Advantech Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the
Three Months Ended March 31, 2014 and 2013 and
Independent Auditors' Review Report

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Advantech Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Advantech Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2014 and 2013 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews. However, the financial statements of an equity-method investee, Axiomtek Co., Ltd., as of and for the three months ended March 31, 2014 and 2013 were reviewed by other independent CPAs. This investee's share of the investments accounted for using the equity method were 1.36% (NT$396,422 thousand) and 1.53% (NT$396,137 thousand) of the Company's total consolidated assets as of March 31, 2014 and 2013. The Company's share of its profit was 1.93% (NT$27,750 thousand) and 1.74% (NT$18,550 thousand) of the Company's consolidated pretax profits for the three months ended March 31, 2014 and 2013.

Except as stated in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

The financial statements of the Company's subsidiaries for the three months ended March 31, 2014 and 2013 had not been reviewed, except those of Advantech Automation Corp. (BVI), Advantech Automation Corp. (H.K.) Limited, Advantech Corp., Advantech Technology Co., Ltd, Advantech Technology (HK) Co., Limited, Advantech Technology (China) Co., Ltd. (AKMC), Advantech Europe Holding B.V, and Advantech Europe B.V. The total assets of these subsidiaries were 13.74% (NT$4,012,745 thousand) and 14.06% (NT$3,647,408 thousand) of the Company's consolidated total assets as of March 31, 2014 and 2013, respectively. The total liabilities of these subsidiaries were 21.83% (NT$1,783,824 thousand) and 24.86% (NT$1,716,943 thousand) of the Company's consolidated total liabilities as of March 31, 2014 and 2013, respectively. The comprehensive incomes of these subsidiaries were 14.52% (NT$209,918 thousand) and 12.15% (NT$150,207 thousand) of the Company's consolidated comprehensive incomes in the three months ended March 31, 2014 and 2013, respectively. Also, as stated in Note 12 to the consolidated financial statements, the investments accounted for by the equity method were NT$56,505 thousand and NT$6,253 thousand as of March 31, 2014 and 2013, respectively. The equities in earnings of the equity-method investees of these subsidiaries were NT$288 thousand and NT$1,127 thousand of the Company's consolidated net income in the three months ended March 31, 2014 and 2013, respectively, and these investment amounts as well as additional disclosures in Note 31 "Information on investees" were based on the investees' unreviewed financial statements for the same reporting periods as those of the Company.

Based on our reviews, except for the adjustments which could arise from the financial statements of the Company's subsidiaries that had not been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Advantech Co., Ltd. and subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China (ROC) and International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

May 8, 2014

Notice to Readers

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

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

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2014 (Reviewed) Amount	%	December 31, 2013 (Audited) Amount	%	March 31, 2013 (Reviewed) Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 3,014,337	10	$ 2,832,358	10	$ 2,773,068	11
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	597	-	2,723	-	21,856	-
Available-for-sale financial assets - current (Notes 4, 8 and 26)	2,563,732	9	2,112,427	8	2,954,949	11
Debt investments with no active market - current (Note 9)	351,874	1	568,803	2	392,736	2
Notes receivable (Notes 4 and 10)	746,963	3	749,529	3	541,041	2
Trade receivables (Notes 4 and 10)	4,995,773	17	4,753,568	17	3,896,728	15
Trade receivables from related parties (Note 27)	36,937	-	6,579	-	15,622	-
Other receivables	118,773	-	24,736	-	101,357	-
Inventories (Notes 4 and 11)	4,510,474	16	4,030,657	15	4,156,022	16
Other current assets (Notes 15 and 28)	258,857	1	330,250	1	382,260	2
Total current assets	16,598,317	57	15,411,630	56	15,235,639	59
NONCURRENT ASSETS						
Available-for-sale financial assets - noncurrent, net of current portion (Notes 4, 8 and 26)	1,980,150	7	1,864,424	7	2,399,881	9
Investments accounted for using the equity method (Notes 4 and 12)	452,927	2	402,433	1	402,390	2
Property, plant and equipment (Notes 4, 13 and 28)	8,159,607	28	7,941,679	29	6,609,587	26
Goodwill (Notes 4 and 14)	1,278,095	4	1,265,658	5	631,347	2
Other intangible assets (Note 4)	304,017	1	326,617	1	363,071	1
Deferred tax assets (Notes 4, 5 and 22)	150,176	1	144,047	1	147,354	1
Prepayments for equipment	120,726	-	25,299	-	15,967	-
Long-term prepayments for lease (Note 15)	93,718	-	94,416	-	95,340	-
Other noncurrent assets	58,098	-	59,881	-	40,087	-
Total noncurrent assets	12,597,514	43	12,124,454	44	10,705,024	41
TOTAL	$ 29,195,831	100	$ 27,536,084	100	$ 25,940,663	100

LIABILITIES AND EQUITY	March 31, 2014 (Reviewed) Amount	%	December 31, 2013 (Audited) Amount	%	March 31, 2013 (Reviewed) Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 16 and 28)	$ 20,293	-	$ 123,144	-	$ 153,547	1
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	27,359	-	23,722	-	23,177	-
Trade payables (Note 27)	3,050,604	11	3,003,543	11	2,836,469	11
Other payables (Note 18)	2,818,099	10	2,909,390	11	2,011,051	8
Current tax liabilities (Notes 4 and 22)	900,471	3	695,945	3	584,841	2
Short-term warranty provision (Note 4)	129,261	-	122,437	-	104,205	-
Current portion of long-term borrowings and bonds payable (Notes 4, 16, 17 and 28)	-	-	18,348	-	355	-
Other current liabilities	307,102	1	336,026	1	329,897	1
Total current liabilities	7,253,189	25	7,232,555	26	6,043,542	23
NONCURRENT LIABILITIES						
Bonds payable (Notes 4 and 17)	-	-	-	-	163,978	1
Long-term borrowings, net of current portion (Notes 16 and 28)	-	-	-	-	2,488	-
Deferred tax liabilities (Notes 4 and 22)	657,147	2	623,598	2	547,286	2
Long-term accounts payable	104,615	-	102,519	-	-	-
Accrued pension liabilities (Notes 4 and 19)	155,440	1	156,864	1	149,320	1
Other noncurrent liabilities	750	-	358	-	358	-
Total noncurrent liabilities	917,952	3	883,339	3	863,430	4
Total liabilities	8,171,141	28	8,115,894	29	6,906,972	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital						
Ordinary shares	5,694,001	20	5,669,249	21	5,652,059	22
Advance receipts for share capital	20,510	-	24,751	-	-	-
Total share capital	5,714,511	20	5,694,000	21	5,652,059	22
Capital surplus						
Additional paid in capital from share issuance in excess of par value	4,981,481	17	4,870,500	18	4,620,005	18
Employee stock options	93,039	-	121,023	-	143,179	-
Changes in equity of associates recognized under the equity method	30,424	-	4,112	-	232	-
Capital surplus, others	134	-	-	-	-	-
Total capital surplus	5,105,078	17	4,995,635	18	4,763,416	18
Retained earnings						
Legal reserve	3,061,424	10	3,061,424	11	2,715,185	10
Special reserve	-	-	-	-	545,303	2
Unappropriated earnings	6,605,463	23	5,452,733	20	4,811,018	19
Total retained earnings	9,666,887	33	8,514,157	31	8,071,506	31
Other equity						
Foreign-currency translation reserve	200,973	1	130,041	-	32,923	-
Unrealized gain or loss on available-for-sale financial assets	140,631	-	(75,534)	-	397,161	2
Total other equity	341,604	1	54,507	-	430,084	2
Total equity attributable to owners of the Company	20,828,080	71	19,258,299	70	18,917,065	73
NONCONTROLLING INTERESTS	196,610	1	161,891	1	116,626	-
Total equity	21,024,690	72	19,420,190	71	19,033,691	73
TOTAL	$ 29,195,831	100	$ 27,536,084	100	$ 25,940,663	100

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

(With Deloitte & Touche review report dated May 8, 2014)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	Three Months Ended March 31			
	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 27)				
Sales	$ 7,883,894	97	$ 6,378,641	96
Other operating revenue	262,658	3	250,946	4
Total operating revenue	8,146,552	100	6,629,587	100
OPERATING COSTS (Notes 11, 21 and 27)	4,767,527	58	3,863,638	58
GROSS PROFIT	3,379,025	42	2,765,949	42
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing	842,957	10	718,415	11
Administrative	470,496	6	469,007	7
Research and development	700,197	9	613,545	9
Total operating expenses	2,013,650	25	1,800,967	27
PROFIT FROM OPERATIONS	1,365,375	17	964,982	15
NONOPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates accounted for using the equity method (Notes 4 and 12)	28,038	1	19,677	-
Interest income	14,573	-	6,583	-
Gain (loss) on disposal of property, plant and equipment (Note 4)	158	-	(1,035)	-
Gain on disposal of investments (Note 20)	18,575	-	34,224	1
Foreign exchange gain, net (Note 4)	41,299	1	31,288	-
Gain on financial instruments at fair value through profit or loss (Notes 4 and 7)	1,173	-	11,772	-
Other income (Notes 8 and 27)	23,024	-	22,294	-
Finance costs (Note 21)	(1,283)	-	(3,205)	-
Loss on financial instruments at fair value through profit or loss (Notes 4 and 7)	(55,510)	(1)	(15,087)	-
Other losses	(825)	-	(4,109)	-
Total nonoperating income and expenses	69,222	1	102,402	1
PROFIT BEFORE INCOME TAX	1,434,597	18	1,067,384	16
INCOME TAX EXPENSE (Notes 4 and 22)	278,342	4	200,416	3
NET PROFIT FOR THE PERIOD	1,156,255	14	866,968	13

(Continued)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	Three Months Ended March 31			
	2014		2013	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations (Notes 4 and 20)	$ 85,412	1	$ 166,445	3
Unrealized gain on available-for-sale financial assets (Notes 4 and 20)	216,165	3	228,217	3
Share of the other comprehensive income of associates accounted for using the equity method (Notes 4 and 20)	2,398	-	2,783	-
Income tax relating to the components of other comprehensive income (expense) (Notes 4, 20 and 22)	(14,528)	-	(28,115)	-
Other comprehensive income for the period, net of income tax	289,447	4	369,330	6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 1,445,702	18	$ 1,236,298	19
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 1,152,741	14	$ 859,867	13
Noncontrolling interests	3,514	-	7,101	-
	$ 1,156,255	14	$ 866,968	13
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 1,439,838	18	$ 1,225,352	19
Noncontrolling interests	5,864	-	10,946	-
	$ 1,445,702	18	$ 1,236,298	19
EARNINGS PER SHARE (Note 23)				
Basic	$2.02		$1.52	
Diluted	$2.01		$1.51	

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

(With Deloitte & Touche review report dated May 8, 2014) (Concluded)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company												
	Issued Capital (Notes 20 and 24)				Retain Earnings (Notes 4, 20 and 25)				Other Equity (Notes 4 and 20)				
	Share Capital	Advance Receipts for Ordinary Shares	Total	Capital Surplus (Notes 4, 20 and 25)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Noncontrolling Interests (Notes 4, 20 and 25)	Total Equity
BALANCE AT JANUARY 1, 2013	$ 5,639,971	$ -	$ 5,639,971	$ 4,701,785	$ 2,715,185	$ 545,303	$ 3,952,535	$ 7,213,023	$ (104,345)	$ 168,944	$ 17,619,378	$ 107,891	$ 17,727,269
Compensation cost recognized for employee share options	-	-	-	5,984	-	-	-	-	-	-	5,984	-	5,984
Change in capital surplus from investments in associates accounted for by the equity method	-	-	-	232	-	-	-	-	-	-	232	-	232
Difference between consideration paid and carry amount of subsidiaries acquired	-	-	-	-	-	-	(1,384)	(1,384)	-	-	(1,384)	(2,211)	(3,595)
Convertible bonds converted to ordinary shares	2,838	-	2,838	18,778	-	-	-	-	-	-	21,616	-	21,616
Recognition of employee share options by the Company	9,250	-	9,250	36,637	-	-	-	-	-	-	45,887	-	45,887
Net profit for the three months ended March 31, 2013	-	-	-	-	-	-	859,867	859,867	-	-	859,867	7,101	866,968
Other comprehensive income for the three months ended March 31, 2013, net of income tax	-	-	-	-	-	-	-	-	137,268	228,217	365,485	3,845	369,330
Total comprehensive income (loss) for the three months ended March 31, 2013	-	-	-	-	-	-	859,867	859,867	137,268	228,217	1,225,352	10,946	1,236,298
BALANCE AT MARCH 31, 2013	$ 5,652,059	$ -	$ 5,652,059	$ 4,763,416	$ 2,715,185	$ 545,303	$ 4,811,018	$ 8,071,506	$ 32,923	$ 397,161	$ 18,917,065	$ 116,626	$ 19,033,691
BALANCE AT JANUARY 1, 2014	$ 5,669,249	$ 24,751	$ 5,694,000	$ 4,995,635	$ 3,061,424	$ -	$ 5,452,733	$ 8,514,157	$ 130,041	$ (75,534)	$ 19,258,299	$ 161,891	$ 19,420,190
Recognition of employee share options by the Company	15,910	2,470	18,380	68,137	-	-	-	-	-	-	86,517	-	86,517
Compensation cost recognized for employee share options	-	-	-	1,139	-	-	-	-	-	-	1,139	-	1,139
Change in capital surplus from investments in associates accounted for by the equity method	-	-	-	2,606	-	-	-	-	-	-	2,606	-	2,606
Convertible bonds converted to ordinary shares	8,842	(6,711)	2,131	13,855	-	-	-	-	-	-	15,986	-	15,986
Difference between consideration paid and carry amount of subsidiaries acquired	-	-	-	23,706	-	-	(11)	(11)	-	-	23,695	28,452	52,147
Net profit for the three months ended March 31, 2014	-	-	-	-	-	-	1,152,741	1,152,741	-	-	1,152,741	3,514	1,156,255
Other comprehensive income for the three months ended March 31, 2014, net of income tax	-	-	-	-	-	-	-	-	70,932	216,165	287,097	2,753	289,850
Total comprehensive income (loss) for the three months ended March 31, 2014	-	-	-	-	-	-	1,152,741	1,152,741	70,932	216,165	1,439,838	6,267	1,446,105
BALANCE AT MARCH 31, 2014	$ 5,694,001	$ 20,510	$ 5,714,511	$ 5,105,078	$ 3,061,424	$ -	$ 6,605,463	$ 9,666,887	$ 200,973	$ 140,631	$ 20,828,080	$ 196,610	$ 21,024,690

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

(With Deloitte & Touche review report dated May 8, 2014)

ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Three Months Ended March 31	
	2014	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,434,597	$ 1,067,384
Adjustments for:		
Depreciation expenses	94,126	95,616
Amortization expenses	24,810	24,065
Provision (reversal of provision) for bad debt expense	(19,267)	2,435
Net loss on financial assets or liabilities at fair value through profit or loss	54,337	3,315
Compensation cost of employee share options	1,139	5,984
Finance costs	1,283	3,205
Interest income	(14,573)	(6,583)
Share of profit of associates accounted for using the equity method	(28,038)	(19,677)
(Gain) loss on disposal of property, plant and equipment	(158)	1,035
Gain on disposal of investments	(18,575)	(34,224)
Loss on bond redemption	17	-
Loss recognized on the write down and disposal of inventories	62,537	18,570
Changes in operating assets and liabilities		
(Increase) decrease in financial assets held for trading	(48,574)	5,265
Decrease in notes receivable	2,566	33,251
Increase in trade receivables	(224,888)	(269,602)
Increase in trade receivables - related parties	(30,358)	(12,245)
Increase in other receivables	(88,010)	(26,308)
Increase in inventories	(542,354)	(284,426)
(Increase) decrease in other current assets	71,393	(75,365)
Increase in trade payables	47,061	509,221
Decrease in accrued pension liabilities	(1,424)	(1,327)
Decrease in other payables	(85,376)	(68,156)
Decrease in other current liabilities	(28,924)	(165,685)
Cash generated from operations	663,347	805,748
Interest received	8,546	3,326
Interest paid	(353)	(322)
Income tax paid	(55,182)	(23,907)
Net cash generated from operating activities	616,358	784,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(990,733)	(1,975,680)
Proceeds from the sale of available-for-sale financial assets	658,439	725,488
Proceeds from the disposal of debt investments without active market	216,929	30,692
Acquisition of investment accounted for using the equity method	(18,095)	-
Acquisition of property, plant and equipment	(303,305)	(243,151)
Proceeds from the disposal of property, plant and equipment	6,981	1,208
Decrease in refundable deposits	1,783	217

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ADVANTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Three Months Ended March 31	
	2014	**2013**
Acquisition for intangible assets	$ (3,196)	$ (37,013)
Increase in prepayments for business facilities	(102,850)	-
Decrease in prepayments for business facilities	-	6,987
Net cash used in investing activities	(534,047)	(1,491,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in of short-term loans	-	2,095
Decrease in short-term loans	(102,851)	-
Repayments of bonds	(2,400)	-
Repayments of long-term borrowings	-	(89)
Increase in guarantee deposits received	392	-
Decrease in guarantee deposits received	-	(723)
Employee share options exercised	86,517	45,887
Changes in noncontrolling interests	52,147	(3,595)
Net cash generated from financing activities	33,805	43,575
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	65,863	163,857
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	181,979	(498,975)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,832,358	3,272,043
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 3,014,337	$ 2,773,068

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

(With Deloitte & Touche review report dated May 8, 2014) (Concluded)

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

1. GENERAL INFORMATION

Advantech Co., Ltd. (the "Company") is a listed company established in September 1981. It manufactures and sells embedded computing boards, industrial automation products, applied computers and industrial computers.

The Company's shares have been listed on the Taiwan Stock Exchange since December 1999.

To improve the entire operating efficiency of the group, the Company's board of directors resolved on December 31, 2009 to have a short-form merger with Advantech Investment and Management Service (AIMS). The effective merger date was July 30, 2009. As the survivor entity, the Company assumed all assets and liabilities of AIMS.

The functional currency of the Company is New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on May 8, 2014.

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

a. The 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

   Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

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

Except for the following, the initial application of the above 2013 IFRSs version has not had any material impact on the Group's accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

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

2) IFRS 12 "Disclosure of Interests in Other Entities"

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

3) Revision to IAS 28 "Investments in Associates and Joint Ventures"

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

4) IFRS 13 "Fair Value Measurement"

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

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

5) Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

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

The Group will apply the above amendments in presenting the consolidated statement of comprehensive income, starting from the year 2015. Items not expected to be reclassified to profit or loss are the actuarial gain (loss) arising from defined benefit plans and share of the actuarial gains (loss) arising from defined benefit plans of associates and joint ventures accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the actuarial gains (loss) arising from defined benefit plans) of associates and joint ventures accounted for using the equity method.

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group was continuingly to assess other possible impacts that the application of the 2013 IFRSs version will have on the Group's financial position and operating result, and will disclose these other impacts when the assessment is completed.

b. New IFRSs in issue but not yet endorsed by FSC

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 "Financial Instruments"	Note 3
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	Note 3

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

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

Note 3: IASB tentatively decided that an entity should apply IFRS 9 for annual periods beginning on or after January 1, 2018.

The initial application of the above New IFRSs has not had any material impact on the Group's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

Recognition and measurement of financial liabilities

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

2) Amendment to IAS 19: Amendment in 2013

The amended IAS 19 states that if contributions from employees or third parties are not linked to service, these contributions affect the remeasurement of the net defined benefit liability (asset). If the contributions are linked solely to service, the employees' service rendered in that period in which they are paid, these contributions may be recognized as a reduction of service cost in the same period. If the contributions depend on the number of years of service, an entity is required to attribute these contributions to service periods as a reduction of service cost.

3) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

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

4) Annual Improvements to IFRSs: 2010-2012 Cycle

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

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

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

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

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

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

5) Annual Improvements to IFRSs: 2011-2013 Cycle

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

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

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and operating result, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2013, except for those described below.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

1) Subsidiaries included in consolidated financial statements

			% of Ownership			
Investor	**Investee**	**Main Business**	**March 31, 2014**	**December 31, 2013**	**March 31, 2013**	**Remark**
Advantech Co., Ltd.	AAC (BVI)	Investment and management service	100.00	100.00	100.00	
	ATC	Sale of industrial automation products	100.00	100.00	100.00	
	Advansus Corp.	Production and sale of industrial automation products	100.00	100.00	100.00	a)
	Advantech Fund-A	Investment holding company	100.00	100.00	100.00	a)
	AEUH	Investment and management service	100.00	100.00	100.00	
	ASG	Sale of industrial automation products	100.00	100.00	100.00	a)
	AAU	Sale of industrial automation products	100.00	100.00	100.00	a)
	AJP	Sale of industrial automation products	100.00	100.00	100.00	a)
	AMY	Sale of industrial automation products	100.00	100.00	100.00	a)
	AKR	Sale of industrial automation products	100.00	100.00	100.00	a)

(Continued)

Investor	Investee	Main Business	% of Ownership March 31, 2014	% of Ownership December 31, 2013	% of Ownership March 31, 2013	Remark
	ABR	Sale of industrial automation products	63.28	63.28	43.28	a)
	AiST	Installment, assembly, and production of computers	-	-	100.00	a), b)
	ACA	Production and sale of industrial automation products	100.00	100.00	99.36	a)
	AIN	Sale of industrial automation products	99.99	99.99	99.99	a)
	AdvanPOS Technology Co., Ltd.	Production and sale of POS system	64.03	64.47	-	a), c)
	Advantech - LNC Technology Co., Ltd.	Production and sale of machine control solution	89.73	100.00	-	a), d)
Advantech Fund-A	Netstar Technology Co., Ltd.	Production and sale of industrial automation products	95.51	95.49	95.48	a)
	BCM Embedded Computer Inc.		-	-	100.00	a), e)
	AiST (formerly named Broadwin Technology Inc)	Installment, assembly, and production of computers	100.00	100.00	100.00	a), b)
	Cemate Technology Inc.	Manufacturing of electronic parts, computer, an d peripheral devices	55.00	55.00	55.00	a)
ATC	ATC (HK)	Investment and management service	100.00	100.00	100.00	
ATC (HK)	AKMC	Production and sale of components of industrial automation products	100.00	100.00	100.00	
AAC (BVI)	ANA	Sale of industrial automation products	100.00	100.00	100.00	
	AAC (HK)	Investment and management service	100.00	100.00	100.00	
ANA	ABR	Sale of industrial automation products	16.72	16.72	16.72	
	AMX	Sale of industrial automation products	100.00	100.00	100.00	
AAC (HK)	ACN	Sale of industrial automation products	100.00	100.00	100.00	
	AiSC	Sale of industrial automation products	100.00	100.00	100.00	
	AXA	Development and production of software products	100.00	100.00	100.00	
ACN	Hangzhou Advantofine Automation Co., Ltd.	Processing and sale of industrial automation products	60.00	60.00	60.00	
AEUH	AEU	Sale of industrial automation products	100.00	100.00	100.00	
	APL	Sale of industrial automation products	100.00	100.00	100.00	
AEU	A-DLOG	Design, R&D and sale of industrial automation vehicles and related products	100.00	100.00	100.00	
	GPEG	Design, R&D and sale of gaming computer products	100.00	100.00	-	f)
ASG	ATH	Production of computers	51.00	51.00	51.00	a)
	AID	Sale of industrial automation products	100.00	100.00	100.00	a)
Cermate Technology Inc.	Land Mark	General investment	100.00	100.00	100.00	a)
Land Mark	Cermate (Shanghai)	Sale of industrial electronic equipments	100.00	100.00	100.00	a)
	Cermate (Shenzhen)	Production of LCD touch panel, USB cable, and industrial computer	90.00	90.00	90.00	a)
AdvanPOS Technology Co., Ltd.	Bright Mind Ltd.	General investment	100.00	100.00	-	a)
Bright Mind Ltd.	AdvanPOS Technology Shanghai Co., Ltd.	Production and sale of POS system	100.00	100.00	-	a)
Advantech - LNC Technology Co., Ltd.	Better Auto Holdings Ltd.	General investment	100.00	100.00	-	a)
Better Auto Holdings Ltd.	Famous Now Limited	General investment	100.00	100.00	-	a)
Famous Now Limited	Dongguan Pou Yuen Digital Technology Co., Ltd.	Production and sale of industrial automation products	100.00	100.00	-	a)

(Concluded)

Remark a: Not major subsidiaries and their financial statements had not been reviewed.

Remark b: Subsidiaries AiST and Broadwin Technology Inc. ("Broadwin") had merged as of June 30, 2013 with Broadwin, the survivor entity, changing its name to Advantech Intelligent Service (AiST) after the merger.

Remark c: As of September 30, 2013, the Company had acquired 70.19% of AdvanPOS Technology Co., Ltd., which was recognized as a consolidated entity as of December 31, 2013. AdvanPOS Technology Co., Ltd. issued common shares for the exercise of employee share options, decreasing the Company's shareholding ratio to 64.03% in March 2014.

Remark d: As of September 30, 2013, the Company had acquired 100% equity of Advantech - LNC Technology Co., Ltd. (ALTC), which was recognized as a consolidated entity as of December 31, 2013. The Company disposed 10.27% of its holding shares, decreasing its shareholding ratio from 100% to 89.73% in January 2014.

Remark e: BCM Embedded Computer Inc. was disposed of as of June 30, 2013. Not a consolidated entity of the Group.

Remark f: The Company had acquired 100% equity of GPEG, which was recognized as a consolidated entity as of December 31, 2013.

c. Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

d. Income taxes

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

6. CASH AND CASH EQUIVALENTS

	March 31, 2014	December 31, 2013	March 31, 2013
Cash on hand	$ 118,223	$ 73,474	$ 2,745
Checking accounts and demand deposits	2,082,380	2,233,909	2,196,966
Time deposits with original maturities less than three months	813,734	524,975	573,357
	$ 3,014,337	$ 2,832,358	$ 2,773,068

Cash equivalents include time deposits that have a maturity of three months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value; these were held for the purpose of meeting short-term cash commitments.

The market rates for cash in bank at the end of the reporting period were as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Time deposits	0.64%-3.00%	0.64%-5.50%	0.73%-2.85%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2014	December 31, 2013	March 31, 2013
Financial assets held for trading - current			
Forward exchange contracts	$ 597	$ 2,723	$ 21,856
Financial liabilities held for trading - current			
Forward exchange contracts	$ 27,359	$ 23,722	$ 23,177

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

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2014			
Sell	EUR/NTD	2014.04-2014.10	EUR16,500/NTD670,439
	EUR/USD	2014.04-2014.04	EUR1,000/USD1,346
	USD/NTD	2014.04-2014.07	USD20,846/NTD627,319
	JPY/NTD	2014.04-2014.07	JPY210,000/NTD61,725
December 31, 2013			
Sell	EUR/NTD	2014.01-2014.07	EUR14,000/NTD557,094
	EUR/USD	2014.01-2014.04	EUR2,000/USD2,681
	USD/NTD	2014.01-2014.04	USD20,181/NTD595,802
	JPY/NTD	2014.01-2014.04	JPY170,000/NTD50,830
March 31, 2013			
Sell	USD/NTD	2013.04-2013.10	USD41,493/NTD1,214,385
	EUR/USD	2013.04-2013.10	EUR8,500/USD11,239
	EUR/NTD	2013.04-2013.10	EUR9,500/NTD368,712
	JPY/USD	2013.04-2012.05	JPY20,000/USD254
	JPY/NTD	2013.04-2012.09	JPY210,000/NTD70,055

The Company entered into forward exchange contracts during the three months ended March 31, 2014 and 2013 to manage exposures due to exchange rate fluctuations of foreign-currency denominated assets and liabilities. The Company’s financial hedging strategy is to minimize risks due to market price fluctuations and cash flows.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	March 31, 2014		December 31, 2013		March 31, 2013	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Domestic investments						
Mutual funds	$ 2,516,985	$ -	$ 2,056,368	$ -	$ 2,880,125	$ -
Quoted shares						
Chunghwa Telecom Co., Ltd.	-	-	46,080	115,782	45,932	115,410
ASUSTek Computer Inc.	-	1,579,698	-	1,404,176	-	1,795,887
Pegatron Corp.	-	365,320	-	309,334	-	455,327
Aver Information Inc.	-	-	-	-	19,525	-
Taiwan 50	10,183	-	9,979	-	9,367	-
Taiwan Hon Chuan Enterprise Co., Ltd.	36,564	-	-	-	-	-
Unlisted shares						
BroadTec System Inc.	-	1,500	-	1,500	-	-
BioSenseTek Corp	-	375	-	375	-	-
Foreign investments						
Unquoted foreign shares						
Coban Research and Technologies, Inc. (US$1,020 thousand in March 31, 2014, December 31, 2013 and March 31, 2013)	-	33,257	-	33,257	-	33,257
	$ 2,563,732	$ 1,980,150	$ 2,112,427	$ 1,864,424	$ 2,954,949	$ 2,399,881

For its securities borrowing and lending transactions, the Group placed some of its quoted domestic stocks, recorded under available-for-sale assets - noncurrent, in a trust at Chinatrust Commercial Bank. As of March 31, 2014 and 2013, the stocks held in trust amounted to $1,471,173 thousand and $1,970,885 thousand, respectively. Refer to Table 3 for more information. On the transactions, the Group recognized gains of $51 thousand and $1,124 thousand during the periods of three months ended March 31, 2014 and 2013, respectively. These gains were recorded under other nonoperating income.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	March 31, 2014	December 31, 2013	March 31, 2013
Time deposits with original maturities of more than three months	$ 351,874	$ 568,803	$ 392,736

The market annual interest rates for time deposits with original maturities of more than three months were from 1.40% to 5.10% and from 0.28% to 4.50%, as of the three months ended March 31, 2014 and 2013, respectively.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2014	December 31, 2013	March 31, 2013
Notes receivable	$ 746,963	$ 749,529	$ 541,041
Trade receivables	$ 5,119,020	$ 4,894,370	$ 3,985,090
Less: Allowance for impairment loss	(123,247)	(140,802)	(88,362)
	$ 4,995,773	$ 4,753,568	$ 3,896,728

a. Trade receivables

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

The aging of receivables that were past due date but not impaired were as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
31 to 60 days	$ 85,919	$ 102,869	$ 250,782
61 to 90 days	74,115	50,581	61,743
	$ 160,034	$ 153,450	$ 312,525

Movement in the allowance for impairment loss recognized on trade receivables was as follows:

	2013
Balance at January 1, 2013	$ 84,588
Add: Impairment losses recognized on receivables	2,435
Less: Amounts written off as uncollectible	(178)
Effect of exchange rate changes	1,517
Balance at March 31, 2013	$ 88,362

	2014
Balance at January 1, 2014	$ 140,802
Less: Impairment losses reversed	(19,267)
Less: Amounts written off as uncollectible	(238)
Effect of exchange rate changes	1,950
Balance at March 31, 2014	$ 123,247

11. INVENTORIES

	March 31, 2014	December 31, 2013	March 31, 2013
Raw materials	$ 1,752,224	$ 1,706,136	$ 1,707,839
Work in progress	913,404	656,018	710,925
Finished goods	1,378,776	1,145,321	1,337,597
Inventories in transit	466,070	523,182	399,661
	$ 4,510,474	$ 4,030,657	$ 4,156,022

The costs of inventories recognized as costs of goods sold for the three months ended March 31, 2014 and 2013 were $4,767,527 thousand and $3,863,638 thousand, respectively.

The costs of inventories recognized as cost of goods sold for the three months ended March 31, 2014 included inventory write-downs of $57,257 thousand, inventory surplus of $114 thousand and loss on inventory disposal of $5,394 thousand. The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2013 included inventory write-downs of $17,731 thousand, inventory surplus of $310 thousand, and loss on inventory disposal of $1,149 thousand.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2014		December 31, 2013		March 31, 2013	
Name of Investee	**Carrying Value**	**Percentage of Equity Ownership**	**Carrying Value**	**Percentage of Equity Ownership**	**Carrying Value**	**Percentage of Equity Ownership**
Listed companies						
Axiomtek Co., Ltd.	$ 396,422	26.45%	$ 363,653	26.45%	$ 396,137	28.86%
Unlisted companies						
Jan Hsiang Electronics Co., Ltd.	7,640	28.50%	7,444	28.50%	6,253	28.50%
GPEG K&M Ltd.	32,243	25.00%	31,336	25.00%	-	-
Deneng Scientific Research Co., Ltd.	16,622	39.69%	-	-	-	-
	$ 452,927		$ 402,433		$ 402,390	

The fair values of publicly traded investments accounted for using the equity method are summarized as follows, based on the closing price of those investments at the balance sheet date:

	March 31, 2014	December 31, 2013	March 31, 2013
Axiomtek Co., Ltd.	$ 1,373,991	$ 1,152,181	$ 708,818

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2014	December 31, 2013	March 31, 2013
Freehold land	$ 2,920,091	$ 2,916,539	$ 2,821,693
Buildings	2,293,297	2,310,638	2,275,494
Equipment	367,088	385,528	377,734
Office equipment	189,775	185,096	108,171
Other facilities	322,295	322,652	355,072
Construction in progress	2,067,061	1,821,226	671,423
	$ 8,159,607	$ 7,941,679	$ 6,609,587

	Freehold Land	Buildings	Equipment	Office Equipment	Other Facilities	Property in Construction	Total
Cost							
Balance at January 1, 2013	$ 2,818,523	$ 2,902,510	$ 1,158,555	$ 536,207	$ 838,366	$ 460,970	$ 8,715,131
Additions	-	2,323	7,136	12,561	21,070	200,061	243,151
Disposals	-	(4,901)	(4,576)	(5,149)	(2,595)	(790)	(18,011)
Reclassifications	-	-	(16,089)	3,235	22,297	-	9,443
Effect of exchange differences	3,170	45,553	14,034	5,871	13,434	11,182	93,244
Balance at March 31, 2013	$ 2,821,693	$ 2,945,485	$ 1,159,060	$ 552,725	$ 892,572	$ 671,423	$ 9,042,958
Balance at January 1, 2014	$ 2,916,539	$ 3,068,828	$ 1,300,425	$ 641,145	$ 940,524	$ 1,821,226	$ 10,688,687
Additions	-	-	9,620	20,312	25,473	247,900	303,305
Disposals	-	-	(4,134)	(4,413)	(8,249)	-	(16,796)
Reclassifications	-	1,245	2,642	(153)	34,678	-	38,412
Effect of exchange differences	3,552	4,885	(364)	5,482	3,019	(2,065)	14,509
Balance at March 31, 2014	$ 2,920,091	$ 3,074,958	$ 1,308,189	$ 662,373	$ 995,445	$ 2,067,061	$ 11,028,117

	Buildings	Equipment	Office Equipment	Other Facilities	Total
Accumulated depreciation and impairment					
Balance at January 1, 2013	$ 641,712	$ 749,100	$ 375,528	$ 557,155	$ 2,323,495
Disposals	(4,411)	(3,893)	(4,546)	(2,918)	(15,768)
Depreciation expense	22,961	29,634	15,765	27,256	95,616
Effect of exchange differences	9,730	6,504	3,860	8,489	28,583
Reclassifications	(1)	(19)	53,947	(52,482)	1,445
Balance at March 31, 2013	$ 669,991	$ 781,326	$ 444,554	$ 537,500	$ 2,433,371
Balance at January 1, 2014	$ 758,190	$ 914,897	$ 456,049	$ 617,872	$ 2,747,008
Disposals	-	(3,496)	(4,238)	(2,239)	(9,973)
Depreciation expense	22,230	29,977	17,219	24,700	94,126
Effect of exchange differences	1,178	(277)	3,993	1,466	6,360
Reclassifications	63	-	(425)	31,351	30,989
Balance at March 31, 2014	$ 781,661	$ 941,101	$ 472,598	$ 673,150	$ 2,868,510

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

Buildings	
Main buildings	20-60 years
Electronic equipment	5 years
Engineering systems	5 years
Equipment	2-8 years
Office equipment	2-8 years
Other facilities	2-10 years

Refer to Note 28 for the carrying amount of property, plant and equipment pledged by the Group to secure its borrowings.

14. GOODWILL

	For the Three Months Ended March 31	
	2014	2013
Cost		
Balance at January 1	$ 1,265,658	$ 632,181
Effect of exchange differences, net	12,437	(834)
Balance at March 31	$ 1,278,095	$ 631,347

15. PREPAYMENTS FOR LEASE OBLIGATION

	March 31, 2014	December 31, 2013	March 31, 2013
Current assets (included in other current assets)	$ 3,554	$ 3,556	$ 2,460
Noncurrent assets	93,718	94,416	95,340
	$ 97,272	$ 97,972	$ 97,800

Lease prepayments are for the Group's land-use right in Mainland China.

16. BORROWINGS

a. Short term borrowings

	March 31, 2014	December 31, 2013	March 31, 2013
Secured borrowings			
Bank loans	$ -	$ 97,797	$ -
Unsecured borrowings			
Line of credit borrowings	20,293	25,347	153,547
	$ 20,293	$ 123,144	$ 153,547

1) The annual weighted average effective interest rates for secured and unsecured bank borrowings were 0.80% to 1.18%, 1.18%, and 1.30% to 1.47% as of March 31, 2014, December 31, 2013 and March 31, 2013, respectively.

2) To meet its financing need, Advantech Technology (China) Company Ltd., a Company subsidiary, obtained an unsecured bank credit line, with a floating interest rate. The carrying values for the credit line were $150,547 thousand as of March 31, 2013. As of June 30, 2013, AKMC had repaid its bank loans in advance because it had sufficient funds and had no financing needs.

3) To meet its financing need, Cermate Technologies Inc., an Company subsidiary of the Company, obtained from a bank an unsecured credit line, with fixed interest rate. The carrying values of the credit line were $3,000 thousand as of March 31, 2013. As of June 30, 2013, Cermate Technologies Inc. had repaid its bank loans in advance considering it held sufficient funds and had no financing needs.

4) To meet its financing needs, AdvanPOS Technology Co., Ltd., a Company subsidiary, obtained a bank credit loan with a floating interest rate. The loan's carrying value was $20,000 thousand and $25,000 thousand as of March 31, 2014 and December 31, 2013, respectively.

5) To meet its finance needs, Advantech Brasil Ltda., a Company subsidiary, obtained a bank credit loan with a fixed interest rate. The carrying value was $293 thousand and $347 thousand as of March 31, 2014 and December 31, 2013, respectively.

6) To meet its financing needs, GPEG, a Company subsidiary, pledged some of its accounts receivable for a loan. The loan's carrying value was $97,797 thousand as of December 31, 2013. As of March 31, 2014, GPEG had repaid its short-term loans in advance.

b. Long-term borrowings

	March 31, 2014	December 31, 2013	March 31, 2013
Secured borrowings			
Bank loans	$ -	$ -	$ 2,843
Less: Current portion	-	-	(355)
Long-term borrowings	$ -	$ -	$ 2,488

Cermate Technologies Inc., a subsidiary of the Company, obtained a mortgage bank loan for capital expenditure. This loan is repayable every one or three months at various amounts from March 2006 to March 2021. As of March 31, 2013, the effective interest rate was 2.29%. As of June 30, 2013, Cermate Technologies Inc. had repaid its bank loans in advance considering it held sufficient funds and had no financing needs.

17. BONDS PAYABLE

	March 31, 2014	December 31, 2013	March 31, 2013
Unsecured domestic convertible bonds	$ -	$ 18,500	$ 168,000
Less: Unamortized discount on bonds payable	-	(152)	(4,022)
Less: Current portion	-	(18,348)	-
	$ -	$ -	$ 163,978

On May 26, 2011, the Company issued three-year unsecured convertible bonds, with an aggregate face value of $800,000 thousand, a coupon rate of 0%, and an effective interest rate of 2.13%. Bondholders may convert the bonds into the Company’s common shares at an agreed conversion price between May 27, 2012 and May 16, 2014. If the bonds are not converted, the Company should redeem the bonds at their face value upon maturity. According to the Statement of International Accounting Standard No. 32 “Financial Instruments: Disclosures” the Company has bifurcated the bonds into liability and equity components. The bonds had been recorded as stock options from capital surplus amounting to $44,716 thousand and as bonds payable amounting to $750,943 thousand. As of March 31, 2014, the bonds that had been converted into 10,116 thousand shares amounted to $797,600 thousand.

The balance of outstanding convertible bonds was less than 10% of the aggregate face value of NT$800,000 thousand as of January 31, 2014. Under the contract on bond issuance and conversion, the Company should buy back all the outstanding bonds. Thus, the Company redeemed the outstanding bonds for $2,400 thousand, resulting in a loss of $17 thousand.

18. OTHER LIABILITIES

	March 31, 2014	December 31, 2013	March 31, 2013
Other payables			
Salaries or bonuses payable	$ 1,641,716	$ 1,790,658	$ 1,009,754
Payable for royalties	51,921	88,992	84,628
Payable for employee benefits	105,860	110,196	97,384
Others	1,018,602	919,544	819,285
	$ 2,818,099	$ 2,909,390	$ 2,011,051

Payables for employee benefits consisted of accruals toward employee annual holidays and holiday benefits for long-term services.

19. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2013 and 2012, and recognized in the following line items in their respective periods:

	For the Three Months Ended March 31	
	2014	**2013**
Operating cost	$ 311	$ 304
Marketing expenses	238	275
Administration expenses	579	359
Research and development expenses	763	769
	$ 1,891	$ 1,707

20. EQUITY

a. Share capital

Ordinary shares

	March 31, 2014	**December 31, 2013**	**March 31, 2013**
Number of shares authorized (in thousands)	600,000	600,000	600,000
Shares authorized	$ 6,000,000	$ 6,000,000	$ 6,000,000
Number of shares issued and fully paid (in thousands)	571,451	569,400	565,206
Shares issued	$ 5,714,511	$ 5,694,000	$ 5,652,059

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

b. Capital surplus

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

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

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, if the Company has earnings for the year, it should primarily make taxation payments, offset any past years' deficits and then make appropriations for its legal reserve at 10% of annual net income. In addition, a special reserve should be appropriated or reversed as needed, adding cumulative retained earnings from previous periods and retaining partially, retained earnings for corporate growth. The remainder of the income should be appropriated in the following order:

1) 1% to 20% as bonus to employees;
2) 1% or less as remuneration to directors and supervisors; and
3) Dividends, as proposed by the board of directors.

Recipients of stock bonuses may include subsidiaries' employees who meet the criteria set by the Company's board of directors.

Any appropriations from earnings should be recorded in the year of shareholders' approval, following the year the earnings were generated.

For the three months ended March 31, 2014 and 2013, the bonuses to employees and remunerations to directors and supervisors were $25,000 thousand and $28,000 thousand (included in other payables), respectively. These amounts were estimated and accrued on the basis of past experience. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimates. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of at the share bonus by the fair value of the shares. The fair value of the shares refers to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

Under Rule No. 100116 and Rule No. 0950000507 issued by the FSC, an amount equal to the net debit balance of shareholders' other equity items shall be transferred from unappropriated earnings to a special reserve before any appropriation of earnings generated before 2012 shall be made.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC on April 6, 2012 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items.

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

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

The Company operates in an industry related to computers, and its business related to network servers is new but with significant potential for growth. Thus, in formulating its dividend policy, the Company takes into account the overall business and industry conditions and trends, its objective of enhancing the shareholders' long-term interests, and the sustainability of the Company's growth. The policy also requires that stock dividends be less than 75% of total dividends to retain internally generated cash within the Company to finance future capital expenditures and working capital requirements.

The appropriation of earnings for 2013 and 2012 were approved in the shareholders' meetings on March 28, 2014 and June 13, 2013, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2013	**2012**	**2013**	**2012**
Legal reserve	$ 410,640	$ 346,239	$ -	$ -
Special reserve (reversal)	-	(545,303)	-	-
Cash dividends	3,017,820	2,763,586	5.3	4.9
Stock dividends	569,400	-	1.0	-

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

	Cash Dividends	
	2013	**2012**
Bonus to employees	$ 70,000	$ 60,000
Remuneration to directors and supervisors	12,000	12,000

There was no significant difference between the approved amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on March 28, 2014 and June 13, 2013 and the amounts recognized in the financial statements for the years ended December 31, 2013 and 2012.

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

d. Other equity items

1) Foreign currency translation reserve

	For the Three Months Ended March 31	
	2014	**2013**
Balance at January 1	$ 130,041	$ (104,345)
Exchange differences arising on translating the net assets of foreign operations	83,062	162,600
Income tax relating to gains arising on translating the net assets of foreign operations	(14,528)	(28,115)
Share of exchange difference of associates accounted for using the equity method	2,398	2,783
Balance at March 31	$ 200,973	$ 32,923

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve.

2) Unrealized gain or loss from available-for-sale financial assets

	For the Three Months Ended March 31	
	2014	2013
Balance at January 1	$ (75,534)	$ 168,944
Unrealized gain arising on revaluation of available-for-sale financial assets	234,740	262,441
Cumulative gain reclassified to profit or loss on disposal of available-for-sale financial assets	(18,575)	(34,224)
Balance at March 31	$ 140,631	$ 397,161

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

e. Noncontrolling interests

	For the Three Months Ended March 31	
	2014	2013
Balance at January 1	$ 161,891	$ 107,891
Attributable to noncontrolling interests:		
Share of profit for the period	3,514	7,101
Exchange difference arising on translation of foreign entities	2,753	3,845
Acquisition of noncontrolling interests in Subsidiaries (Note 25)	(45)	(2,211)
Disposal of noncontrolling interests in Subsidiaries (Note 25)	28,497	-
Balance at March 31	$ 196,610	$ 116,626

21. NET OPERATING PROFIT

a. Finance costs

	For the Three Months Ended March 31	
	2014	2013
Interest on bank overdrafts and loans	$ 1,262	$ 2,271
Interest on convertible bonds	21	934
	$ 1,283	$ 3,205

b. Depreciation and amortization

	For the Three Months Ended March 31	
	2014	2013
Property, plant and equipment	$ 94,126	$ 95,616
Intangible assets	24,810	24,065
	$ 118,936	$ 119,681
An analysis of depreciation by function		
Operating costs	$ 29,066	$ 32,843
Operating expenses	65,060	62,773
	$ 94,126	$ 95,616
An analysis of amortization by function		
Operating costs	$ 900	$ 1,235
Operating expenses	23,910	22,830
	$ 24,810	$ 24,065

c. Employee benefits expense

	For the Three Months Ended March 31	
	2014	2013
Post-employment benefits (Note 19)		
Defined contribution plans	$ 54,965	$ 49,661
Defined benefit plans	1,891	1,707
	56,856	51,368
Other employee benefits	1,734,584	1,416,820
Total employee benefits expense	$ 1,791,440	$ 1,468,188
An analysis of employee benefits expense by function		
Operating costs	$ 386,998	$ 303,771
Operating expenses	1,404,442	1,164,417
	$ 1,791,440	$ 1,468,188

22. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

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

	For the Three Months Ended March 31	
	2014	2013
Current tax		
In respect of the current period	$ 265,450	$ 213,392
Deferred tax		
In respect of the current period	12,892	(12,976)
Income tax expense recognized in profit or loss	$ 278,342	$ 200,416

On April 9, 2014, the Ministry of Finance promulgated the amendments to the Assessment Rules Governing Income Tax Returns of Profit-Seeking Enterprises, the Tax Ruling No. 10304540780, and the amendments apply to the filing of income tax returns for 2013 onwards. The applications of such amendments were not expected to have significant effect on current and deferred tax assets and liabilities.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2014	2013
Deferred tax liabilities		
In respect of the current period:		
Translation of foreign operations	$ (14,528)	$ (28,115)

c. Integrated income tax

	March 31, 2014	December 31, 2013	March 31, 2013
Unappropriated earnings			
Unappropriated earnings generated on and after January 1, 1998	$ 6,605,463	$ 5,452,733	$ 4,811,018
Imputation credits accounts	$ 521,664	$ 521,664	$ 399,880

The creditable ratio for distribution of earnings of 2013 and 2012 was 9.57% (expected ratio) and 10.88%, respectively.

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

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

d. Income tax assessments

The tax returns through 2008 have been assessed by the tax authorities. The Company and subsidiaries disagreed with the tax authorities' assessment of its 2008 tax return and applied for a re-examination. Nevertheless, to be conservative, the Company and its subsidiaries provided for the income tax assessed by the tax authorities.

23. EARNINGS PER SHARE

	For the Three Months Ended March 31	
	2014	**2013**
Basic earnings per share	$ 2.02	$ 1.52
Diluted earnings per share	$ 2.01	$ 1.51

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2014	**2013**
Earnings used in the computation of basic earnings per share	$ 1,152,741	$ 859,867
Effect of dilutive potential ordinary shares:		
Convertible bonds	21	934
Employee share options	-	4,967
Earnings used in the computation of diluted earnings per share	$ 1,152,762	$ 865,768

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Three Months Ended March 31	
	2014	**2013**
Weighted average number of ordinary shares in computation of basic earnings per share	570,205	564,412
Effect of dilutive potential ordinary shares:		
Convertible bonds	71	2,302
Employee share options	3,460	4,892
Bonuses issued to employees	494	510
Weighted average number of ordinary shares used in the computation of diluted earnings per share	574,230	572,116

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

24. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company and its subsidiaries were granted 3,000 thousand options in July 2010 and 10,000 thousand options in December 2009. Each option entitles the holder to subscribe for one thousand common shares of the Company. The holders of these shares include employees whom meet certain criteria from the Company, from both domestic and overseas subsidiaries in which the Company directly or indirectly invests over 50%. Options issued in July 2010 and December 2009 are valid for five years. Both are 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 Company's common shares listed on the grant date. For any subsequent changes in the Company's paid-in capital, the exercise price and the number of options will be adjusted accordingly.

Information on employee share options as of March 31, 2014 and 2013 is as follows:

	For the Three Months Ended March 31			
	2014		2013	
Employee Share Options	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance at January 1	5,300	$48.80	8,450	$50.46
Options exercised	1,838	47.07	925	49.61
Balance at March 31	3,462	49.71	7,525	50.56
Options exercisable, end of the period	3,462	49.71	7,525	50.56
Weighted-average fair value of options granted (NT$)	$16.45-20.25		$16.45-20.25	

Information on outstanding options for the three months ended March 31, 2014 and 2013 is as follows:

	March 31, 2014		March 31, 2013	
Employee Share Options	Exercise Price (NT$)	Weighted-average Remaining Contractual Life (Years)	Exercise Price (NT$)	Weighted-average Remaining Contractual Life (Years)
Issuance in 2010	$54.2	1.28	$56.1	2.28
Issuance in 2009	46.7	0.67	48.4	1.67

Options granted in 2010 were priced using the Black-Scholes model, and the inputs to the model were as follows:

Grant-date share price (NT$)	67.4
Exercise price (NT$)	67.4
Expected volatility	34.11%-35.15%
Expected life (years)	3.5-4.5
Expected dividend yield	0%
Risk-free interest rate	0.92%-1.10%

Options granted in 2009 were priced using the Black-Scholes model, and the inputs to the model were as follows:

Grant-date share price (NT$)	61.9
Exercise price (NT$)	61.9
Expected volatility	33.78%-35.22%
Expected life (years)	3.5-4.5
Expected dividend yield	0%
Risk-free interest rate	0.58-0.79%

Expected volatility is based on the historical stock price volatility over the past five years.

Compensation costs recognized were $1,139 thousand for 2014 and $5,984 thousand for 2013.

25. EQUITY TRANSACTIONS WITH NONCONTROLLING INTERESTS

As of March 31, 2014 and 2013, the Group acquired an additional 0.02% and 1.20% interest in Netstar Technology Service, increasing its interest from 95.49% to 95.51% and 94.28% to 95.48%, respectively.

In January 2014, the Group deposed 10.27% of its holding shares in Advantech - LNC Technology Co., Ltd., decreasing its interest from 100% to 89.73%.

AdvanPOS Technology Co., Ltd. issued ordinary shares for the exercise of employee share options, decreasing the Group’s holding interest from 70.19% to 64.03%.

	For the Year Ended March 31	
	2014	**2013**
Cash consideration paid	$ 52,147	$ (3,595)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to noncontrolling interests	(28,452)	2,211
Differences arising from equity transaction	$ 23,695	$ (1,384)
Line items adjusted for equity transaction		
Retained earnings	$ (11)	$ (1,384)
Difference between consideration and carrying amount of subsidiaries disposed	$ 23,706	$ -

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

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

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

	March 31, 2014		March 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Financial liabilities measured at amortized cost				
Convertible bonds	$ -	$ -	$ 163,978	$ 296,832

2) Fair value measurements recognized in the balance sheets

Financial instruments are analyzed after initial recognition at fair value and are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

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

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

March 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Derivative financial assets	$ -	$ 597	$ -	$ 597
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 1,991,765	$ -	$ -	$ 1,991,765
Unlisted securities - ROC				
Equity securities	-	-	1,875	1,875
Unlisted securities - other countries				
Equity securities	-	-	33,257	33,257
Mutual funds	2,516,985	-	-	2,516,985
	$ 4,508,750	$ -	$ 35,132	$ 4,543,882

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 27,359	$ -	$ 27,359

(Concluded)

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 2,723	$ -	$ 2,723
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 1,885,351	$ -	$ -	$ 1,885,351
Unlisted securities - ROC				
Equity securities	-	-	1,875	1,875
Unlisted securities - other countries				
Equity securities	-	-	33,257	33,257
Mutual funds	2,056,368	-	-	2,056,368
	$ 3,941,719	$ -	$ 35,132	$ 3,976,851
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 23,722	$ -	$ 23,722

March 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 21,856	$ -	$ 21,856
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 2,441,448	$ -	$ -	$ 2,441,448
Unlisted securities - other countries				
Equity securities	-	-	33,257	33,257
Mutual funds	2,880,125	-	-	2,880,125
	$ 5,321,573	$ -	$ 33,257	$ 5,354,830
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 23,177	$ -	$ 23,177

As of March 31, 2014 and 2013, there were no transfers between Level 1 and 2 in the current and prior periods.

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

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

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices. Where such prices were not available, valuation techniques were applied. The estimates and assumptions used by the Group are consistent with those that market participants would use in setting a price for the financial instrument.

b) The fair values of derivative instruments were calculated using quoted prices. Where such prices were not available, a discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. The estimates and assumptions used by the Group were consistent with those that market participants would use in setting a price for the financial instrument.

The fair values of forward contracts are estimated using a yield curve, which projects future interest rate changes in relation to predetermined settlement rates for these contracts on maturity.

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

b. Categories of financial instruments

	March 31, 2014	December 31, 2013	March 31, 2013
Financial assets			
Fair value through profit or loss (FVTPL)			
Designated as at FVTPL	$ 597	$ 2,723	$ 21,856
Loans and receivables (Note 1)	9,264,657	8,935,573	7,720,552
Available-for-sale financial assets (Note 2)	4,543,882	3,976,851	5,354,830
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Designated as at FVTPL	27,359	23,722	23,177
Measured at amortized cost (Note 3)	5,993,611	6,156,944	5,167,888

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, note receivables, trade receivables and other receivables.

Note 2: The balances included the carrying amount of available-for-sale financial assets measured at cost.

Note 3: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, trade and other payables, accrued convertible bonds with maturity less than 1 year and long-term borrowings.

c. Financial risk management objectives and policies

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

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into financial instrument transactions (including derivative financial instruments) for speculative purposes.

The Corporate Treasury function reported quarterly to the board of directors on the Group's current derivative instrument management.

1) Market risk

The Group's activities expose it primarily to financial risks on changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

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

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed it to foreign currency risk. The Group's sales were denominated in currencies other than the functional currency of the group entity making the sale; likewise the costs were denominated in the group entity's functional currency. Exchange rate exposures were managed within approved policy parameters utilizing forward exchange contracts.

Since these forward exchange contracts with maturity of less than 6 months did not meet the criteria for hedge effectiveness, they were not subject to hedge accounting.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are presented in New Taiwan dollar amounts, as follows:

	March 31, 2014	**December 31, 2013**	**March 31, 2013**
Assets			
RMB	$ 3,513,499	$ 3,332,046	$ -
USD	3,059,519	3,057,863	4,318,148
EUR	955,271	776,618	800,777

(Continued)

	March 31, 2014	December 31, 2013	March 31, 2013
Liabilities			
USD	$ 3,341,934	$ 3,349,757	$ 4,892,553
RMB	1,178,119	1,231,279	-

(Concluded)

The carrying amounts of the Group's derivatives exposed to foreign currency risk at the end of the reporting period are presented in New Taiwan dollar amounts, as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Assets			
USD	$ 146	$ 390	$ 29
EUR	225	16	16,963
JPY	226	2,317	4,864
	$ 597	$ 2,723	$ 21,856
Liabilities			
USD	$ 6,592	$ 5,221	$ 22,076
EUR	20,138	18,486	869
JPY	629	15	232
	$ 27,359	$ 23,722	$ 23,177

Sensitivity analysis

The Group was mainly exposed to U.S. dollar, Euro and Chinese Yuan currencies.

The following table details the Group's sensitivity to a 5% increase in New Taiwan dollars (the functional currency) against the relevant foreign currencies. This 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of reasonable changes in foreign exchange rates. The sensitivity analysis only includes outstanding monetary items denominated in foreign currencies and forward contracts designated as cash flow hedges, and their translation is adjusted at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis includes cash and cash equivalents, trade receivables, bank borrowings and trade payables. A positive number below indicates an increase in post-tax profit associated with New Taiwan dollars strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on post-tax profit and the balances below would be negative.

	U.S. Dollar Impact		Euro Impact		Chinese Yuan Impact	
	For the Three Months Ended March 31		For the Three Months Ended March 31		For the Three Months Ended March 31	
	2014	2013	2014	2013	2014	2013
Profit or loss	$ (39,783) (Note 1)	$ (89,109) (Note 1)	$ 15,268 (Note 2)	$ 62,977 (Note 2)	$ (5,087) (Note 3)	$ - (Note 3)

Note 1: This was mainly attributable to the exposure outstanding on U.S. dollars denominated cash, trade receivables, trade payables, and bank borrowing, which were not hedged at the end of the reporting period.

Note 2: This was mainly attributable to the exposure outstanding on Euro denominated cash, trade receivables and payables, which were not hedged at the end of the reporting period.

Note 3: This was mainly attributable to the exposure outstanding on Chinese Yuan denominated cash, trade receivables and trade payables, which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group's floating-rate bank savings are exposed to risk on changes in interest rates for financial assets. The Group was also exposed to risk on changes in interest rates for financial liabilities, specifically fixed and floating-rate bank borrowings. The Group was not engaged in hedging activities for speculative purposes. The Group's management monitors fluctuations in market interest rates regularly to ensure that interest rate risks are minimized.

The Group's fixed-term bank deposits are exposed to fair value interest rate risk; however, this expected risk is insignificant.

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

	March 31, 2014	**December 31, 2013**	**March 31, 2013**
Fair value interest rate risk			
Financial assets	$ 1,274,918	$ 1,203,088	$ 1,075,203
Financial liabilities	293	347	5,843
Cash flow interest rate risk			
Financial assets	1,966,310	2,115,055	1,968,811
Financial liabilities	20,000	122,797	150,547

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents managements assessment of the reasonably possible change in interest rates.

Had interest rates been 50 basis points higher and all other variables had been held constant, the Group's pretax profit for the three months ended March 31, 2014 and 2013 would have increased by $2,433 thousand and $2,273 thousand, respectively. Had interest rates been 50 basis points lower, the effects on the Group's pretax profit would have been of the same amounts but negative. The source of the negative effects would have been mainly the floating-interest rates on bank savings.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and open-end mutual funds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

Had equity prices been 1% higher, pretax other comprehensive gains for the three months ended March 31, 2014 and 2013 would have increased by $45,088 thousand and $53,216 thousand, respectively, as a result of changes in fair value of available-for-sale investments. Had equity prices been 1% lower, the effects on pretax other comprehensive gains would have been of the same amounts but negative.

2) Credit risk

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

In order to minimize credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Group consider the Group's credit risk as significantly reduced.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2014, December 31, 2013 and March 31, 2013, the Group had available unutilized overdraft and short-term bank loan facilities of approximately $3,423,905 thousand, $3,416,360 thousand, and $3,266,775 thousand, respectively.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

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

For the liabilities with floating interests, the undiscounted amounts were derived from the interest rate curve at the end of the reporting period.

March 31, 2014

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year - 5 Years
Nonderivative financial liabilities					
Noninterest bearing		$ 3,592,835	$ 1,652,331	$ 623,300	$ 104,615
Variable interest rate liabilities	0.5-1.18	20	38	20,177	-
Fixed interest rate	0.8	25	49	221	-
		$ 3,592,880	$ 1,652,418	$ 643,698	$ 104,615

December 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year - 5 Years
Nonderivative financial liabilities					
Noninterest bearing		$ 3,654,211	$ 1,554,717	$ 719,123	$ 102,519
Variable interest rate liabilities	0.5-1.18	269	537	125,219	-
Fixed interest rate liabilities	0.8	29	58	262	-
		$ 3,654,509	$ 1,555,312	$ 844,604	$ 102,519

March 31, 2013

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year - 5 Years
Nonderivative financial liabilities					
Noninterest bearing		$ 1,322,612	$ 2,924,347	$ 598,234	$ 163,978
Variable interest rate liabilities	1.30-1.32	159	489	151,838	-
Fixed interest rate liabilities	1.47-2.29	3,009	103	314	2,805
		$ 1,325,780	$ 2,924,939	$ 750,386	$ 166,783

The amounts included above for variable interest rate instruments for both nonderivative financial assets and liabilities were subject to change if variable interest rates at the end of the reporting period differed from estimates of interest rates.

The following tables detailed the Group's liquidity analysis of its derivative financial instruments. The tables were based on the undiscounted contractual net cash inflows and outflows on derivative instruments that were settled on a net basis.

March 31, 2014

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Total
Gross settled				
Foreign exchange forward contracts				
Inflows	$ 318,483	$ 530,939	$ 549,813	$ 1,399,235
Outflows	326,687	542,733	556,577	1,425,997
	$ (8,204)	$ (11,794)	$ (6,764)	$ (26,762)

December 31, 2013

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Total
Gross settled				
Forward exchange contracts				
Inflows	$ 324,748	$ 552,632	$ 405,861	$ 1,283,241
Outflows	330,514	560,089	413,637	1,304,240
	$ (5,766)	$ (7,457)	$ (7,776)	$ (20,999)

March 31, 2013

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Total
Gross settled				
Forward exchange contracts				
Inflows	$ 396,990	$ 1,128,248	$ 462,580	$ 1,987,818
Outflows	399,868	1,135,018	454,253	1,989,139
	$ (2,878)	$ (6,770)	$ 8,327	$ (1,321)

27. TRANSACTIONS WITH RELATED PARTIES

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

a. Sales of goods

Related Party	For the Three Months Ended March 31 2014	For the Three Months Ended March 31 2013
Associates	$ 41,051	$ 18,351
Other related parties	177	-
	$ 41,228	$ 18,351

b. Purchases of goods

Related Party	For the Three Months Ended March 31 2014	For the Three Months Ended March 31 2013
Associates	$ 4,782	$ 3,831

c. Receivables from related parties (excluding loans to related parties)

Related Party	March 31, 2014	December 31, 2013	March 31, 2013
Associates	$ 36,751	$ 6,579	$ 15,622
Related parties	186	-	-
	$ 36,937	$ 6,579	$ 15,622

The outstanding trade receivables from related parties are unsecured. No expense was recognized for the three months ended March 31 2014 and 2013 for allowance for impaired trade receivables with respect to the amounts owed by related parties.

d. Payables to related parties (excluding loans from related parties)

Related Party	March 31, 2014	December 31, 2013	March 31, 2013
Associates	$ 1,989	$ 1,784	$ 1,585

The outstanding trade payables from related parties are unsecured.

e. Other transactions with related parties

Related Party	Operating Expenses For the Three Months Ended March 31 2014	2013
Rental expenses		
Other related parties	$ 2,213	$ 2,213

Related Party	Other Income For the Three Months Ended March 31 2014	2013
Other		
Other related parties	$ 691	$ 500

Lease contracts formed between the Company and its associates were based on market rental prices and stipulated normal payment terms. There were no significant differences in the selling price and payment terms for related parties and those for unrelated parties. When normal payment terms with related parties were not stipulated, the payment terms were decided on the basis of mutual agreement.

f. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the three months ended March 31, 2014 and 2013 were as follows:

	For the Three Months Ended March 31 2014	2013
Short-term benefits	$ 13,404	$ 8,195
Post-employment benefits	36	28
Share-based payments	76	853
	$ 13,516	$ 9,076

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

a. As of March 31, 2014, December 31, 2013 and March 31, 2013, AdvanPOS Technology Co., Ltd. and Cermate Technologies Inc., subsidiaries of the Company, had pledged assets for short-term and long-term bank borrowings, as follows:

	March 31, 2014	December 31, 2013	March 31, 2013
Fixed assets - land	$ 54,843	$ 54,843	$ 13,047
Fixed assets - buildings, net of accumulated depreciation	38,695	38,950	14,997
	$ 93,538	$ 93,793	$ 28,044

b. As of March 31, 2014, December 31, 2013 and March 31, 2013, as requested by suppliers, the Company pledged a time deposit of $109,110 thousand (included in other current assets) for a bank guarantee for the Company's purchases.

c. As of March 31, 2014 and December 31, 2013, AdvanPOS Technology Co., Ltd. pledged a time deposit of $200 thousand as collateral for short-term and long-term borrowing (included in other current assets).

29. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

a. As of March 31, 2014, December 31, 2013 and March 31, 2013, the guarantee notes issued by Cermate Technologies Inc. for its bank borrowings had amounted to $40,000 thousand.

b. As of March 31, 2013, December 31, 2013 and March 31, 2013, the guarantee notes issued by Netstar Technology Co., Ltd. for its bank loan had amounted to $1,459 thousand.

30. EXCHANGE RATE FOR FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 100,411	30.47 (USD:NTD)	$ 3,059,519
RMB	462,286	4.90 (RMB:NTD)	2,265,204
RMB	254,739	6.218 (RMB:USD)	1,248,295
EUR	22,783	41.93 (EUR:NTD)	955,271
			$ 7,528,289
Financial liabilities			
Monetary items			
USD	70,839	30.47 (USD:NTD)	$ 2,158,452
USD	38,843	6.218 (USD:RMB)	1,183,482
RMB	240,432	4.90 (RMB:NTD)	1,178,119
			$ 4,520,053

December 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 102,596	29.805 (USD:NTD)	$ 3,057,863
RMB	420,934	4.9040 (RMB:NTD)	2,064,261
RMB	258,522	6.0777 (RMB:USD)	1,267,785
EUR	18,900	41.090 (EUR:NTD)	776,618
			$ 7,166,527
Financial liabilities			
Monetary items			
USD	73,106	29.805 (USD:NTD)	$ 2,178,937
RMB	251,077	4.904 (RMB:NTD)	1,231,279
USD	39,283	6.0777 (USD:RMB)	1,170,820
			$ 4,581,036

March 31, 2013

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 134,556	29.825 (USD:NTD)	$ 4,013,133
EUR	20,946	38.23 (EUR:NTD)	800,777
USD	10,227	6.21 (USD:RMB)	305,015
			$ 5,118,925
Financial liabilities			
Monetary items			
USD	104,004	29.825 (USD:NTD)	$ 3,101,913
USD	60,038	6.21 (USD:RMB)	1,790,640
			$ 4,892,553

31. SEPARATELY DISCLOSED ITEMS

All significant intercompany transactions have been eliminated from consolidation.

a. Information on significant transactions and b. information on investees:

1) Financing provided to others. (Table 1)

2) Endorsement/guarantee provided. (Table 2)

3) Marketable securities held. (Table 3)

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

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

6) Disposal of real estate at costs of at least NT $300 million or 20% of the paid-in capital. (None)

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

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

9) Transactions of financial instruments. (Notes 7 and 26)

10) Significant transactions between the Company and subsidiaries. (Table 9)

11) Name, locations, and other information of investees on which the Company exercise significant influence. (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gains or losses, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area. (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, their prices, and payment terms:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 9)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 9)

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

32. SEGMENT INFORMATION

a. Segment information is provided to the Groups chief operating decision maker for allocating resources to the segments and assessing their performance. The information focuses on every type of products sold or services provided. The Groups segment information disclosed is as follows:

1) Industrial automation services: Focus on services retaining to industrial automation;

2) Embedded board and design-in services: Services involving embedded boards, systems and peripheral hardware and software;

3) Intelligent services: Referring to integrated intelligent applications that can be used in various areas;

4) Design and manufacturing services: Customized design and other services based on customers requirements;

5) Global customer services: Global repair, technical support and warranty services.

b. Segment information

	For the Three Months Ended March 31, 2014						
	Industrial Automation Services	**Embedded Boards and Design-in Services**	**Intelligent Services**	**Design and Manufacturing Services**	**Global Customer Services**	**Reconciliation and Elimination**	**Total**
Income							
From outside customers	$ 1,209,661	$ 3,177,702	$ 801,384	$ 1,990,631	$ 900,557	$ 66,617	$ 8,146,552
Income from sales between segments	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	14,573	14,573
Income total	$ 1,209,661	$ 3,177,702	$ 801,384	$ 1,990,631	$ 900,557	$ 81,190	$ 8,161,125
Finance costs	$ -	$ -	$ -	$ -	$ -	$ 1,283	$ 1,283
Depreciation and amortization	-	-	-	-	-	118,936	118,936
Share of profit or loss of associates accounted for using equity method	-	-	-	-	-	28,038	28,038
Segment profit (loss)	$ 288,090	$ 567,996	$ 113,685	$ 377,250	$ 207,741	$ (120,165)	$ 1,434,597
Investments accounted for by the equity method	$ -	$ -	$ -	$ -	$ -	$ 452,927	$ 452,927
Capital expense from noncurrent assets	-	-	-	-	-	321,400	321,400
Segment assets	$ -	$ -	$ -	$ -	$ -	$ 29,195,831	$ 29,195,831

	For the Three Months Ended March 31, 2013						
	Industrial Automation Services	**Embedded Boards and Design-in Services**	**Intelligent Services**	**Design and Manufacturing Services**	**Global Customer Services**	**Reconciliation and Elimination**	**Total**
Income							
From outside customers	$ 1,101,106	$ 2,633,549	$ 501,075	$ 1,554,919	$ 792,406	$ 46,532	$ 6,629,587
Income from sales between segments	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	6,583	6,583
Income total	$ 1,101,106	$ 2,633,549	$ 501,075	$ 1,554,919	$ 792,406	$ 53,115	$ 6,636,170
Finance costs	$ -	$ -	$ -	$ -	$ -	$ 3,205	$ 3,205
Depreciation and amortization	-	-	-	-	-	119,681	119,681
Share of profit or loss of associates accounted for using equity method	-	-	-	-	-	19,677	19,677
Segment profit (loss)	$ 266,660	$ 517,702	$ 28,934	$ 312,258	$ 161,131	$ (219,301)	$ 1,067,384
Investments accounted for by the equity method	$ -	$ -	$ -	$ -	$ -	$ 402,390	$ 402,390
Capital expense from noncurrent assets	-	-	-	-	-	243,151	243,151
Segment assets	$ -	$ -	$ -	$ -	$ -	$ 25,940,663	$ 25,940,663

The income above was generated from transactions with external customers. There were no sales between segments during the three months ended March 31, 2014 and 2013, respectively.

Segment income refers to the income generated by each segment, excluding allocable central management costs and remuneration to directors and supervisors, share of the profit (loss) of associates and joint ventures, gain (loss) on disposal of associates, rental income, interest income, gain (loss) on disposal of properties, plant and equipment, gain (loss) on disposal of investments, foreign exchange net (gain) loss, valuation gain (loss) on financial instruments, finance costs and income tax expense. This segment income is the measure reported to the operation's decision maker and is used in the allocation of resources among segments and performance evaluation.

TABLE 1

ADVANTECH CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note A)	Lender	Borrower	Financial Statement Account	Related Parties	Credit Line (Note E)		Actual Borrowing		Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
					Highest Balance for the Year	Ending Balance	Actual Borrowing Amount	Ending Balance						Item	Value		
0	Advantech Co., Ltd.	AEU	Accounts receivables - related parties	Yes	\$ 141,828 (EUR 3,382.5 thousand)	\$ 141,828 (EUR 3,382.5 thousand)	\$ 141,828 (EUR 3,382.5 thousand)	\$ 141,828 (EUR 3,382.5 thousand)	2.00	Short-term financing	\$ -	Financing need	\$ -	None	None	\$ 2,082,808 (Note C)	\$ 4,165,616 (Note C)
1	AEUH	AEU	Accounts receivables - related parties	Yes	31,448 (EUR 750 thousand)	31,448 (EUR 750 thousand)	31,448 (EUR 750 thousand)	31,448 (EUR 750 thousand)	4.00	Short-term financing	-	Financing need	-	None	None	2,082,808 (Note C)	4,165,616 (Note C)
2	ANA	AKMC	Accounts receivables - related parties	Yes	140,162 (US\$ 4,600 thousand)	140,162 (US\$ 4,600 thousand)	140,162 (US\$ 4,600 thousand)	140,162 (US\$ 4,600 thousand)	2.00	Short-term financing	-	Financing need	-	None	None	2,082,808 (Note C)	4,165,616 (Note C)
3	Better Auto Holdings Limited	Dongguan Pou Yuen Digital Technology Co., Ltd.	Accounts receivables - related parties	Yes	22,148 (RMB 4,520 thousand)	22,148 (RMB 4,520 thousand)	22,148 (RMB 4,520 thousand)	22,148 (RMB 4,520 thousand)	-	Short-term financing	-	Financing need	-	None	None	2,082,808 (Note C)	4,165,616 (Note C)
		Dongguan Pou Yuen Digital Technology Co., Ltd.	Accounts receivables - related parties		15,235 (US\$ 500 thousand)	15,235 (US\$ 500 thousand)	15,235 (US\$ 500 thousand)	15,235 (US\$ 500 thousand)	-	Short-term financing	-	Financing need	-	None	None	2,082,808 (Note C)	4,165,616 (Note C)
4	Advantech Fund-A	AdvanPOS Technology Co., Ltd.	Accounts receivables - related parties	Yes	100,000	100,000	100,000	100,000	1.15	Short-term financing	-	Financing need	-	None	None	2,082,808 (Note C)	4,165,616 (Note C)
		Advantech-LNC Technology Co., Ltd.	Accounts receivables - related parties		50,000	50,000	50,000	-	1.15	Short-term financing	-	Financing need	-	None	None	2,082,808 (Note C)	4,165,616 (Note C)

Note A: Parent company: 0; investee companies are numbered sequentially from 1.

Note B: The exchange rates as of March 31, 2014 were EUR1.00=NT\$41.93, US\$1.00=NT\$30.47 and RMB1.00=NT\$4.90.

Note C: The maximum amounts of financing to individual counterparties which are not based in Taiwan that can be provided by the financier are 20% and 10% of the financier's net asset value, respectively.

Note D: The maximum balance and ending balances for the credit lines were approved by the financiers' board of directors.

Note E: All intercompany financing has been eliminated from consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars)

No. (Note A)	Endorser/ Guarantor	Counterparty		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note B)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity In Latest Financial Statements (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note C)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on behalf of Companies in Mainland China
		Name	Relationship										
0	Advantech Co., Ltd. (the Company)	AdvanPOS Technology Co., Ltd.	Subsidiary	$ 2,082,808	$ 153,264	$ 153,264	$ 20,000	$ -	-	$ 6,248,424	Y	N	N
		Advantech-LNC Technology Co., Ltd.	Subsidiary	2,082,808	167,585	167,585	-	-	-	6,248,424	Y	N	N
		ACA Digital Corporation	Subsidiary	2,082,808	121,880	121,880	-	-	-	6,248,424	Y	N	N
		Advantech Europe B.V.	Subsidiary	2,082,808	209,650 (EUR 5,000 thousand)	209,650 (EUR 5,000 thousand)	151,293 (GBP 2,983.5) thousand)	-	-	6,248,424	Y	N	N
1	Netstar Technology Co., Ltd.	Advantech Intelligent Service (AiST)	Related enterprise	2,082,808	470	470	-	-	-	6,248,424	N	N	N

Note A: Parent company: 0; investee companies are numbered sequentially from 1.

Note B: 10% of the Company's net asset value.

Note C: 30% of the Company's net asset value.

Note D: The exchange rate as of March 31, 2014 were EUR$1=NT$41.93, GBP$1=NT$50.71.

ADVANTECH CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2014				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Advantech Co., Ltd.	Stock							
	ASUSTek Computer Inc.	-	Available for sale financial assets - noncurrent	5,239,461	$ 1,579,698	0.71	$ 1,579,698	Notes A and C
	Pegatron Corp.	-	〃	8,055,570	365,320	0.35	365,320	Notes A and D
	Fund							
	Mega Diamond Money Market	-	Available for sale financial assets - current	78,908,152.60	966,917	-	966,917	Note B
	Capital Money Market	-	〃	25,398,060.00	400,893	-	400,893	Note B
	Eastspring Inv Well Pool Fund			16,233,854.40	216,043	-	216,043	Note B
	Fuh Hwa RMB Money Market Fund			2,024,481.70	102,996	-	102,996	Note B
Advantech Fund-A	Stock							
	Taiwan 50	-	〃	170,000	10,183	-	10,183	Note A
	Taiwan Hon Chuan Enterprise Co., Ltd.			554,000	36,564	0.21	36,564	Note A
	COBAN Research and Technologies, Inc.	-	Available for sale financial assets - noncurrent	600,000	33,257	6.85	33,257	-
	BroadTec System Inc.	-	〃	150,000	1,500	10.00	1,500	-
	BiosenseTek Corp.	-	〃	37,500	375	1.79	375	-
	Fund							
	Eastspring Inv Well Pool Fund	-	Available for sale financial assets - current	13,455,716.90	179,071	-	179,071	Note B
Advansus Corp.	Fund							
	Taishin 1699 Money Market	-	〃	14,897,848.20	197,104	-	197,105	Note B
Netstar Technology Co., Ltd.	Fund							
	Mega Diamond Money Market	-	〃	14,723,016.06	180,411	-	180,411	Note B
Cermate Technology Inc.	Fund							
	East Inv Well Pool Fund	-	〃	1,847,590.60	24,588	-	24,588	Note B
Advantech Intelligent Service	Fund							
	East Inv Well Pool Fund	-	〃	4,210,699.20	56,037	-	56,037	Note B

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2014 Shares	Carrying Amount	Percentage of Ownership	Fair Value	Note
ACA	Fund							
	Mega Diamond Money Market	-	〃	6,793,985.85	$ 83,251	-	$ 83,252	Note B
	Taishin 1699 Money Market	-	〃	7,078,863.28	93,656	-	93,656	Note B
Advantech-LNC Technology Co., Ltd.	Fund							
	Mega Diamond Money Market			489,739.95	6,001	-	6,001	Note B
	Capital Money Market	-	〃	634,489.60	10,015	-	10,015	Note B

Note A: Market value was based on the closing price on March 31, 2014.

Note B: Market value was based on the net asset values of the open-ended mutual funds on March 31, 2014.

Note C: The amount included $1,251,225 thousand, the carrying value of 4,150,000 shares held in trust with China Trust Commercial Bank. Please refer to Note 8 of the financial statements for more information.

Note D: The amount included $219,948 thousand, the carrying value of 4,850,000 shares held in trust with China Trust Commercial Bank. Please refer to Note 8 of the financial statements for more information.

(Concluded)

TABLE 4

ADVANTECH CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note A)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Advantech Co., Ltd.	AEU	Subsidiary	Sale	$ (766,401)	13.28	30 days after month end	Contract price	No significant difference in terms for related parties	$ 1,071,873	25.70	
	ANA	Subsidiary	Sale	(1,598,010)	27.69	45 days after month end	Contract price	No significant difference in terms for related parties	218,934	5.25	
	ACN	Subsidiary	Sale	(836,070)	14.49	45 days after month end	Contract price	No significant difference in terms for related parties	824,892	19.78	
	AiSC	Subsidiary	Sale	(263,663)	4.57	45 days after month end	Contract price	No significant difference in terms for related parties	496,879	11.91	
	AKMC	Subsidiary	Sale	(261,609)	4.53	45 days after month end	Contract price	No significant difference in terms for related parties	124,904	2.99	
	AKR	Subsidiary	Sale	(146,621)	2.54	Payment on demand	Contract price	No significant difference in terms for related parties	75,635	1.81	
	ATC	Subsidiary	Purchase	2,155,987	51.10	60 days after month end	Contract price	No significant difference in terms for related parties	(1,365,700)	51.65	
	Advansus Corp.	Subsidiary	Purchase	279,465	6.62	Usual trade terms	Contract price	No significant difference in terms for related parties	(211,685)	8.01	
	ACA	Subsidiary	Purchase	771,953	18.29	Usual trade terms	Contract price	No significant difference in terms for related parties	(371,518)	14.05	
ACA	AKMC	Related enterprise	Sale	(308,850)	14.80	Usual trade terms	Contract price	No significant difference in terms for related parties	274,709	37.94	
	Advansus Corp.	Related enterprise	Sale	(194,030)	9.30	Usual trade terms	Contract price	No significant difference in terms for related parties	69,506	9.60	
AKMC	ATC	Parent company	Sale	(1,948,560)	93.40	Usual trade terms	Contract price	No significant difference in terms for related parties	341,357	77.09	
Advansus Corp.	AKMC	Related enterprise	Sale	(257,988)	28.21	Usual trade terms	Contract price	No significant difference in terms for related parties	176,391	28.52	

Note A: All intercompany gains and losses from investment have been eliminated from consolidation.

TABLE 5

ADVANTECH CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note A)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Advantech Co., Ltd. (the "Company")	AEU	Subsidiary	$ 1,071,873	3.33	$ -	-	$ 120,944	$ -
	AiSC	Subsidiary	496,879	2.04	-	-	197,364	-
	ACN	Subsidiary	824,892	5.32	-	-	264,599	-
	ANA	Subsidiary	218,934	21.11	-	-	218,934	-
	AKMC	Subsidiary	124,904	11.44	-	-	62,935	-
Advansus Corp.	Advantech Co., Ltd.	Parent company	211,685	7.47	-	-	-	-
	AKMC	Related enterprise	176,391	7.48	-	-	-	-
ATC	Advantech Co., Ltd.	Parent company	1,365,700	6.64	-	-	-	-
ACA	Advantech Co., Ltd.	Parent company	371,518	8.32	-	-	-	-
AKMC	ATC	Parent company	341,357	19.71	-	-	59,495	-
ACA	AKMC	Related enterprise	274,709	5.80	-	-	-	-
ANA	AKMC	Related enterprise	142,853	-	-	-	-	-

Note A: All intercompany gains and losses from investment have been eliminated from consolidation.

ADVANTECH CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note A)	Note
				March 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Advantech Co., Ltd.	AAC (BVI)	BVI	Investment and management service	$ 993,108	$ 993,108	29,623,834	100.00	$ 3,051,260	$ 95,943	$ 89,561	Subsidiary
	ATC	BVI	Sale of industrial automation products	1,231,118	1,231,118	38,750,000	100.00	3,336,914	133,256	127,454	Subsidiary
	Advansus Corp.	Taipei, Taiwan	Production and sale of industrial automation products	486,000	486,000	36,000,000	100.00	678,431	66,740	56,735	Subsidiary
	Advantech Fund-A	Taipei, Taiwan	Investment holding company	900,000	900,000	90,000,000	100.00	1,043,820	17,731	18,420	Subsidiary
	Axiomtek	Taipei, Taiwan	Production and sale of industrial automation products	249,059	249,059	20,537,984	26.45	396,422	104,917	27,750	Equity-method investee
	AdvanPOS Technology Co., Ltd.	Taipei, Taiwan	Production and sale of POS system	319,461	319,461	12,778,455	64.03	316,277	(7,536)	(4,849)	Subsidiary
	Advantech-LNC Technology Co., Ltd.	Taichung, Taiwan	Production and sale of machine control solution	477,797	530,000	26,920,000	89.73	482,259	3,851	3,455	Subsidiary
	AEUH	Helmond, The Netherlands	Investment and management service	1,146,489	1,146,489	9,572,024	100.00	887,775	18,914	19,054	Subsidiary
	ASG	Techplace, Singapore	Sale of industrial automation products	27,134	27,134	1,450,000	100.00	98,644	3,900	3,900	Subsidiary
	AAU	Sydney, Australia	Sale of industrial automation products	40,600	40,600	500,204	100.00	53,761	(1,437)	(1,437)	Subsidiary
	AJP	Tokyo, Japan	Sale of industrial automation products	15,472	15,472	1,200	100.00	148,062	52	52	Subsidiary
	AMY	Malaysia	Sale of industrial automation products	35,140	35,140	2,000,000	100.00	31,601	(454)	(454)	Subsidiary
	AKR	Seoul, Korea	Sale of industrial automation products	73,355	73,355	600,000	100.00	184,445	9,227	9,227	Subsidiary
	ABR	Sao Paulo, Brazil	Sale of industrial automation products	39,616	39,616	1,419,804	63.28	48,293	6,135	4,908	Subsidiary
	ACA	Taipei, Taiwan	Production and sale of industrial automation products	146,440	146,440	8,000,000	100.00	480,209	83,747	82,233	Subsidiary
	AIN	India	Sale of industrial automation products	5,567	5,567	999,999	99.99	(245)	1,508	1,508	Subsidiary
Advantech Fund-A	Netstar Technology Co., Ltd.	Taipei, Taiwan	Production and sale of industrial automation products	291,252	291,196	23,877,841	95.51	365,491	23,080	22,047	Subsidiary
	AiST	Taipei, Taiwan	Design, develop and sale of intelligent services	142,063	142,063	6,777,571	100.00	179,993	(5,111)	(5,111)	Subsidiary
	Cermate Technology Inc.	Taipei, Taiwan	Production and sale of electrical equipment, telecommunications equipment and electronic parts manufacturing	71,500	71,500	5,500,000	55.00	107,760	7,360	4,048	Subsidiary
	Deneng Scientific Research Co., Ltd.	Taichung, Taiwan	Installment and sale of electronic components and software	18,095	-	658,000	39.69	16,622	232	92	Equity-method investee
ATC	ATC (HK)	Hong Kong	Investment and management service	1,212,730	1,212,730	41,650,001	100.00	2,306,617	46,454	46,454	Subsidiary
AAC (BVI)	ANA	Sunnyvale, USA	Sale and fabrication of industrial automation products	504,179	504,179	10,952,606	100.00	1,688,297	33,921	33,921	Subsidiary
	AAC (HK)	Hong Kong	Investment and management service	539,146	539,146	15,230,001	100.00	1,501,983	62,022	62,022	Subsidiary
ANA	AMX	Mexico	Sale of industrial automation products	4,922	4,922	-	100.00	1,592	(642)	(642)	Subsidiary
AEUH	AEU	Eindhoven, The Netherlands	Sale of industrial automation products	316,403	316,403	8,609,658	100.00	806,510	17,890	17,890	Subsidiary
	APL	Warsaw, Poland	Sale of industrial automation products	14,176	14,176	6,350	100.00	50,051	1,602	1,602	Subsidiary
AEU	A-DLoG	Munich, Germany	Design, R&D and sale of industrial automation vehicles and related products	553,536	553,536	1	100.00	645,003	13,861	6,471	Subsidiary
	GPEG	London, UK	Design, R&D and sale of gaming computer products	278,641	278,641	221,176	100.00	275,268	(19,421)	(19,421)	Subsidiary
GPEG	GPEG K&M Ltd.	Korea	Design, R&D and sale of gaming computer products	8,175	8,175	5,000	25.00	32,243	-	-	Equity-method investee
ASG	ATH	Thailand	Production of computers	7,537	7,537	51,000	51.00	14,910	905	461	Subsidiary
	AID	Indonesia	Sale of industrial automation products	4,797	4,797	300,000	100.00	117	(1,140)	(1,140)	Subsidiary
Netstar Technology Co., Ltd.	Jan Hsiang Electronics Co., Ltd.	Taipei, Taiwan	Electronic parts and components manufacturing	3,719	3,719	655,500	28.50	7,640	493	196	Equity-method investee
Cermate Technology Inc.	LandMark	BVI	General investment	28,200	28,200	972,284	100.00	45,969	2,456	2,091	Subsidiary
Advantech-LNC Technology Co., Ltd.	Better Auto	BVI	General investment	264,445	264,445	8,556,096	100.00	166,126	1,114	1,067	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss) (Note A)	Note
				March 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Better Auto	Famous Now	BVI	General investment	US$ 4,000	US$ 4,000	1	100.00	149,321	$ -	$ -	Subsidiary
AdvanPOS Technology Co., Ltd.	Bright Mind Limited	Samoa	General investment	US$ 200	US$ 200	200	100.00	(24)	(98)	(98)	Subsidiary

Note A: The financial statements used as basis of net asset values had not been reviewed by independent CPAs, except those of AAC (BVI), AAC (HK), ANA, ATC, ATC (HK), AKMC, AEUH, AEU and Axiomtek.

Note B: All intercompany gains and losses from investment have been eliminated from consolidation.

(Concluded)

TABLE 7

ADVANTECH CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (e.g., Direct or Indirect)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014 (Note E)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2014 (Note E)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes A and B)	Carrying Value as of March 31, 2014	Accumulated Inward Remittance of Earnings as of March 31, 2014
					Outflow	Inflow					
Advantech Technology (China) Company Ltd. (AKMC)	Production and sale of components of industrial automation products	US$ 41,650 Thousand (Note F)	Indirect	$ 1,136,531 (US$ 37,300 thousand)	$ -	$ -	$ 1,136,531 (US$ 37,300 thousand)	100	$ 46,454	$ 2,306,617	$ -
Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)	Sale of industrial automation products	US$ 4,230 thousand	Indirect	162,466 (US$ 5,332 thousand)	-	-	162,466 (US$ 5,332 thousand)	100	48,070	800,004	342,330 (US$ 11,235 thousand)
Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)	Production and sale of industrial automation products	US$ 8,000 thousand	Indirect	243,760 (US$ 8,000 thousand)	-	-	243,760 (US$ 8,000 thousand)	100	868	695,642	-
Xi'an Advantech Software Ltd. (AXA)	Development and production of software products	US$ 1,000 thousand	Indirect	(Note C)	-	-	(Note C)	100	13,052	4,437	-
Hangzhou Advantofine Automation Tech. Co., Ltd.	Processing and sale of industrial automation products	RMB 3,000 thousand	Indirect	(Note D)	-	-	(Note D)	60	(683)	12,361	-

Accumulated Investment in Mainland China as of March 31, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Allowable Limit on Investment
$1,548,851 (US$50,832 thousand) (Note E)	$2,102,430 (US$69,000 thousand)	$12,614,814 (Note H)

Note A: The financial statements used as basis of net asset values had not been reviewed by independent CPAs, except those of AAC (BVI), AAC (HK), ANA, ATC, ATC (HK), AKMC, AEUH, AEU.

Note B: The significant events, prices, payment terms and unrealized gains or losses generated on trading between Advantech Co., Ltd. (the "Company") and its investees in Mainland China are described in Note 31 of the financial statements and Tables 1, 4 and 5.

Note C: Remittance by Advantech Automation Corp. (H.K.) Limited.

(Continued)

Note D: Remittance by ACN.

Note E: Included is the outflow of US$200 thousand on the investment in Yan Hua (Guang Zhou Bao Shui Qu) Co., Ltd. located in a free trade zone in Guang Zhou. When this investee was liquidated in September 2005, the outward investment remittance ceased upon the approval of the Ministry of Economic Affairs (MOEA). For each future capital return, the Company will apply to the MOEA for the approval of the return as well as reduce the accumulated investment amount by the return amount

Note F: For Advantech Technology (China) Company Ltd., there was a capital increase of US$4,350 thousand out of earnings as of December 31, 2013.

Note G: The exchange rate was US$1.00=NT$30.47.

Note H: The maximum allowable limit on investment was based on 60% of the consolidated net asset value of the "Company".

Note I: All intercompany gains and losses from investment have been eliminated from consolidation.

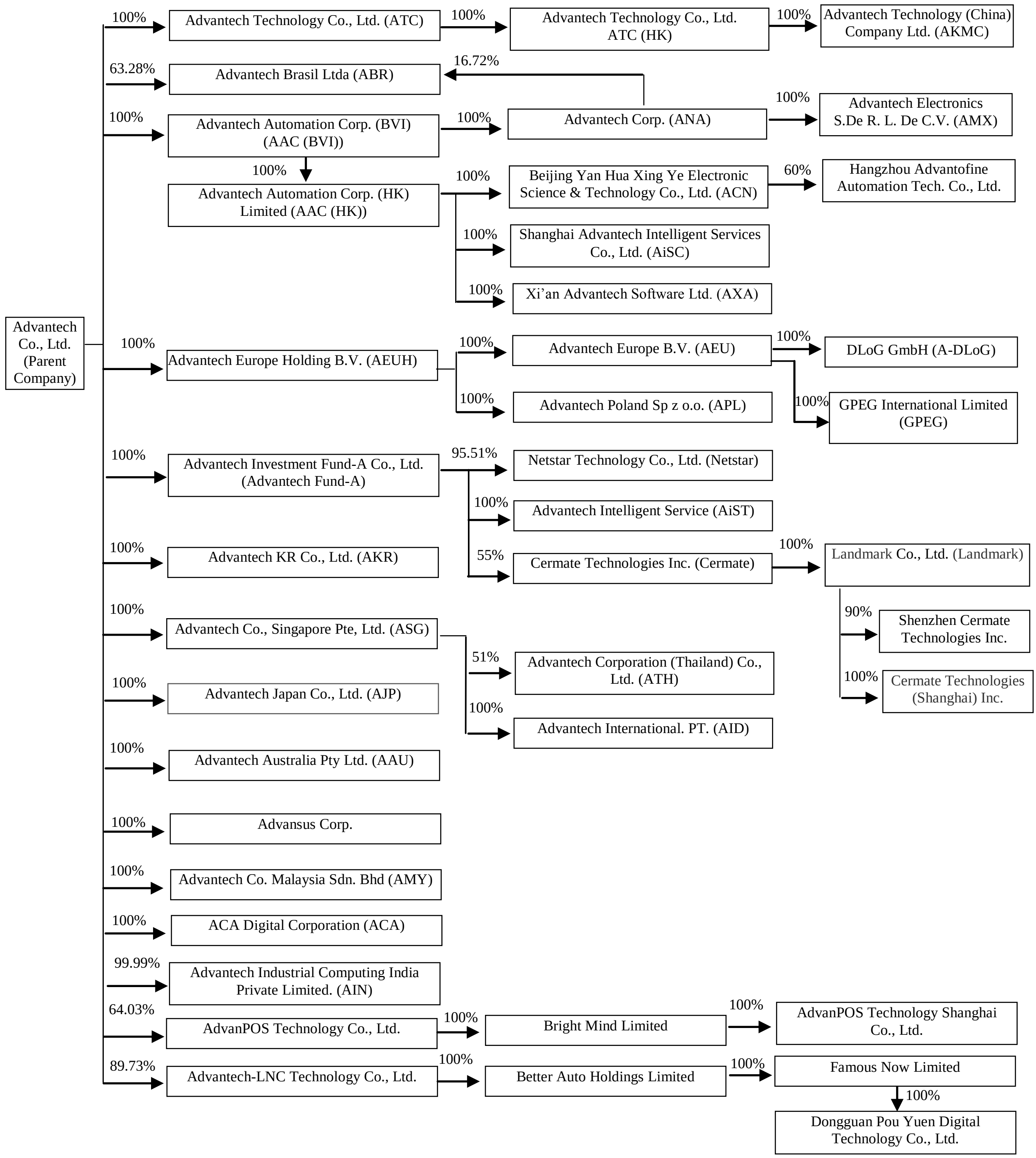
(Concluded)

TABLE 8

ADVANTECH CO., LTD. AND SUBSIDIARIES

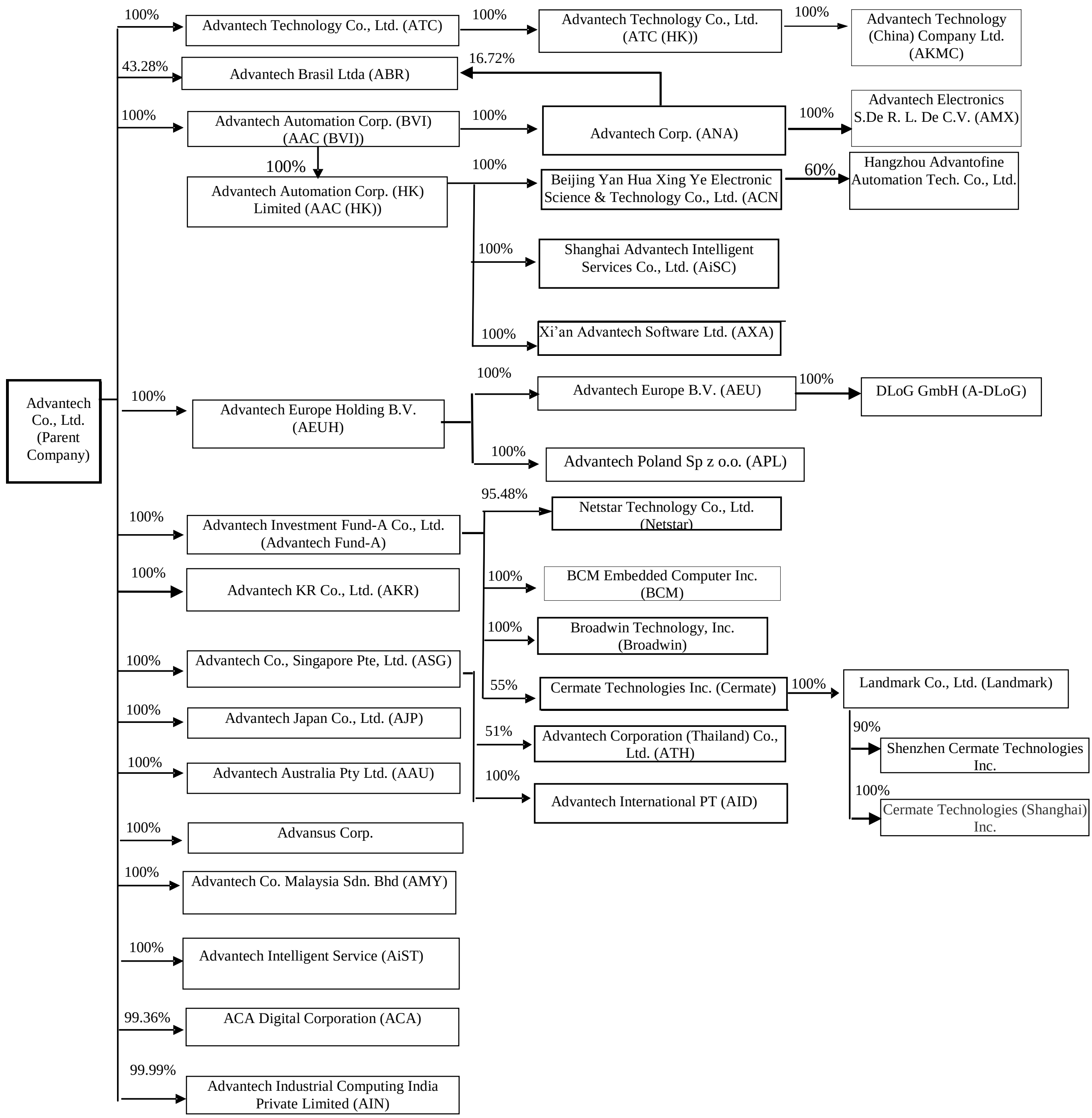
ORGANIZATION CHART
MARCH 31, 2014 AND 2013

Intercompany relationships and percentages of ownership as of March 31, 2014 are shown below:



(Continued)

Intercompany relationships and percentages of ownership as of March 31, 2013 are shown below:



ADVANTECH CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS BETWEEN ADVANTECH CO., LTD. AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(In Thousands of New Taiwan Dollars)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
0	Advantech Co., Ltd.	AAC (HK)	1	Receivables from related parties	$ 47	45 days EOM	-
		AAU	1	Other revenue	684	Normal	-
		AAU	1	Receivables from related parties	24,493	60-90 days	-
		AAU	1	Sales revenue	32,010	Normal	-
		ABR	1	Other revenue	748	Normal	-
		ABR	1	Receivables from related parties	32,763	90 days EOM	-
		ABR	1	Sales revenue	30,844	Normal	-
		ACA	1	Receivables from related parties	441	30 days EOM	-
		ACA	1	Other revenue	1,260	Normal	-
		ACN	1	Receivables from related parties	824,892	45 days EOM	3
		ACN	1	Sales revenue	836,070	Normal	10
		A-DLoG	1	Other revenue	1,215	Normal	-
		A-DLoG	1	Receivables from related parties	5,932	30 days after invoice date	-
		A-DLoG	1	Sales revenue	14,481	Normal	-
		AEU	1	Other revenue	3,719	Normal	-
		AEU	1	Receivables from related parties	1,071,873	30 days EOM	4
		AEU	1	Sales revenue	766,401	Normal	9
		AEU	1	Interest revenue	693	Normal	-
		AID	1	Receivables from related parties	1,989	45 days after invoice date	-
		AID	1	Sales revenue	1,513	Normal	-
		AIN	1	Sales revenue	6,834	Normal	-
		AIN	1	Receivables from related parties	22,315	60 days EOM	-
		AiSC	1	Receivables from related parties	496,879	45 days EOM	2
		AiSC	1	Sales revenue	263,663	Normal	3
		AJP	1	Other revenue	2,795	Normal	-
		AJP	1	Receivables from related parties	42,274	60-90 days	-
		AJP	1	Sales revenue	86,761	Normal	1
		AKMC	1	Receivables from related parties	124,904	45 days EOM	-
		AKMC	1	Sales revenue	261,609	Normal	3
		AKR	1	Other revenue	1,349	Normal	-
		AKR	1	Receivables from related parties	75,635	Immediate payment	-
		AKR	1	Sales revenue	146,621	Normal	2
		AMY	1	Other revenue	467	Normal	-
		AMY	1	Receivables from related parties	9,686	45 days EOM	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details: Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		AMY	1	Sales revenue	$ 14,107	Normal	-
		ANA	1	Other revenue	5,304	Normal	-
		ANA	1	Receivables from related parties	218,934	45 days EOM	1
		ANA	1	Sales revenue	1,598,010	Normal	20
		APL	1	Receivables from related parties	966	45 days EOM	-
		APL	1	Sales revenue	2,156	Normal	-
		ASG	1	Other revenue	675	Normal	-
		ASG	1	Receivables from related parties	26,500	60-90 days	-
		ASG	1	Sales revenue	36,148	Normal	-
		ATC	1	Royalty revenue	108,320	Normal	1
		ATH	1	Other revenue	497	Normal	-
		ATH	1	Receivables from related parties	2,998	30 days after invoice date	-
		ATH	1	Sales revenue	9,217	Normal	-
		Cermate Technologies Inc.	1	Sales revenue	411	Normal	-
		Cermate Technologies Inc.	1	Receivables from related parties	460	30 days EOM	-
		Cermate Technologies Inc.	1	Other revenue	180	Normal	-
		Advantech Fund-A	1	Rental revenue	9	Normal	-
		Advantech Intelligent Service	1	Receivables from related parties	7,057	Normal	-
		Advantech Intelligent Service	1	Sales revenue	21,153	Normal	-
		Advantech Intelligent Service	1	Other revenue	240	Normal	-
		Advansus Corp.	1	Rental revenue	15	Normal	-
		Advansus Corp.	1	Receivables from related parties	7,243	60-90 days	-
		Advansus Corp.	1	Sales revenue	13,228	Normal	-
		Netstar Technology Co., Ltd.	1	Sales revenue	3,943	Normal	-
		Netstar Technology Co., Ltd.	1	Receivables from related parties	168	25th of every month	-
		Netstar Technology Co., Ltd.	1	Other revenue	240	Normal	-
		AdvanPOS Technology Co., Ltd.	1	Sales revenue	13,390	Normal	-
		AdvanPOS Technology Co., Ltd.	1	Receivables from related parties	7,415	60 days EOM	-
		Advantech-LNC Technology Co., Ltd.	1	Sales revenue	882	Normal	-
		Advantech-LNC Technology Co., Ltd.	1	Receivables from related parties	926	60-90 days EOM	-
1	ACN	Advantech Co., Ltd.	2	Receivables from related parties	44	Normal	-
		Advantech Co., Ltd.	2	Sales revenue	44	Normal	-
		AEU	3	Receivables from related parties	674	30 days EOM	-
		AiSC	3	Sales revenue	49,633	Normal	1
		AiSC	3	Receivables from related parties	22,540	Immediate payment	-
		AKMC	3	Receivables from related parties	1,791	60-90 days	-
		AKMC	3	Sales revenue	1,971	Normal	-
		AKR	3	Receivables from related parties	135	45 days EOM	-
		AKR	3	Sales revenue	128	Normal	-
		ANA	3	Sales revenue	469	30 days EOM	-
		ANA	3	Receivables from related parties	540	30 days EOM	-
		ASZ	3	Receivables from related parties	4,145	60 days EOM	-
		AXA	3	Receivables from related parties	29,730	Normal	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Sales revenue	6,755	Normal	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Receivables from related parties	7,784	60 days after invoice date	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
2	AAU	Advantech Co., Ltd.	2	Receivables from related parties	$ 497	60-90 days	-
		Advantech Co., Ltd.	2	Other revenue	375	Normal	-
		AKMC	3	Receivables from related parties	627	30 days after invoice date	-
		AKMC	3	Sales revenue	605	Normal	-
3	ACA	Advantech Co., Ltd.	2	Receivables from related parties	371,518	Normal	1
		Advantech Co., Ltd.	2	Sales revenue	771,953	Normal	9
		AKMC	3	Receivables from related parties	274,709	45 days EOM	1
		AKMC	3	Sales revenue	308,850	Normal	4
		Advansus Corp.	3	Sales revenue	194,030	Normal	2
		Advansus Corp.	3	Receivables from related parties	69,506	45 days EOM	-
4	AEUH	AEU	3	Interest revenue	104	Normal	-
		AEU	3	Receivables from related parties	31,482	30 days after invoice date	-
5	Advantech-LNC Technology Co., Ltd.	Advantech Co., Ltd.	2	Receivables from related parties	995	Normal	-
		Advantech Co., Ltd.	2	Sales revenue	948	Normal	-
6	AiSC	AAC (HK)	3	Receivables from related parties	11,988	90 days	-
		AKMC	3	Sales revenue	54,890	Normal	1
		ACN	3	Sales revenue	49,019	Normal	1
		AEU	3	Receivables from related parties	24	immediate payment	-
		AKMC	3	Receivables from related parties	19,727	30 days EOM	-
		ACA	3	Receivables from related parties	3,449	60 days after invoice date	-
		ANA	3	Sales revenue	335	Normal	-
		ACA	3	Sales revenue	5,716	Normal	-
		ANA	3	Receivables from related parties	539	Immediate payment	-
		ACN	3	Receivables from related parties	27,799	Immediate payment	-
		Advantech Co., Ltd.	2	Receivables from related parties	3,647	45 days EOM	-
		Advantech Co., Ltd.	2	Sales revenue	3,689	Normal	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Receivables from related parties	11,388	Immediate payment	-
		Hangzhou Advantofine Automation Tech. Co., Ltd.	3	Sales revenue	6,271	Normal	-
		ANA	3	Receivables from related parties	539	Immediate payment	-
7	AJP	Advantech Co., Ltd.	2	Receivables from related parties	391	60-90 days	-
		Advantech Co., Ltd.	2	Sales revenue	73	Normal	-
8	AKMC	ACN	3	Rental revenue	1,113	Normal	-
		ACN	3	Sales revenue	38,646	Normal	-
		AEU	3	Sales revenue	1	Normal	-
		ACN	3	Receivables from related parties	32,357	60-90 days	-
		AiSC	3	Sales revenue	40,364	Normal	-
		AKR	3	Sales revenue	37	Normal	-
		AiSC	3	Receivables from related parties	27,289	Immediate payment	-
		AJP	3	Receivables from related parties	4	30 days EOM	-
		AKR	3	Receivables from related parties	36	30 days after invoice date	-

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		ANA	3	Sales revenue	$ 120	Normal	-
		ANA	3	Receivables from related parties	102	60-90 days	-
		ATC	3	Receivables from related parties	341,357	60-90 days	1
		ATC	3	Sales revenue	1,948,560	Normal	24
		Advansus Corp.	3	Receivables from related parties	3,543	Immediate payment	-
		Advansus Corp.	3	Sales revenue	3,992	Normal	-
		AdvanPOS Technology Co., Ltd.	3	Sales revenue	571	Normal	-
		Netstar Technology Co., Ltd.	3	Sales revenue	51,371	Normal	1
		AdvanPOS Technology Co., Ltd.	3	Receivables from related parties	562	Normal	-
		Netstar Technology Co., Ltd.	3	Receivables from related parties	34,141	Next 60 days EOM	-
9	AKR	Advantech Co., Ltd.	2	Sales revenue	671	Normal	-
10	AMY	ASG	3	Other revenue	111	Normal	-
11	ANA	Advantech Co., Ltd.	2	Receivables from related parties	6,860	45 days EOM	-
		Advantech Co., Ltd.	2	Sales revenue	8,476	Normal	-
		ACA	3	Sales revenue	23,443	Normal	-
		Advansus Corp.	3	Sales revenue	138	Normal	-
		AKMC	3	Interest revenue	696	Normal	-
		AEU	3	Sales revenue	34,380	Normal	-
		AEU	3	Receivables from related parties	47,322	60-90 days	-
		AKMC	3	Receivables from related parties	142,853	Financing	-
		ACN	3	Receivables from related parties	29	30 days EOM	-
		ACA	3	Receivables from related parties	28,052	60 days EOM	-
		ASG	3	Sales revenue	34,380	Normal	-
		ASG	3	Receivables from related parties	100	30 days EOM	-
		Advansus Corp.	3	Receivables from related parties	140	90 days after invoice date	-
		AdvanPOS Technology Co., Ltd.	3	Sales revenue	21	Normal	-
12	APL	AEU	3	Receivables from related parties	36,567	30 days after invoice date	-
		AEU	3	Sales revenue	11,875	Normal	-
		AEU	3	Commission revenue	1,662	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	69	30 days after invoice date	-
13	ASG	Advantech Co., Ltd.	2	Receivables from related parties	739	60-90 days	-
		Advantech Co., Ltd.	2	Sales revenue	745	Normal	-
		Advantech Co., Ltd.	2	Other revenue	4,088	Normal	-
		AID	3	Receivables from related parties	755	30 days upon delivery	-
		AID	3	Sales revenue	246	Normal	-
		AMY	3	Sales revenue	1,721	Normal	-
		ATH	3	Sales revenue	1,745	Normal	-
		ATH	3	Other revenue	960	Normal	-
		AMY	3	Receivables from related parties	280	30 days EOM	-
		ATH	3	Receivables from related parties	455	30 days EOM	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
14	ATC	Advantech Co., Ltd.	2	Receivables from related parties	$ 1,365,700	60 days EOM	5
		Advantech Co., Ltd.	2	Sales revenue	2,155,987	Normal	27
		AKMC	3	Receivables from related parties	29,781	60-90 days	-
		AKMC	3	Sales revenue	29,586	Normal	-
15	AXA	ACN	3	Other revenue	10,448	Normal	-
		AiSC	3	Other revenue	14,429	Normal	-
16	A-DLoG	Advantech Co., Ltd.	2	Receivables from related parties	3,891	30 days after invoice date	-
		Advantech Co., Ltd.	2	Sales revenue	4,139	Normal	-
		AiSC	3	Sales revenue	1,425	Normal	-
		AEU	3	Sales revenue	2	Normal	-
17	AEU	Advantech Co., Ltd.	2	Receivables from related parties	1,916	30 days EOM	-
		Advantech Co., Ltd.	2	Sales revenue	223	Normal	-
		ACN	3	Receivables from related parties	140	30 days after invoice date	-
		AKMC	3	Receivables from related parties	565	Normal	-
		A-DLoG	3	Receivables from related parties	3,703	30 days upon delivery	-
		APL	3	Sales revenue	336	Normal	-
		ANA	3	Sales revenue	8,586	Normal	-
		AKR	3	Receivables from related parties	25	30 days after invoice date	-
		ATC	3	Receivables from related parties	11,354	30 days after invoice date	-
		AKR	3	Sales revenue	41	Normal	-
		ANA	3	Receivables from related parties	9,547	30 days after invoice date	-
		A-DLoG	3	Sales revenue	2,529	Normal	-
		ANA	3	Royalty revenue	376	Normal	-
18	Cermate (Shenzhen)	Cermate (Shanghai)	3	Sales revenue	7,024	Normal	-
		Cermate Technologies Inc.	3	Sales revenue	6,192	Normal	-
		Cermate Technologies Inc.	3	Receivables from related parties	2,604	60 days EOM	-
		AKMC	3	Receivables from related parties	1,733	40 days EOM	-
		AKMC	3	Sales revenue	6,477	Normal	-
19	Cermate Technologies Inc.	Advantech Co., Ltd.	2	Receivables from related parties	390	30-60 days	-
		Advantech Co., Ltd.	2	Sales revenue	2,763	Normal	-
		Cermate (Shenzhen)	3	Receivables from related parties	20,470	30 days EOM	-
		Cermate (Shenzhen)	3	Sales revenue	12,404	Normal	-
20	Cermate (Shanghai)	Cermate (Shenzhen)	3	Receivables from related parties	1,803	60 days EOM	-
		Cermate (Shenzhen)	3	Sales revenue	263	Normal	-
21	Advansus Corp.	AKMC	3	Receivables from related parties	176,391	60-90 days	1
		Advantech Co., Ltd.	2	Receivables from related parties	211,685	60-90 days	1
		Advantech Co., Ltd.	2	Sales revenue	279,465	Normal	3
		ACA	3	Receivables from related parties	20,519	30 days EOM	-
		AKR	3	Receivables from related parties	23,848	60-90 days	-

(Continued)

Number (Note A)	Company Name	Counter Party	Flow of Transaction (Note A)	Transaction Details: Financial Statement Account	Amount	Payment Terms	% to Consolidated Assets/Revenue (Note C)
		ANA	3	Receivables from related parties	$ 22	30 days EOM	-
		ACA	3	Sales revenue	63,493	Normal	1
		AKMC	3	Sales revenue	257,988	Normal	3
		AKR	3	Sales revenue	40,247	Normal	-
		ANA	3	Sales revenue	22	Normal	-
22	Netstar Technology Co., Ltd.	Advantech Co., Ltd.	2	Receivables from related parties	29,454	60 days EOM	-
		Advantech Co., Ltd.	2	Sales revenue	28,226	Normal	-
		ANA	3	Receivables from related parties	201	60 days EOM	-
		AKMC	3	Receivables from related parties	2,149	60 days EOM	-
		AKMC	3	Sales revenue	1,499	Normal	-
		AJP	3	Sales revenue	1,015	Normal	-
23	AAC (HK)	Advantech Co., Ltd.	2	Receivables from related parties	366	45 days EOM	-
		Advantech Co., Ltd.	2	Other revenue	1,087	Normal	-
24	Hangzhou Advantofine Automation Tech. Co., Ltd.	Advantech Co., Ltd.	2	Receivables from related parties	94	30 days EOM	-
25	Advantech Fund-A	Advantech-LNC Technology Co., Ltd.	3	Interest revenue	31	Normal	-
		AdvanPOS Technology Co., Ltd.	3	Interest revenue	287	Normal	-
		AdvanPOS Technology Co., Ltd.	3	Receivables from related parties	100,000	Normal	-
26	AIN	Advantech Co., Ltd.	2	Receivables from related parties	442	60 days EOM	-
		Advantech Co., Ltd.	2	Other revenue	730	Normal	-
27	Advantech Intelligent Service	AiSC	3	Receivables from related parties	300	90 days EOM	-
		ACN	3	Receivables from related parties	22	90 days EOM	-
		Advantech Co., Ltd.	2	Receivables from related parties	171	Normal	-
		Advantech Co., Ltd.	2	Sales revenue	143	Normal	-
28	AMX	Advantech Co., Ltd.	2	Other revenue	540	Normal	-
29	AdvanPOS Technology Co., Ltd.	AiSC	3	Receivables from related parties	1,550	Normal	-
		Advantech Co., Ltd.	2	Receivables from related parties	2	60 days EOM	-
		Advantech Co., Ltd.	2	Sales revenue	116	Normal	-
		AKMC	3	Receivables from related parties	14	30 days after invoice date	-
		AiSC	3	Sales revenue	2,602	Normal	-
		AKMC	3	Sales revenue	11	Normal	-
		ATH	3	Sales revenue	18	Normal	-
		Advantech Intelligent Service	3	Sales revenue	220	Normal	-
30	Better Auto	Dongguan Pou Yuen Digital Technology Co., Ltd.	3	Receivables from related parties	37,383	Normal	-

(Continued)

Note A: The parent company and its subsidiaries are numbered as follows:

1. "0" for Advantech Co., Ltd.
2. Subsidiaries are numbered from "1".

Note B: The flow of related-party transactions is as follows:

1. From the parent company to its subsidiary.
2. From the subsidiary to its parent company.
3. Between subsidiaries.

Note C: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of March 31, 2014, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2014.

Note D: All intercompany transactions have been eliminated from consolidation.

(Concluded)