

TRANSACTIONS WITH RELATED PARTIES

Balances transactions, revenue and expenses between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(1) Operating transaction

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Unit: NT \$1000				
<u>Sales of goods</u>				
Other related parties (the responsible person of the party is the director of the Group)	\$ 2,066	\$ 1,543	\$ 3,634	\$ 3,019

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties.

The accounts receivable from related parties on the date of balance sheet were as follows:

	September 30, 2014	December 31, 2013	September 30, 2013
Unit: NT \$1000			
<u>Accounts Receivable</u>			
Other related parties (the responsible person of the party is the director of the Group)	\$ 1,485	\$ 728	\$ 1,788

No expense was recognized for the nine months ended September 30, 2014 and 2013 for allowance for impaired trade receivable with respect to the amounts owed by related parties.

(2) Compensation of key management personnel

The compensation to directors and other key management personnel were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2014	2013	2014	2013
Unit: NT \$1000				
Short-term employee benefits	\$ 27,718	\$ 27,495	\$ 89,021	\$ 74,573

The compensation to directors and other key management personnel were determined by the Remuneration Committee of Airtac in accordance with the individual performance and the market trends.