MARKETECH INTERNATIONAL CORP.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

REVIEW REPORT OF INDEPENDENT

ACCOUNTANTS

MARCH 31, 2018 AND 2017

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

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REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of
Marketech International Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Marketech International Corp. and subsidiaries (the "Group") as at March 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Basis for Qualified Conclusion

As explained in Nots 4(3) and 6(6), we did not review the financial statements of certain insignificant consolidated subsidiaries and investment accounted for using equity method, which statements reflect total assets of NT$843,664 thousand and NT$620,343 thousand, constituting 5.49% and 4.45% of the consolidated total assets, and total liabilities of NT$159,094 thousand and NT$239,465 thousand, constituting 1.60% and 2.64% of the consolidated total liabilities as at March 31, 2018 and 2017, and total comprehensive income (loss) of NT($10,288) thousand and NT($41,831) thousand, constituting (4.74%) and (48.17%) of the consolidated total comprehensive income for the three months then ended, respectively, and the investment accounted for using equity method amounted to NT$52,903 thousand and NT$36,360 thousand, representing 0.34% and 0.26% of the consolidated total assets of March 31, 2018 and 2017, and total comprehensive income (including share of profit of associates accounted for using equity method and share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income) was NT$1,504 thousand and NT($1,318) thousand, constituting 0.69% and (1.52%) of the consolidated total comprehensive income for the three months then ended, respectively. These amounts were based solely on the unreviewed financial statements of these companies as of March 31, 2018 and 2017.

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Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2018 and 2017, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Chang, Shu-Chiung

Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan
May 7, 2018

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2018 and 2017 are reviewed, not audited)

	Assets	Notes	March 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%	March 31, 2017 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,935,003	13	$ 2,300,572	14	$ 1,666,382	12
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(4)	65,300	1	17,143	-	9,870	-
1125	Available-for-sale financial assets - current	12(4)	-	-	41,502	-	41,738	-
1140	Current contract assets	6(18) and 7	3,225,826	21	-	-	-	-
1150	Notes receivable, net	6(3)	161,361	1	167,147	1	211,793	2
1170	Accounts receivable, net	6(3)	3,415,996	22	3,898,907	24	3,497,165	25
1180	Accounts receivable - related parties, net	7	42	-	168	-	2,820	-
1190	Construction contracts receivable	7 and 12(5)	-	-	3,163,858	20	3,119,660	23
1200	Other receivables		51,648	-	20,890	-	18,718	-
130X	Inventories, net	6(4)	3,042,843	20	3,049,761	19	2,614,214	19
1410	Prepayments	6(5)	574,112	4	811,826	5	598,931	4
1470	Other current assets	8	220,054	1	171,820	1	184,073	1
11XX	**Total current assets**		12,692,185	83	13,643,594	84	11,965,364	86
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	301,596	2	-	-	-	-
1543	Financial assets at cost - non-current	12(4)	-	-	279,343	2	253,759	2
1550	Investments accounted for using equity method	6(6)	52,903	-	52,117	-	36,360	-
1600	Property, plant and equipment, net	6(7), 7 and 8	2,058,629	13	1,864,277	12	1,425,581	10
1780	Intangible assets	7	15,811	-	20,115	-	20,748	-
1840	Deferred tax assets		141,129	1	122,914	1	122,173	1
1900	Other non-current assets		92,869	1	88,783	1	103,296	1
15XX	**Total non-current assets**		2,662,937	17	2,427,549	16	1,961,917	14
1XXX	**Total Assets**		$ 15,355,122	100	$ 16,071,143	100	$ 13,927,281	100

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2018 and 2017 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%	March 31, 2017 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(8) and 8	$ 1,475,545	10	$ 2,012,182	13	$ 1,609,682	12
2130	Current contract liabilities	6(18) and 7	2,818,334	18	-	-	-	-
2150	Notes payable		1,132,662	7	908,350	6	767,739	6
2170	Accounts payable		3,369,411	22	3,911,241	24	3,596,494	26
2180	Accounts payable - related parties	7	5,466	-	22,053	-	4,458	-
2190	Construction contracts payable	7 and 12(5)	-	-	1,851,105	12	1,445,110	10
2200	Other payables	6(9)	409,218	3	544,024	3	345,101	2
2230	Current tax liabilities		146,451	1	96,090	1	140,492	1
2310	Advance receipts	6(10)	42,602	-	1,014,888	6	675,126	5
2399	Other current liabilities		13,067	-	12,917	-	25,677	-
21XX	**Total current liabilities**		9,412,756	61	10,372,850	65	8,609,879	62
	Non-current liabilities							
2530	Bonds payable	6(11)	178,442	1	200,199	1	306,620	2
2540	Long-term borrowings	6(12)	200,000	1	200,000	1	-	-
2570	Deferred tax liabilities		-	-	-	-	552	-
2640	Accrued pension liabilities		153,497	1	154,014	1	144,178	1
2670	Other non-current liabilities		78	-	78	-	78	-
25XX	**Total non-current liabilities**		532,017	3	554,291	3	451,428	3
2XXX	**Total Liabilities**		9,944,773	64	10,927,141	68	9,061,307	65
	Equity							
	Share capital	6(15)						
3110	Ordinary shares		1,782,616	12	1,770,164	11	1,715,019	13
	Capital surplus	6(14)(16)						
3200	Capital surplus		862,300	6	843,057	5	758,055	5
	Retained earnings	6(17)						
3310	Legal reserve		626,773	4	626,773	4	575,258	4
3320	Special reserve		92,239	1	92,239	1	92,239	1
3350	Unappropriated retained earnings		2,122,429	14	1,893,389	12	1,823,585	13
	Other equity interest							
3400	Other equity interest		(94,762)	(1)	(80,645)	(1)	(92,320)	(1)
31XX	**Total equity attributable to owners of parent**		5,391,595	36	5,144,977	32	4,871,836	35
36XX	**Non-controlling interests**		18,754	-	(975)	-	(5,862)	-
3XXX	**Total Equity**		5,410,349	36	5,144,002	32	4,865,974	35
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total Liabilities and Equity**		$ 15,355,122	100	$ 16,071,143	100	$ 13,927,281	100

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(REVIEWED, NOT AUDITED)

	Items	Notes	Three months ended March 31 2018 AMOUNT	2018 %	2017 AMOUNT	2017 %
4000	**Operating Revenue**	6(18) and 12(5)	$ 5,549,048	100	$ 5,193,868	100
5000	**Operating Costs**	6(4)(20)	(4,901,629)	(88)	(4,560,449)	(88)
5900	**Gross Profit**		647,419	12	633,419	12
	Operating Expenses	6(20) and 7				
6100	Sales and marketing expenses		(133,030)	(2)	(123,788)	(2)
6200	General and administrative expenses		(188,922)	(3)	(199,425)	(4)
6300	Research and development expenses		(39,485)	(1)	(43,485)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(40,128)	(1)	-	-
6000	**Total operating expenses**		(401,565)	(7)	(366,698)	(7)
6900	**Operating Profit**		245,854	5	266,721	5
	Non-operating Income and Expenses					
7010	Other income		9,332	-	5,630	-
7020	Other gains and losses	6(2)(19)	2,858	-	(61,616)	(1)
7050	Finance costs		(15,840)	-	(16,144)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method		1,504	-	(1,219)	-
7000	**Total non-operating income and expenses**		(2,146)	-	(73,349)	(1)
7900	**Profit before Income Tax**		243,708	5	193,372	4
7950	Income tax expense	6(21)	(36,315)	(1)	(41,394)	(1)
8200	**Net Income**		$ 207,393	4	$ 151,978	3

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(REVIEWED, NOT AUDITED)

			Three months ended March 31			
			2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other Comprehensive Income					
	Other components of other comprehensive income that will not be reclassified to profit or loss					
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)	$ 772	-	$ -	-
8310	**Total components of other comprehensive income that will not be reclassified to profit or loss**		772	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		6,432	-	(68,942)	(1)
8362	Unrealised gain on valuation of available-for-sale financial assets of foreign operations	12(4)	-	-	(7,859)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(1)	-	(100)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(21)	2,459	-	11,772	-
8360	**Total components of other comprehensive income (loss) that will be reclassified to profit or loss**		8,890	-	(65,129)	(1)
8300	**Other comprehensive income (loss), net of tax**		$ 9,662	-	($ 65,129)	(1)
8500	**Total Comprehensive Income**	6(22)	$ 217,055	4	$ 86,849	2
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 209,671	4	$ 155,630	3
8620	Non-controlling interests		(2,278)	-	(3,652)	-
	Total		$ 207,393	4	$ 151,978	3
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 219,339	4	$ 90,295	2
8720	Non-controlling interests		(2,284)	-	(3,446)	-
	Total		$ 217,055	4	$ 86,849	2
9750	**Basic earnings per share**	6(22)	$ 1.18		$ 0.93	
9850	**Diluted earnings per share**	6(22)	$ 1.12		$ 0.84	

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent										
			Capital Reserves		Retained Earnings			Other Equity Interest				
	Notes	Share capital - ordinary shares	Share premium	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealised gain or loss on available-for-sale financial assets	Total	Non-controlling interests	Total equity
Three months ended March 31, 2017												
Balance at January 1, 2017		$ 1,650,698	$ 616,003	$ 32,443	$ 575,258	$ 92,239	$ 1,667,955	($ 56,393)	$ 29,408	$ 4,607,611	($ 2,416)	$ 4,605,195
Share-based payment	6(14)(16)	-	-	1,693	-	-	-	-	-	1,693	-	1,693
Conversion of convertible bonds	6(15)(16)(24)	64,321	115,529	(7,613)	-	-	-	-	-	172,237	-	172,237
Profit (loss) for the period		-	-	-	-	-	155,630	-	-	155,630	(3,652)	151,978
Other comprehensive income (loss) for the period		-	-	-	-	-	-	(57,476)	(7,859)	(65,335)	206	(65,129)
Total comprehensive income		-	-	-	-	-	155,630	(57,476)	(7,859)	90,295	(3,446)	86,849
Balance at March 31, 2017		$ 1,715,019	$ 731,532	$ 26,523	$ 575,258	$ 92,239	$ 1,823,585	($ 113,869)	$ 21,549	$ 4,871,836	($ 5,862)	$ 4,865,974
Three months ended March 31, 2018												
Balance at January 1, 2018		$ 1,770,164	$ 822,905	$ 20,152	$ 626,773	$ 92,239	$ 1,893,389	($ 103,658)	$ 23,013	$ 5,144,977	($ 975)	$ 5,144,002
Effect of retrospective application and retrospective restatement		-	-	-	-	-	19,315	-	(23,013)	(3,698)	205	(3,493)
Balance at January 1, 2018 after restatement		1,770,164	822,905	20,152	626,773	92,239	1,912,704	(103,658)	-	5,141,279	(770)	5,140,509
Share-based payment	6(14)(15)(16)	3,730	4,759	(1,335)	-	-	-	-	-	7,154	-	7,154
Changes in equity of associates and joint ventures accounted for using equity method	6(16)	-	-	2,000	-	-	(718)	-	-	1,282	-	1,282
Conversion of convertible bonds	6(15)(16)(24)	8,722	14,800	(981)	-	-	-	-	-	22,541	-	22,541
Profit (loss) for the period		-	-	-	-	-	209,671	-	-	209,671	(2,278)	207,393
Other comprehensive income (loss) for the period		-	-	-	-	-	772	8,896	-	9,668	(6)	9,662
Total comprehensive income		-	-	-	-	-	210,443	8,896	-	219,339	(2,284)	217,055
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	21,808	21,808
Balance at March 31, 2018		$ 1,782,616	$ 842,464	$ 19,836	$ 626,773	$ 92,239	$ 2,122,429	($ 94,762)	$ -	$ 5,391,595	$ 18,754	$ 5,410,349

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 243,708	$ 193,372
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(19)	(6,739)	(2,573)
Impairment loss of expected credit	12(2)	40,128	-
Provision for bad debt expense	12(2)(4)	-	23,475
Share of (profit) loss of associates and joint ventures accounted for using equity method		(1,504)	1,219
Gain on disposal of investments	6(19)	-	(13,775)
Depreciation	6(7)(20)	28,408	25,749
Amortisation	6(20)	5,133	4,257
(Gain) loss on disposal of property, plant and equipment	6(7)	(1,622)	131
Compensation cost of share-based payments	6(14)(16)(20)	702	1,693
Interest income		(2,225)	(970)
Interest expense		15,840	16,144
Dividend income		(56)	(2,080)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets-current		(61,968)	-
Notes receivable, net		7,286	1,222
Accounts receivable, net		429,818	438,651
Accounts receivable – related parties, net		126	(2,403)
Construction contracts receivable		-	(251,511)
Other receivables		(28,544)	(12,993)
Inventories		18,003	(19,785)
Prepayments		237,714	(142,634)
Other current assets		(43,091)	(20,722)
Changes in operating liabilities			
Contract liabilities-current		5,477	-
Notes payable		224,312	(90,936)
Accounts payable		(564,616)	197,767
Accounts payable – related parties		(16,588)	(9,107)
Construction contracts payable		-	119,799
Other payables		(139,066)	(95,915)
Advance receipts		(10,534)	(49,335)
Other current liabilities		150	12,249
Other non-current liabilities		(517)	(465)
Cash inflow generated from operations		379,735	320,524
Interest received		2,793	258
Dividends received		56	2,080
Interest paid		(17,110)	(11,046)
Income tax paid		(942)	(922)
Net cash flows from operating activities		364,532	310,894

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31 2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		($ 2,916)	$ -
Disposal of financial assets at fair value through profit or loss		6,551	-
Proceeds from disposal of available-for-sale financial assets – current		-	28,030
Decrease in other financial assets – current		5,265	646
Proceeds from disposal of financial assets measured at cost – non-current		-	2,789
Acquisition of property, plant and equipment	6(7)	(221,342)	(81,945)
Proceeds from disposal of property, plant and equipment	6(7)	1,666	7,048
Acquisition of intangible assets		(814)	(3,566)
Increase in prepayments for business facilities		(2,190)	-
Increase in refundable deposits		(12,548)	(3,780)
Decrease in other non-current assets		234	241
Increase in prepayments for investments		-	(19,545)
Net cash flows used in investing activities		(226,094)	(70,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(25)	(557,031)	(240,245)
Decrease in guarantee deposits received		-	(5)
Proceeds from exercise of employee stock options	6(18)	6,453	-
Changes in non-controlling interests		21,808	-
Net cash flows used in financing activities		(528,770)	(240,250)
Effect of exchange rate changes on cash and cash equivalents		24,763	(86,424)
Net decrease in cash and cash equivalents		(365,569)	(85,862)
Cash and cash equivalents at beginning of period	6(1)	2,300,572	1,752,244
Cash and cash equivalents at end of period	6(1)	$ 1,935,003	$ 1,666,382

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

1. ORGANIZATION AND OPERATIONS

Marketech International Corp. (the “Company”) was incorporated in the Republic of China (ROC) on December 27, 1988. On October 17, 2002, the Company’s common shares were officially listed on the Taiwan Over-The-Counter Securities Exchange and on May 24, 2004, the shares were transferred to be listed on the Taiwan Stock Exchange. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in (i) import and trade of various integrated circuits, semiconductors, electrical and computer equipment and materials, chemicals, gas, components; (ii) factory affair and mechatronic system including clean room, automatic supply system of (specialty) gas and chemicals, monitor system, Turn-key and Hook-up Project and (iii) design and manufacturing of customized equipment.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

The consolidated financial statements were reported to the Board of Directors on May 7, 2018.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 2, ‘Classification and measurement of share-based payment transactions’	January 1, 2018
Amendments to IFRS 4, ‘Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts’	January 1, 2018
IFRS 9, ‘Financial instruments’	January 1, 2018
IFRS 15, ‘Revenue from contracts with customers’	January 1, 2018
Amendments to IFRS 15, ‘Clarifications to IFRS 15 Revenue from contracts with customers’	January 1, 2018
Amendments to IAS 7, ‘Disclosure initiative’	January 1, 2017
Amendments to IAS 12, ‘Recognition of deferred tax assets for unrealised losses’	January 1, 2017

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle－ Amendments to IFRS 1, 'First-time adoption of International Financial Reporting	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle－ Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle－ Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 9, 'Financial instruments'

(a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

(b) The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Group shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

B. IFRS 15, 'Revenue from contracts with customers'

IFRS 15, 'Revenue from contracts with customers' replaces IAS 11, 'Construction contracts', IAS 18 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer.

Step 2: Identify separate performance obligations in the contract(s).

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

In adopting the new standards endorsed by the FSC effective from 2018, the Group applied the new rules under IFRS 9 retrospectively from January 1, 2018, with the practical expedients permitted under the statement. Further, the Group has elected to adopt IFRS 15 using the modified retrospective approach. The significant effects of applying the new standards as of January 1, 2018 are summarized below:

A. In accordance with IFRS 9, the Group reclassified available-for-sale financial assets and financial assets at cost in the amounts of $41,502 and $279,343, respectively, by increasing financial assets at fair value through profit or loss, increasing retained earnings and decreasing other equity interest in the amounts of $346,649, $48,817 and $23,013, respectively.

B. In line with the regulations of IFRS 9 on provision for impairment, accounts receivable was reduced by $29,297, retained earnings decreased by $29,502 and non-controlling interests increased by $205.

C. Please refer to Note 12(4) for disclosure in relation to the first application of IFRS 9.

D. Presentation of contract assets and contract liabilities

In line with IFRS 15 requirements, the Group changed the presentation of certain accounts in the balance sheets as follows:

(a)Under IFRS 15, construction contracts whereby services have been rendered but not yet billed are recognised as contract assets but were previously presented as construction contracts receivable in the balance sheet. As of January 1, 2018, the balances amounted to $3,163,858.

(b)Under IFRS 15, liabilities in relation to construction contracts are recognised as contract liabilities, but were previously presented as construction contracts payable in the balance sheet. As of January 1, 2018, the balance amounted to $1,851,105 and was reclassified to contract liabilities-current.

(c) Under IFRS 15, liabilities in relation to sales contracts are recognised as contract liabilities, but were previously presented as advance receipts in the balance sheet. As of January 1, 2018, the balance amounted to $961,752 and was reclassified to contract liabilities-current.

E. Please refer to Note 12(5) for disclosure in relation to the first application of IFRS 15.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 16, 'Leases'	January 1, 2019
IFRS 17, 'Insurance contracts'	January 1, 2021
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

IFRS 16 has significant impact to the Group, and the Group has reported to the Board of Directors in the first quarter of 2018. The Group will adopt the modified retrospective transitional provisions of IFRS 16 'Leases', and classify the effects on the lease contract of lessee on January 1, 2019 in accordance with IFRS 16.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2017, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

A. The consolidated financial statements of the Group 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.

B. These consolidated financial statements should be read along with the consolidated financial statements as of and for the year ended December 31, 2017.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income. Available-for-sale financial assets measured at fair value.

(c) Liabilities on cash-settled share-based payment arrangements measured at fair value.

(d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Group has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognised as retained earnings or other equity as of January 1, 2018 and the financial statements for the year ended December 31, 2017 and the first quarter of 2017 were not restated. The financial statements for the year ended December 31, 2017 and the first quarter of 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), International Accounting Standard 11 ('IAS 11'), International Accounting Standard 18 ('IAS 18') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2017.

B. The subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Contracting for semiconductor automatic supply system	100	100	100	Note 1
Marketech International Corp.	Headquarter International Ltd.	Investment holding and reinvestment	100	100	100	Note 1
Marketech International Corp.	Tiger United Finance Ltd.	Investment holding and reinvestment	100	100	100	Note 1
Marketech International Corp.	Market Go Profits Ltd.	Investment holding and reinvestment	100	100	100	-
Marketech International Corp.	MIC-Tech Global Corp.	International trade	100	100	100	Note 1
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Trading, installation and repair of various machinery equipment and its peripherals	100	100	100	Note 1
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Contracting for electrical installing construction	100	100	100	Note 1
Marketech International Corp.	eZoom Information, Inc.	Research, trading and consulting of information system software and hardware appliance	100	100	100	Note 1
Marketech International Corp.	Marketech Co., Ltd.	Specialized contracting and related repair services; equipment sales and repair, sales of cosmetics and daily necessities	100	100	100	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Design, manufacturing, installation of automatic production equipment and its parts	100	100	100	Note 1
Marketech International Corp.	Marketech International Sdn. Bhd.	Specialized contracting and related repair services	51.12	51.12	51.12	Note 1
Marketech International Corp.	PT Marketech International Indonesia	Trading business of machine equipment and parts	99.92	99.92	99.92	Note 1
Marketech International Corp.	Marketech Netherlands B.V.	International trade business of machine and components and technical service	100	100	-	Note 1
Marketech International Corp.	ADAT Technology Ltd.	Research, development, application, and service of software; supply of electronic information and the buying and selling of equipment	83.33	83.33	-	Note 1
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Investment holding and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Investment holding and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Investment holding and reinvestment	60	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co., Limited	Investment holdings and reinvestment	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembling of wrapping device and cooling equipment; assembling of barbecue grill; wholesale, commission agency and import and export of the aforementioned products their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants; design, manufacturing, sales and installation of automatic warehousing equipment and accessories, automatic logistics transporting equipment and accessories; R&D, sales and installation of supplementary engineering in logistics dispatch system	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repair, manufacture, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction; specialized contracting for electrical installing construction; specialized contracting for electronic engineering; specialized contracting for petroleum and chemical equipment installation; specialized contracting for channel and guarantee for post construction; consulting service for related construction technology	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
MIC-Tech Ventures Asia Pacific Inc.	Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	SKMIC (WUXI) Corp.	Design, installation and repair of semi-conductor and transistor facilities, electronic components facilities and pollution prevention equipment, as well as wholesale, commission agent and export/import business of products listed above, industrial cleaning, repair and maintenance	49	49	49	Note 2
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity; international and entrepot trade, trading and trading agency among enterprises in customs bonded area; consulting service for trading; installation, repair, and maintenance of automation equipment, electronic equipment, and their parts	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
Russky H.K. Limited	Shanghai Maohua Electronics Engineering Co., Ltd.	Production of scrubber bins for semiconductor manufacturers; design, installation, debugging and technology services of tunnel system; equipment repair for semiconductor manufacturers; consulting service for electrical and medical equipment wholesale, commissioned distribution, export, import and related services of electronic products, machinery equipment, chemical products, communication equipment, metal products, plastic products	87	87	80	-
Russky H.K. Limited	ChenGao M&E Engineering (Shanghai） Co., Ltd.	Design of microelectronic products and display devices; consulting service for related technology and management	100	100	100	-
Russky H.K. Limited	PT Marketech International Indonesia	Trading business of machine equipment and parts	0.08	0.08	0.08	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
MICT International Limited	Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device; sells the products that manufactured by itself; machinery equipment, research and development of production technology of utilities equipment, technology transfer, technology consulting, technology service; processing of metal salvage and junk (except for hazardous chemicals and hazardous waste); metallic material (except for steels and noble metal), ceramic product, paper products and wholesale, retail and import and export of hardware products	60	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) March 31, 2018	December 31, 2017	March 31, 2017	Note
Frontken MIC Co. Limited	Frontken-MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micromodule and cleaning technology for semiconductor	100	100	100	-
Marketech Integrated Pte. Ltd.	Marketech International Sdn. Bhd.	Specialized contracting and related repair services	48.88	48.88	48.88	Note 1
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Specialized contracting for electrical installing construction	95	95	95	Note 1

Note 1：The financial statements of the entity as of and for the three months ended March 31, 2018 and 2017 were not reviewed by the independent accountants as the entity did not meet the definition of significant subsidiary.

Note 2：The Company holds less than 50% share ownership in its subsidiary – SKMIC (Wuxi) Corp., however, as the definition of control is met, the subsidiary is included in the consolidated entities.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: As of March 31, 2018, December 31, 2017 and March, 31, 2017, the non-controlling interests amounted to $18,754 ($975), and ($5,862), respectively. Subsidiaries that have non-controlling interests are not material to the Group.

(4) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(5) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(6) Impairment of financial assets

At each reporting date, for accounts receivable, contract assets and financial guarantee contracts that have a significant financing component, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(7) Non-hedging and embedded derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(8) Income tax

If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(9) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells a range of various integrated circuits, semiconductors, electrical and computer equipment and materials, chemicals, gas, components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Engineering System Service

(a) The Group provides factory affair and mechatronic system including clean room, automatic supply system of (specialty) gas and chemicals, monitor system, Turn-key and Hook-up Project services. Construction revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs spent relative to the total expected costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements as of and for the year ended December 31, 2017.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2018	December 31, 2017	March 31, 2017
Cash on hand	$ 16,029	$ 14,144	$ 13,949
Checking accounts and demand deposits	1,902,620	2,269,006	1,647,015
Time deposits	16,354	17,422	5,418
Total	$ 1,935,003	$ 2,300,572	$ 1,666,382

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Except for the cash and cash equivalents pledged to others as shown in Note 8 that was transferred to 'other current assets', the Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

		March 31, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$	23,818
Call provision of convertible corporate bonds (Note 6(11))		250
		24,068
Valuation adjustment		41,232
Total	$	65,300
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$	276,633
Hybrid instruments		2,916
		279,549
Valuation adjustment		22,047
Total	$	301,596

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

		Three months ended March 31, 2018
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$	6, 952
Hybrid instruments	(	213)
	$	6, 739

B. The Group has no financial assets at fair value through profit or loss pledged to others.

C. Information relating to credit risk is provided in Note 12(2).

D. Information on the year ended December 31, 2017 and the first quarter of 2017 are provided in Note 12(4).

(3) Notes and accounts receivable

		March 31, 2018		December 31, 2017		March 31, 2017
Notes receivable	$	168,355	$	175,641	$	213,018
Less: Loss allowance	(	6,994)	(	8,494)	(	1,225)
Total	$	161,361	$	167,147	$	211,793

		March 31, 2018		December 31, 2017		March 31, 2017
Accounts receivable	$	3,868,875	$	4,277,063	$	3,916,280
Less: Loss allowance	(	452,879)	(	378,156)	(	419,115)
Total	$	3,415,996	$	3,898,907	$	3,497,165

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	March 31, 2018	December 31, 2017	March 31, 2017
Without past due	$ 2,538,719	$ 2,930,500	$ 2,502,800
Up to 90 days	345,426	487,783	577,955
91 to 180 days	178,253	99,915	166,676
181 to 365 days	169,185	176,846	236,280
Over 365 days	805,689	757,828	648,419
	$ 4,037,272	$ 4,452,872	$ 4,132,130

B. As of March 31 2018, December 31, 2017 and March 31, 2017, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $161,361, $167,147 and $211,793, respectively. As of March 31 2018, December 31, 2017 and March 31, 2017, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were $3,415,996, $3,898,907 and $3,497,165, respectively.

C. The Group does not hold any collateral as security.

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	March 31, 2018		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 396,370	($ 22,662)	$ 373,708
Merchandise inventory	634,854	(65,274)	569,580
Raw materials	729,520	(19,343)	710,177
Supplies	45,503	(1,876)	43,627
Work in process	1,211,791	(38,612)	1,173,179
Semi-finished goods and finished goods	191,143	(18,571)	172,572
Total	$ 3,209,181	($ 166,338)	$ 3,042,843

	December 31, 2017		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 319,700	($ 22,087)	$ 297,613
Merchandise inventory	785,052	(73,129)	711,923
Raw materials	591,528	(18,582)	572,946
Supplies	33,770	(1,999)	31,771
Work in process	1,286,363	(39,749)	1,246,614
Semi-finished goods and finished goods	206,197	(17,303)	188,894
Total	$ 3,222,610	($ 172,849)	$ 3,049,761

	March 31, 2017		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 487,331	($ 22,849)	$ 464,482
Merchandise inventory	709,071	(51,779)	657,292
Raw materials	477,020	(12,518)	464,502
Supplies	40,338	(1,307)	39,031
Work in process	860,224	(9,044)	851,180
Semi-finished goods and finished goods	151,581	(13,854)	137,727
Total	$ 2,725,565	($ 111,351)	$ 2,614,214

A. Relevant expenses of inventories recognised as operating costs for the three months ended March 31, 2018 and 2017 are as follows:

	Three months ended March 31,	
	2018	2017
Construction cost	$ 2,384,662	$ 2,293,876
Cost of sales	2,277,810	2,075,629
Other operating cost	246,667	189,348
(Gain on reversal of) loss on market value decline and obsolete and slow-moving inventories (Note)	(7,510)	1,596
Total	$ 4,901,629	$ 4,560,449

Note: The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the Group sold inventories, which had been provided inventory valuation loss in previous years.

B. The Group has no inventories pledged to others.

(5) Prepayments

	March 31, 2018	December 31, 2017	March 31, 2017
Prepayment for purchases	$ 471,013	$ 683,113	$ 546,563
Others	103,099	128,713	52,368
Total	$ 574,112	$ 811,826	$ 598,931

(6) Investments accounted for using equity method

A. Details of investments accounted for using the equity method:

	March 31, 2018		December 31, 2017	
	Carrying amount	% interest held	Carrying amount	% interest held
Glory Technology Service Inc.	$ 46,009	29.24%	$ 46,153	34.11%
Leader Fortune Enterprise Co., Ltd.	5,049	31.43%	4,115	31.43%
MIC Techno Co., Ltd.	1,845	20%	1,849	20%
Total	$ 52,903		$ 52,117	

	March 31, 2017	
	Carrying amount	% interest held
Glory Technology Service Inc.	$ 33,691	35%
Leader Fortune Enterprise Co., Ltd.	816	31.43%
MIC Techno Co., Ltd.	1,853	20%
Total	$ 36,360	

B. Associates

Associates using equity method are all individually immaterial and the Group's share of the operating results are summarized below:

	Three months ended March 31,	
	2018	2017
Profit (loss) for the period from continuing operations	$ 4,760	($ 3,972)
Other comprehensive loss - net of tax	(2)	(317)
Total comprehensive income (loss)	$ 4,758	($ 4,289)

C. The investments accounted for using equity method for the three months ended March 31, 2018 and 2017 were evaluated based on the financial statements of the entity which were not reviewed by independent accountants. The investment accounted for using equity method for the year ended December 31, 2017 was evaluated based on the financial statements of the entity which were audited by independent accountants.

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
At January 1, 2018						
Cost	$ 205,438	$ 1,961,031	$ 598,400	$ 207,804	$ 364,423	$ 3,337,096
Accumulated depreciation	-	(855,248)	(463,220)	(139,742)	(14,609)	(1,472,819)
Book value	$ 205,438	$ 1,105,783	$ 135,180	$ 68,062	$ 349,814	$ 1,864,277
Three months ended March 31, 2018						
Opening net book amount	$ 205,438	$ 1,105,783	$ 135,180	$ 68,062	$ 349,814	$ 1,864,277
Additions	-	776	7,601	4,391	208,574	221,342
Disposals	-	-	(3)	(41)	-	(44)
Depreciation	-	(14,546)	(7,405)	(5,915)	(542)	(28,408)
Net exchange differences	-	1,334	690	240	(802)	1,462
Closing net book amount	$ 205,438	$ 1,093,347	$ 136,063	$ 66,737	$ 557,044	$ 2,058,629
At March 31, 2018						
Cost	$ 205,438	$ 1,965,248	$ 609,208	$ 209,734	$ 572,257	$ 3,561,885
Accumulated depreciation	-	(871,901)	(473,145)	(142,997)	(15,213)	(1,503,256)
Book value	$ 205,438	$ 1,093,347	$ 136,063	$ 66,737	$ 557,044	$ 2,058,629

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
At January 1, 2017						
Cost	$ 205,438	$ 1,778,562	$ 655,128	$ 200,042	$ 36,457	$ 2,875,627
Accumulated depreciation	-	(802,731)	(533,214)	(136,296)	(14,800)	(1,487,041)
Book value	$ 205,438	$ 975,831	$ 121,914	$ 63,746	$ 21,657	$ 1,388,586
Three months ended March 31, 2017						
Opening net book amount	$ 205,438	$ 975,831	$ 121,914	$ 63,746	$ 21,657	$ 1,388,586
Additions	-	6,939	7,377	5,820	61,809	81,945
Disposals	-	-	(143)	(95)	(6,941)	(7,179)
Depreciation	-	(13,526)	(6,303)	(5,374)	(546)	(25,749)
Net exchange differences	-	(8,492)	(2,381)	(615)	(534)	(12,022)
Closing net book amount	$ 205,438	$ 960,752	$ 120,464	$ 63,482	$ 75,445	$ 1,425,581
At March 31, 2017						
Cost	$ 205,438	$ 1,768,515	$ 625,806	$ 195,709	$ 89,644	$ 2,885,112
Accumulated depreciation	-	(807,763)	(505,342)	(132,227)	(14,199)	(1,459,531)
Book value	$ 205,438	$ 960,752	$ 120,464	$ 63,482	$ 75,445	$ 1,425,581

A. The Group has no interest capitalised to property, plant and equipment.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Short-term borrowings

	March 31, 2018		Interest rate range	Collateral
Bank borrowings				
Credit borrowings	$	1,457,777	0.88%~5.0025%	None
Mortgage loan		17,768	3.0025%~3.05658%	Buildings
	$	1,475,545		

	December 31, 2017		Interest rate range	Collateral
Bank borrowings				
Credit borrowings	$	1,992,148	0.88%~5.133%	None
Mortgage loan		20,034	2.75513%~2.88188%	Buildings
	$	2,012,182		

	March 31, 2017		Interest rate range	Collateral
Bank borrowings				
Credit borrowings	$	1,491,150	0.95%~4.785%	None
Mortgage loan		118,532	2.8953%~5.0025%	Buildings
	$	1,609,682		

Details of mortgage loan are provided in Note 8.

(9) Other payables

	March 31, 2018		December 31, 2017		March 31, 2017	
Salaries and bonus payable	$	206,152	$	350,061	$	186,378
Accrued employees' compensation and directors' and supervisors' remuneration		129,717		123,169		107,265
Others		73,349		70,794		51,458
Total	$	409,218	$	544,024	$	345,101

(10) Advance receipts

	March 31, 2018		December 31, 2017		March 31, 2017	
Sales revenue received in advance	$	-	$	931,407	$	624,596
Others		42,602		83,481		50,530
Total	$	42,602	$	1,014,888	$	675,126

(11) Bonds payable

	March 31, 2018		December 31, 2017		March 31, 2017	
Bonds payable	$	182,900	$	206,100	$	319,900
Less: Discount on bonds payable	(	4,458)	(	5,901)	(	13,280)
Total	$	178,442	$	200,199	$	306,620

A. The Company issued the 3rd domestic unsecured convertible bonds, as approved by the regulatory authority on August 1, 2016. The terms and conditions are as follows:

(a) Total issuance amount: $500,000

(b) Issuance period: 3 years, and a circulation period from August 22, 2016 to August 22, 2019.

(c) Coupon rate: 0%

(d) Conversion period: The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after one month of the bonds before the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(e) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.

(f) Redemption Method:

i. Redemption on the maturity date: Redeemed in cash at face value at the maturity date.

ii. Redemption before the maturity date: The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one month of the bonds issue to 40 days before the maturity date.

iii. Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

(g) For the three months ended March 31, 2018, the convertible corporate bonds with par value totaling $23,200 have been converted into 872 thousands of ordinary shares, generating capital surplus of $14,800 and resulting in a decrease of 'capital surplus - stock options' by $981.

(h) As of March 31, 2018, the convertible corporate bonds with par value totaling $317,100 have been converted into 11,396 thousands of ordinary shares, generating capital surplus of $203,551 and resulting in a decrease of 'capital surplus - stock options' by $13,405.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $21,136 were separated from the liability component and were recognised in 'capital surplus - stock options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation is 1.788%.

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2018
Long-term bank borrowings				
Credit borrowings	Borrowing period is from March 31, 2018 to June 30, 2019；interest is repayable monthly；payable at maturity date	0.915%	None	$ 200,000

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2017
Long-term bank borrowings				
Credit borrowings	Borrowing period is from December 29, 2017 to March 29, 2019；interest is repayable monthly；payable at maturity date	0.92%	None	$ 200,000

As of March 31, 2017, there was no change in the balance of undrawn borrowing facilities.

(13) Pensions

A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) For the aforementioned pension plan, the Group recognised pension costs of $792 and $843 for the three months ended March 31, 2018 and 2017, respectively.

(c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2019 amounts to $5,234.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) Certain overseas subsidiaries have a defined contribution plan. Contributions to an independent fund are based on certain percentage of employees' monthly salaries and wages and are recognised as pension cost. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2018 and 2017 were $21,248 and $18,407, respectively.

(14) Share-based payment

A. For the three months ended March 31, 2018 and 2017, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Employee stock options	2015.9.11	3,956	6 years	2~4 years' service

The share-based payment arrangements above are all settled by equity.

B. Details of the share-based payment arrangements are as follows:

	Three months ended March 31,			
	2018		2017	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	2,456	$ 17.30	3,956	$ 18.20
Options granted	-	-	-	-
Options exercised	(373)	17.30	-	-
Options forfeited	(23)	-	-	-
Options outstanding at end of the period	2,060	17.30	3,956	18.20
Options exercisable at end of the period	148		-	
Options approved but not yet issued at end of the period	44		44	

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		March 31, 2018	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2015.9.11	2021.9.10	2,060	$ 17.30

		December 31, 2017	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2015.9.11	2021.9.10	2,456	$ 17.30

		March 31, 2017	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2015.9.11	2021.9.10	3,956	$ 18.20

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2015.9.11	$ 19.60	$ 19.60	34.91%	4.375 years	0%	0.81%	$ 5.8326

E. Expenses incurred on share-based payment transactions are $702 and $1,693 for the three months ended March 31, 2018 and 2017, respectively.

(15) Share capital

A. As of March 31, 2018, the Company's authorised capital was $2,500,000, consisting of 250 million shares of ordinary stock (including 9,800 thousand shares reserved for employee stock options), and the paid-in capital was $1,782,616 with a par value of $10 (in dollars) per share amounting to 178,261,604 shares. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	Three months ended March 31,	
	2018	2017
At January 1	177,016,429	165,069,756
Conversion of convertible bonds	872,175	6,432,110
Exercise of employee stock options	373,000	-
At March 31	178,261,604	171,501,866

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Details of movements in capital surplus are as follows:

	Three months ended March 31, 2018				
	Share premium	Employee stock options	Stock options	Others	Total
At January 1	$ 822,905	$ 11,089	$ 8,712	$ 351	$ 843,057
Exercise of employee stock options	4,759	(2,037)	-	-	2,722
Compensation cost of employee stock options	-	702	-	-	702
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	2,000	2,000
Conversion of convertible bonds	14,800	-	(981)	-	13,819
At March 31	$ 842,464	$ 9,754	$ 7,731	$ 2,351	$ 862,300

	Three months ended March 31, 2017				
	Share premium	Employee stock options	Stock options	Others	Total
At January 1	$ 616,003	$ 10,956	$ 21,136	$ 351	$ 648,446
Compensation cost of employee stock options	-	1,693	-	-	1,693
Conversion of convertible bonds	115,529	-	(7,613)	-	107,916
At March 31	$ 731,532	$ 12,649	$ 13,523	$ 351	$ 758,055

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve. The remaining amount along with the prior years' unappropriated earnings are resolved by the Board of Directors and proposed to the stockholders for appropriation or reserve.

B. The Company's dividend policy is summarized below: in consideration of the overall environment development and industrial growth, fulfilling future operation development needs as priority and optimizing financial structure, distribution of dividends shall not exceed 50% of the stock dividend distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a)In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b)The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Firms No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. Details of 2017 earnings appropriation proposed by the Board of Directors on February 24, 2018 and 2016 earnings appropriation resolved by the shareholders on May 26, 2017 are as follows:

	2017		2016	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 65,295	$ -	$ 51,515	$ -
Cash dividends	442,541	2.5	363,153	2.2
Total	$ 507,836		$ 414,668	

The earnings appropriation for the year ended December 31, 2016 listed above had no difference from that proposed by the Board of Directors on February 20, 2017. The earnings appropriation for the year ended December 31, 2017 has not yet been approved by the shareholders, therefore, no dividends payable were included in the current consolidated financial statements.

Information about the earnings distribution of 2017 and 2016 as approved by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(20).

(18) Operating revenue

	Three months ended March 31, 2018
Sales contract revenue	$ 2,602,566
Construction contract revenue	2,585,242
Other contract revenue	361,240
Total	$ 5,549,048

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Three months ended March 31, 2018
R&D and manufacturing of customized equipment	$ 1,840,238
Total Facility Engineering Turnkey Project	1,413,281
Sales and service of high-tech equipment and materials	1,359,793
Automatic supplying system	935,736
Total	$ 5,549,048
Timing of revenue recognition	
At a point in time	$ 2,673,300
Over time	2,875,748
Total	$ 5,549,048

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

		March 31, 2018
Contract assets:		
Contract assets–construction contracts	$	3,225,826
Contract liabilities:		
Contract liabilities – construction contracts		1,930,492
Contract liabilities – sales contracts		867,701
Contract liabilities – service contracts		20,141
	$	2,818,334

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period:

		Year ended March 31, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Construction contracts	$	779,401
Sales contracts		150,377
Service contracts		26,723
	$	956,501

(c) All contracts in the Group are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

C. Information on the year ended December 31, 2017 and the first quarter of 2017 are provided in Note 12(5) B.

(19) Other gains and losses

	Three months ended March 31,			
	2018		2017	
Gains on disposals of investments	$	-	$	13,775
Foreign exchange losses	(	2,371)	(	77,957)
Net gains on financial assets at fair value through profit or loss		6,739		2,573
Other losses	(	1,510)	(	7)
Total	$	2,858	($	61,616)

(20) Employee benefit expense, depreciation and amortisation

A. Employee benefit expense, depreciation and amortisation

	Three months ended March 31, 2018		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 162,239	$ 222,461	$ 384,700
Compensation cost of employee stock options	-	702	702
Labour and health insurance fees	14,898	16,250	31,148
Pension costs	10,461	11,579	22,040
Other employee benefit expense	5,063	6,718	11,781
Depreciation	17,064	11,344	28,408
Amortisation	2,882	2,251	5,133

	Three months ended March 31, 2017		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 145,924	$ 207,020	$ 352,944
Compensation cost of employee stock options	-	1,693	1,693
Labour and health insurance fees	12,522	14,790	27,312
Pension costs	9,071	10,179	19,250
Other employee benefit expense	4,512	5,673	10,185
Depreciation	15,301	10,448	25,749
Amortisation	2,434	1,823	4,257

B. Employees' compensation and directors' remuneration

(a) According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall not be higher than 3% for directors' remuneration and shall be 1~15% for employees' compensation. If the company has accumulated deficit, earnings should be reserved to cover losses.

(b) For the three months ended March 31, 2018 and 2017, employees' compensation and directors' and supervisors' remuneration are accrued as follows:

	Three months ended March 31,	
	2018	2017
Employees' compensation	$ 27,534	$ 22,062
Directors' remuneration	2,753	2,206
	$ 30,287	$ 24,268

For the three months ended March 31, 2018, employees' compensation and directors' remuneration were estimated and accrued based on 10% and 1% of distributable profit of current year as of the end of reporting period.

The employees' compensation and directors' remuneration of 2017 resolved by the Board of Directors were $89,000 and $10,431, respectively, and were in agreement with those amounts recognised in the 2017 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31,	
	2018	2017
Current tax		
Current tax on profits for the year	$ 51,299	$ 47,670
Deferred tax		
Origination and reversal of temporary differences	(14,984)	(6,276)
Income tax expense	$ 36,315	$ 41,394

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended March 31,	
	2018	2017
Currency translation differences of foreign operations	$ 2,459	$ 11,772
Remeasurements of defined benefit obligations	772	-
	$ 3,231	$ 11,772

B. Assessment of the Company's and domestic subsidiary's income tax returns is as follows:

	Assessment
The Company	Through 2015
eZoom Information, Inc.	Through 2016

C. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(22) Earnings per share

	Three months ended March 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 209,671	177,635	$ 1.18
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	626	7,185	
Employee stock option	-	1,056	
Employees' compensation	-	1,849	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 210,297	187,725	$ 1.12

	Three months ended March 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 155,630	167,166	$ 0.93
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	1,414	15,761	
Employee stock option	-	1,268	
Employees' compensation	-	1,905	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 157,044	186,100	$ 0.84

(23) Operating leases

Details are provided in Note 9(1).

(24) Supplemental cash flow information

	Three months ended March 31,	
	2018	2017
Convertible bonds being converted to capital stocks	$ 22,541	$ 172,237

(25) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Liabilities from financing activities-gross
At January 1, 2018	$ 2,012,182	$ 200,000	$ 2,212,182
Changes in cash flow from financing activities	(557,031)	-	(557,031)
Impact of changes in foreign exchange rate	20,394	-	20,394
At March 31, 2018	$ 1,475,545	$ 200,000	$ 1,675,545

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Japan Pionics Co.,Ltd	Other related parties
Chung-Hsin Precision Machinery Co., Ltd.	"
MIC Techno Co., Ltd.	Associates
STS Glory Technology Corp.	Entities controlled by key management or entities with significant influence
Macrotec Technology Corp.	"
ProbeLeader Co., Ltd.	"

(2) Significant related party transactions and balances

A. Receivables from related parties

Accounts receivable

	March 31, 2018	December 31, 2017	March 31, 2017
Other related parties	$ -	$ 124	$ 2,392
Entities controlled by key management or entities with significant influence	42	44	440
Subtotal	42	168	2,832
Less: Allowance for uncollectible accounts	-	-	(12)
Total	$ 42	$ 168	$ 2,820

The collection terms to related parties and third parties are about 2 to 3 months after the sales while terms for construction are about 2 to 3 months after inspection of construction depending on the construction contracts or individual agreements.

B. Payables to related parties

Accounts payable

	March 31, 2018	December 31, 2017	March 31, 2017
Entities controlled by key management or entities with significant influence	$ 4,663	$ 11,081	$ 4,101
Other related parties	803	10,951	357
Associates	-	21	-
Total	$ 5,466	$ 22,053	$ 4,458

The payment terms to related parties and third parties are about 2 to 3 months after inspection of purchases. The payment terms for outsourcing construction costs are about 2 months after inspection of construction, depending on normal construction contracts or individual agreements.

C. Advanced construction receipts (Recorded as Contract assets and liabilities/ Construction contracts receivable and payable)

	March 31, 2018	December 31, 2017	March 31, 2017
Associates	$ 10,316	$ 10,316	$ 10,316
Other related parties	-	4,572	4,807
Total	$ 10,316	$ 14,888	$ 15,123

(3) Key management compensation

	Three months ended March 31,	
	2018	2017
Salaries and other short-term employee benefits	$ 10,816	$ 10,039

8. PLEDGED ASSETS

Details of the book value of the Group's assets pledged as collateral are as follows:

	Book value			
Pledged asset	March 31, 2018	December 31, 2017	March 31, 2017	Purpose
Time deposits (recorded as 'other current assets')	$ 3,172	$ 10,626	$ 16,713	Performance guarantee, warranty guarantee and other guarantee
Refundable deposits (recorded as 'other current assets')	112,585	99,987	49,063	Bid bond and performance guarantee
Buildings and structures (recorded as 'property, plant and equipment')	14,407	14,545	134,824	Guarantee for bank's borrowing facility
	$ 130,164	$ 125,158	$ 200,600	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Commitments

(1) Operating leases agreements

The Group leases buildings under non-cancellable operating lease agreements. The lease terms are under 10 years, and all these lease agreements are renewable at the end of the lease period. Rental is increased periodically to reflect market rental rates. The Group recognised rental costs and expenses of $37,315 and $35,763 for these leases in profit or loss for the three months ended March 31, 2018 and 2017, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	March 31, 2018	December 31, 2017	March 31, 2017
Not later than one year	$ 75,440	$ 81,668	$ 65,767
Later than one year but not later than five years	129,189	127,336	82,266
Later than five years	211,396	214,249	32,592
Total	$ 416,025	$ 423,253	$ 180,625

(2) As of March 31, 2018, the notes and letters of guarantee used for construction performance and custom security amounted to $1,461,477.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements as of and for the year ended December 31, 2017.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2018	December 31, 2017	March 31, 2017
Financial assets			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 366,896	$ -	$ -
Financial assets held for trading	-	17,143	9,870
Available-for-sale financial assets	-	41,502	41,738
Financial assets at cost	-	279,343	253,759
Financial assets at amortised cost/Loans and receivables			
Cash and cash equivalents	1,935,003	2,300,572	1,666,382
Notes receivable	161,361	167,147	211,793
Accounts receivable (including related parties)	3,416,038	3,899,075	3,497,165
Other accounts receivable	51,648	20,890	18,718
Guarantee deposits paid (recorded as 'other current assets')	112,585	99,987	49,063
Other financial assets (recorded as 'other current assets')	3,172	10,626	16,713
	$ 6,046,703	$ 6,836,285	$ 5,765,201
Financial liabilities			
Financial liabilities measured at fair value through profit or loss			
Short-term borrowings	$ 1,475,545	$ 2,012,182	$ 1,609,682
Notes payable	1,132,662	908,350	767,739
Accounts payable (including related parties)	3,374,877	3,933,294	3,600,952
Other accounts payable	409,218	544,024	345,101
Long-term borrowings	200,000	200,000	-
Guarantee deposits received (recorded as 'other current liabilities')	78	78	78
	$ 6,592,380	$ 7,597,928	$ 6,323,552

B. Financial risk management policies

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements as of and for the year ended December 31, 2017.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB, JPY and EUR. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, RMB, SGD, IDR, MMK and MYR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2018					
				Sensitivity analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：NTD	$ 42,385	29.105	$ 1,233,621	1%	$ 12,336	$ -
USD：RMB	17,097	6.2633	497,604	1%	4,976	-
EUR：NTD	5,974	35.87	214,299	1%	2,143	-
JPY：NTD	239,865	0.2739	65,699	1%	657	-
RMB：NTD	25,652	4.6469	119,204	1%	1,192	-
USD：MMK	4,401	1,335	128,078	1%	1,281	-
USD：IDR	1,190	13,664	34,628	1%	346	-
Financial liabilities						
Monetary items						
USD：NTD	$ 3,792	29.105	$ 110,370	1%	$ 1,104	$ -
USD：RMB	33,007	6.2633	960,682	1%	9,607	-
USD：SGD	1,619	1.3104	47,126	1%	471	-

	December 31, 2017					
				Sensitivity analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：NTD	$ 45,906	29.76	$ 1,366,163	1%	$ 13,662	$ -
USD：RMB	20,276	6.5194	603,416	1%	6,034	-
EUR：NTD	7,406	35.57	263,447	1%	2,634	-
JPY：NTD	276,632	0.2642	73,086	1%	731	-
RMB：NTD	37,561	4.5648	171,460	1%	1,715	-
USD：MMK	6,121	1.362	182,162	1%	1,822	-
USD：IDR	1,191	13.345	35,436	1%	354	-
Financial liabilities						
Monetary items						
USD：NTD	$ 4,472	29.76	$ 133,090	1%	$ 1,331	$ -
USD：RMB	35,250	6.5194	1,049,051	1%	10,491	-
USD：SGD	1,625	1.3369	48,355	1%	484	-
USD：MYR	1,882	4.2081	56,004	1%	560	-

(Foreign currency: functional currency)	March 31, 2017					
				Sensitivity analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
USD：NTD	$ 41,262	30.33	$ 1,251,474	1%	$ 12,515	$ -
USD：RMB	9,714	6.8824	294,628	1%	2,946	-
EUR：NTD	9,738	32.43	315,802	1%	3,158	-
JPY：NTD	562,489	0.2713	152,603	1%	1,526	-
RMB：NTD	24,510	4.4069	108,011	1%	1,080	-
USD：IDR	1,200	13,017	36,405	1%	364	-
USD：KRW	1,172	1,109	35,550	1%	356	-
Financial liabilities						
Monetary items						
USD：NTD	$ 10,319	30.33	$ 312,964	1%	$ 3,130	$ -
USD：RMB	26,961	6.8824	817,736	1%	8,177	-
USD：SGD	1,513	1.3971	45,883	1%	459	-
JPY：NTD	185,161	0.2713	50,234	1%	502	-
USD：MYR	1,872	4.6147	56,791	1%	568	-

iv. Please refer to the following table for the details of unrealised exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group.

	Three months ended March 31, 2018		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ -	29.105	($ 16,027)
USD：RMB	(1,636)	6.2633	(7,600)
EUR：USD	(181)	0.8114	(5,281)
EUR：USD	-	-	-
Monetary items			
USD：RMB	$ 9,719	6.2633	$ 45,164

	Three months ended March 31, 2017		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
EUR：NTD	$ -	32.43	($ 13,065)
USD：NTD	-	30.33	(27,583)
Financial liabilities			
Monetary items			
USD：RMB	($ 3,565)	6.8824	($ 15,712)

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the three months ended March 31, 2018 and 2017 would have increased/decreased by $3,005 and $78, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $202, as a result of other comprehensive income classified as available-for-sale equity investment.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from bank borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the three months ended March 31, 2018 and 2017, the Group's borrowings at variable rate were mainly denominated in NTD, USD, SGD and RMB.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate of NTD, USD, SGD and RMB had increased/decreased by 1% with all other variables held constant, profit, net of tax for the three months ended March 31, 2018 and 2017 would have decreased/increased by $13,404 and $13,360, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of excellence are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments are past due over 30 days based on the terms, there is a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the historical experience and industrial characteristics, the default occurs when the sale and construction contract payments are past due over 1 to 2 years.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss under the provision matrix basis.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2018, the Group has no written-off financial assets that are still under recourse procedures.

viii. The Group used the forecastability of global boom information to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including related parties). On March 31, 2018, the provision matrix and loss rate methodology are as follows:

(i) Accounts receivable in relation to construction

March 31, 2018	Expected loss rate	Total book value	Loss allowance
Without past due	0%~0.1718%	$ 978,008	$ 194
Up to 90 days	0%~1.4256%	276,540	845
91 to 180 days	0%~1.6415%	113,131	398
181 to 365 days	0%~2.6826%	85,022	1,072
1 to 2 years	0%~72.6733%	163,124	22,180
Over 2 years	100%	53,878	53,878
Total		$ 1,669,703	$ 78,567

(ii) Accounts receivable in relation to sales

March 31, 2018	Expected loss rate	Total book value	Loss allowance
Without past due	0%~1.2138%	$ 1,323,489	$ 1,840
Up to 90 days	0%~5.8324%	104,575	372
91 to 180 days	0%~11.5309%	15,107	505
181 to 365 days	0%~58.8601%	31,756	10,780
Over 365 days	99.99%~100%	55,253	55,212
Total		$ 1,530,180	$ 68,709

(iii) Based on historical experience, the Group applies individual assessment to evaluate expected credit loss of the high-credit risk customers. On March 31, 2018, accounts receivable and loss allowance amounted to $541,459 and $305,603, respectively.

(iv) Due to the expected insignificant impairment, the Group applies individual assessment to evaluate expect credit loss of receivables due from construction warranties and notes receivables. On March 31, 2018, notes and accounts receivable and loss allowance amounted to $295,930 and $6,994, respectively.

ix. Movements in relation to the group applying the simplified approach to provide loss allowance for receivables (including notes and accounts receivable) are as follows:

	Three months ended March 31, 2018		
	Notes receivable	Accounts receivable	Total
At January 1_IAS 39	$ 8,494	$ 378,156	$ 386,650
Adjustments under new standards	-	29,297	29,297
At January 1_IFRS 9	8,494	407,453	415,947
Provision for (reversal of) impairment	(1,500)	41,628	40,128
Effect of foreign exchange	-	3,798	3,798
At March 31	$ 6,994	$ 452,879	$ 459,873

For provisioned loss for the three months ended March 31, 2018, the impairment loss arising from customers' contracts is $40,128.

x. Credit risk information of 2017 is provided in Note 12(4).

(c) Liquidity risk

i. The Group invests in financial assets measured at fair value through profit or loss in active markets, so it expects to sell the financial assets in markets with prices approximate to fair value. Financial assets at cost are not traded in active markets, thus, liquidity risk is expected. However, the Group's operating capital is sufficient to fulfill the Group's capital needs and it does not expect significant liquidity risk.

ii. The Group has the following undrawn borrowing facilities:

	March 31, 2018	December 31, 2017	March 31, 2017
Floating rate:			
Expiring beyond one year	$ 200,000	$ 400,000	$ 600,000
Fixed rate:			
Expiring beyond one year	13,770	13,801	13,460
	$ 213,770	$ 413,801	$ 613,460

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities

March 31, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 1,475,545	$ -	$ -	$ -
Notes payable	1,132,662	-	-	-
Accounts payable (including related parties)	3,374,877	-	-	-
Other payables	409,218	-	-	-
Bonds payable	-	178,442	-	-
Long-term borrowings	-	200,000	-	-

Non-derivative financial liabilities

December 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 2,012,182	$ -	$ -	$ -
Notes payable	908,350	-	-	-
Accounts payable (including related parties)	3,933,294	-	-	-
Other payables	544,024	-	-	-
Bonds payable	-	200,199	-	-
Long-term borrowings	-	200,000	-	-

Non-derivative financial liabilities

March 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 1,609,682	$ -	$ -	$ -
Notes payable	767,739	-	-	-
Accounts payable (including related parties)	3,600,952	-	-	-
Other payables	345,101	-	-	-
Bonds payable	-	-	306,620	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

Except for financial assets at fair value through profit or loss and available-for-sale financial assets, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), contract assets (including related parties), construction contracts receivable (including related parties), other receivables, other financial assets (recorded as other current assets), financial assets measured at cost, guarantee deposits paid (recorded as other non-current assets), short-term borrowings, notes payable, accounts payable (including related parties), contract liabilities (including related parties), construction contracts payable (including related parties), other payables, long-term borrowings (including current portion) and guarantee deposits received (recorded as other non-current liabilities, others) are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information of natures of the assets is as follows:

March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 65,263	$ -	$ 301,596	$ 366,859
Call provision of convertible corporate bonds	-	-	37	37
Total	$ 65,263	$ -	$ 301,633	$ 366,896

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 16,933	$ -	$ -	$ 16,933
Call provision of convertible corporate bonds	-	-	210	210
Available-for-sale financial assets				
Equity securities	41,502	-	-	41,502
Total	$ 58,435	$ -	$ 210	$ 58,645

March 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 9,710	$ -	$ -	$ 9,710
Call provision of convertible corporate bonds	-	-	160	160
Available-for-sale financial assets				
Equity securities	41,738	-	-	41,738
Total	$ 51,448	$ -	$ 160	$ 51,608

(b)The methods and assumptions the Group used to measure fair value are as follows:

Instruments which use market quoted prices as their fair value (that is, Level 1), are using the closing prices of listed shares as market quoted prices based on characteristics of the instruments.

D. For the three months ended March 31, 2018 and 2017, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the three months ended March 31, 2018 and 2017:

	Three months ended March 31		
	2018		2017
	Equity instruments	Hybrid instruments	Hybrid instruments
At January 1	$ -	$ 210	$ 50
Acquired in the period	279,549	-	-
Gains and losses recognised in profit or loss			
Recorded as non-operating income and expenses	22,047	(173)	110
Total	$ 301,596	$ 37	$ 160
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at end of the period (Note)	$ 22,047	($ 173)	$ 110

Note: Recorded as non-operating income and expense.

F. For the three months ended March 31, 2018 and 2017, there was no transfer into or out from Level 3.

G. Investment strategies segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares	$ 269,358	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares	29,322	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument :					
Convertible bond – call provision	37	Binomial tree pricing model	Volatility	22.85%~32.85%	The higher the stock price volatility, the higher the fair value
Convertible bond	2,916	Market comparable companies	Note 2	Not applicable	Note 2

Note 1: Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability.

Note 2: The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.

	Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument :					
Convertible bond – call provision	$ 210	Binomial tree pricing model	Volatility	21.31% ~31.31%	The higher the stock price volatility, the higher the fair value

	Fair value at March 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument :					
Convertible bond – call provision	$ 160	Binomial tree pricing model	Volatility	16% ~26%	The higher the stock price volatility, the higher the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			March 31, 2018			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity	Stock price	± 10%	$ 30,160	($ 30,160)	$ -	$ -
Convertible bond - call provision	Stock price	± 10%	20	(10)	-	-
"	Volatility	± 5%	40	(20)	-	-
Total			$ 30,220	($ 30,190)	$ -	$ -

			December 31, 2017			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Convertible bond - call provision	Stock price	± 10%	$ -	($ 20)	$ -	$ -
"	Volatility	± 5%	50	(60)	-	-
Total			$ 50	($ 80)	$ -	$ -

			March 31, 2017			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Convertible bond						
- call provision	Interest rate	± 20 bps	$ 10	($ 20)	$ -	$ -
"	Stock price	± 10%	40	(30)	-	-
"	Volatility	± 5%	60	(20)	-	-
Total			$ 110	($ 70)	$ -	$ -

(4) Effects on initial application of IFRS 9, 'Financial instruments' and information on adopting IAS 39 in 2017

A. Summary of significant accounting policies adopted for the year ended December 31, 2017 and in the first quarter of 2017:

(a) Financial assets at fair value through profit or loss

i. Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term.

ii. Financial assets that are designated as at fair value through profit or loss on initial recognition are recognised using settlement date accounting.

iii. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(b) Available for sale financial assets

i. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

iii. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(c) Notes and accounts receivable

Accounts receivable are receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(d) Impairment of financial assets

i. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(i) Significant financial difficulty of the issuer or debtor;

(ii) A breach of contract, such as a default or delinquency in interest or principal payments;

(iii) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) The disappearance of an active market for that financial asset because of financial difficulties;

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(vii) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

(viii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(i) Financial assets at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(ii) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset directly.

(iii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

B. The reconciliations of carrying amount of financial assets transfered from December 31, 2017, IAS 39, to January 1,2018, IFRS 9, were as follows:

	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Measured at cost	Accounts receivable, net	Total	Effects: Retained earnings	Effects: Other equity	Effects: Non-controlling interests
IAS 39	$ 17,143	$ 41,502	$279,343	$ 3,898,907	$ 4,236,895	$ -	$ -	$ -
Transferred into and measured at fair value	320,845	(41,502)	(279,343)	-	-	-	-	-
Fair value adjustment	25,804	-	-	-	25,804	48,817	(23,013)	-
Impairment loss adjustment	-	-	-	(29,297)	(29,297)	(29,502)	-	205
IFRS 9	$ 363,792	$ -	$ -	$ 3,869,610	$ 4,233,402	$ 19,315	($ 23,013)	$ 205

(a) Under IAS 39, the equity instruments, which were classified as: financial assets at fair value through profit or loss, available-for-sale financial assets, financial assets at cost, amounting to $17,143, $41,502 and $279,343, respectively, were reclassified as "financial assets at fair value through profit or loss (equity instruments)" amounting to $363,792, increased retained earnings and decreased other equity interest in the amounts of $48,817 and $23,013 under IFRS 9.

(b) In line with the regulations of IFRS 9 on provision for impairment, accounts receivable was reduced by $29,297, retained earnings decreased by $29,502 and non-controlling interest increased by $205.

C. The reconciliation of allowance for impairment and provision from December 31, 2017, as these are impaired under IAS 39, to January 1, 2018, as these are expected to be impaired under IFRS 9, are as follows:

	Allowance for uncollectible accounts
IAS 39	$ 386,650
Impairment loss adjustment	29,502
Non-controlling interests adjustment	(205)
IFRS 9	$ 415,947

D. The significant accounts as of December 31, 2017 and March 31, 2017 are as follows:

(a) Financial assets at fair value through profit or loss

	December 31, 2017	March 31, 2017
Financial assets held for trading		
Listed stocks	$ 7,439	$ 7,592
Call provision of convertible corporate bonds (Note 6(11))	250	250
	7,689	7,842
Valuation adjustment	9,454	2,028
Total	$ 17,143	$ 9,870

i. The Group recognised net gain of $2,463 on financial assets held for trading for the three months ended March 31, 2017.

ii. The Group recognised net gain of $110 on the call provision of convertible corporate bonds issued by the Company for the three months ended March 31, 2017.

iii. The Group has no financial assets at fair value through profit or loss pledged to others.

(b) Available-for-sale financial assets-current

	December 31, 2017	March 31, 2017
Listed stocks		
Calitech Co., Ltd.	$ 18,489	$ 20,189
Valuation adjustment	23,013	21,549
Total	$ 41,502	$ 41,738

i. The Company has recognised changes in fair value of the unrealised gains on available-for-sale financial assets in profit or loss and in other comprehensive loss amounting to $7,859 for the three months ended March 31, 2017.

ii. The Group has no available-for-sale financial assets pledged as collateral.

(c) Financial assets measured at cost

	December 31, 2017	March 31, 2017
Non-current items:		
Taiwan Intelligent Fiber Optic Network Co., Ltd.	$ 44,024	$ 44,024
Taiwan Puritic Corp.	39,287	39,287
Taiwan Special Chemicals Corp.	29,013	9,013
Taiwan Colour & Imaging Technology Corp.	25,330	-
Kinestral Technologies, Inc.	21,165	-
ProbeLeader Co., Ltd.	14,490	14,490
Civil Tech Pte. Ltd.	13,650	13,650
Foresight Energy Technologies Co., Ltd.	10,875	-
IP Fund Six Co., Ltd.	10,000	10,000
Innorich Venture Capital Corp.	10,000	10,000
VEEV Interactive Pte. Ltd.	-	15,243
Ares Green Technology Corp.	-	43,481
Others (companies individually not exceeding $10,000)	61,509	54,571
Total	$ 279,343	$ 253,759
Prepayments to long-term investments (recorded as 'other non-current assets')		
Foresight Energy Technologies Co., Ltd.	$ -	$ 10,000
Radisen Co., Ltd.	-	9,545
Total	$ -	$ 19,545

i. Based on the Group's investment purpose, the abovementioned stocks held by the Group shall be classified as 'available-for-sale financial assets'. However, as the stocks are not traded in an active market, and no sufficient industry information of companies similar to the abovementioned companies can be obtained, the fair value of the stocks cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets at cost – non-current'.

ii. The Group has no financial assets measured at cost pledged to others.

E. Credit risk information for the year ended December 31, 2017 and the three months ended March 31, 2017 are as follows:

(a) Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. This is described as below:

i. The Group has assessed the credit status of counterparties upon sale of products and goods or services. So it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount.

ii. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

iv. For banks and financial institutions, only rated parties with good ratings are accepted.

v. The endorsements and guarantees provided by the Group are all in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies". The Group knows the credit status of endorsees well and does not require any security. If there is any non-performance, the performance amount is the possible credit risk.

(b) For the three months ended March 31, 2017, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

(c) The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is calculated from the past due date as follows:

	December 31, 2017	March 31, 2017
Up to 90 days	$ 474,429	$ 601,551
91 to 180 days	97,506	185,322
181 to 365 days	167,665	292,057
Over 365 days	423,579	329,399
	$ 1,163,179	$ 1,408,329

(d) Movement analysis of notes and accounts receivable (including related parties) that were impaired is as follows:

i. As of December 31, 2017 and March 31, 2017, the Group's notes and accounts receivable that were impaired amounted to $386,650 and $420,352, respectively.

ii. Movements on the Group's provision for impairment of notes and accounts receivable (including related parties) are as follows:

	Three months ended March 31, 2017		
	Individual provision	Group provision	Total
At January 1	$ 207,856	$ 198,525	$ 406,381
Provision of impairment during the period	1,245	22,230	23,475
Transfer during the period	(1,748)	1,748	-
Effect of exchange rate	(3,440)	(6,064)	(9,504)
At March 31	$ 203,913	$ 216,439	$ 420,352

(e) The credit quality of notes and accounts receivable (including related parties) that were neither past due nor impaired was in the following categories based on the Group's Credit Quality Control Policy:

	December 31, 2017	March 31, 2017
Type A	$ 23,382	$ 47,622
Type B	1,794,437	1,419,393
Type C	1,085,224	836,434
	$ 2,903,043	$ 2,303,449

Type A: No credit limit. Clients include government institutions and government-owned corporations.

Type B: Credit limit is 130% of the average of transactions in the past year. Clients are counterparties whose average annual transactions reach NT$30,000 for the most recent 3 years and who have stable sales and optimal financials.

Type C: Credit limit is gained through assessment based on 'Client Credit Ranking Sheet'.

(5) Effects of initial application of IFRS 15 and information on adopting IAS 11 and IAS 18 in 2017

A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 and the three months ended March 31, 2017 are set out below.

(a) Construction revenue/construction contracts

i. IAS 11, 'Construction Contracts', defines a construction contract as a contract specifically negotiated for the construction of an asset. If the outcome of a construction contract can be estimated reliably and it is probable that this contract would make a profit, contract revenue is recognised by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. Contract costs are expensed as incurred. The stage of completion of a contract is measured by the proportion of contract costs incurred for work performed to date to the estimated total costs for the contract. An expected loss where total contract costs will exceed total contract revenue on a construction contract is recognised as an expense as soon as such loss is probable. If the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

ii. Contract revenue should include the revenue arising from variations from the original contract work, claims and incentive payments that are agreed by the customer and can be measured reliably.

iii. The excess of the cumulative costs incurred plus recognised profits (less recognised losses) over the progress billings on each construction contract is presented as an asset within 'receivables from customers on construction contracts'. While, the excess of the progress billings over the cumulative costs incurred plus recognised profits (less recognised losses) on each construction contract is presented as a liability within 'Construction contracts payables'.

(b) Sales of goods

Sales revenue is measured at the fair value of the consideration received or receivable for the sale of goods (products) to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods (products) is recognised when the Group has delivered the goods (products) to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods (products) sold, and the customer has accepted the goods (products) based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. The revenues recognised by using above accounting policies for the three months ended March 31, 2017 are as follows:

	Three months ended March 31, 2018	
Construction revenue	$	2,426,198
Sales revenue		2,455,479
Other operating revenue		312,191
Total	$	5,193,868

C. The construction contract receivable/payable recognised by using above construction contract accounting policies as of December 31, 2017 and March 31, 2017 are as follows:

	December 31, 2017	March 31, 2017
Aggregate costs incurred plus recognised profits (less recognised losses)	$ 26,582,074	$ 24,615,993
Less: Progress billings	(25,269,321)	(22,941,443)
Net balance sheet position for construction in progress	$ 1,312,753	$ 1,674,550
Presented as:		
Receivables from customers on construction contracts	$ 3,163,858	$ 3,119,660
Payables to customers on construction contracts	(1,851,105)	(1,445,110)
	$ 1,312,753	$ 1,674,550
Retentions relating to construction contracts	$ 46,151	$ 87,838
Advances received before the related construction work is performed	$ 599,077	$ 103,364

D. For the three months ended March 31, 2018, the effects and description of current balance sheets and comprehensive income statements if the Group continues adopting above accounting policies are as follows:

		March 31, 2018		
Balance sheet items	Description	Balance by using IFRS 15	Balance by using previous accounting policies	Effects from chages in accounting policy
Construction contracts receivable		$ -	$ 3,225,826	($ 3,225,826)
Contract assets		3,225,826	-	3,225,826
Construction contracts payable		-	1,930,492	(1,930,492)
Advance receipts		42,602	930,444	(887,842)
Contract liabilities		2,818,334	-	2,818,334

Comprehensive income statement items: No effects.

(a) Under IFRS 15, construction contracts whereby services have been rendered but not yet billed are recognised as contract assets, but were previously presented as part of due from customers for contract work in the balance sheet.

(b)Under IFRS 15, contract liabilities in relation to construction contracts are recognised as contract liabilities, but were previously presented as due to customers for contract work in the balance sheet.

(c)Under IFRS 15, contract liabilities in relation to sales contracts are recognised as contract liabilities, but were previously presented as advance sales receipts in the balance sheet.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries and associates): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 4.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

The Group is divided into the following 4 segments:

A. Agency for equipment materials segment: mainly engaged in semiconductor, optoelectronics and other high-tech industrial processing and trading, distribution, after-sale service and technical support of factory equipment and its materials, chemicals and parts.

B. Process system and mechatronic system service segment: mainly contracting electrical, clean room, peripheral system facilities and process, engaged in lump sum contracts, providing integrated services consisting of planning, design, construction, supervision, installation, testing, operational consulting, maintenance and repair for gas, automatic supply system of chemicals, special gas and factory monitor system. Services for general industries such as petrochemical plant, conventional industry plant, mechatronic system for intelligent buildings.

C. Customized equipment manufacturing segment: mainly engaged in research and development of customized automation equipment and process based on request of customers in semiconductor, optoelectronics and traditional industry.

D. Other segments: mainly providing repair, cleaning and renewal services to customers' equipment and device in semiconductor, optoelectronics and traditional industry.

(2) Measurement of segment information

Management evaluates the performance of the operating segments based on their operational efficiency. The Group's Chief Operating Decision-Maker allocates resources and assesses performance of the operating segments based on the measurement and it is measured in a manner consistent with operating income in the consolidated statement of comprehensive income. There is no material change in the operating segments' accounting policies and accounting estimates and assumptions.

(3) Segment profit information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments for the three months ended March 31, 2018 and 2017 is as follows:

	Three months ended March 31, 2018				
	Sales and services for equipment materials segment	Facility system and mechanic & electric system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers	$ 814,428	$ 3,175,888	$ 1,558,194	$ 538	$ 5,549,048
Inter-segment revenue	19,095	16,633	566	1,216	37,510
Total segment revenue	$ 833,523	$ 3,192,521	$ 1,558,760	$ 1,754	$ 5,586,558
Segment profit (loss)	$ 68,715	$ 78,089	$ 99,811	($ 761)	$ 245,854
Segment income (loss), including depreciation and amortisation	$ 3,030	$ 15,177	$ 14,453	$ 881	$ 33,541

	Three months ended March 31, 2017				
	Sales and services for equipment materials segment	Facility system and mechanic & electric system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers	$ 874,896	$ 2,883,192	$ 1,435,776	$ 4	$ 5,193,868
Inter-segment revenue	34,816	17,403	840	1,330	54,389
Total segment revenue	$ 909,712	$ 2,900,595	$ 1,436,616	$ 1,334	$ 5,248,257
Segment profit (loss)	$ 58,208	$ 11,753	$ 198,258	($ 1,498)	$ 266,721
Segment income (loss), including depreciation and amortisation	$ 2,538	$ 14,542	$ 11,969	$ 957	$ 30,006

(4) Reconciliation for segment income (loss)

Sales and services between segments are carried out at arm's length. The revenue and financial information from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income before tax from continuing operations for the three months ended March 31, 2018 and 2017 is provided as follows:

	Three months ended March 31,	
	2018	2017
Reportable segments income	$ 246,615	$ 268,219
Other reportable segments loss	(761)	(1,498)
Total segments	245,854	266,721
Other gains and losses	13,694	(70,980)
Finance costs	(15,840)	(16,144)
Gain on disposal of investments	-	13,775
Income before tax from continuing operations	$ 243,708	$ 193,372

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Loans to others

For the three months ended March 31, 2018

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. （Note 1）	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended March 31, 2018 （Note 2）	Balance at March 31, 2018 （Note 6）	Actual amount drawn down	Interest rate (%)	Nature of loan （Note 3）	Amount of transactions with the borrower	Reason for short-term financing	Allowance for bad debts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Marketech International Corp.	Marketech International Sdn.Bhd.	Other receivables	Y	$ 55,056	$ 16,008	$ 16,008	4.616	2	$ -	Operations	$ -	None	-	$ 2,156,638	$ 2,156,638	Note 4
0	Marketech International Corp.	eZoom Information, Inc.	Other receivables	Y	10,000	-	-	-	2	-	Operations	-	None	-	2,156,638	2,156,638	Note 4
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Y	102,183	-	-	-	2	-	Operations	-	None	-	2,156,638	2,156,638	Note 4
1	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	Other receivables	Y	58,086	58,086	58,086	4.35~4.785	2	-	Operations	-	None	-	186,140	372,280	Note 5
1	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Y	1,394	1,394	1,394	4.35	2	-	Operations	-	None	-	372,280	372,280	Note 5
1	MIC-Tech Electronics Engineering Corp.	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Other receivables	Y	2,091	2,091	2,054	4.785	2	-	Operations	-	None	-	372,280	372,280	Note 5
3	MIC-Tech (Shanghai) Corp.	Integrated Manufacturing & Services Co., Ltd.	Other receivables	Y	17,097	6,970	6,970	5.0025	2	-	Operations	-	None	-	137,007	274,013	Note 5
3	MIC-Tech (Shanghai) Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	Other receivables	Y	18,588	18,588	18,588	4.785	2	-	Operations	-	None	-	137,007	274,013	Note 5
3	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Y	86,115	72,492	72,492	4.785~5.0025	2	-	Operations	-	None	-	274,013	274,013	Note 5
4	Marketech Integrated Manufacturing Co., Ltd.	Marketech Integrated Construction Co., Ltd.	Other receivables	Y	5,821	5,821	-	5	2	-	Operations	-	None	-	156,456	312,912	Note 6
5	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	44,640	43,658	43,658	4.616	2	-	Operations	-	None	-	410,908	821,816	Note 4

Note 1:The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2:Fill in the maximum outstanding balance of loans to others during the year ended March 31, 2018.

Note 3:Fill in the nature of the loan as follows:

(1)Fill in 1 for business transactions and the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

(2)Fill in 2 for short-term financing and the purpose of loan, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 4:Limit on the loans from the Company and MIC-Tech Ventures Asia Pacific Inc.:

(1)Limit on the accumulated balance of loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company is 80% of the net assets based on the latest financial statements of subsidiaries who receive the loans. The following (2) and (3) do not apply to the limit.

(2)For business transactions, limit on loans granted for a single party is the amount of the transactions. The amount of the transactions is the higher value of purchasing and selling during current year on the year of financing.

(3)For short-term financing, limit on loans granted for a single party is 40% of the net assets of the lending companies. The amount of loans to a single party with short-term financing is the accumulated balance of the Company's short-term financing.

(4)Limit of the accumulated balance of loans from (2) and (3) is 40% of the net assets based on the latest financial statements of the lending companies.

Note 5:Limit on the loans provided by the Company’s mainland subsidiaries:

(1)Limit on the total loans to others provided by the Company’s mainland subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2)Limit on the loans provided by the Company’s mainland subsidiaries granted for a single party are as follows:

(2-1)Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can’t exceed the total business transactions amount within 12 month.

(2-2)For short-term financing between the Company’s mainland subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.

(2-3)For short-term financing between the Company’s mainland subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Note 6: Limit on the loans provided by the Company’s Myanmar subsidiaries:

(1)Limit on the total loans to others provided by the Company’s Myanmar subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2)Limit on the loans provided by the Company’s Myanmar subsidiaries granted for a single party are as follows:

(2-1)Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can’t exceed the total business transactions amount within 12 month.

(2-2)For short-term financing between the Company’s Myanmar subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.

(2-3)For short-term financing between the Company’s Myanmar subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Note 7:The ending balance is the amount resolved by the Board of Directors.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the three months ended March 31, 2018

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2018 (Note 5)	Outstanding endorsement/ guarantee amount at March 31, 2018 (Note 6)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	$ 2,695,798	$ 54,389	$ 53,764	$ 43,658	-	1.00%	$ 5,391,595	Y	N	N	Note 3
0	Marketech International Corp.	Marketech Integrated Sdn. Bhd.	2	2,695,798	148,800	145,525	20,487	-	2.70%	5,391,595	Y	N	N	Note 3
0	Marketech International Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	3	2,695,798	32,528	32,528	-	-	0.60%	5,391,595	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	3	2,695,798	294,624	288,140	288,140	-	5.34%	5,391,595	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	3	2,695,798	1,026,300	937,846	278,615	-	17.39%	5,391,595	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	3	2,695,798	1,391,586	1,303,154	664,961	-	24.17%	5,391,595	Y	N	Y	Note 3
0	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	3	2,695,798	94,156	94,156	26,129	-	1.75%	5,391,595	Y	N	Y	Note 3
0	Marketech International Corp.	Special Triumph Sdn. Bhd.	5	2,695,798	40,387	40,387	25,416	-	0.75%	5,391,595	N	N	N	Note 3
1	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	3	7,952	7,675	7,417	7,417	-	279.78%	13,253	N	N	N	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	3	1,396,049	4,368	4,368	4,368	-	0.94%	2,326,749	N	N	Y	Note 4
2	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	5	1,396,049	72,603	72,603	72,603	-	15.60%	2,326,749	N	N	Y	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	3	1,396,049	111,477	111,477	111,477	-	23.96%	2,326,749	N	N	Y	Note 4
2	MIC-Tech (Shanghai) Corp.	MIC-Tech Electronics Engineering Corp.	3	1,027,550	640,586	640,586	640,586	-	187.02%	1,712,583	N	N	Y	Note 4

Note 1:The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1)The Company is '0'.
(2)The subsidiaries are numbered in order starting from '1'.

Note 2:Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1)Having business relationship.
(2)The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3)The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
(4)The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5)Mutual guarantee of the trade as required by the construction contract.
(6)Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3:Limit on endorsements and guarantees stated in"Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies":
(1)In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
(2)Except for guarantees for contracting constructions, limit on the Company's accumulated endorsement/guarantee is the Company's net assets; limit on endorsement/guarantee to a single party is 50% of the Company's net assets. Limit on the total endorsement/guarantee of the Company and its subsidiaries as a whole is 1.5 times of the Company's net assets; limit on endorsement/guarantee to a single party is 75% of the Company's net assets.

Note 4:Limit on endorsements and guarantees of the Group's subsidiary - Marketech Co., Ltd.:
(1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of Marketech Co., Ltd.. Limit on endorsement/guarantee to a single party is three times of the net assets of Marketech Co., Ltd..
(2) Except for (1), the Group follows standards of endorsements and guarantees as below:
(2-1) Total amount: (2-1-1) Limit on the accumulated endorsements and guarantees is 5 times of the net assets of Marketech Co., Ltd.;
(2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the ultimate parent company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the ultimate parent's net assets. However,

the endorsements and guarantees of Marketech Co., Ltd. to the ultimate parent which it holds 100% of voting shares are not subjected.

(2-1-3) Total endorsements and guarantees of Marketech Co., Ltd. and its subsidiaries are limited to 5 times of the net assets of Marketech Co., Ltd..

(2-2) Limit on endorsement/guarantee to a single party

(2-2-1) For the companies having business relationship with Marketech Co., Ltd. and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months.
(the value of business transactions is the higher of purchase or sales)

(2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 3 times of the net assets of Marketech Co., Ltd..

Limit on endorsements and guarantees of the Group's subsidiary - MIC-Tech Electronics Engineering Corp. and MIC-Tech (Shanghai) Corp.:

(1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of the endorser/guarantor on endorsement/guarantee to a single party is three times of the net assets of the endorser/guarantor.

(2) Except for (1), the Group follows standards of endorsements and guarantees as below:

(2-1) Total amount: (2-1-1) Limit on the accumulated endorsements and guarantees is 5 times of the net assets of the endorser/guarantor;

(2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the ultimate parent company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the ultimate parent's net assets.

(2-1-3) Total endorsements and guarantees of the endorser/guarantor and its subsidiaries are limited to 5 times of the net assets of the endorser/guarantor.

(2-2) Limit on endorsement/guarantee to a single party

(2-2-1) For the companies having business relationship with the endorser/guarantor and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months.
(the value of business transactions is the higher of purchase or sales)

(2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 3 times of the net assets of the endorser/guarantor.

Note 5: Fill in the nine months-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 6: As of the balance sheet date, companies which provide contracts or notes for endorsements/guarantees to banks bear the responsibility of endorsements/guarantees as credit limit of the contracts or notes are approved. Other related endorsements/guarantees should be included in the outstanding balance of endorsements/guarantees. The outstanding balance is the amount resolved by the Company's Board of Directors.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the three months ended March 31, 2018

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of March 31, 2018 Number of shares	Book value (Note 2)	Ownership (%)	Fair value	Collateral	Footnote
Marketech International Corp.	Ordinary shares	Lasertec Corporation	None	Financial assets measured at fair value through profit or loss - current	20,000	$ 21,419	-	$ 21,419	None	
〃	〃	Solar Applied Materials Technology Corp.	〃	〃	44,078	976	-	976	〃	
〃	〃	Aerospace Industrial Development Corp.	〃	〃	25,925	886	-	886	〃	
〃	〃	Calitech Co., Ltd.	〃	〃	1,320,199	41,982	4.17%	41,982	〃	
						$ 65,263		$ 65,263		
〃	Ordinary shares	Taiwan Colour & Imaging Technology Corp.	None	Financial assets measured at fair value through profit or loss - non-current	1,700,000	$ 19,988	13.03%	$ 19,988	None	
〃	〃	Taiwan Puritic Corp.	〃	〃	6,191,181	87,845	10.32%	87,845	〃	
〃	〃	SOPOWER Technology Corp.	〃	〃	189,223	-	12.61%	-	〃	
〃	〃	VEEV Interactive Pte. Ltd.	〃	〃	840,000	-	6.45%	-	〃	
〃	〃	Taiwan Intelligent Fiber Optic Network Co.,Ltd.	〃	〃	3,868,261	30,082	1.58%	30,082	〃	
〃	〃	H&D Venture Capital Investment Corp.	Entities controlled by key management or entities with significant influence	〃	832,000	8,320	6.67%	8,320	〃	
〃	〃	Civil Tech Pte. Ltd.	None	〃	336,374	11,844	0.58%	11,844	〃	
〃	〃	ProbeLeader Co., Ltd.	Entities controlled by key management or entities with significant influence	〃	966,000	9,936	3.46%	9,936	〃	
〃	〃	Top Green Energy Technologies,Inc.	None	〃	1,111,111	-	0.89%	-	〃	
〃	〃	IP Fund Six Co., Ltd.	〃	〃	1,000,000	10,000	1.79%	10,000	〃	
〃	〃	Innorich Venture Capital Corp.	〃	〃	1,000,000	10,000	1.87%	10,000	〃	
〃	〃	Taiwan Foresight Co., Ltd.	〃	〃	380,000	5,614	2.24%	5,614	〃	
〃	〃	Long Time Technology Corp.	〃	〃	346,000	6,516	0.76%	6,516	〃	
〃	〃	Paradigm Venture Capital Corp.	〃	〃	100,208	1,002	3.50%	1,002	〃	
〃	〃	Taiwan Special Chemicals Corp.	〃	〃	2,901,333	29,013	1.00%	29,013	〃	
〃	〃	Atech Totalsolution Co., Ltd.	〃	〃	128,000	-	0.23%	-	〃	
〃	〃	East Wind Life Science Systems	〃	〃	124,457	-	12.87%	-	〃	
〃	〃	EcoLand Corp.	〃	〃	310,715	-	13.51%	-	〃	
〃	〃	Radisen Co. Ltd	〃	〃	70,000	9,545	17.50%	9,545	〃	
〃	〃	Foresight Energy Technologies Co., Ltd.	〃	〃	1,350,000	15,493	4.50%	15,493	〃	
〃	〃	ACM Research Inc.	〃	〃	249,477	11,693	〃	11,693	〃	
〃	〃	Sum Capital Healthcare Investment Corp. (BE Healthcare Investment Co., Ltd.)	Entities controlled by key management or entities with significant influence	〃	943,050	9,431	7.44%	9,431	〃	
〃	〃	Intellicares co.,Ltd	〃	〃	200,000	1,193	19.99%	1,193	〃	
〃	Convertible bonds	Nitride Solutions Inc.	None	〃	-	2,916	0.00%	2,916	〃	
〃	Preferred stock	Adant Technologies Inc.	〃	〃	174,520	-	〃	-	〃	
〃	〃	Kinestral Technologies, Inc.	〃	〃	418,760	21,165	〃	21,165	〃	
MIC-Tech (Shanghai) Corp. Ltd.	Ordinary shares	MIC-Tech (Beijing) Environment Co.	Entities controlled by key management or entities with significant influence	〃	-	-	19.00%	-	〃	
		Total				$ 301,596		$ 301,596		

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 3: Holding preferred stock.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

For the three months ended March 31, 2018

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	1	Sales revenue	$ 9,515	Sales revenue: Prices and terms of sales of goods to related parties are approximately the same to third parties. A certain percentage of profit is negotiated for sale of services with related parties. Construction revenue: The price of construction charges to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the collection terms to related parties are approximately the same to third parties, which is about 2 to 3 months after inspection of constructions depending on the construction contracts or individual agreements.	0.17%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	1	Accounts receivable	7,725		0.05%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Non-operating revenue	16,974		0.31%
1	eZoom Information, Inc.	Marketech International Corp.	2	Services revenue	10,547		0.19%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Sales revenue	6,505		0.12%
3	MIC-Tech Electronics Engineering Corp.	MIC-Tech Ventures Asia Pacific Inc.	3	Other payable	45,782		0.30%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	3	Other receivables	58,086		0.38%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	3	Accounts payable	10,544		0.07%
4	MIC-Tech (Shanghai) Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	3	Other receivables	18,588		0.12%
4	MIC-Tech (Shanghai) Corp.	Integrated Manufacturing & Services Co., Ltd.	3	Other receivables	6,970		0.05%
4	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co. Ltd.	3	Other receivables	72,492		0.47%

Note 1:The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2:Relationship between transaction company and counterparty is classified into the following three categories (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3:Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Individual amounts less than $5,000 are not disclosed.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Information on investees

For the three months ended March 31, 2018

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount (Note2)		Shares held as at March 31, 2018					
Investor	Investee	Location	Main business activities	Balance as at March 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2018	Investment income (loss) recognised by the Company for the three months ended March 31, 2018 (Note 1)	Footnote
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	$ 192,522	$ 192,522	8,225,040	100	($ 6,172)	($ 963)	($ 963)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1,245,570	1,245,570	38,369,104	100	1,028,976	8,436	8,436	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	19,147	19,147	131,560	100	8,108	531	531	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	37,109	(14)	(14)	The Company's subsidiary
Marketech International Corp.	Tiger United Finance Ltd.	Virgin Islands	Investment holding and reinvestment	46,475	46,475	1,410,367	100	36,128	(164)	(164)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	10,129	10,129	421,087	100	4,822	2,401	2,401	The Company's subsidiary
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacturing, installation of automatic production equipment and its parts	438,298	438,298	1,400,000	100	391,140	(3,391)	(3,391)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and repair of various machinery equipment and its peripherals	39,345	39,345	-	100	30,171	407	407	The Company's subsidiary
Marketech International Corp.	Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services; equipment sales and repair; sales of cosmetics and daily necessities	29,922	29,922	-	100	2,651	(1,227)	(1,227)	The Company's subsidiary
Marketech International Corp.	eZoom Information, Inc.	Taiwan	Research, trading and consulting of information system software and hardware appliance	97,737	67,737	10,200,000	100	54,855	(6,834)	(6,834)	The Company's subsidiary
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Specialized contracting and related repair services	45,476	45,476	6,258,750	51.12	32,575	4,325	2,211	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note2) Balance as at March 31, 2018	Initial investment amount (Note2) Balance as at December 31, 2017	Shares held as at March 31, 2018 Number of shares	Shares held as at March 31, 2018 Ownership (%)	Shares held as at March 31, 2018 Book value	Net profit (loss) of the investee for the three months ended March 31, 2018	Investment income (loss) recognised by the Company for the three months ended March 31, 2018 (Note 1)	Footnote
Marketech International Corp.	ADAT Technology Ltd.	Taiwan	The research, development, application, and service of software; supply of electronic information and the buying and selling of equipment	$ 10,000	$ 10,000	$ 1,000,000	83.33	$ 4,582	($ 1,737)	($ 1,447)	The Company's subsidiary
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading business of machine equipment and parts	38,042	38,042	1,199,000	99.92	34,792	757	757	The Company's subsidiary
Marketech International Corp.	Marketech Netherlands B.V	Netherlands	International trade business of machine and components and technical service	10,671	10,671	300,000	100	9,825	(718)	(718)	The Company's subsidiary
Marketech International Corp.	Glory Technology Service Inc..	Taiwan	Sale and installation of information and communication equipment	31,019	31,019	4,093,215	29.24	46,009	1,806	574	The Company's investee accounted for using equity method
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Sale of panels and its materials	2,000	2,000	200,000	20	1,845	(18)	(4)	The Company's investee accounted for using equity method
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Investment holding and reinvestment	1,240,073	1,240,073	38,266,604	100	1,027,270	8,437	-	The investor's subsidiary
Marketech Integrated Pte Ltd.	Marketech International Sdn. Bhd.	Malaysia	Specialized contracting and related repair services	43,480	43,480	5,984,000	48.88	32,284	4,325	-	The Company's investee accounted for using equity method
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Contracting for electrical installing construction	8,569	8,569	28,500	95	4,313	2,549	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Investment holding and reinvestment	34,551	34,551	833,000	100	(22,025)	(6,765)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment holding and reinvestment	31,422	31,422	2,337,608	100	5,582	(152)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Investment holding and reinvestment	95,290	95,290	4,200,000	60	32,530	(1,623)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Investment holding and reinvestment	8,990	8,990	303,000	31.43	5,049	2,972	-	The investor's investee accounted for using equity method
Russky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading business of machine equipment and parts	32	32	1,000	0.08	29	757	-	The investor's investee accounted for using equity method

Note 1: The amount of $0 means that the Company does not directly recognise gain or loss on investments.

Note 2: Except for subsidiaries in Malaysia are translated at the current rate as of March 31, 2018, the initial investment amounts of other investees are translated at the current rate as of the investment date.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Information on investments in Mainland China

For the three months ended March 31, 2018

Table 6 | Expressed in thousands of NTD

1. Basic information | (Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2018 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2018 (Note 3)	Net income of investee for the three months ended March 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2018 (Note 2)	Book value of investments in Mainland China as of March 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembling of wrapping device and cooling equipment; assembling of barbecue grill; wholesale, commission agency and import and export of the aforementioned products their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants: design, manufacturing, sales and installation of automatic warehousing equipment and accessories, automatic logistics transporting equipment and accessories; R&D, sales and installation of supplementary engineering in logistics dispatch system	$ 743,178	Note1(2)	$ 596,653	$ -	$ -	$ 596,653	$ 3,454	100	$ 3,592	$ 11,105	$ -	Note 2 (2)B
MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repairment, manufacture, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	239,854	Note1(2)	14,553	-	-	14,553	3,682	100	3,682	342,517	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	8,732	Note1(2)	8,732	-	-	8,732	(273)	100	(273)	(2,041)	-	Note 2 (2)B
Shanghai Maohua Electronics Engineering Co.,Ltd.	Production of scrubber bins for semiconductor manufacturers, design, installation, debugging and technology services of tunnel system, equipment repair for semiconductor manufacturers, consulting service for electrical and medical equipment; wholesale, commissioned distribution (exclude auction), export, import and related services of electronic products, machinery equipment, chemical products (exclude dangerous articles), communication equipment, metal products, plastic products	17,463	Note1(2)	17,550	-	-	17,550	(10,204)	87	(8,877)	(24,237)	-	Note 2 (2)B
MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction, specialized contracting for electrical installing construction, specialized contracting for electronic engineering, specialized contracting for petroleum and chemical equipment installation, specialized contracting for channel and guarantee for post construction and consulting service for related construction technology	512,801	Note1(2)	247,975	-	-	247,975	3,339	100	3,339	465,350	-	Note 2 (2)B
SKMIC (WUXI) Corp.	Design, installation and repairment of semi-conductor and transistor facilities, electronic components facilities and pollution prevention equipment, as well as wholesale, commission agent and export/import business of products listed above, industrial cleaning, repairment and maintenance.	8,877	Note1(2)	1,426	-	-	1,426	(275)	49	(135)	28	-	Note 2 (2)B
ChenGao M&E Engineering (Shanghai) Co., Ltd.	Design of microelectronic products and display devices, consulting service for related technology and management	5,821	Note1(2)	5,821	-	-	5,821	2,112	100	2,112	(579)	-	Note 2 (2)B
Frontken-MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micromodule and cleaning technology for semiconductors, assembling, installation and maintenance of cooling equipment; design, manufacture, sale and installation of automatic warehouse equipment and fittings, and automatic logistics transporting equipment and fittings; development, sale and installation of computer aided engineering; wholesale, commission, import and export of above products and parts	67,174	Note1(2)	26,870	-	-	26,870	(152)	100	(152)	5,563	-	Note 2 (2)B

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2018 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2018 (Note 3)	Net income of investee for the three months ended March 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2018 (Note 2)	Book value of investments in Mainland China as of March 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device; sells the products that manufactured by itself; machinery equipment, research and development of production technology of utilities equipment, technology transfer, technology consulting, technology service; processing of metal salvage and junk (except for hazardous chemicals and hazardous waste); metallic material (except for steels and noble metal), ceramic product, paper products and wholesale, retail and import and export of hardware products.	$ 145,525	Note1(2)	$ 78,584	$ -	$ -	$ 78,584	($ 1,623)	60	($ 974)	$ 31,804	$ -	Note 2 (2)B
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products (except for hazardous chemicals, chemicals used in production of narcotic drugs and psychotropic substances and special chemicals), semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, consulting service for trading, installation, repair, and maintenance of automation equipment, electronic equipment, and their parts	43,658	Note1(2)	43,658	-	-	43,658	(450)	100	(450)	26,252	-	Note 2 (2)B
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	27,851	Note1(2)	8,753	-	-	8,753	2,972	31.43	934	5,039	-	Note 2 (2)B

Note 1: Investment methods are classified into the following three categories:
(1)Directly invest in a company in Mainland China.
(2)Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.
(3)Others.

Note 2: In the ‘Investment income (loss) recognised by the Company for the three months ended March 31, 2018’ column:
(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
A.The financial statements that are reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
B.The financial statements that are reviewed and attested by R.O.C. parent company’s CPA.
C.Others - unreviewed financial statements.

Note 3: Paid-in capital and investment amount were translated at the original currency times exchange rate at period end.

2. Limit on investees in Mainland China

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2018 (Note 1) (Note 2)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Marketech International Corp.	$ 1,062,035	$ 1,866,124	$ 3,246,210

Note 1: The amount was translated at the original currency times exchange rate at period end.

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2018 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US$186 thousand.