards.

2) Measurement basis

The accounting policies of the operating segments and the accounting policies described in Note 2 are the same. The Group uses the operating profit as the measurement for operating segment profit and the basis of performance assessment.

3) Financial information

	For the year ended December 31, 2011			
	Board Tester		Semiconductor Tester	
Revenues from external customers	$	3,801,771	$	95,901
Segment profit		1,175,202	(	50,867)
Segment profit include:				
Depreciation and amortization		111,795		2,820
Segment asset		0		0
Segment liability		0		0

	For the year ended December 31, 2010			
	Board Tester		Semiconductor Tester	
Revenues from external customers	$	3,627,852	$	128,579
Segment profit		1,152,436	(	28,990)
Segment profit include:				
Depreciation and amortization		94,183		3,338
Segment asset		0		0
Segment liability		0		0

4) Reconciliation of operating segments' operating profit

Net profit (loss) of segments reported to the chief operating decision-maker is measured in a manner consistent with revenues and expenses in the income statement. Amounts of total assets and total liabilities of segments are not provided to the chief operating decision-maker to make strategic decisions. A reconciliation of segment profit (loss) to profit (loss) before tax and discontinued operations is provided as follows:

	For the years ended December 31	
	2011	2010
Reportable operating segments' profit	$ 1,124,335	$ 1,123,446
Unallocated profit or loss		
Non-operating gain (loss)	66,159	(86,938)
	$ 1,190,494	$ 1,036,508

5) Information by product and service

	For the years ended December 31	
	2011	2010
Sales		
Board Tester	$ 3,757,105	$ 3,580,177
Semiconductor Tester	91,495	126,351
Maintenance income		
Board Tester	44,666	47,675
Semiconductor Tester	4,406	2,228
	$ 3,897,672	$ 3,756,431

6) Information by geographic area

The Group allocates the revenues and non-current assets on the basis of the location of the single country or area:

	For the year ended December 31, 2011		For the year ended December 31, 2010	
	Revenues	Non-current assets	Revenues	Non-current assets
Taiwan	$ 296,715	$ 2,135,739	$ 244,334	$ 2,137,864
China	2,668,190	138,293	2,892,395	98,799
US	505,060	3,101	256,386	474
Others	427,707	2,087	363,316	2,011
Total	$ 3,897,672	$ 2,279,220	$ 3,756,431	$ 2,239,148

7) Information on major customers

Sales to customers constituting more than 10 percent of the Group's total sales are as follows:

	For the year ended December 31, 2011		For the year ended December 31, 2010	
Customer	Amount	Segment	Amount	Segment
F	$ 432,741	Board Tester	$ 208,053	Board Tester
G	540,236	Board Tester	-	

13. DISCLOSURES RELATING TO THE ADOPTION OF IFRSs

Pursuant to the regulations of the Financial Supervisory Commission, Executive Yuan, R.O.C., effective January 1, 2013, a public company whose stock is listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market should prepare financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins that are ratified by the Financial Supervisory Commission (collectively referred herein as IFRSs).

The Company discloses the following information in advance prior to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of the Financial Supervisory Commission, dated February 2, 2010:

Major contents and status of execution of the Company's plan for IFRSs adoption:

1) The Company has formed an IFRSs group, headed by the Company's general manager, which is responsible for setting up a plan relative to the Company's transition to IFRSs. The major contents and status of execution of this plan are outlined below:

Working Items for IFRSs Adoption	Status of Execution
a. Formation of an IFRSs group	Completed
b. Setting up a plan relative to the Company's transition to IFRSs	Completed
c. Identification of the differences between current accounting policies and IFRSs	Completed
d. Identification of consolidated entities under the IFRSs framework	Completed
e. Evaluation of the impact of each exemption and option on the Company under IFRS 1 – First-time Adoption of International Financial Reporting Standards	Completed
f. Evaluation of needed information system adjustments	Completed
g. Evaluation of needed internal control adjustments	In progress according to the plan
h. Establish IFRSs accounting policies	Completed
i. Selection of exemptions and options available under IFRS 1 – First-time Adoption of International Financial Reporting Standards	Completed
j. Preparation of statement of financial position on the date of transition to IFRSs	In progress according to the plan
k. Preparation of IFRSs comparative financial information for 2012	In progress according to the plan
l. Completion of relevant internal control (including financial reporting process and relevant nformation system) adjustments	In progress according to the plan

2) Material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future:

The Company uses the IFRSs already ratified currently by the Financial Supervisory Commission and the “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be applied in 2013 as the basis for evaluation of material differences in accounting policies as mentioned above. However, the Company’s current evaluation results may be different from the actual differences that may arise when new issuances of or amendments to IFRSs are subsequently ratified by the Financial Supervisory Commission or relevant interpretations or amendments to the “Rules Governing the Preparation of Financial Statements by Securities Issuers” in the future.

Material differences identified by the Company that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future are set forth below:

a) Customer loyalty programmes

The Company has signed sale contracts with customers. Sale contracts specify the provision of warranty service for an extended period. Some sale contracts also specify the provision of warranty service for an extended period. In accordance with current accounting standards in R.O.C., the fair value of the consideration received or receivable shall be recognized as revenue upon sale, and the Company shall estimate the costs and liabilities related to the provision of warranty service accompanying the sale that may be incurred. However, in accordance with IFRIC 13, “Customer Loyalty Programmes”, the fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the initial sale of goods and the warranty service. The amount of the consideration allocated to the initial sale of goods is recognized as revenue when the initial sale occurs; the consideration allocated to the warranty service shall not be recognized as revenue until warranty service is provided to customers.

b) Pension

(1) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits”, requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the

reporting period and duration of its pension plan.

(2) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, in accordance with IAS 19, “Employee Benefits”, the unrecognized transitional net benefit obligation should be recognized as an expense immediately at the date of adoption.

(3) In accordance with current accounting standards in R.O.C., the excess of the accumulated benefit obligation over the fair value of the pension plan (fund) assets at the balance sheet date is the minimum amount of pension liability that is required to be recognized on the balance sheet (“minimum pension liability”). However, IAS 19, “Employee Benefits”, has no regulation regarding the minimum pension liability.

(4) In accordance with current accounting standards in R.O.C., actuarial pension gain or loss of the Company is recognized in net pension cost of current period using the ‘corridor’ method. However, IAS 19, “Employee Benefits”, requires that actuarial pension gain or loss should be recognized in profit or loss in a systematic and accelerated pattern.

c) Employee benefits

(1) The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulating unused compensated absences. The Company recognizes such costs as expense upon actual payment. However, IAS 19, “Employee Benefits”, requires that the costs of accumulating unused compensated absences should be accrued as expense at the end of the reporting period.

(2) The current accounting standards in R.O.C. do not specify the rules on the recognition of other long-term employee benefits other than pensions. However, IAS 19, “Employee Benefits”, requires that the costs of other long-term employee benefits other than pensions should be recognized as expense as the employees render service.

d) Income tax

(1) In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is not related to an asset or liability for financial

reporting, should be classified as current or noncurrent according to the expected time period to realize or settle a deferred tax asset or liability. However, under IAS 1, “Presentation of Financial Statements”, an entity should not classify a deferred tax asset or liability as current.

(2) In accordance with current accounting standards in R.O.C., when evidence shows that part or whole of the deferred tax asset with 50% probability or above will not be realized, an entity should reduce the amount of deferred tax asset by adjusting the valuation allowance account. In accordance with IAS 12, “Income Taxes”, a deferred tax asset should be recognized if, and only if, it is considered highly probable that it will be realized.

(3) The current accounting standards in R.O.C do not specify the rules on the tax rate that shall apply to the deferred tax assets or liabilities associated with unrealized gain or loss arising from transactions between parent company and subsidiaries. The Company adopts the seller’s tax rate to recognize such deferred tax. However, under IAS 12, “Income Taxes”, temporary differences in the consolidated financial statements are determined by comparing the carrying amounts of assets and liabilities in the financial statements and applicable taxation basis. As the Company’s tax base is determined by reference to the Group entities’ income tax returns, the buyer’s tax rate shall apply to the deferred tax associated with unrealized gain or loss arising from transactions between parent company and subsidiaries.

Some of the above differences may not have a material effect on the Group in transition to IFRSs due to the exemption rules in IFRS 1, “First-time Adoption of International Financial Reporting Standards”, adopted by the Company.