TXC Corporation and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2011 and 2010

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Par Value)
(Reviewed, Not Audited)

ASSETS	2011 Amount	2011 %	2010 Amount	2010 %
CURRENT ASSETS				
Cash and cash equivalents (Note 3)	$ 2,093,719	17	$ 1,540,877	14
Financial assets at fair value through profit or loss - current (Note 4)	10,535	-	40,772	-
Available-for-sale financial assets - current (Note 5)	131,612	1	150,000	1
Notes receivable, net (Note 6)	27,417	-	1,142	-
Accounts receivable, net (Notes 6 and 20)	2,970,187	24	2,806,950	26
Inventories, net (Notes 2 and 7)	1,311,504	10	1,312,667	12
Other current assets	167,426	1	116,530	1
Total current assets	6,712,400	53	5,968,938	54
INVESTMENTS				
Investments accounted for by the equity method (Notes 1 and 9)	44,044	-	33,195	-
Other financial assets - noncurrent (Note 14)	1,119	-	9,736	-
Financial assets carried at cost - noncurrent (Note 8)	245,445	2	96,678	1
Total investments	290,608	2	139,609	1
PROPERTY, PLANT AND EQUIPMENT (Notes 10 and 21)				
Cost				
Land	599,057	5	273,496	2
Land improvements	593	-	593	-
Buildings	2,163,153	17	1,501,252	14
Machinery and equipment	6,140,036	48	5,483,121	50
Transportation equipment	16,153	-	13,971	-
Office equipment	223,576	2	200,565	2
Land - revaluation increment	8,954	-	8,954	-
	9,151,522	72	7,481,952	68
Less: Accumulated depreciation	(3,817,448)	(30)	(3,169,237)	(29)
Construction-in-progress and prepayments for equipment	196,157	2	368,627	4
Total property, plant and equipment, net	5,530,231	44	4,681,342	43
INTANGIBLE ASSETS				
Land rights (Note 21)	16,223	-	16,222	-
Other intangible assets	1,419	-	1,647	-
Total intangible assets	17,642	-	17,869	-
OTHER ASSETS				
Assets leased to others (Notes 11 and 21)	110,768	1	113,593	1
Idle assets (Note 11)	-	-	2,656	-
Refundable deposits	2,499	-	4,016	-
Deferred charges	55,921	-	44,232	1
Deferred income tax assets - noncurrent	-	-	6,489	-
Other	10,495	-	7,947	-
Total other assets	179,683	1	178,933	2
TOTAL	$ 12,730,564	100	$ 10,986,691	100

LIABILITIES AND STOCKHOLDERS' EQUITY	2011 Amount	2011 %	2010 Amount	2010 %
CURRENT LIABILITIES				
Short-term loans (Note 12)	$ 850,656	7	$ 634,558	6
Notes payable (Note 20)	80,100	1	65,807	1
Financial liabilities at fair value through profit or loss - current	59,041	-	-	-
Accounts payable (Note 20)	1,460,139	11	1,566,980	14
Accrued expenses (Notes 13 and 20)	533,759	4	558,029	5
Current portion of long-term loans (Note 15)	266,009	2	385,143	4
Other current liabilities	217,132	2	143,922	1
Total current liabilities	3,466,836	27	3,354,439	31
LONG-TERM LIABILITIES				
Bonds payable (Note 14)	786,896	6	777,688	7
Long-term loans, net of current portion (Note 15)	1,503,792	12	434,500	4
Total long-term liabilities	2,290,688	18	1,212,188	11
RESERVES				
Reserve for land value increment tax (Note 10)	3,512	-	3,512	-
OTHER LIABILITIES				
Deferred income tax	43,342	1	-	-
Guarantee deposits received	11,823	-	8,835	-
Total other liabilities	55,165	1	8,835	-
Total liabilities	5,816,201	46	4,578,974	42
STOCKHOLDERS' EQUITY (Note 16)				
Capital stock				
Common stock	3,022,423	24	2,966,651	27
Advance receipts for common stock	-	-	5,180	-
Total capital stock	3,022,423	24	2,971,831	27
Capital surplus	1,356,078	10	1,302,853	12
Retained earnings				
Legal reserve	644,438	5	525,420	5
Unappropriated earnings	1,640,850	13	1,564,525	14
Total retained earnings	2,285,288	18	2,089,945	19
Other equity				
Cumulative translation adjustments	263,520	2	164,879	1
Unrealized gains on financial instruments	(18,388)	-	-	-
Unrealized revaluation increment	5,442	-	5,442	-
Treasury stock (Note 17)	-	-	(127,233)	(1)
Total other equity	250,574	2	43,088	-
Total stockholders' equity	6,914,363	54	6,407,717	58
TOTAL	$ 12,730,564	100	$ 10,986,691	100

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

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2011		2010	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales	$ 7,339,908	-	$ 6,997,370	-
Less: Sales returns	(13,841)	-	(16,407)	-
Less: Sales allowances	(33,300)	-	(20,301)	-
Net operating revenue	7,292,767	-	6,960,662	-
OPERATING COSTS	(5,477,578)	-	(5,103,400)	-
GROSS PROFIT	1,815,189	-	1,857,262	-
OPERATING EXPENSES				
Selling expenses	(346,631)	-	(344,113)	-
General and administration expenses	(240,635)	-	(226,665)	-
Research and development expenses	(341,332)	-	(297,699)	-
Total operating expenses	(928,598)	-	(868,477)	-
OPERATING INCOME	886,591	-	988,785	-
NONOPERATING INCOME AND GAINS				
Interest income	8,412	-	4,049	-
Investment income recognized under equity method (Notes 1 and 9)	7,235	-	1,224	-
Dividend income	-	-	828	-
Valuation gain on financial assets, net	6,103	-	34,924	-
Gain on disposal of property, plant and equipment	8,133	-	970	-
Gain on sale of investments	554	-	873	-
Reversal of impairment loss	4,873	-	-	-
Exchange gains	359,453	-	185,051	-
Miscellaneous income	50,060	-	47,748	-
Total nonoperating income and gains	444,823	-	275,667	-
NONOPERATING EXPENSES AND LOSSES				
Interest expense	(21,460)	-	(20,376)	-
Valuation loss on financial liabilities, net	(65,931)	-	-	-
Loss on disposal of property, plant and equipment	(8,597)	-	(4,330)	-
Exchange losses	(290,368)	-	(220,928)	-
Impairment loss	-	-	(4,184)	-
Miscellaneous expenses	(13,944)	-	(8,831)	-

(Continued)

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	2011		2010	
	Amount	**%**	**Amount**	**%**
Total nonoperating expenses and losses	(400,300)	-	(258,649)	-
INCOME BEFORE INCOME TAX	931,114	-	1,005,803	-
INCOME TAX EXPENSE	(141,075)	-	(101,121)	-
NET INCOME	$ 790,039	-	$ 904,682	-

	2011		2010	
	Before Income Tax	**After Income Tax**	**Before Income Tax**	**After Income Tax**
EARNINGS PER SHARE (Note 18)				
Basic	$ 2.91	$ 2.62	$ 3.15	$ 3.03
Diluted	$ 2.77	$ 2.49	$ 3.00	$ 2.88

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

TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 790,039	$ 904,682
Depreciation	652,291	612,410
Nonoperating loss - idle assets and lease assets	3,984	4,432
Amortization	21,732	16,208
Provision for doubtful accounts	26	2,323
Provision for loss on inventories	25,443	24,935
Loss on physical inventories	57	41
Gain on sale of investments	(554)	(873)
Investment income recognized under equity method	(7,235)	(1,224)
Loss on disposal of property, plant and equipment	464	3,360
Valuation loss (gain) on financial instruments	59,828	(34,924)
(Reversal) of Impairment loss	(4,873)	4,184
Discount on bonds payable	7,306	7,027
Deferred income tax	41,230	(4,619)
Net changes in operating assets and liabilities		
Notes receivable	(21,751)	1,136
Accounts receivable	(188,675)	(343,351)
Inventories	(209,831)	(501,131)
Other current assets	(123,359)	110,709
Notes payable	26,399	13,096
Accounts payable	203,626	355,867
Accrued expenses	(103,982)	165,938
Other payables	-	48,325
Other current liabilities	182,497	(3,119)
Net cash provided by operating activities	1,354,662	1,385,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial instruments at fair value through profit or loss	67,172	839
Acquisition of financial assets designated as at fair value through profit or loss	(10,500)	-
Acquisition of available-for-sale financial assets	(90,000)	(1,170,000)
Proceeds from disposal of available-for-sale financial assets	-	1,020,873
Acquisition of investments accounted for by equity method	-	(31,971)
Acquisition of financial assets carried at cost	(148,767)	(93,678)
Acquisition of property, plant and equipment	(944,696)	(1,245,799)
Proceeds from disposal of property, plant and equipment	16,940	49,720
Decrease in refundable deposits	2,488	1,274
Increase in deferred charges	(36,648)	(34,647)
Net cash used in investing activities	(1,144,011)	(1,503,389)

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TXC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2011	2010
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	412,568	53,404
Increase (decrease) in long-term loans	540,911	(298,277)
Issuance of convertible bonds	-	795,000
Increase in guarantee deposits received	3,107	217
Cash dividends	(740,763)	(575,814)
Proceeds from exercise of employee stock options	91,034	117,450
Net cash (used in) provided by financing activities	306,857	91,980
EXCHANGE INFLUENCE	57,648	246
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	575,156	(25,731)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,518,563	1,566,608
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,093,719	$ 1,540,877
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ 20,574	$ 20,450
Income tax paid	$ 105,775	$ 121,671
NONCASH INVESTING AND FINANCING ACTIVITIES		
Convertible bonds	$ 600	$ 14,971

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

TXC CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, order No. VI-0960064020 issued by the Financial Supervisory Commission under the Executive Yuan on November 15, 2007, and accounting principles generally accepted in the Republic of China ("ROC").

Except for changes in accounting principles as described in Note 2 and details of significant accounting policies summarized below, all the other accounting policies are the same as consolidated financial statements in 2010 and 2009, respectively.

For readers' convenience, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the financial statements shall prevail.

Significant accounting policies are summarized as follows:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of TXC and its subsidiaries. All significant intercompany balances and transactions are eliminated upon consolidation.

The consolidated entities were as follows:

Investor	Investee	Business Nature	Percentage of Ownership at September 30 2011	Percentage of Ownership at September 30 2010
TXC Corporation	Taiwan Crystal Technology International Limited (TCTI)	Investment holding	100%	100%
	TXC Technology, Inc.	Marketing activities	100%	100%
	TXC Japan Corporation	Marketing activities	100%	100%
	Taiwan Crystal Technology International (HK) Limited	Investment holding	100%	-
TCTI	Growing Profits Trading Ltd. (GPT)	International trading	100%	100%
	TXC (NGB) Corporation (NGB)	Manufacture and sales of electronic products	100%	100%
NGB	TXC (HK) Limited	International trading	100%	100%
	TXC (Chongqing) Corporation (Chongqing)	Manufacture and sales of electronic products	30%	-
	Chongqing All Sun Company Limited (Chongqing All sun)	Marketing activities	100%	-
	Ningbo Jingyu Company Limited	Purchasing and selling electronic component	100%	-
TCTI-HK	TXC (Chongqing) Corporation (Chongqing)	Manufacture and sales of electronic products	70%	-

a. TCTI was incorporated on December 23, 1998 in Samoa.

b. TXC Technology, Inc. was incorporated on December 1, 2000 in California, U.S.A.

c. TXC Japan Corporation was incorporated on September 13, 2005 in Yokhoma, Japan.

d. GPT was incorporated on March 9, 1999 in the British Virgin Islands.

e. NGB was incorporated on March 12, 1999 in Ningbo, China.

f. TXC (HK) Limited was incorporated on March 31, 2008 in Hong Kong Special Administrative Region, China.

g. Taiwan Crystal Technology International (HK) Limited was incorporated on July 16, 2010 in Hong Kong Special Administrative Region, China.

h. TXC (Chongqing) Corporation was incorporated October 11, 2010 in Chongqing, China.

i. Chongqing All Sun Corporation was incorporated February 10, 2011 in Chongqing, China.

j. Ningbo Jingyu Company Limited was incorporated September 2011 in Ningbo, China.

TXC and its consolidated subsidiaries, listed above, are hereinafter collectively referred to as the "Corporation".

Investments Accounted for by the Equity Method

Investments in which the Corporation holds 20 percent or more of the investees' voting shares or exercises significant influence over the investees' operating and financial policy decisions are accounted for by the equity method.

Profits from downstream transactions with an equity-method investee are eliminated in proportion to the Corporation's percentage of ownership in the investee; however, if the Corporation has control over the investee, all the profits are eliminated. Profits from upstream transactions with an equity-method investee are eliminated in proportion to the Corporation's percentage of ownership in the investee.

2. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

Financial Instruments

On January 1, 2011, the Corporation adopted the newly revised Statement of Financial Accounting Standards (SFAS) No. 34, "Financial Instruments: Recognition and Measurement." The main revisions includes (1) finance lease receivables are now covered by SFAS No. 34; (2) the scope of the applicability of SFAS No. 34 to insurance contracts is amended; (3) loans and receivables originated by the Corporation are now covered by SFAS No. 34; (4) additional guidelines on impairment testing of financial assets carried at amortized cost a debtor has financial difficulties and the terms of obligations have been modified; and (5) accounting treatment by a debtor for modifications in the terms of obligations. The adoption did not result in net income for the nine months ended September 30, 2011.

Operating Segments

On January 1, 2011, the Corporation adopted the newly issued SFAS No. 41 - “Operating Segments.” The statement requires that segment information be disclosed based on the information about the components of the Corporation that management uses to make operating decisions. SFAS No. 41 requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Corporation's chief operating decision maker in order to allocate resources to the segments and assess their performance. This statement supersedes SFAS No. 20, “Segment Reporting.” For this accounting change, the Corporation restated the segment information as of and for the nine months ended September 30, 2010 to conform to the disclosures as of and for the nine months ended September 30, 2011.

3. CASH AND CASH EQUIVALENTS

	September 30	
	2011	**2010**
Cash on hand	$ 1,375	$ 2,032
Checking accounts and demand deposits	1,259,344	837,545
Time deposits	200,000	211,300
Cash equivalents		
Repurchase agreement collateralized by bonds	633,000	490,000
	$ 2,093,719	$ 1,540,877

4. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial instruments classified as held for trading were as follows:

	September 30	
	2011	**2010**
Financial assets at held for trading		
Forward exchange contracts	$ 6,417	$ 40,772
Convertible bonds	4,118	-
	$ 10,535	$ 40,772
Financial liabilities at held for trading		
Forward exchange contracts	$ 59,041	$ -

The Corporation entered into derivative contracts during the nine months ended September 30, 2011 and 2010 to manage exposures related to exchange rate fluctuations. The financial risk management objective of the Corporation is to minimize risks due to change in fair value or cash flows.

Outstanding forward contracts as of September 30, 2011 and 2010:

	Currency	Maturity Date	Contract Amount (In Thousands)
September 30, 2011			
Sell	USD/NTD	October 4, 2011- January 17, 2012	USD64,000/NTD1,866,944
Sell	USD/JPY	October 3, 2011- November 14, 2011	USD7,750/JPY599,955
Sell	NTD/JPY	October 5, 2011- December 22, 2011	NTD252,516/JPY690,000
Sell	USD/RMB	October 11, 2011- March 28, 2012	USD29,000/RMB185,340
September 30, 2010			
Sell	USD/NTD	October 5, 2010- December 23, 2010	USD43,000/NTD1,373,286
Sell	USD/JPY	October 5, 2010- November 12, 2010	US$3,500/JPY309,900
Sell	NTD/JPY	October 5, 2010- January 14, 2011	NTD673,944/JPY1,810,000
Sell	USD/RMB	October 8, 2010- January 28, 2011	USD15,000/RMB101,395

Net gains (loss) on financial instruments held for the nine months ended September 30, 2011 and 2010 were $17,753 thousand and $54,653 thousand.

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	September 30	
	2011	2010
Mutual funds	$ 131,612	$ 150,000

6. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	September 30	
	2011	2010
Notes receivable, third parties	$ 27,450	$ 1,153
Less: Allowance for doubtful accounts	(33)	(11)
	$ 27,417	$ 1,142
Accounts receivable, third parties	$ 2,988,720	$ 2,818,136
Accounts receivable, related parties	5,851	11,810
	2,994,571	2,829,946
Less: Allowance for doubtful accounts	(24,384)	(22,996)
	$ 2,970,187	$ 2,806,950

7. INVENTORIES

	September 30	
	2011	2010
Raw materials	$ 259,782	$ 302,929
Supplies and spare parts	57,274	78,270
Work in-process	242,186	235,479
Finished goods	337,874	322,483
Merchandise inventories	406,770	345,387
Goods in transit	7,618	28,119
	$ 1,311,504	$ 1,312,667

As of September 30, 2011 and 2010, the allowance for inventory devaluation was $40,094 thousand and $40,194 thousand, respectively.

The cost of inventories recognized as cost of goods sold in the nine months ended September 30, 2011 and 2010 was $5,476,010 thousand and $5,103,400 thousand, respectively, which included $25,500 thousand and $24,976 thousand due to write-downs of inventories.

8. FINANCIAL ASSETS CARRIED AT COST

	September 30	
	2011	2010
Domestic unquoted common stocks	$ 245,445	$ 96,678

The above equity investments which had no quoted prices in on active market and of which fair values could not be reliably measured were carried at cost.

9. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

	September 30			
	2011		2010	
	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Unlisted companies				
TSE Technology (Ningbo) Co., Ltd.	$ 44,044	23	$ 33,195	23

Investment income (loss) recognized under the equity-method was as follows:

	Nine Months Ended September 30	
	2011	2010
TSE Technology (Ningbo) Co., Ltd.	$ 7,235	$ 1,224

The above equity-method investment was determined on the basis of unreviewed financial statements of the investees for the same periods.

10. PROPERTY, PLANT AND EQUIPMENT

	Nine Months Ended September 30, 2011			
	Cost	Revaluation Increment	Accumulated Depreciation	Carrying Value
Land	$ 599,057	$ 8,954	$ -	$ 608,011
Land improvements	593	-	513	80
Buildings	2,163,153	-	449,634	1,713,519
Machinery and equipment	6,140,036	-	3,200,507	2,939,529
Transportation equipment	16,153	-	10,071	6,082
Office equipment	223,576	-	156,723	66,853
Prepayments for equipment	192,056	-	-	192,056
Construction in progress	4,101	-	-	4,101
	$ 9,338,725	$ 8,954	$ 3,817,448	$ 5,530,231

	Nine Months Ended September 30, 2010			
	Cost	Revaluation Increment	Accumulated Depreciation	Carrying Value
Land	$ 273,496	$ 8,954	$ -	$ 282,450
Land improvements	593	-	488	105
Buildings	1,501,252	-	354,777	1,146,475
Machinery and equipment	5,483,121	-	2,673,560	2,809,561
Transportation equipment	13,971	-	7,893	6,078
Office equipment	200,565	-	132,519	68,046
Prepayments for equipment	45,905	-	-	45,905
Prepayments for building	184,847	-	-	184,847
Construction in progress	137,875	-	-	137,875
	$ 7,841,625	$ 8,954	$ 3,169,237	$ 4,681,342

Information about capitalized interest was as follows:

	Nine Months Ended September 30	
	2011	2010
Interest expense	$ 16,773	$ 20,376
Capitalized interest	-	-
Capitalization rates	-	-

See Note 21 for the details on property, plant and equipment pledged as collaterals.

The Corporation revalued its land in 1996, which resulted in total revaluation increments of $8,954 thousand. The net add revaluation amount of $5,442 thousand after deducting the reserve for land value increment tax of $3,512 thousand was credited to equity as unrealized revaluation increment.

11. OTHER ASSETS

Leased to Others

	September 30, 2011		
	Cost	Accumulated Depreciation	Carrying Value
Land	$ 2,602	$ -	$ 2,602
Buildings	129,212	(21,046)	108,166
	$ 131,814	$ (21,046)	$ 110,768

	September 30, 2010		
	Cost	Accumulated Depreciation	Carrying Value
Land	$ 2,602	$ -	$ 2,602
Buildings	126,145	(15,154)	110,991
	$ 128,747	$ (15,154)	$ 113,593

Future rental payments receivable were summarized as follows:

Period	Amount
4^{th} of 2011	$ 1,023
2012	446

As of September 30, 2011 and 2010, the Corporation had received deposits of $270 thousand. The interest on these deposits of $2 thousand and $2 thousand imputed at interest rates on time deposits was recognized as rental revenue, with a corresponding charge to interest expense for the nine months ended September 30, 2011 and 2010, respectively.

Idle Assets

Idle assets are land, building and equipment retired from active use.

	Nine Months Ended September 30	
	2011	2010
Book value	$ 31,012	$ 30,427
Accumulated impairment	(31,012)	(27,771)
	$ -	$ 2,656

12. SHORT-TERM LOANS

	September 30	
	2011	2010
Usance letters of credit	$ 606,608	$ 446,278
Working capital loans	244,048	188,280
	$ 850,656	$ 634,558

Usance letters of credit amounted to JPY814,426 thousand and US$161 thousand as of September 30, 2011 and JPY1,191,345 thousand as of September 30, 2010. Interest rates ranged from 0.78% to 1.18% and from 0.855% to 1.150% at September 30, 2011 and 2010, respectively.

Working capital loans amounted to US$8,000 thousand as of September 30, 2011 and US$6,000 thousand as of September 30, 2010. Interest rates ranged from 1.26% to 2.1682% and from 1.702% to 2.068% at September 30, 2011 and 2010, respectively.

See Note 21 for details of pledged assets.

13. ACCRUED EXPENSES

	September 30	
	2011	**2010**
Payroll	$ 60,225	$ 52,567
Bonus	107,389	65,794
Bonus to employees, directors and supervisors	125,963	138,416
Commission	76,557	82,447
Others	163,625	218,805
	$ 533,759	$ 558,029

14. BONDS PAYABLE

	September 30	
	2011	**2010**
Third unsecured domestic convertible bonds	$ 799,400	$ 800,000
Deduct: Discount on bonds payable	(12,504)	(22,312)
Deduct: Current portion	-	-
	$ 786,896	$ 777,688
Assets (liability) component of unsecured domestic corporate bonds	$ 1,119	$ 9,736

Second Unsecured Domestic Convertible Bonds

On November 8, 2006, the Corporation issued second unsecured domestic convertible bonds with an aggregate value of $800,000 thousand and maturity on November 8, 2011. Nominal interest is 0%. According to Statement of Financial Accounting Standards No. 36, “Disclosure and Presentation of Financial Instruments,” these unsecured domestic convertible bonds were separated into convertible options, equity (Note 16), and bonds payable, liability. Other details of the bond issuance are summarized as follows:

a. Upon maturity the Corporation has redeemed the bonds by cash at face value.

b. On the third anniversary of the issuance date, bonds are redeemable at face value.

c. During the period between one month after issuance and the 40th day before maturity, the Corporation can redeem the bonds from holders at contracted price.

d. During the period between one month after issuance and the 10th day before maturity, except for the period between the ex-dividend date and the date of record, holders can request for conversion of the bonds to the Corporation's common stock.

e. The original conversion price per share is NT$52.00. The conversion price is subject to adjustment based on a certain formula if there are changes in outstanding shares or execution of conversion below market price.

Third Unsecured Domestic Convertible Bonds

On January 11, 2010, the Corporation issued third unsecured domestic convertible bonds with an aggregate value of $800,000 thousand and maturity on January 11, 2013. Nominal interest is 0%. As of September 30, 2011, bonds with a face value of $600 thousand had been converted into 11 thousand common shares, it should first issue new shares accordance with the laws, and change of registration. According to Statement of Financial Accounting Standards No. 36, "Disclosure and Presentation of Financial Instruments," these unsecured domestic convertible bonds were separated into convertible options, equity (Note 18), and bonds payable, liability. Other details of the bond issuance are summarized as follows:

a. Upon maturity the Corporation has redeemed the bonds by cash at face value.

b. During the period between one month after issuance and the 40th day before maturity, the Corporation can redeem the bonds from holders at contracted price.

c. During the period between one month after issuance and the 10th day before maturity, except for the period between the ex-dividend date and the date of record, holders can request for conversion of the bonds to the Corporation's common stock.

d. The original conversion price per share is $57.6. The conversion price is subject to adjustment based on a certain formula if there are changes in outstanding shares or execution of conversion below market price. The conversion price per share is $50.4 on September 30, 2011.

15. LONG-TERM LOANS

		September 30	
Nature of Loans	**Repayment Period**	**2011**	**2010**
Secured bank loans	Maturity on August 25, 2013, repayable in three monthly installments from August 2008	$ -	$ 36,000
Secured bank loans	Maturity on July 24, 2013, repayable in three monthly installments from July 2008	116,500	174,750
Unsecured bank loans	Maturity on July 24, 2013, repayable in three monthly installments from April 2009	14,000	21,000
Unsecured bank loans	Repayable at maturity on September 16, 2011	-	100,000
Unsecured bank loans	Repayable at maturing on October 1, 2012	-	100,000
Unsecured bank loans	Repayable at maturing on February 28, 2013	180,000	180,000
Unsecured bank loans	Repayable at maturing on June 27, 2013	100,000	-
Unsecured bank loans	Maturity on August 17, 2016, repayable in three monthly installments from August 2012	600,000	-

(Continued)

Nature of Loans	Repayment Period	September 30 2011	September 30 2010
Unsecured bank loans	Maturity on October 28, 2015, repayable in three monthly installments from October 2011	$ 500,000	$ -
Unsecured bank loans	Repayable at maturity on March 31, 2011	-	78,450
Unsecured bank loans	Repayable at maturity on February 27, 2011	-	62,760
Unsecured bank loans	Maturity on June 9, 2011, repayable in six monthly installments	-	35,303
Unsecured bank loans	Repayable at maturing on March 21, 2014	76,265	-
Unsecured bank loans	Repayable at maturity on February 28, 2013	91,518	-
Unsecured bank loans	Repayable at maturity on February 27, 2011	-	31,380
Unsecured bank loans	Maturity on December 19, 2013, repayable in three monthly installments from December 19, 2011	91,518	-
Less current portion		(266,009)	(385,143)
		$ 1,503,792	$ 434,500
Interest rate (%)		0.93%-2.068%	0.86%-2.07%

(Concluded)

See Note 21 for collateral on long-term loans.

16. STOCKHOLDERS' EQUITY

Capital Stock

The Corporation's authorized capital is $4,000,000 thousand at September 30, 2011 and 2010 ($10.00 par value per share). As of September 30, 2011 and 2010, the Corporation's issued capital stock were $3,022,423 thousand and $2,966,651 thousand divided into 302,242 thousand shares and 296,665 thousand shares, respectively, at NT$10.00 par value each.

Employee Stock Options

In December 2007, 8,000 options, were granted to qualified employees of the Corporation and its subsidiaries. Each option entitles the holder to subscribe for one thousand common shares of the Corporation when exercisable. The options granted are valid for 5 years and exercisable at certain percentages after the second anniversary year from the grant date. The options were granted at an exercise price equal to the closing price of the Corporation's common shares listed on the TSE on the grant date. For any subsequent changes in the Corporation's paid-in capital, the exercise price is a adjusted accordingly.

Information about employee stock option plans was as follows:

	Nine Months Ended September 30			
	2011		2010	
Employee Stock Options	**Number of Options (In Thousand)**	**Weighted Average Exercise Price**	**Number of Options (In Thousand)**	**Weighted Average Exercise Price**
Balance, beginning of period	4,954	$42.9	7,585	$45.4
Options granted	-		-	-
Option forfeited	-		(44)	-
Options exercised	(2,122)	42.9	(2,587)	45.4
Options expired	(187)		-	
Balance, end of period	2,645	39.7	4,954	42.9
Options exercisable, end of period	893		1,096	

Information about outstanding options as of September 30, 2011 and 2010 was as follows:

September 30			
2011		2010	
Range of Exercise Price (NT$)	**Weighted Average Remaining Contractual Life (Years)**	**Range of Exercise Price (NT$)**	**Weighted Average Remaining Contractual Life (Years)**
$42.9-39.7	1.19	$45.4-42.9	2.19

For the nine months ended September 30, 2011, termination of employment resulted in forfeiture of stock options which were granted during the year ended December 31, 2011 at 2%.

The pro forma information for the nine months ended September 30, 2011 and 2010 assuming employee stock options granted before January 1, 2008 were accounted for under SFAS No. 39 was as follows:

Assumptions	
Risk-free interest rate	2.42%
Expected life (years)	3.875 years
Expected volatility	43.5%
Expected dividend yield	-

	Nine Months Ended September 30	
	2011	2010
Net income	$ 790,039	$ 904,682
After income tax earnings per share (NT$)	2.62	3.03

Capital Surplus

Under the Company Law capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) and donations may be capitalized, which however is limited to a certain percentage of the Corporation's paid-in capital. Also the capital surplus from long-term investments may not be used for any purpose.

Capital surplus comprised of the following:

	September 30	
	2011	2010
Arising from issuance of common shares	$ 325,830	$ 332,289
Arising from conversion of bonds	772,417	776,646
Arising from treasury stock transaction	-	4,360
Employee stock options	217,947	149,644
Conversion options	39,884	39,914
	$ 1,356,078	$ 1,302,853

Appropriation of Earnings and Dividend Policy

Under and the Corporation's Articles of Incorporation, the Corporation should make appropriation from its net income less any prior years' deficit, 10% should be appropriated as legal reserve. The remaining amount may be fully or partially retained and partially distributed for dividends, with the stockholders' approval, according to the following percentages.

a. Employee bonus - not less than 3%;

b. Directors and supervisors' remuneration - not more than 2%; and

c. Stock bonuses to employees include subsidiary employees who meet certain criteria set by the board of directors.

Dividends are recommended by the board of directors in accordance with the Corporation's dividend policy. Under this policy, industry trend and growth should be evaluated, investment opportunities should be fully understood, and proper capital adequacy ratios should be considered in determining the dividend to be distributed. In addition, cash dividends should not be less than 20% of the total dividends to be appropriated.

For the nine months ended September 30, 2011 and 2010, the bonus to employees was $85,311 thousand and $122,132 thousand, respectively, the remuneration to directors and supervisors was $14,218 thousand and $16,284 thousand, respectively. The bonus to employees and remuneration to directors and supervisors represented 12%, 15% and 2%, respectively, of net income (net of the bonus and remuneration).

Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

Based on a directive issued by the Securities and Futures Bureau, an amount equal to the net debit balance of certain stockholders' equity accounts (including unrealized gain or loss on financial instruments, cumulative transaction adjustments) shall be transferred from unappropriated earnings to a special reserve. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

Legal reserve shall be appropriated until it has reached the Corporation's paid-in capital. This reserve may be used to offset a deficit. When legal reserve has reaches 50% of the Corporation's paid-in capital, up to 50% thereof may be transferred to paid-in capital.

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

The appropriation of earnings for 2010 and 2009 had been approved in the stockholders' meeting on June 10, 2011 and June 15, 2010, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For Year 2010	**For Year 2009**	**For Year 2010**	**For Year 2009**
Legal reserve	$ 119,018	$ 78,222	$ -	$ -
Cash dividends	740,763	575,814	2.5	2.0
Stock dividends	59,261	57,581	0.2	0.2

The bonus to employees and the remuneration to directors and supervisors for 2010 and 2009 approved in the stockholders' meetings on June 10, 2011 and June 15, 2010, respectively, were as follows:

	Year Ended December 31			
	2010		**2009**	
	Cash	**Stock**	**Cash**	**Stock**
Bonus to employees	$160,674	$ -	$ 71,168	$ -
Remuneration to directors and supervisors	21,423	-	7,117	-

	Year Ended December 31			
	2010		**2009**	
	Bonus to Employee Bonus	**Remuneration to Directors and Supervisors**	**Bonus to Employee Bonus**	**Remuneration to Directors and Supervisors**
Amounts approved in stockholders' meetings	$ 160,674	$ 21,423	$ 71,168	$ 7,117
Amounts recognized in respective financial statements	160,674	21,423	70,334	7,033
	$ -	$ -	$ 834	$ 84

The differences between the approved amounts of the bonus to employees and the remuneration to directors and supervisors and the accrual amounts reflected in the financial statements for the years ended December 31, 2010 and 2009 were primarily due to changes in estimates had been adjusted in profit and loss for the nine months ended September 30, 2011 and 2010, respectively.

Information on the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

17. TREASURY STOCK

(Shares in Thousands)

Purpose of Treasury Stock	Number of Shares, Beginning of Period	Addition During the Period	Reduction During the Period	Number of Shares, End of Period
Nine months ended September 30, 2011				
For transfer to employees	3,000	-	(3,000)	-
Nine months ended September 30, 2010				
For transfer to employees	3,000	-	-	3,000

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury stock nor exercise stockholders' rights on these shares, such as rights to dividends and to vote.

18. EARNINGS PER SHARE

	Nine Months Ended September 30			
	2011		2010	
	Before Tax	After Tax	Before Tax	After Tax
Basic earnings per share (NT$)				
From continuing operations	$ 2.91	$ 2.62	$ 3.15	$ 3.03
Income for the period	$ 2.91	$ 2.62	$ 3.15	$ 3.03
Diluted earnings per share (NT$)				
From continuing operations	$ 2.77	$ 2.49	$ 3.00	$ 2.88
Income for the period	$ 2.77	$ 2.49	$ 3.00	$ 2.88

The numerators and denominators used in calculating basic and diluted EPS were as follows:

	Amount (Numerator)		Shares	EPS (NT$)	
	Before Income Tax	After Income Tax	(Denominator) (In Thousands)	Before Income Tax	After Income Tax
Nine months ended September 30, 2011					
Net income	$ 876,964	$ 790,039			
Basic EPS (NT$)					
Income for the period attributable to common stockholders	$ 876,964	$ 790,039	301,528	$ 2.91	$ 2.62
Effect of dilutive potential common stock					
Employee stock option	-		523		
Convertible bonds	7,481	6,209	14,703		
Bonus to employees	-	-	2,385		
Diluted EPS					
Income for the period attributable to common stockholders plus effect of potential dilutive common stock	$ 884,445	$ 796,248	319,139	$ 2.77	$ 2.49

(Continued)

	Amount (Numerator)		Shares	EPS (NT$)	
	Before Income Tax	After Income Tax	(Denominator) (In Thousands)	Before Income Tax	After Income Tax
Nine months ended September 30, 2010					
Net income	$ 941,902	$ 904,682			
Basic EPS (NT$)					
Income for the period attributable to common stockholders	$ 941,902	$ 904,682	298,797	$ 3.15	$ 3.03
Effect of dilutive potential common stock					
Employee stock option	-	-	929		
Convertible bonds	7,061	5,861	14,743		
Bonus to employees	-	-	2,189		
Diluted EPS					
Income for the period attributable to common stockholders plus effect of potential dilutive common stock	$ 948,963	$ 910,543	316,658	$ 3.00	$ 2.88

(Concluded)

The ARDF issued Interpretation 2007-052 that requires companies to recognize bonuses paid to employees, directors and supervisors as compensation expenses beginning January 1, 2008. These bonuses were previously recorded as appropriations from earnings.

If the Corporation may settle the bonus to employees by cash or shares, the Corporation should presume that the entire amount of the bonus will be settled in shares and the resulting potential shares should be included in the weighted average number of shares outstanding used in the calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares of the balance sheet date. Such dilutive effect of the potential shares needs to be included in the calculation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The weighted average number of shares outstanding for EPS calculation has been retroactively adjusted for the issuance of employee stock bonuses distributed out of earnings for the nine month ended September 30, 2010 and stock dividends. This adjustment caused the basic and diluted after income tax EPS for the nine months ended September 30, 2010 to decrease from $3.09 to $2.93 and from $3.03 to 2.88, respectively.

19. FINANCIAL INSTRUMENTS

Fair values of financial instruments:

	September 30			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets at FVTPL, current	$ 10,535	$ 10,535	$ 40,772	$ 40,772
Available-for-sale financial assets, current	131,612	131,612	150,000	150,206
Other financial asset - noncurrent	1,119	1,119	9,736	9,736
Financial assets carried at cost	245,445	-	96,678	-

(Continued)

	September 30			
	2011		2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Financial liabilities at FVTPL, current	$ 59,041	$ 59,041	$ -	$ -
Bonds payable (including current portion)	786,896	786,896	777,688	777,688
Long-term loans (including current portion)	1,769,801	1,769,801	819,643	819,643

(Concluded)

Methods and assumptions used in the determination of fair values of financial instruments were as follows:

a. The above financial instruments do not include cash and cash equivalents, notes and accounts receivables, payables and short-term loans. Because of the short maturities of these instruments, the carrying values represent a reasonable basis to estimate fair values.

b. Fair values of financial instruments designated as at FVTPL and available-for-sale and derivatives are based on their quoted prices in an active market. For those instruments with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by other market participants to price financial instruments.

c. Financial assets carried at cost are investments in unquoted shares, which have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, no fair value is presented.

d. Fair value of long-term loans and bonds payable are estimated using the present value of future cash flows discounted by the interest rates.

Fair value of financial assets and liabilities based on quoted market prices or valuation technique were as follow:

	Quoted Market Price		Valuation Techniques Incorporating Estimates and Assumptions	
	September 30		September 30	
	2011	2010	2011	2010
Assets				
Financial assets at fair value through profit or loss, current	$ 4,118	$ -	$ 6,417	$ 40,772
Available-for-sale financial assets, current	131,612	150,000	-	-
Liabilities				
Financial liabilities at fair value through profit or loss, current	-	-	59,041	-
Bonds payable(including current portion)	-	-	786,896	777,688
Long-term debt (including current portion)	-	-	1,769,801	819,643

Valuation gains and (losses) arising from changes in fair value of financial instruments determined using valuation techniques were $(59,946) thousand and $34,924 thousand for the nine months ended September 30, 2011 and 2010, respectively.

Information about financial risks was as follows:

a. Market risk: The Corporation's market risk refers to the uncertainties due to exchange rate fluctuations. Gains or losses on forward exchange contracts are likely to offset the gains or losses on foreign-currency assets or liabilities. The Corporation does not have significant price risk.

b. Credit risk: Credit risk represents the potential loss that would be incurred by the Corporation if the counter-parties breached the contracts. The counter-parties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Corporation's exposure to default by those parties be material.

c. Liquidity risk: The Corporation's operating funds are deemed sufficient to meet the cash flow demand, therefore liquidity risk is not considered to be significant.

d. Cash flow interest rate risk: The Corporation's short-term and long-term loans are floating-rate. When the market interest rate increases by one percentage point, the Corporation's cash outflow will increase by $26,204 thousand a year.

20. RELATED-PARTY TRANSACTIONS

The related parties and their relationships with the Corporation are as follows:

Related Party	Relationship with the Corporation
Tai-Shing Electronic Components Corporation (Tai-Shing)	Chairman is the Corporation's general manager
TSE Technology (Ningbo) Co., Ltd. (TSE Technology)	Equity-method investee
Lin, Wan Xing	The general manager of TXC.

Major transactions with related parties were summarized below:

Sales

	Nine Months Ended September 30			
	2011		2010	
	Amount	% to Total Account Balances	Amount	% to Total Account Balances
Tai-Shing	$ 21,408	-	$ 29,705	-

Selling prices to related parties were similar to those for third parties.

Purchases

	Nine Months Ended September 30			
	2011		2010	
	Amount	% to Total Account Balances	Amount	% to Total Account Balances
Tai-Shing	$ 8	-	$ 14	-
TSE Technology	500	-	460	-
	$ 508	-	$ 474	-

Terms of purchases from related parties were similar to those for third parties.

Other Expense

	Nine Months Ended September 30			
	2011		2010	
	Amount	% to Total Account Balances	Amount	% to Total Account Balances
Tai-Shing	$ 948	-	$ 599	-

Rent Income

	Nine Months Ended September 30			
	2011		2010	
	Amount	% to Total Account Balances	Amount	% to Total Account Balances
TSE Technology	$ 1,981	3	$ 2,074	4

Consulting Revenue

	Nine Months Ended September 30			
	2011		2010	
	Amount	% to Total Account Balances	Amount	% to Total Account Balances
TSE Technology	$ 1,242	2	$ 1,301	3

Commission Revenue

	Nine Months Ended September 30			
	2011		2010	
	Amount	% to Total Account Balances	Amount	% to Total Account Balances
TSE Technology	$ 4,108	-	$ -	-

Receivables from and Payables to Related Parties

		September 30			
		2011		2010	
Item	Related Party	Amount	% to Total Account Balances	Amount	% to Total Account Balances
Accounts receivable	Tai-Shing	$ 5,581	-	$ 11,810	-
Other receivable	TSE	$ 617	-	$	
Notes payable	Tai-Shing	$ 275	-	$ 563	1
Accounts payable	Tai-Shing	$ -	-	$ 668	-
	TSE	192	-	452	-
		$ 192	-	$ 1,120	-
Accrued expenses	Tai-Shing	$ -	-	$ 34	-

The collection term and payment term to related parties were not significantly different from third parties.

Property Transactions

In the nine months ended September 30, 2011 and 2010, the Corporation purchased the computer from Tai-Shing was about $346 thousand and $4,133 thousand, respectively.

Endorsement/Guarantee Provided

As of September 30, 2011, Lin, Wan Xing was a Joint guarantor for parts loans of NGB.

21. PLEDGED ASSETS

The Corporation's assets mortgaged or pledged as collateral for bank loans were as follows:

	September 30	
	2011	2010
Land	$ 258,076	$ 258,076
Buildings, net	990,331	1,054,988
Leased to others	103,030	105,668
Intangible asset - land rights	16,223	16,222
	$ 1,367,660	$ 1,434,954

22. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Unused letters of credit was about JPY867,165 and US$793 thousand.

Guarantee notes receivable for construction in progress amount to about $4,176 thousand.

As of September 30, 2011, the Corporation's commitments were as follows:

Commitment	Total Dollars Amount of Contract	Dollars Paid	Dollars Unpaid
Mechanical and electrical engineering	RMB 2,857	RMB 207	RMB 2,650
Machinery and equipment	US$ 1,279	US$ -	US$ 1,279
Machinery and equipment	JPY 36,000	JPY -	JPY 36,000

23. SUBSEQUENT EVENTS

None.

24. OPERATING SEGMENT FINANCIAL INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or service delivered or provided. The Corporation's reportable segment under SFAS No. 41 are therefore as follows:

Crystal and others.

a. Segment revenues and results

The analysis of the Corporation's revenue from continuing operations by reportable segment was as follows:

	Segment Revenue		Segment Profit	
	Nine Months Ended September 30		Nine Months Ended September 30	
	2011	2010	2011	2010
Crystal	$ 7,287,493	$ 6,960,662	$ 890,955	$ 988,785
Others	3,706	-	(4,364)	-
	$ 7,291,199	$ 6,960,662	886,591	988,785
Investment income recognized under equity method			7,235	1,224
Interest income			8,412	4,049
Loss on disposal of property, plant and equipment			(464)	(3,360)
Exchange gain			69,085	(35,877)
Valuation gain (loss) on financial instruments			(59,828)	34,924
Other nonoperating income and gains			41,543	36,434
Interest expense			(21,460)	(20,376)
Income before tax			$ 931,114	$ 1,005,803

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the nine months ended September 30, 2011 and 2010.

There was no material inconsistency between the accounting policies of operating segment and the accounting policies describe in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' compensation, investment income or loss recognized under the equity method, gain or loss on disposal of investments accounted for by the equity method, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gain or loss on sale of investments, exchange gain or loss, valuation gain or loss on financial instruments, interest expense and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Segment assets

	2011	2010
Crystal	$ 9,578,479	$ 8,819,969
Others	278,502	-
Unamortized assets	2,873,583	2,166,722
	$ 12,730,564	$ 10,986,691

25. OTHER

The significant foreign - currency financial assets and liabilities were as follows:

	September 30					
	2011			2010		
	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)	Foreign Currencies (Thousands)	Exchange Rate	New Taiwan Dollars (Thousands)
Financial assets						
Monetary items						
USD	$ 106,310	30.506	$ 3,243,106	$ 91,406	31.38	$ 2,868,308
JPY	431,597	0.3977	171,646	122,001	0.3746	45,702
RMB	69,154	4.8004	331,966	103,508	4.6828	484,711
Investment accounted for by entity method						
RMB	9,174	4.8004	44,044	7,089	4.6828	33,195
Financial liabilities						
Monetary items						
USD	42,905	30.506	1,308,859	30,231	31.38	948,644
JPY	1,933,573	0.3977	768,982	2,345,019	0.3746	878,444
RMB	90,435	4.8004	434,125	144,143	4.6828	674,995

26. INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS: TABLE 1 (ATTACHED).

TABLE 1

TXC CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Nine months ended September 30, 2011

No.	Company Name	Counter Party	Natural of Relationship (Note 1)	Intercompany Transactions			
				Accounts	Amount	Terms (Note 2)	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	TXC Corporation	TXC Technology, Inc.	1	Sales	$ 966	-	-
				Consulting expense	33,515	-	-
				Accounts receivable	493	-	-
		TXC Japan Corporation	1	Sales	6,859	-	-
				Purchase	11,720	-	-
				Consulting expenses	36,170	-	1
				Other expense	133	-	-
				Accounts payable	77	-	-
				Accrued expenses	2,977	-	-
		TXC (NGB) Corporation	1	Purchase	1,783,422	-	24
				Sales	75,804	-	1
				Accounts receivable	55,016	-	-
				Accounts payable	751,483	-	6
				Other receivable	104	-	-
				Other expense	406	-	1
		TXC (H.K.) Limited	1	Sales	120	-	-
		Growing Profits Trading Ltd.	1	Purchase	16,163	-	-
				Accounts payable	16,657	-	-
1	Growing Profits Trading Ltd.	TXC (NGB) Corporation	3	Sales	117,493	-	2
				Accounts receivable	70,693	-	1
2	TXC (NGB) Corporation	TXC (H.K.) Limited	3	Sales	859	-	-
		TXC (Chongqing) Corporation	3	Other receivable	9,848	-	-
				Receipts advance	48,348	-	-

(Continued)

Nine months ended September 30, 2010

No.	Company Name	Counter Party	Natural of Relationship (Note 1)	Intercompany Transactions			
				Accounts	Amount	Terms (Note 2)	Percentage of Consolidated Total Gross Sales or Total Assets (%)
0	TXC Corporation	TXC Technology, Inc.	1	Consulting expense	$ 20,072	-	-
				Other current asset	26	-	-
		TXC Japan Corporation	1	Sales	5,384	-	-
				Purchase	14,706	-	-
				Consulting expenses	36,187	-	1
				Other expense	240	-	-
				Accounts payable	4,971	-	-
				Accrued expenses	100	-	-
		TXC (NGB) Corporation	1	Purchase	1,527,025	-	22
				Sales	79,651	-	1
				Accounts receivable	10,375	-	-
				Accounts payable	447,111	-	4
				Other receivable	249,304	-	2
		TXC (H.K.) Limited	1	Sales	5,173	-	-
				Accounts receivable	2,641	-	-
		Growing Profits Trading Ltd.	1	Purchase	3,224	-	-
				Accounts payable	3,153	-	-
2	TXC (NGB) Corporation	TXC (H.K.) Limited	3	Sales	38,184	-	1
				Accounts receivable	6,884	-	-

Note 1: 1. The transaction is between TXC Corporation and subsidiaries.
3. The transaction is between subsidiaries and subsidiaries.

Note 2: In the nine months ended September 30, 2010, the selling price and purchasing price were not significantly different from those with third parties, except those for NGB, GPT, and TXC (HK) Limited, those related parties are divisions of the Group strategy, its trading price to cost-adjust according to the agreed terms.

(Concluded)