

Independent Auditors' Review Report

The Board of Directors
FSP Technology Inc.

We have reviewed the accompanying statement of financial position of FSP Technology Inc. as of March 31, 2013, December 31, March 31 and January 1, 2012, and the related statements of comprehensive income, statement of change in equity, and statement of cash flows for the three-month periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

Except as described in the third and fourth paragraph, we planned and conducted our reviews in accordance with Republic of China Statement of Auditing Standards No. 36, "The Review of Financial Statements". A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

We did not review the consolidated financial statements of some subsidiaries. Those subsidiaries' assets amounted were NT\$1,500,416 thousand and NT\$1,543,428 thousand, which represented 12.57% and 12.72% of total consolidated assets, as of March 31, 2013 and 2012. Those subsidiaries' liabilities amounted were NT\$471,269 thousand and NT\$515,362 thousand, which represented 8.56% and 8.63% of total consolidated liabilities March 31, 2013 and 2012. Those subsidiaries' comprehensive income amounted were NT\$2,802 thousand and NT\$21,224 thousand, which represented 1.83% and 25.64% of total consolidated comprehensive income, for the three-month periods ended March 31, 2013 and 2012.

As described in note 6(5) to the financial statements, the equity investments accounted for under the equity method amounting to \$25,449 thousand and \$26,162 thousand as of March 31, 2013 and 2012, respectively, and the related investment loss of \$198 thousand and \$9 thousand recognized for the March-month periods ended March 31, 2013 and 2012, respectively, were based on the financial statements prepared by subsidiaries, which were not reviewed.

Based on our review, we are not aware of any material modifications that should be made to the financial statements referred to in the first paragraph in order for them to be in conformity with regulations governing the preparation of financial reports by securities issuers and International Accounting Standard 34 "interim financial reporting".

May 9, 2013

Financial Statement – Balance Sheet

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/03/31	2012/12/31	2012/03/31	2012/01/01
Balance Sheet				
Assets				
Current assets				
Cash and cash equivalents				
Total cash and cash equivalents	4,138,962	3,939,026	3,390,055	3,348,567
Current financial assets at fair value through profit or loss				
Current financial assets at fair value through profit or loss, designated as upon initial recognition	213,957	218,712	217,580	311,780
Total current financial assets at fair value through profit or loss	213,957	218,712	217,580	311,780
Notes receivable, net				
Notes receivable, net	28,616	29,896	36,037	45,648
Accounts receivable, net				
Accounts receivable, net	3,481,126	3,675,888	4,133,791	4,296,402
Accounts receivable due from related parties, net				
Accounts receivable due from related parties	356,708	294,647	324,806	334,820
Accounts receivable due from related parties, net	356,708	294,647	324,806	334,820
Other receivables				
Other receivables, net	36,496	38,288	30,692	36,330
Current tax assets				
Total current tax assets	1,497	323	0	13
Inventories				
Inventories, manufacturing business				
Inventories, manufacturing business, net	1,463,663	1,475,628	1,896,853	2,208,604
Total inventories	1,463,663	1,475,628	1,896,853	2,208,604
Prepayments				

Total prepayments	111,769	90,481	98,193	116,292
Other current assets				
Total other current assets	53,392	61,563	28,122	10,626
Total current assets	9,886,186	9,824,452	10,156,129	10,709,082
Non-current assets				
Non-current available-for-sale financial assets				
Non-current available-for-sale financial assets, net	406,312	406,312	243,535	243,535
Investments accounted for using equity method				
Investments accounted for using equity method, net	25,449	26,045	26,162	26,854
Property, plant and equipment				
Total property, plant and equipment	1,247,494	1,247,410	1,314,992	1,371,345
Intangible assets				
Total intangible assets	233,504	234,285	237,034	236,857
Deferred tax assets	39,970	40,307	54,539	49,509
Other non-current assets				
Total other non-current assets	93,795	108,671	97,743	136,409
Total non-current assets	2,046,524	2,063,030	1,974,005	2,064,509
Total assets	11,932,710	11,887,482	12,130,134	12,773,591
Liabilities				
Current liabilities				
Short-term borrowings				
Total short-term borrowings	150,812	146,525	132,693	121,617
Notes payable				
Total notes payable	10,666	14,850	15,000	11,653
Accounts payable				
Total accounts payable	4,363,599	4,434,547	4,822,599	5,484,821
Accounts payable to related parties				
Total accounts payable to related parties	32,127	60,030	42,014	34,196
Other payables				
Total other payables	647,609	683,329	663,224	756,407
Current tax liabilities	130,041	107,393	137,291	143,644
Other current liabilities				
Total other current liabilities	91,896	104,784	67,338	73,335
Total current liabilities	5,426,750	5,551,458	5,880,159	6,625,673
Non-current liabilities				

Deferred tax liabilities				
Total deferred tax liabilities	1,534	1,493	11,207	2,921
Other non-current liabilities				
Accrued pension liabilities	76,582	78,406	81,290	82,385
Guarantee deposits received	241	243	243	247
Total other non-current liabilities	76,823	78,649	81,533	82,632
Total non-current liabilities	78,357	80,142	92,740	85,553
Total liabilities	5,505,107	5,631,600	5,972,899	6,711,226
Equity				
Equity attributable to owners of parent				
Share capital				
Ordinary share	2,307,608	2,298,768	2,292,748	2,287,618
Total capital stock	2,307,608	2,298,768	2,292,748	2,287,618
Capital surplus				
Total capital surplus	1,289,708	1,280,250	1,271,872	1,264,913
Retained earnings				
Legal reserve	646,470	646,470	586,702	586,702
Unappropriated retained earnings (accumulated deficit)				
Total unappropriated retained earnings (accumulated deficit)	1,395,762	1,306,788	1,400,512	1,263,567
Total retained earnings	2,042,232	1,953,258	1,987,214	1,850,269
Other equity interest				
Exchange differences on translation of foreign financial statements				
Total exchange differences on translation of foreign financial statements	81,796	18,244	24,805	86,099
Unrealized gains (losses) on available-for-sale financial assets				
Total unrealized gains (losses) on available-for-sale financial assets	368,312	368,312	205,535	205,535
Total other equity interest	450,108	386,556	230,340	291,634
Total equity attributable to owners of parent	6,089,656	5,918,832	5,782,174	5,694,434
Non-controlling interests	337,947	337,050	375,061	367,931
Total equity	6,427,603	6,255,882	6,157,235	6,062,365
Equivalent issue shares of advance receipts for ordinary share	0	0	0	0
Number of shares in entity held by entity and by its subsidiaries	0	0	0	0

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/1st	2012/1st
Statement of comprehensive income		
Operating revenue		
Net sales revenue		
Sales revenue		
Total sales revenue	3,648,323	4,202,265
Sales returns	19,318	22,479
Sales discounts and allowances	10,091	12,732
Net sales revenue	3,618,914	4,167,054
Total operating revenue	3,618,914	4,167,054
Operating costs		
Total operating costs	3,102,461	3,568,029
Gross profit (loss) from operations	516,453	599,025
Unrealized profit (loss) from sales	471	-213
Gross profit (loss) from operations	515,982	599,238
Operating expenses		
Selling expenses		
Total selling expenses	194,033	196,553
Administrative expenses		
Total administrative expenses	123,760	125,244
Research and development expenses		
Total research and development expenses	104,589	102,160
Total operating expenses	422,382	423,957
Net operating income (loss)	93,600	175,281

Non-operating income and expenses		
Other income		
Total other income	40,168	33,468
Other gains and losses		
Other gains and losses, net	-1,692	-7,515
Finance costs		
Finance costs, net	1,137	1,105
Share of profit (loss) of associates and joint ventures accounted for using equity method		
Share of profit (loss) of associates and joint ventures accounted for using equity method, net	-198	-9
Total non-operating income and expenses	37,141	24,839
Profit (loss) from continuing operations before tax	130,741	200,120
Tax expense (income)		
Current tax expense (income)	40,646	51,415
Total tax expense (income)	40,646	51,415
Profit (loss) from continuing operations	90,095	148,705
Profit (loss)	90,095	148,705
Other comprehensive income		
Exchange differences on translation	63,328	-65,924
Other comprehensive income, net	63,328	-65,924
Total comprehensive income	153,423	82,781
Profit (loss), attributable to:		
Profit (loss), attributable to owners of parent	88,974	136,945
Profit (loss), attributable to non-controlling interests	1,121	11,760
Comprehensive income attributable to:		
Comprehensive income, attributable to owners of parent	152,526	75,651
Comprehensive income, attributable to non-controlling interests	897	7,130
Basic earnings per share		
Total basic earnings per share	0.39	0.60
Diluted earnings per share		
Total diluted earnings per share	0.38	0.59

Financial Statement – Statements of Cash Flows

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit: NT\$ thousand

Accounting Title	2013/01/01To2013/03/31	2012/01/01To2012/03/31
Statement of cash flows		
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	130,741	200,120
Profit (loss) before tax	130,741	200,120
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	47,016	48,140
Amortization expense	2,310	2,127
Provision (reversal of provision) for bad debt expense	475	163
Interest expense	1,137	1,105
Interest income	-6,704	-3,470
Share-based payments	0	650
Share of loss (profit) of associates and joint ventures accounted for using equity method	198	9
Loss (gain) on disposal of property, plan and equipment	7	471
Property, plan and equipment transferred to expenses	111	0
Total adjustments to reconcile profit (loss)	44,550	49,195
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets held for trading	4,755	94,200
Decrease (increase) in notes receivable	1,280	9,611
Decrease (increase) in accounts receivable	194,287	162,448
Decrease (increase) in accounts receivable due from related parties	-62,061	10,014
Decrease (increase) in other receivable	3,322	5,636

Decrease (increase) in inventories	11,965	311,751
Decrease (increase) in prepayments	-21,288	18,099
Decrease (increase) in other current assets	8,171	-17,496
Decrease (increase) in other operating assets	13,049	33,649
Total changes in operating assets	153,480	627,912
Changes in operating liabilities		
Increase (decrease) in notes payable	-4,184	3,347
Increase (decrease) in accounts payable	-70,948	-662,222
Increase (decrease) in accounts payable to related parties	-27,903	7,818
Increase (decrease) in other payable	-35,732	-93,293
Increase (decrease) in other current liabilities	-12,888	-5,997
Increase (decrease) in accrued pension liabilities	-1,824	-1,095
Increase (decrease) in other operating liabilities	41	8,286
Total changes in operating liabilities	-153,438	-743,156
Total changes in operating assets and liabilities	42	-115,244
Total adjustments	44,592	-66,049
Cash inflow (outflow) generated from operations	175,333	134,071
Interest received	5,174	3,472
Interest paid	-1,125	-995
Income taxes refund (paid)	-17,998	-57,768
Net cash flows from (used in) operating activities	161,384	78,780
Cash flows from (used in) investing activities		
Acquisition of property, plant and equipment	-21,840	-15,255
Acquisition of intangible assets	-433	-2,394
Net cash flows from (used in) investing activities	-22,273	-17,649
Cash flows from (used in) financing activities		
Increase in short-term loans	4,287	11,076
Decrease in guarantee deposits received	-2	-4
Exercise of employee share options	18,298	11,439
Net cash flows from (used in) financing activities	22,583	22,511
Effect of exchange rate changes on cash and cash equivalents	38,242	-42,154
Net increase (decrease) in cash and cash equivalents	199,936	41,488
Cash and cash equivalents at beginning of period	3,939,026	3,348,567
Cash and cash equivalents at end of period	4,138,962	3,390,055
Cash and cash equivalents reported in the statement of financial position	4,138,962	3,390,055

Provided by: FSP Technology Inc.

Financial year: Yearly

Unit: NT\$ thousand

2013/03/31 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	2,298,768	2,298,768	1,280,250	646,470	1,306,788	1,953,258	18,244	368,312	386,556	0	5,918,832	337,050	6,255,882
Other change	8,840	8,840	9,458								18,298		18,298
Profit (loss)					88,974	88,974					88,974	1,121	90,095
Other comprehensive income					0	0	63,552	0	63,552		63,552	-224	63,328
Total comprehensive income					88,974	88,974	63,552	0	63,552		152,526	897	153,423
Total increase (decrease)	8,840	8,840	9,458	0	88,974	88,974	63,552	0	63,552	0	170,824	897	171,721
Equity	2,307,608	2,307,608	1,289,708	646,470	1,395,762	2,042,232	81,796	368,312	450,108	0	6,089,656	337,947	6,427,603

2012/03/31 Statement of Stockholders' Equity

Unit: NT\$ thousand

	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity	2,287,618	2,287,618	1,264,913	586,702	1,263,567	1,850,269	86,099	205,535	291,634	0	5,694,434	367,931	6,062,365
Other change	5,130	5,130	6,959								12,089		12,089

Profit (loss)					136,945	136,945					136,945	11,760	148,705
Other comprehensive income					0	0	-61,294	0	-61,294		-61,294	-4,630	-65,924
Total comprehensive income					136,945	136,945	-61,294	0	-61,294		75,651	7,130	82,781
Total increase (decrease)	5,130	5,130	6,959	0	136,945	136,945	-61,294	0	-61,294	0	87,740	7,130	94,870
Equity	2,292,748	2,292,748	1,271,872	586,702	1,400,512	1,987,214	24,805	205,535	230,340	0	5,782,174	375,061	6,157,235