MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

SEPTEMBER 30, 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 September 30, 2018 and 2017, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the statements of changes in equity and of cash flows for the nine 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.

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(6), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets (including investments accounted for using equity method) of NT$998,986 thousand and NT$864,220 thousand, constituting 5% and 6% of the consolidated total assets, and total liabilities of NT$232,370 thousand and NT$124,209 thousand, constituting 2% and 1% of the consolidated total

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liabilities as at September 30, 2018 and 2017, and total comprehensive income (loss) of NT($42,846) thousand, NT$268 thousand, NT($58,924) thousand and NT($66,503) thousand, constituting (17%), 1%, (9%) and (18%) of the consolidated total comprehensive income for the three months and nine months then ended, respectively. These amounts were based solely on the unreviewed financial statements of these companies as of September 30, 2018 and 2017.

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 September 30, 2018 and 2017, and of its consolidated financial performance for the three months and nine months then ended, and its consolidated cash flows for the nine 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

Chang, Shu-Chiung

Weng Shih Jung

Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan
November 1, 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 September 30, 2018 and 2017 are reviewed, not audited)

	Assets	Notes	September 30, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%	September 30, 2017 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,800,769	10	$ 2,300,572	14	$ 1,598,917	11
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(4)	44,772	-	17,143	-	14,228	-
1125	Available-for-sale financial assets - current	12(4)	-	-	41,502	-	41,964	-
1140	Current contract assets	6(18) and 7	4,822,152	26	-	-	-	-
1150	Notes receivable, net	6(3)	101,568	1	167,147	1	124,274	1
1170	Accounts receivable, net	6(3)	4,095,279	22	3,898,907	24	3,727,002	25
1180	Accounts receivable - related parties, net	7	275	-	168	-	2,031	-
1190	Construction contracts receivable	7 and 12(5)	-	-	3,163,858	20	3,176,938	22
1200	Other receivables		63,944	-	20,890	-	25,745	-
130X	Inventories, net	6(4)	3,743,113	21	3,049,761	19	2,891,644	20
1410	Prepayments	6(5)	495,071	3	811,826	5	613,334	4
1470	Other current assets	8	266,738	1	171,820	1	209,293	1
11XX	**Total current assets**		15,433,681	84	13,643,594	84	12,425,370	84
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	419,830	2	-	-	-	-
1543	Financial assets at cost - non-current	12(4)	-	-	279,343	2	245,815	2
1550	Investments accounted for using equity method	6(6)	58,597	-	52,117	-	50,173	-
1600	Property, plant and equipment, net	6(7), 7 and 8	2,172,351	12	1,864,277	12	1,686,559	12
1780	Intangible assets	7	21,088	-	20,115	-	22,331	-
1840	Deferred tax assets		134,070	1	122,914	1	116,575	1
1900	Other non-current assets	6(2)	99,827	1	88,783	1	105,909	1
15XX	**Total non-current assets**		2,905,763	16	2,427,549	16	2,227,362	16
1XXX	**Total Assets**		$ 18,339,444	100	$ 16,071,143	100	$ 14,652,732	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 September 30, 2018 and 2017 are reviewed, not audited)

	Liabilities and Equity	Notes	September 30, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%	September 30, 2017 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(8) and 8	$ 2,972,412	16	$ 2,012,182	13	$ 1,869,220	13
2130	Current contract liabilities	6(18) and 7	3,065,677	17	-	-	-	-
2150	Notes payable		1,045,090	6	908,350	6	858,197	6
2170	Accounts payable		4,572,551	25	3,911,241	24	3,681,807	25
2180	Accounts payable - related parties	7	8,692	-	22,053	-	6,443	-
2190	Construction contracts payable	7 and 12(5)	-	-	1,851,105	12	1,541,303	11
2200	Other payables	6(9)	536,929	3	544,024	3	418,983	3
2230	Current tax liabilities		78,783	-	96,090	1	45,015	-
2310	Advance receipts	6(10)	21,503	-	1,014,888	6	753,358	5
2320	Long-term liabilities, current portion	6(11)	46,164	-	-	-	-	-
2399	Other current liabilities		52,933	-	12,917	-	28,165	-
21XX	**Total current liabilities**		12,400,734	67	10,372,850	65	9,202,491	63
	Non-current liabilities							
2530	Bonds payable	6(11)	-	-	200,199	1	203,074	2
2540	Long-term borrowings	6(12)	200,000	1	200,000	1	200,000	1
2570	Deferred tax liabilities		3,069	-	-	-	403	-
2640	Accrued pension liabilities		152,465	1	154,014	1	143,250	1
2670	Other non-current liabilities	6(6)	4,200	-	78	-	78	-
25XX	**Total non-current liabilities**		359,734	2	554,291	3	546,805	4
2XXX	**Total Liabilities**		12,760,468	69	10,927,141	68	9,749,296	67
	Equity							
	Share capital	6(15)						
3110	Ordinary shares		1,840,971	10	1,770,164	11	1,764,723	12
	Capital surplus	6(14)(16)						
3200	Capital surplus		948,099	5	843,057	5	835,030	6
	Retained earnings	6(17)						
3310	Legal reserve		692,068	4	626,773	4	626,773	4
3320	Special reserve		92,239	1	92,239	1	92,239	1
3350	Unappropriated retained earnings		2,130,271	12	1,893,389	12	1,664,589	11
	Other equity interest							
3400	Other equity interest		(152,706)	(1)	(80,645)	(1)	(75,533)	(1)
31XX	**Total equity attributable to owners of parent**		5,550,942	31	5,144,977	32	4,907,821	33
36XX	**Non-controlling interests**		28,034	-	(975)	-	(4,385)	-
3XXX	**Total Equity**		5,578,976	31	5,144,002	32	4,903,436	33
	Significant contingent liabilities and unrecognised contract commitments	9						
3X2X	**Total Liabilities and Equity**		$ 18,339,444	100	$ 16,071,143	100	$ 14,652,732	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)

			Three months ended September 30				Nine months ended September 30			
			2018		2017		2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	**Operating Revenue**	6(18) and 12(5)	$ 6,382,277	100	$ 4,510,182	100	$ 18,356,300	100	$ 14,591,499	100
5000	**Operating Costs**	6(4)(20) and 7	(5,554,560)	(87)	(4,026,833)	(89)	(16,105,660)	(88)	(12,993,861)	(89)
5900	**Gross Profit**		827,717	13	483,349	11	2,250,640	12	1,597,638	11
	Operating Expenses	6(20) and 7								
6100	Sales and marketing expenses		(149,309)	(2)	(147,973)	(3)	(421,869)	(2)	(402,858)	(2)
6200	General and administrative expenses		(223,240)	(3)	(155,777)	(4)	(627,356)	(3)	(554,877)	(4)
6300	Research and development expenses		(57,562)	(1)	(52,455)	(1)	(173,667)	(1)	(139,250)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(42,436)	(1)	-	-	(225,765)	(1)	-	-
6000	**Total operating expenses**		(472,547)	(7)	(356,205)	(8)	(1,448,657)	(7)	(1,096,985)	(7)
6900	**Operating Profit**		355,170	6	127,144	3	801,983	5	500,653	4
	Non-operating Income and Expenses									
7010	Other income		24,941	-	19,709	-	62,387	-	41,982	-
7020	Other gains and losses	6(2)(19)	4,556	-	31,612	1	86,723	-	27,461	-
7050	Finance costs		(17,985)	-	(15,816)	-	(46,631)	-	(45,946)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method		(7,369)	-	1,604	-	(4,782)	-	3,080	-
7000	**Total non-operating income and expenses**		4,143	-	37,109	1	97,697	-	26,577	-
7900	**Profit before Income Tax**		359,313	6	164,253	4	899,680	5	527,230	4
7950	Income tax expense	6(21)	(66,830)	(1)	(33,231)	(1)	(186,569)	(1)	(117,902)	(1)
8200	**Net Income**		$ 292,483	5	$ 131,022	3	$ 713,111	4	$ 409,328	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 September 30				Nine months ended September 30			
			2018		2017		2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%	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		(73,958)	-	9,628	-	(67,043)	-	(50,671)	(1)
8362	Unrealised gain on valuation of available-for-sale financial assets of foreign operations	12(4)	-	-	785	-	-	-	(6,342)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		218	-	8	-	283	-	(118)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(21)	14,631	-	(1,644)	-	16,945	-	8,645	-
8360	**Total components of other comprehensive income (loss) that will be reclassified to profit or loss**		(59,109)	-	8,777	-	(49,815)	-	(48,486)	(1)
8300	**Other comprehensive income (loss), net of tax**		($ 59,109)	-	$ 8,777	-	($ 49,043)	-	($ 48,486)	(1)
8500	**Total Comprehensive Income**		$ 233,374	5	$ 139,799	3	$ 664,068	4	$ 360,842	2
	Profit (loss) attributable to:									
8610	Owners of the parent		$ 295,437	5	$ 131,663	3	$ 721,416	4	$ 414,831	3
8620	Non-controlling interests		(2,954)	-	(641)	-	(8,305)	-	(5,503)	-
	Total		$ 292,483	5	$ 131,022	3	$ 713,111	4	$ 409,328	3
	Comprehensive income (loss) attributable to:									
8710	Owners of the parent		$ 236,913	5	$ 140,479	3	$ 673,140	4	$ 366,283	2
8720	Non-controlling interests		(3,539)	-	(680)	-	(9,072)	-	(5,441)	-
	Total		$ 233,374	5	$ 139,799	3	$ 664,068	4	$ 360,842	2
9750	**Basic earnings per share**	6(22)	$ 1.65		$ 0.77		$ 4.04		$ 2.41	
9850	**Diluted earnings per share**	6(22)	$ 1.58		$ 0.73		$ 3.84		$ 2.24	

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

		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	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interests	Total equity
Nine months ended September 30, 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
Profit (loss) for the period		-	-	-	-	-	414,831	-	-	414,831	(5,503)	409,328
Other comprehensive income (loss) for the period		-	-	-	-	-	-	(42,206)	(6,342)	(48,548)	62	(48,486)
Total comprehensive income		-	-	-	-	-	414,831	(42,206)	(6,342)	366,283	(5,441)	360,842
Appropriations and distribution of 2016 retained earnings:	6(17)											
Legal reserve		-	-	-	51,515	-	(51,515)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(363,153)	-	-	(363,153)	-	(363,153)
Share-based payment	6(14)(15)(16)	10,250	11,638	925	-	-	-	-	-	22,813	-	22,813
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	(3,529)	-	-	(3,529)	-	(3,529)
Conversion of convertible bonds	6(15)(16)(24)	103,775	186,280	(12,259)	-	-	-	-	-	277,796	-	277,796
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	3,472	3,472
Balance at September 30, 2017		$ 1,764,723	$ 813,921	$ 21,109	$ 626,773	$ 92,239	$ 1,664,589	($ 98,599)	$ 23,066	$ 4,907,821	($ 4,385)	$ 4,903,436
Nine months ended September 30, 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
Profit (loss) for the period		-	-	-	-	-	721,416	-	-	721,416	(8,305)	713,111
Other comprehensive income (loss) for the period		-	-	-	-	-	772	(49,048)	-	(48,276)	(767)	(49,043)
Total comprehensive income (loss) for the period		-	-	-	-	-	722,188	(49,048)	-	673,140	(9,072)	664,068
Appropriations and distribution of 2017 retained earnings:	6(17)											
Legal reserve		-	-	-	65,295	-	(65,295)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(442,541)	-	-	(442,541)	-	(442,541)
Share-based payment	6(14)(15)(16)	9,197	11,425	(2,917)	-	-	-	-	-	17,705	-	17,705
Changes in equity of associates and joint ventures accounted for using equity method	6(16)	-	-	2,000	-	-	3,215	-	-	5,215	-	5,215
Conversion of convertible bonds	6(11)(15)(16)(24)	61,610	101,264	(6,730)	-	-	-	-	-	156,144	-	156,144
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	37,876	37,876
Balance at September 30, 2018		$ 1,840,971	$ 935,594	$ 12,505	$ 692,068	$ 92,239	$ 2,130,271	($ 152,706)	$ -	$ 5,550,942	$ 28,034	$ 5,578,976

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	Nine months ended September 30 2018	Nine months ended September 30 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 899,680	$ 527,230
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(19) and 12(4)	(72,518)	(6,931)
Impairment on expected credit loss	12(2)	225,765	-
Provision for bad debt expense	12(4)	-	2,852
Share of loss (profit) of associates and joint ventures accounted for using equity method		4,782	(3,080)
Gain on disposal of investments	6(19)	-	(34,959)
Depreciation	6(7)(20)	87,924	81,161
Amortisation	6(20)	12,917	15,527
Loss (gain) on disposal of property, plant and equipment	6(7)	510	(760)
Impairment loss on financial assets	6(19)	-	7,600
Compensation cost of share-based payments	6(14)(16)(20)	2,105	5,080
Interest income		(5,384)	(3,312)
Interest expense		46,631	45,946
Dividend income		(14,385)	(16,935)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets-current		(1,658,294)	-
Notes receivable, net		74,072	89,966
Accounts receivable, net		(498,313)	265,957
Accounts receivable – related parties, net		(108)	(1,614)
Construction contracts receivable		-	(308,789)
Other receivables		(45,820)	39,849
Inventories		(711,037)	(282,348)
Prepayments		316,755	(157,037)
Other current assets		(121,937)	(2,282)
Changes in operating liabilities			
Contract liabilities-current		252,820	-
Notes payable		136,740	(478)
Accounts payable		717,370	252,408
Accounts payable – related parties		(13,361)	(7,123)
Construction contracts payable		-	215,992
Other payables		1,092	(28,127)
Advance receipts		(31,633)	28,898
Other current liabilities		40,015	14,738
Other non-current liabilities		(1,549)	(1,393)
Cash (outflow) inflow generated from operations		(355,161)	738,036
Interest received		6,113	3,243
Dividends received		14,385	16,935
Interest paid		(45,311)	(45,290)
Income tax paid		(194,790)	(173,027)
Net cash flows (used in) from operating activities		(574,764)	539,897

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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	Nine months ended September 30 2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		($ 61,498)	$ -
Proceeds from disposal of financial assets at fair value through profit or loss		33,207	-
Proceeds from disposal of available-for-sale financial assets – current		-	31,226
(Increase) decrease in other financial assets – current		(2,323)	14,305
Acquisition of financial assets measured at cost – non-current		-	(45,750)
Proceeds from disposal of financial assets measured at cost – non-current		-	15,894
Proceeds from capital reduction of financial assets measured at cost – non-current		-	274
Acquisition of investments accounted for using equity method		(11,695)	(9,611)
Acquisition of property, plant and equipment	6(7)	(427,837)	(397,617)
Proceeds from disposal of property, plant and equipment	6(7)	8,485	13,396
Acquisition of intangible assets		(13,913)	(16,324)
Increase in prepayments for business facilities		512	-
Decrease (increase) in refundable deposits		33,418	(62,309)
Increase in prepayments for investments		(20,000)	(21,165)
Decrease in other non-current assets		647	713
Net cash flows used in investing activities		(460,997)	(476,968)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(25)	991,047	(25,625)
Increase in long-term borrowings		-	200,000
Decrease in guarantee deposits received		-	(5)
Proceeds from exercise of employee stock options	6(14)	15,601	17,732
Cash dividends paid	6(21)	(442,541)	(363,153)
Changes in non-controlling interests		37,876	-
Net cash flows from (used in) financing activities		601,983	(171,051)
Effect of exchange rate changes on cash and cash equivalents		(66,025)	(45,205)
Net decrease in cash and cash equivalents		(499,803)	(153,327)
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)	$ 1,800,769	$ 1,598,917

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 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 (R.O.C) 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 services 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 November 1, 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 Standards’	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.

(c) The Group has elected not to restate prior period financial statements using the modified retrospective approach under IFRS 9. For details of the significant effect as at January 1, 2018, please refer to Notes 12(3)B and C.

B. IFRS 15, ‘Revenue from contracts with customers’ and amendments

(a) 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.

(b) The Group has elected not to restate prior period financial statements and recognised the cumulative effect of initial application as retained earnings at January 1, 2018, using the modified retrospective approach under IFRS 15. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

i. Presentation of assets and liabilities in relation to contracts with customers

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

(i) 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 balance amounted to $3,163,858.

(ii) 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.

(iii) 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.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
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.

In the first quarter of 2018, the Group reported to the Board of Directors that IFRS 16 has material impact to the Group.

The Group expects to recognise the lease contract of lessees in line with IFRS 16. However, the Group does not intend to restate the financial statements of prior period (collectively referred herein as the "modified retrospective approach"), and the effects will be adjusted on January 1, 2019.

(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
Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
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 17, 'Insurance contracts'	January 1, 2021

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

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 third quarter of 2017 were not restated. The financial statements for the year ended December 31, 2017 and the third 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 and details of significant accounts.

(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 (%) September 30, 2018	December 31, 2017	September 30, 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 (%) September 30, 2018	December 31, 2017	September 30, 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	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	47.62	83.33	-	Note 1 &2
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 (%) September 30, 2018	December 31, 2017	September 30, 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 (%) September 30, 2018	December 31, 2017	September 30, 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	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2018	December 31, 2017	September 30, 2017	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; construction of chemical and petroleum projects; construction of public municipal infrastructure projects; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting. Building equipment, building materials (excluding steel and cement), electronic products, chemical products (excluding hazardous products), metal products, electrical equipment, wholesale of communications equipment, commission-based agency (excluding auctions) and import-export business, and delivery of all related and supplementary services	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%) September 30, 2018	December 31, 2017	September 30, 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 (%) September 30, 2018	December 31, 2017	September 30, 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	87	-
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 (%) September 30, 2018	December 31, 2017	September 30, 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 (%) September 30, 2018	December 31, 2017	September 30, 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 nine months ended September 30, 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 ADAT Technology Ltd. and 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 September 30, 2018, December 31, 2017 and September 30, 2017, the non-controlling interests amounted to $28,034, ($975), and ($4,385), 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) Sales revenue from products was recognised at contract price, and the amount was limited to the part that is highly possible of not incurring a significant reversal. The sales usually are made with a credit term of 30 days. which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer may possibly exceed one year, the Group does not adjust the transaction price to reflect the time value of money. However, the individual financial components of contracts are not significant.

(c) 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 is engaged in 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 of 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 becomes aware of the changes in circumstances.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Cash on hand	$ 15,489	$ 14,144	$ 15,302
Checking accounts and demand deposits	1,763,498	2,269,006	1,557,744
Time deposits	21,782	17,422	25,871
Total	$ 1,800,769	$ 2,300,572	$ 1,598,917

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

		September 30, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$	15,442
Call provision of convertible corporate bonds (Note 6(11))		250
		15,692
Valuation adjustment		29,080
Total	$	44,772
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$	17,019
Unlisted stocks		297,366
Hybrid instruments		23,646
		338,031
Valuation adjustment		81,799
Total	$	419,830
Prepayments to long-term investments (listed as 'other non-current assets')		
Unlisted stocks	$	20,000

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 September 30, 2018
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$	27,860
Hybrid instruments		45
	$	27,905

		Nine months ended September 30, 2018
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$	72,723
Hybrid instruments	(	205)
	$	72,518

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

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

D. Information on financial assets at fair value through profit or loss for the year ended December 31, 2017 and the third quarter of 2017 is provided in Note 12(4).

(3) Notes and accounts receivable

	September 30, 2018	December 31, 2017	September 30, 2017
Notes receivable	$ 101,568	$ 175,641	$ 124,274
Less: Loss allowance	-	(8,494)	-
Total	$ 101,568	$ 167,147	$ 124,274

	September 30, 2018	December 31, 2017	September 30, 2017
Accounts receivable	$ 4,655,891	$ 4,277,063	$ 4,133,464
Less: Loss allowance	(560,612)	(378,156)	(406,462)
Total	$ 4,095,279	$ 3,898,907	$ 3,727,002

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

(a) Notes receivable

	September 30, 2018	December 31, 2017	September 30, 2017
Without past due	$ 101,568	$ 167,147	$ 124,274
Up to 90 days	-	8,494	-
	$ 101,568	$ 175,641	$ 124,274

(b) Accounts receivale

	September 30, 2018	December 31, 2017	September 30, 2017
Without past due	$ 3,098,982	$ 2,763,353	$ 2,278,886
Up to 90 days	450,457	479,289	635,068
91 to 180 days	158,178	99,915	123,916
181 to 365 days	201,681	176,846	226,097
Over 365 days	746,868	757,828	871,528
	$ 4,656,166	$ 4,277,231	$ 4,135,495

The above ageing analysis was based on past due date.

B. As of September 30, 2018, December 31, 2017 and September 30, 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 $101,568, $167,147 and $124,274, respectively. As of September 30, 2018, December 31, 2017 and September 30, 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 $4,095,279, $3,898,907 and $3,727,002, 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

	September 30, 2018		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 515,920	($ 26,140)	$ 489,780
Merchandise inventory	642,216	(81,237)	560,979
Raw materials	997,559	(21,033)	976,526
Supplies	42,386	(2,358)	40,028
Work in process	1,449,899	(16,813)	1,433,086
Semi-finished goods and finished goods	267,983	(25,269)	242,714
Total	$ 3,915,963	($ 172,850)	$ 3,743,113

	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

	September 30, 2017		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 325,695	($ 24,754)	$ 300,941
Merchandise inventory	688,400	(54,972)	633,428
Raw materials	665,265	(19,153)	646,112
Supplies	41,361	(2,057)	39,304
Work in process	1,137,398	(20,566)	1,116,832
Semi-finished goods and finished goods	174,525	(19,498)	155,027
Total	$ 3,032,644	($ 141,000)	$ 2,891,644

A. Relevant expenses of inventories recognised as operating costs for the three months and nine months ended September 30, 2018 and 2017 are as follows:

	Three months ended September 30, 2018	Three months ended September 30, 2017
Construction cost	$ 3,136,054	$ 2,028,547
Cost of sales	2,162,844	1,782,619
Other operating cost	239,792	211,308
Loss on market value decline and obsolete and slow-moving inventories	15,870	4,359
Total	$ 5,554,560	$ 4,026,833

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Construction cost	$ 8,623,348	$ 6,578,851
Cost of sales	6,735,515	5,782,674
Other operating cost	745,588	603,059
Loss on market value decline and obsolete and slow-moving inventories	1,209	29,277
Total	$ 16,105,660	$ 12,993,861

B. The Group has no inventories pledged to others.

(5) Prepayments

	September 30, 2018	December 31, 2017	September 30, 2017
Prepayment for purchases	$ 424,132	$ 683,113	$ 528,185
Others	70,939	128,713	85,149
Total	$ 495,071	$ 811,826	$ 613,334

(6) Investments accounted for using equity method

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

	September 30, 2018		December 31, 2017	
	Carrying amount	% interest held	Carrying amount	% interest held
Glory Technology Service Inc.	$ 56,754	29.24%	$ 46,153	34.11%
Leader Fortune Enterprise Co., Ltd.	(4,122)	31.43%	4,115	31.43%
MIC Techno Co., Ltd.	1,843	20%	1,849	20%
	54,475		52,117	
Add: Credit of long-term equity investment transfer to'other non-current liabilities, others'	4,122		-	
Total	$ 58,597		$ 52,117	

	September 30, 2017	
	Carrying amount	% interest held
Glory Technology Service Inc.	$ 44,648	34.11%
Leader Fortune Enterprise Co., Ltd.	3,675	31.43%
MIC Techno Co., Ltd.	1,850	20%
Total	$ 50,173	

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 September 30,	
	2018	2017
Profit for the period from continuing operations	($ 23,273)	$ 4,724
Other comprehensive income - net of tax	694	27
Total comprehensive (loss) income	($ 22,579)	$ 4,751

	Nine months ended September 30,	
	2018	2017
(Loss) Profit for the period from continuing operations	($ 14,490)	$ 9,257
Other comprehensive income (loss) - net of tax	901	(375)
Total comprehensive (loss) income	($ 13,589)	$ 8,882

C. The investments accounted for using equity method for the nine months ended September 30, 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
Nine months ended September 30, 2018						
Opening net book amount	$ 205,438	$ 1,105,783	$ 135,180	$ 68,062	$ 349,814	$ 1,864,277
Additions	-	8,391	36,991	25,172	357,283	427,837
Disposals	-	(406)	(131)	(873)	(7,538)	(8,948)
Depreciation	-	(44,824)	(22,568)	(18,879)	(1,653)	(87,924)
Net exchange differences	-	(2,187)	(1,088)	(271)	(19,345)	(22,891)
Closing net book amount	$ 205,438	$ 1,066,757	$ 148,384	$ 73,211	$ 678,561	$ 2,172,351
At September 30, 2018						
Cost	$ 205,438	$ 1,962,896	$ 615,256	$ 218,312	$ 694,020	$ 3,695,922
Accumulated depreciation	-	(896,139)	(466,872)	(145,101)	(15,459)	(1,523,571)
Book value	$ 205,438	$ 1,066,757	$ 148,384	$ 73,211	$ 678,561	$ 2,172,351

	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
Nine months ended September 30, 2017						
Opening net book amount	$ 205,438	$ 975,831	$ 121,914	$ 63,746	$ 21,657	$ 1,388,586
Additions	-	190,138	43,712	19,713	144,054	397,617
Disposals	-	-	(4,934)	(320)	(7,382)	(12,636)
Depreciation	-	(42,521)	(20,213)	(16,774)	(1,653)	(81,161)
Net exchange differences	-	(4,365)	(830)	(223)	(429)	(5,847)
Closing net book amount	$ 205,438	$ 1,119,083	$ 139,649	$ 66,142	$ 156,247	$ 1,686,559
At September 30, 2017						
Cost	$ 205,438	$ 1,960,310	$ 636,340	$ 205,612	$ 171,353	$ 3,179,053
Accumulated depreciation	-	(841,227)	(496,691)	(139,470)	(15,106)	(1,492,494)
Book value	$ 205,438	$ 1,119,083	$ 139,649	$ 66,142	$ 156,247	$ 1,686,559

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

	September 30, 2018	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 2,947,849	0.8774%~5.4375%	None
Mortgage loan	24,563	3.26175%~3.26575%	Buildings
	$ 2,972,412		

	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		

	September 30, 2017	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	$ 1,862,530	0.88%~5.55%	None
Mortgage loan	6,690	2.74925%~2.751%	Buildings
	$ 1,869,220		

Details of mortgage loan are provided in Note 8.

(9) Other payables

	September 30, 2018	December 31, 2017	September 30, 2017
Salaries and bonus payable	$ 342,721	$ 350,061	$ 273,373
Accrued employees' compensation and directors' and supervisors' remuneration	141,514	123,169	89,355
Others	52,694	70,794	56,255
Total	$ 536,929	$ 544,024	$ 418,983

(10) Advance receipts

	September 30, 2018	December 31, 2017	September 30, 2017
Sales revenue received in advance	$ -	$ 931,407	$ 667,618
Others	21,503	83,481	85,740
Total	$ 21,503	$ 1,014,888	$ 753,358

(11) Bonds payable

	September 30, 2018	December 31, 2017	September 30, 2017
Bonds payable	$ 46,900	$ 206,100	$ 210,000
Less: Discount on bonds payable	(736)	(5,901)	(6,926)
	46,164	200,199	203,074
Less: Long-term liabilities, current portion	(46,164)	-	-
Total	$ -	$ 200,199	$ 203,074

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 nine months ended September 30, 2018, the convertible corporate bonds with par value totaling $159,200 have been converted into 6,161 thousands of ordinary shares, generating capital surplus of $101,264 and resulting in a decrease of 'capital surplus - stock options' by $6,730.

(h) As of September 30, 2018, the convertible corporate bonds with par value totaling $453,100 have been converted into 16,685 thousands of ordinary shares, generating capital surplus of $290,014 and resulting in a decrease of 'capital surplus - stock options' by $19,154.

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	September 30, 2018
Long-term bank borrowings				
Credit borrowings	Borrowing period is from September 27, 2018 to December 27, 2019；interest is repayable monthly；payable at maturity date	0.911%	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

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	September 30, 2017
Long-term bank borrowings				
Credit borrowings	Borrowing periods is from September 29, 2017 to December 31, 2018；interest is repayable monthly.	0.917%	None	$ 200,000

(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, $844, $2,375 and $2,530 for the three months and nine months ended September 30, 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 and nine months ended September 30, 2018 and 2017 were $23,815, $21,173, $67,735 and $63,711, respectively.

(14) Share-based payment

A. For the nine months ended September 30, 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:

	Nine months ended September 30,			
	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	(919)	16.96	(1,025)	17.30
Options forfeited	(75)	-	-	-
Options outstanding at end of the period	1,462	16.70	2,931	17.30
Options exercisable at end of the period	98		953	
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:

		September 30, 2018	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2015.9.11	2021.9.10	1,462	$ 16.70

		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

Issue date approved	Expiry date	September 30, 2017 No. of shares (in thousands)	Exercise price (in dollars)
2015.9.11	2021.9.10	2,931	$ 17.30

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, $1,693, $2,105 and $5,080 for the three months and nine months ended September 30, 2018 and 2017, respectively.

(15) Share capital

A. As of September 30, 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 $1,840,971 with a par value of $10 (in dollars) per share amounting to 184,097,147 shares. All proceeds from shares issued have been collected.

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

	Nine months ended September 30, 2018	2017
At January 1	177,016,429	165,069,756
Conversion of convertible bonds	6,160,968	10,377,561
Exercise of employee stock options	919,750	1,025,000
At September 30	184,097,147	176,472,317

(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:

	Nine months ended September 30, 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	11,425	(5,022)	-	-	6,403
Compensation cost of employee stock options	-	2,105	-	-	2,105
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	2,000	2,000
Conversion of convertible bonds	101,264	-	(6,730)	-	94,534
At September 30	$ 935,594	$ 8,172	$ 1,982	$ 2,351	$ 948,099

	Nine months ended September 30, 2017				
	Share premium	Employee stock options	Stock options	Others	Total
At January 1	$ 616,003	$ 10,956	$ 21,136	$ 351	$ 648,446
Exercise of employee stock options	11,638	(4,155)	-	-	7,483
Compensation cost of employee stock options	-	5,080	-	-	5,080
Conversion of convertible bonds	186,280	-	(12,259)	-	174,021
At September 30	$ 813,921	$ 11,881	$ 8,877	$ 351	$ 835,030

(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 and 2016 earnings appropriation resolved by the shareholders on May 30, 2018 and May 26, 2017, respectively 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 years ended December 31, 2017 and 2016 listed above had no difference from that proposed by the Board of Directors on February 24, 2018 and February 20, 2017, respectively.

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 September 30, 2018
Sales contract revenue	$ 2,566,964
Construction contract revenue	3,408,084
Other contract revenue	407,229
Total	$ 6,382,277

	Nine months ended September 30, 2018
Sales contract revenue	$ 7,842,539
Construction contract revenue	9,353,385
Other contract revenue	1,160,376
Total	$ 18,356,300

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 September 30, 2018
R&D and manufacturing of customized equipment	$ 1,926,769
Total Facility Engineering Turnkey Project	1,777,127
Sales and service of high-tech equipment and materials	1,326,557
Automatic supplying system	1,351,824
Total	$ 6,382,277
Timing of revenue recognition	
At a point in time	$ 2,683,685
Over time	3,698,592
Total	$ 6,382,277

	Nine months ended September 30, 2018
R&D and manufacturing of customized equipment	$ 5,775,653
Total Facility Engineering Turnkey Project	5,191,304
Sales and service of high-tech equipment and materials	4,089,470
Automatic supplying system	3,299,873
Total	$ 18,356,300
Timing of revenue recognition	
At a point in time	$ 8,135,501
Over time	10,220,799
Total	$ 18,356,300

B. Contract assets and liabilities

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

		September 30, 2018
Contract assets:		
Contract assets–construction contracts	$	4,822,152
Contract liabilities:		
Contract liabilities – construction contracts	$	2,026,707
Contract liabilities – sales contracts		1,012,138
Contract liabilities – service contracts		26,832
	$	3,065,677

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

		Three months ended September 30, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Construction contracts	$	231,344
Sales contracts		852
	$	232,196

		Nine months ended September 30, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Construction contracts	$	1,356,206
Sales contracts		268,410
Service contracts		30,356
	$	1,654,972

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

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

(19) Other gains and losses

	Three months ended September 30,	
	2018	2017
Net gains on financial assets at fair value through profit or loss	$ 27,865	$ 4,017
Foreign exchange (losses) gains	(21,387)	27,761
Gains (losses) on disposals of investments	-	(480)
Other (losses) gains	(1,922)	314
Total	$ 4,556	$ 31,612

	Nine months ended September 30,	
	2018	2017
Net gains on financial assets at fair value through profit or loss	$ 72,518	$ 6,931
Foreign exchange gains (losses)	16,646	(6,162)
Gains on disposals of investments	-	34,959
Impairment loss on financial assets	-	(7,600)
Other losses	(2,441)	(667)
Total	$ 86,723	$ 27,461

(20) Employee benefit expense, depreciation and amortisation

A. Employee benefit expense, depreciation and amortisation

	Three months ended September 30, 2018		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 166,862	$ 241,108	$ 407,970
Compensation cost of employee stock options	-	702	702
Labour and health insurance fees	16,226	15,052	31,278
Pension costs	12,645	11,962	24,607
Other employee benefit expense	5,861	6,620	12,481
Depreciation	18,563	11,790	30,353
Amortisation	1,814	2,374	4,188

	Three months ended September 30, 2017		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 148,113	$ 200,001	$ 348,114
Compensation cost of employee stock options	-	1,693	1,693
Labour and health insurance fees	14,256	13,530	27,786
Pension costs	10,917	11,100	22,017
Other employee benefit expense	4,793	5,827	10,620
Depreciation	16,380	12,109	28,489
Amortisation	3,264	2,230	5,494

	Nine months ended September 30, 2018		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 506,932	$ 691,184	$ 1,198,116
Compensation cost of employee stock options	-	2,105	2,105
Labour and health insurance fees	45,982	46,364	92,346
Pension costs	34,621	35,489	70,110
Other employee benefit expense	15,969	18,311	34,280
Depreciation	53,267	34,657	87,924
Amortisation	6,457	6,460	12,917

	Nine months ended September 30, 2017		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 439,349	$ 604,312	$ 1,043,661
Compensation cost of employee stock options	-	5,080	5,080
Labour and health insurance fees	44,271	42,500	86,771
Pension costs	33,588	32,653	66,241
Other employee benefit expense	13,751	16,042	29,793
Depreciation	47,024	34,137	81,161
Amortisation	9,023	6,504	15,527

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 and nine months ended September 30, 2018 and 2017, employees' compensation and directors' and supervisors' remuneration are accrued as follows:

	Three months ended September 30,	
	2018	2017
Employees' compensation	$ 40,380	$ 18,449
Directors' remuneration	4,038	1,845
	$ 44,418	$ 20,294

	Nine months ended September 30,	
	2018	2017
Employees' compensation	$ 100,881	$ 59,652
Directors' remuneration	10,088	5,965
	$ 110,969	$ 65,617

For the nine months ended September 30, 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 September 30,	
	2018	2017
Current tax		
Current tax on profits for the period	$ 59,696	$ 31,949
Adjustments in respect of prior years	(7)	558
Total current tax	59,689	32,507
Deferred tax		
Origination and reversal of temporary differences	7,141	724
Income tax expense	$ 66,830	$ 33,231

	Nine months ended September 30,	
	2018	2017
Current tax		
Current tax on profits for the period	$ 165,550	$ 113,595
Additional 10% tax on undistributed earnings	6,790	8,669
Adjustments in respect of prior years	4,600	(407)
Total current tax	176,940	121,857
Deferred tax		
Origination and reversal of temporary differences	9,629	(3,955)
Income tax expense	$ 186,569	$ 117,902

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

	Three months ended September 30,	
	2018	2017
Currency translation differences of foreign operations	$ 14,631	($ 1,644)

	Nine months ended September 30,	
	2018	2017
Currency translation differences of foreign operations	$ 16,945	$ 8,645
Remeasurements of defined benefit obligations	772	-
	$ 17,717	$ 8,645

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 September 30, 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	$ 295,437	179,115	$ 1.65
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	434	5,446	
Employee stock option	-	1,007	
Employees' compensation	-	1,745	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 295,871	187,313	$ 1.58

	Three months ended September 30, 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	$ 131,663	170,331	$ 0.77
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	763	7,681	
Employee stock option	-	1,267	
Employees' compensation	-	1,491	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 132,426	180,770	$ 0.73

	Nine months ended September 30, 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	$ 721,416	178,593	$ 4.04
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	1,687	6,486	
Employee stock option	-	959	
Employees' compensation	-	2,191	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 723,103	188,229	$ 3.84

	Nine months ended September 30, 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	$ 414,831	171,792	$ 2.41
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	3,085	11,194	
Employee stock option	-	1,275	
Employees' compensation	-	1,922	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 417,916	186,183	$ 2.24

(23) Operating leases

Details are provided in Note 9(1).

(24) Supplemental cash flow information

	Nine months ended September 30,	
	2018	2017
Convertible bonds being converted to capital stocks	$ 156,144	$ 277,796

(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	991,047	-	991,047
Impact of changes in foreign exchange rate	(30,817)	-	(30,817)
At September 30, 2018	$ 2,972,412	$ 200,000	$ 3,172,412

7. RELATED PARTY TRANSACTIONS

(1) Parent company

The Company is controlled by Ennoconn International Investment Co., Ltd. (registered in the Republic of China), who owns 45.34% of the shares of the Company. The remaining 54.66% of the shares of the Company are held by the general public. The ultimate parent company of the Company is Ennoconn Corporation (registered in the Republic of China).

(2) 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.	"
Hon Hai Precision Industry Co., Ltd.	"
Chung-Hsin Electric & Machinery Mfg. Corp.	"
MIC Techno Co., Ltd.	Associates
Glory Technology Service Inc.	"
Macrotec Technology (Shanghai) Co.,Ltd.	"
Macrotec Technology Corp.	Entities controlled by key management or entities with significant influence
ProbeLeader Co., Ltd.	"

(3) Significant related party transactions and balances

A. Sales of goods and services

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Sales of goods		
Entities controlled by key management or entities with significant influence	$ 1,390	$ 1,281
Other related parties	-	7,970
Total	$ 1,390	$ 9,251

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Sales of goods		
Entities controlled by key management or entities with significant influence	$ 4,308	$ 2,685
Other related parties	2,407	12,659
Total	$ 6,715	$ 15,344

B. Receivables from related parties

Accounts receivable

	September 30, 2018	December 31, 2017	September 30, 2017
Entities controlled by key management or entities with significant influence	$ 275	$ 44	$ 32
Other related parties	-	124	1,086
Associates	-	-	913
Total	$ 275	$ 168	$ 2,031

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.

C. Payables to related parties

Accounts payable

	September 30, 2018	December 31, 2017	September 30, 2017
Entities controlled by key management or entities with significant influence	$ 7,258	$ 11,081	$ 5,683
Other related parties	1,407	10,951	760
Associates	27	21	-
Total	$ 8,692	$ 22,053	$ 6,443

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.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Other related parties	$ 108,784	$ 4,572	$ 7,171
Associates	10,316	10,316	10,316
Total	$ 119,100	$ 14,888	$ 17,487

E. Property transactions

For the three months and nine months ended September 30, 2018 and 2017, the Group has acquired computer equipment and related software from entities controlled by key management and the acquisition price was $3,530, $2,553, $15,125 and $12,699 (recorded as 'property, plant and equipment' and 'intangible assets'), respectively.

(4) Key management compensation

	Three months ended September 30,	
	2018	2017
Salaries and other short-term employee benefits	$ 29,367	$ 9,861

	Nine months ended September 30,	
	2018	2017
Salaries and other short-term employee benefits	$ 54,452	$ 29,943

8. PLEDGED ASSETS

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

	Book value			
Pledged asset	September 30, 2018	December 31, 2017	September 30, 2017	Purpose
Time deposits (recorded as 'other current assets')	$ 10,760	$ 10,626	$ 3,054	Performance guarantee, warranty guarantee and other guarantee
Refundable deposits (recorded as 'other current assets')	72,834	99,987	106,382	Bid bond and performance guarantee
Buildings and structures (recorded as 'property, plant and equipment')	14,399	14,545	133,314	Guarantee for bank's borrowing facility
	$ 97,993	$ 125,158	$ 242,750	

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 $50,337, $44,485, $133,147 and $123,265 for these leases in profit or loss for the three months and nine months ended September 30, 2018 and 2017, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	September 30, 2018	December 31, 2017	September 30, 2017
Not later than one year	$ 87,911	$ 81,668	$ 93,109
Later than one year but not later than five years	184,293	127,336	134,925
Later than five years	192,775	214,249	220,812
Total	$ 464,979	$ 423,253	$ 448,846

(2) As of September 30, 2018, the notes and letters of guarantee used for construction performance and custom security amounted to $1,363,209.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Financial assets			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 464,602	$ -	$ -
Financial assets held for trading	-	17,143	14,228
Available-for-sale financial assets	-	41,502	41,964
Financial assets at cost	-	279,343	245,815
Financial assets at amortised cost /Loans and receivables			
Cash and cash equivalents	1,800,769	2,300,572	1,598,917
Notes receivable	101,568	167,147	124,274
Accounts receivable (including related parties)	4,095,554	3,899,075	3,729,033
Other accounts receivable	63,944	20,890	25,745
Guarantee deposits paid (recorded as 'other current assets')	72,834	99,987	106,382
Other financial assets (recorded as 'other current assets')	10,760	10,626	3,054
	$ 6,610,031	$ 6,836,285	$ 5,889,412
Financial liabilities			
Financial liabilities measured at fair value through profit or loss			
Short-term borrowings	$ 2,972,412	$ 2,012,182	$ 1,869,220
Notes payable	1,045,090	908,350	858,197
Accounts payable (including related parties)	4,581,243	3,933,294	3,688,250
Other accounts payable	536,929	544,024	418,983
Bonds payable	46,164	200,199	203,074
Long-term borrowings	200,000	200,000	200,000
Guarantee deposits received (recorded as 'other non-current liabilities, others')	78	78	78
	$ 9,381,916	$ 7,798,127	$ 7,237,802

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:

	September 30, 2018					
				Sensitivity analysis		
(Foreign currency: functional currency)	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	$ 34,639	30.525	$ 1,057,343	1%	$ 10,573	$ -
USD：RMB	13,149	6.8814	401,364	1%	4,014	-
USD：KRW	2,042	1,100.397	62,338	1%	623	-
EUR：NTD	6,917	35.48	245,413	1%	2,454	-
JPY：NTD	239,405	0.2692	64,448	1%	644	-
SGD：NTD	2,014	22.33	44,976	1%	450	
RMB：NTD	12,503	4.4359	55,462	1%	555	-
USD：MMK	1,981	1,560	60,458	1%	605	-
USD：IDR	1,182	14,675	36,079	1%	361	-
Financial liabilities						
Monetary items						
USD：NTD	$ 7,462	30.525	$ 227,776	1%	$ 2,278	$ -
USD：RMB	31,257	6.8814	954,130	1%	9,541	-
USD：SGD	1,530	1.367	46,696	1%	467	-
JPY：NTD	451,903	0.2692	121,652	1%	1,217	-

	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)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
	September 30, 2017			Sensitivity analysis		
Financial assets						
Monetary items						
USD：NTD	$ 40,126	30.26	$ 1,214,217	1%	$ 12,142	$ -
USD：RMB	11,574	6.6493	350,230	1%	3,502	-
EUR：NTD	7,465	35.75	266,861	1%	2,669	-
JPY：NTD	192,115	0.2691	51,709	1%	517	-
RMB：NTD	26,239	4.5509	119,409	1%	1,194	-
USD：MMK	7,482	1,360	226,417	1%	2,264	-
USD：IDR	1,190	13,570	35,998	1%	360	-
Financial liabilities						
Monetary items						
USD：NTD	$ 10,259	30.26	$ 310,437	1%	$ 3,104	$ -
USD：RMB	33,023	6.6493	999,265	1%	9,993	-
USD：SGD	1,551	1.357	46,929	1%	469	-
JPY：NTD	140,683	0.2691	37,858	1%	379	-
USD：MYR	1,857	4.3906	56,198	1%	562	-

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 September 30, 2018		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ -	30.525	$ 27,545
USD：RMB	(3,565)	6.8814	(16,557)
USD：MMK	217,234	1,560	3,924
USD：IDR	428,965	14,675.48	836
Financial liabilities			
Monetary items			
USD：RMB	($ 4,773)	6.8814	($ 20,009)

	Three months ended September 30, 2017		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
EUR：NTD	$ -	35.75	($ 5,937)
USD：MMK	(27,121)	1,360	(604)
EUR：USD	(7)	0.8464	(171)
Financial liabilities			
Monetary items			
USD：RMB	$ 2,696	6.6493	$ 12,354
USD：MYR	186	4.3906	748

	Nine months ended September 30, 2018		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ -	30.525	($ 1,859)
USD：RMB	1,163	6.8814	5,158
USD：MMK	375,395	1,560	7,356
USD：IDR	1,564,383	14,675.48	3,254
Financial liabilities			
Monetary items			
USD：RMB	($ 12,182)	6.8814	$ 54,037

	Nine months ended September 30, 2017		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
EUR：NTD	$ -	35.75	$ 2,207
USD：MMK	(172,631)	1,360	(3,849)
EUR：USD	(249)	0.8464	(7,527)
Financial liabilities			
Monetary items			
USD：RMB	$ 4,027	6.6493	$ 18,326
USD：MYR	1,020	4.3906	4,477

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 nine months ended September 30, 2018 and 2017 would have increased/decreased by $3,298 and $77, 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 $189, 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 nine months ended September 30, 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 nine months ended September 30, 2018 and 2017 would have decreased/increased by $25,379 and $17,175, 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 in line with credit risk management procedure.

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 customers' 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 September 30, 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 September 30, 2018, the provision matrix and loss rate methodology are as follows:

(i) Accounts receivable in relation to construction

September 30, 2018	Expected loss rate	Total book value		Loss allowance	
Without past due	0%~0.1718%	$	1,639,700	$	1,087
Up to 90 days	0%~1.4256%		166,379		930
91 to 180 days	0%~1.6415%		122,539		1,373
181 to 365 days	0%~2.6826%		185,772		1,773
1 to 2 years	0%~30.5960%		70,918		3,038
Over 2 years	100%		105,669		105,669
Total		$	2,290,977	$	113,870

(ii) Accounts receivable in relation to sales

September 30, 2018	Expected loss rate	Total book value		Loss allowance	
Without past due	0%~1.2138%	$	1,261,743	$	1,222
Up to 90 days	0%~5.8324%		284,078		701
91 to 180 days	0%~5.8324%		35,639		595
181 to 365 days	0%~47.2507%		15,909		4,142
Over 365 days	100%		69,828		69,828
Total		$	1,667,197	$	76,488

(iii) Based on historical experience, the Group applies individual assessment to evaluate expected credit loss of the high-credit risk customers. On September 30, 2018, accounts receivable and loss allowance amounted to $500,476 and $370,254, 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 September 30, 2018, notes and accounts receivable and loss allowance amounted to $299,084 and $0, 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:

	Nine months ended September 30, 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	(8,494)	234,259	225,765
Write-offs	-	(71,040)	(71,040)
Effect of foreign exchange	-	(10,060)	(10,060)
At September 30	$ -	$ 560,612	$ 560,612

For provisioned loss for the nine months ended September 30, 2018, the impairment loss arising from customers' contracts is $225,765.

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:

	September 30, 2018	December 31, 2017	September 30, 2017
Floating rate:			
Expiring beyond one year	$ 200,000	$ 400,000	$ 400,000
Fixed rate:			
Expiring beyond one year	13,845	13,801	13,826
	$ 213,845	$ 413,801	$ 413,826

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

September 30, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 2,972,412	$ -	$ -	$ -
Notes payable	1,045,090	-	-	-
Accounts payable (including related parties)	4,581,243	-	-	-
Other payables	536,929	-	-	-
Bonds payable	46,164	-	-	-
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

September 30, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 1,869,220	$ -	$ -	$ -
Notes payable	858,197	-	-	-
Accounts payable (including related parties)	3,688,250	-	-	-
Other payables	418,983	-	-	-
Bonds payable	-	203,074	-	-
Long-term borrowings	-	200,000	-	-

(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 current and 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 nature of the assets is as follows:

September 30, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 143,143	$ -	$ 297,808	$ 440,951
Hybrid instruments	-	-	23,651	23,651
Total	$ 143,143	$ -	$ 321,459	$ 464,602

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

September 30, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 14,018	$ -	$ -	$ 14,018
Call provision of convertible corporate bonds	-	-	210	210
Available-for-sale financial assets				
Equity securities	41,964	-	-	41,964
Total	$ 55,982	$ -	$ 210	$ 56,192

(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 nine months ended September 30, 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 nine months ended September 30, 2018 and 2017:

	Nine months ended September 30		
	2018		2017
	Equity instruments	Hybrid instruments	Hybrid instruments
At January 1	$ -	$ 210	$ 50
Acquired in the period	298,441	23,646	-
Gains and losses recognised in profit or loss	(1,075)	-	-
Recorded as non-operating income and expenses	442	(205)	160
Total	$ 297,808	$ 23,651	$ 210
Movement of unrealised gain or loss in profit or loss of assets and liabilities held as at end of the period (Note)	$ 442	($ 205)	$ 160

Note: Recorded as non-operating income and expense.

F. For the nine months ended September 30, 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 September 30, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument :					
Unlisted shares	$ 259,155	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares	38,653	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument :					
Convertible bond – call provision	5	Binomial tree pricing model	Volatility	26.36%~36.46%	The higher the stock price volatility, the higher the fair value
Convertible bond	23,646	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 September 30, 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	20.04% ~30.04%	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:

			September 30, 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%	$ 29,781	($ 29,781)	$ -	$ -
Convertible bond						
- call provision	Stock price	± 10%	20	-	-	-
"	Volatility	± 5%	30	(10)	-	-
Total			$ 29,831	($ 29,791)	$ -	$ -

			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)	$ -	$ -

	Input	Change	September 30, 2017			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Convertible bond						
- call provision	Interest rate	± 20 bps	$ -	$ -	$ -	$ -
"	Stock price	± 10%	20	(20)	-	-
"	Volatility	± 5%	70	(70)	-	-
Total			$ 90	($ 90)	$ -	$ -

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

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

						Effects		
	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Measured at cost	Accounts receivable, net	Total	Retained earnings	Other equity	Non-controlling interests
IAS 39	$ 17,143	$ 41,502	$ 279,343	$ 3,898,907	$ 4,236,895	$ -	$ -	$ -
Transferred into and measured at fair value through profit or loss	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 September 30, 2017 are as follows:

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

	December 31, 2017	September 30, 2017
Financial assets held for trading		
Listed stocks	$ 7,439	$ 7,439
Call provision of convertible corporate bonds (Note 6(11))	250	250
	7,689	7,689
Valuation adjustment	9,454	6,539
Total	$ 17,143	$ 14,228

i. The Group recognised net gain of $4,006 and $6,771 on financial assets held for trading for the three months and nine months ended September 30, 2017.

ii. The Group recognised net gain of $11 and $160 on the call provision of convertible corporate bonds issued by the Company for the three months and nine months ended September 30, 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	September 30, 2017
Listed stocks		
Calitech Co., Ltd.	$ 18,489	$ 18,898
Valuation adjustment	23,013	23,066
Total	$ 41,502	$ 41,964

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 $785 and ($6,342) for the three months and nine months ended September 30, 2017.

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

(c) Financial assets measured at cost

	December 31, 2017	September 30, 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	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	10,875
IP Fund Six Co., Ltd.	10,000	10,000
Innorich Venture Capital Corp.	10,000	10,000
VEEV Interactive Pte. Ltd.	-	7,643
Others (companies individually not exceeding $10,000)	61,509	61,503
Total	$ 279,343	$ 245,815

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.

iii. As of September 30, 2018, the net value of VEEV Interactive Pte. Ltd. has significantly declined and is lower than its original investment cost at period end based on the Company's assessment. Because the investment value of the equity had been impaired, the Company provided an impairment loss in the amount of $7,600.

E. Credit risk information for the year ended December 31, 2017 and the nine months ended September 30, 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 nine months ended September 30, 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	September 30, 2017
Up to 90 days	$ 474,429	$ 628,485
91 to 180 days	97,506	120,427
181 to 365 days	167,665	210,224
Over 365 days	423,579	422,572
	$ 1,163,179	$ 1,381,708

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

i. As of December 31, 2017 and September 30, 2017, the Group's notes and accounts receivable that were impaired amounted to $386,650 and $406,462, respectively.

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

	Nine months ended September 30, 2017		
	Individual provision	Group provision	Total
At January 1	$ 207,856	$ 198,525	$ 406,381
Provision of impairment during the period	20,749	(17,897)	2,852
Transfer during the period	11,494	(11,494)	-
Effect of exchange rate	(609)	(2,162)	(2,771)
At September 30	$ 239,490	$ 166,972	$ 406,462

(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	September 30, 2017
Type A	$ 23,382	$ 54,357
Type B	1,794,437	1,396,480
Type C	1,085,224	1,020,762
	$ 2,903,043	$ 2,471,599

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 application of 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 nine months ended September 30, 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 and nine months ended September 30, 2017 are as follows:

	Three months ended September 30, 2017	
Construction revenue	$	2,128,954
Sales revenue		2,073,424
Other operating revenue		307,804
Total	$	4,510,182

	Nine months ended September 30, 2017	
Construction revenue	$	6,939,592
Sales revenue		6,727,088
Other operating revenue		924,819
Total	$	14,591,499

C. The construction contract receivable/payable recognised by using above construction contract accounting policies as of December 31, 2017 and September 30, 2017 are as follows:

	December 31, 2017	September 30, 2017
Aggregate costs incurred plus recognised profits (less recognised losses)	$ 26,582,074	$ 27,191,024
Less: Progress billings	(25,269,321)	(25,555,389)
Net balance sheet position for construction in progress	$ 1,312,753	$ 1,635,635
Presented as:		
Receivables from customers on construction contracts	$ 3,163,858	$ 3,176,938
Payables to customers on construction contracts	(1,851,105)	(1,541,303)
	$ 1,312,753	$ 1,635,635
Retentions relating to construction contracts	$ 46,151	$ 68,808
Advances received before the related construction work is performed	$ 599,077	$ 193,453

D. For the nine months ended September 30, 2018, the effects and description of current balance sheet and comprehensive income statement items if the Group continues adopting above accounting policies are as follows:

	September 30, 2018		
Balance sheet items	Balance by using IFRS 15	Balance by using previous accounting policies	Effects from changes in accounting policy
Construction contracts receivable	$ -	$ 4,882,152	($ 4,882,152)
Contract assets	4,882,152	-	4,882,152
Construction contracts payable	-	2,026,707	(2,026,707)
Advance receipts	21,503	1,060,473	(1,038,970)
Contract liabilities	3,065,677	-	3,065,677

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 nine months ended September 30, 2018 and 2017 is as follows:

	Nine months ended September 30, 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	$ 2,738,176	$ 10,765,420	$ 4,852,246	$ 458	$ 18,356,300
Inter-segment revenue	121,098	117,119	3,205	4,617	246,039
Total segment revenue	$ 2,859,274	$ 10,882,539	$ 4,855,451	$ 5,075	$ 18,602,339
Segment profit (loss)	$ 250,386	$ 252,044	$ 303,427	($ 3,874)	$ 801,983
Segment profit including:					
Depreciation and amortisation	$ 9,409	$ 45,613	$ 43,121	$ 2,698	$ 100,841

	Nine months ended September 30, 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	$ 2,419,935	$ 8,549,548	$ 3,622,012	$ 4	$ 14,591,499
Inter-segment revenue	84,887	65,414	1,874	3,727	155,902
Total segment revenue	$ 2,504,822	$ 8,614,962	$ 3,623,886	$ 3,731	$ 14,747,401
Segment profit (loss)	$ 167,854	($ 2,962)	$ 340,708	($ 4,947)	$ 500,653
Segment profit including:					
Depreciation and amortisation	$ 9,740	$ 46,069	$ 38,082	$ 2,797	$ 96,688

(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 nine months ended September 30, 2018 and 2017 is provided as follows:

	Nine months ended September 30,	
	2018	2017
Reportable segments income	$ 805,857	$ 505,600
Other reportable segments loss	(3,874)	(4,947)
Total segments	801,983	500,653
Other gains and losses	144,328	45,164
Finance costs	(46,631)	(45,946)
Gain on disposal of investments	-	34,959
Impairment loss on financial assets	-	(7,600)
Income before tax from continuing operations	$ 899,680	$ 527,230

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Loans to others

For the nine months ended September 30, 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 nine months ended September 30, 2018 (Note 3)	Balance at September 30, 2018 (Note 8)	Actual amount drawn down	Interest rate (%)	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for bad debts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	Marketech International Corp.	Marketech International Sdn.Bhd.	Other receivables	Y	$ 55,056	$ −	$ −	−	Short-term financing	$ -	Operations	$ -	None	-	$ 2,220,377	$ 2,220,377	Note 7
0	Marketech International Corp.	eZoom Information, Inc.	Other receivables	Y	50,000	50,000	-	4.616	Short-term financing	-	Operations	-	None	-	2,220,377	2,220,377	Note 7
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	Other receivables	Y	107,503	-	-	-	Short-term financing	-	Operations	-	None	-	2,220,377	2,220,377	Note 7
1	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	Other receivables	Y	58,574	55,448	55,448	4.785	Short-term financing	-	Operations	-	None	-	175,082	350,165	Note 7
1	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Y	1,406	1,331	1,331	4.785	Short-term financing	-	Operations	-	None	-	350,165	350,165	Note 7
1	MIC-Tech Electronics Engineering Corp.	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Other receivables	Y	2,109	-	-	-	Short-term financing	-	Operations	-	None	-	350,165	350,165	Note 7
2	MIC-Tech (Shanghai) Corp.	Integrated Manufacturing & Services Co., Ltd.	Other receivables	Y	17,097	-	-	-	Short-term financing	-	Operations	-	None	-	133,722	267,444	Note 7
2	MIC-Tech (Shanghai) Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	Other receivables	Y	18,588	-	-	-	Short-term financing	-	Operations	-	None	-	133,722	267,444	Note 7
2	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Other receivables	Y	86,115	62,102	62,102	4.785~5.0025	Short-term financing	-	Operations	-	None	-	267,444	267,444	Note 7
3	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	46,073	45,788	45,788	4.616	Short-term financing	-	Operations	-	None	-	817,273	817,273	Note 7
4	Marketech Integrated Manufacturing Co., Ltd.	Marketech Integrated Construction Co., Ltd.	Other receivables	Y	6,143	6,105	6,105	5	Short-term financing	-	Operations	-	None	-	142,862	285,723	Note 7
5	MIC-Tech Viet Nam Co., Ltd	Marketech Co., Ltd	Other receivables	Y	1,190	-	-	-	Short-term financing	-	Operations	-	None	-	22,161	22,161	Note 7

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 name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.
Note 3:Fill in the maximum outstanding balance of loans to others during the nine-month period ended September 30, 2018
Note 4:The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing'.
Note 5:Fill in 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.
Note 6:Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.
Note 7:Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.
The Company's ceiling on loans to others are as follows:
(1) Limit on the total loans to others provided by the Company is 40% of the net assets based on the Company's latest financial statements.
(2) Limit on the loans provided by the Company 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, 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.
(3) 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 not under the limit stated on (1). However, it shall make the limit and period for the loans to others in each subsidiary's internal Companies.
procedures based on Guidelines for Lending of Capital, Endorsements and Guarantees by Public Companies.
Limit on the loans from MIC-Tech Ventures Asia Pacific Inc.
(1) Limit on the accumulated balance of loans to others provided by MIC-Tech Ventures Asia Pacific Inc. is 80% of the net assets based on the latest financial statements of the lending companies
(2) Limit on the loans provided by MIC-Tech Ventures Asia Pacific Inc. 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 and MIC-Tech Ventures Asia Pacific Inc. 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 MIC-Tech Ventures Asia Pacific Inc. 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.
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.

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.

Limit on the loans provided by the Company’s Vietnam subsidiaries:

(1) Limit on the total loans to others provided by the Company’s Vietnam 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 Vietnam 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 Vietnam 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 Vietnam 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 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment.

In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the nine months ended September 30, 2018

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 5)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2018 (Note 6)	Outstanding endorsement/ guarantee amount at September 30, 2018	Actual amount drawn down (Note 7)	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 (Note 4)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)	Footnote
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	$ 2,775,471	$ 56,305	$ 55,721	$ 48,176	-	1.00%	$ 5,550,942	Y	N	N	Note 4
0	Marketech International Corp.	Marketech International Sdn. Bhd.	2	2,775,471	153,575	152,265	13,666	-	2.74%	5,550,942	Y	N	N	Note 4
0	Marketech International Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	2	2,775,471	32,801	-	-	-	0.00%	5,550,942	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	2	2,775,471	304,079	302,198	302,198	-	5.44%	5,550,942	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	2	2,775,471	1,026,300	987,448	258,314	-	17.79%	5,550,942	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	2	2,775,471	1,531,207	1,519,370	814,470	-	27.37%	5,550,942	Y	N	Y	Note 4
0	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	2	2,775,471	197,774	192,571	88,418	-	3.47%	5,550,942	Y	N	Y	Note 4
0	Marketech International Corp.	Special Triumph Sdn. Bhd.	5	2,775,471	40,431	27,042	-	-	0.49%	5,550,942	N	N	N	Note 4
1	Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	4	135,680	7,740	7,611	7,611	-	56.10%	135,680	N	N	N	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	4	1,313,118	4,405	4,170	4,170	-	0.95%	2,188,530	N	N	Y	Note 4
2	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	5	1,313,118	73,212	69,306	69,306	-	15.83%	2,188,530	N	N	Y	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	4	1,313,118	112,412	106,415	106,415	-	24.31%	2,188,530	N	N	Y	Note 4
3	MIC-Tech (Shanghai) Corp.	MIC-Tech Electronics Engineering Corp.	4	1,002,915	645,959	611,493	611,493	-	182.91%	1,671,525	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 seven categories; fill in the number of category each case belongs to:

(1)Having business relationship.

(2)The endorser/guarantor parent company owns directlyand indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: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.

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 10 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 Company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the Company's net assets. However, the endorsements and guarantees of Marketech Co., Ltd. to the Company 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 10 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 10 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 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: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 7: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 8: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

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

For the nine months ended September 30, 2018

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					As of September 30, 2018					
Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	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	$ 20,378	-	$ 20,378	None	
〃	〃	Solar Applied Materials Technology Corp.	〃	〃	44,078	948	-	948	〃	
〃	〃	Aerospace Industrial Development Corp.	〃	〃	25,925	795	-	795	〃	
〃	〃	Calitech Co., Ltd.	〃	〃	645,199	22,646	2.04%	22,646	〃	
						$ 44,767		$ 44,767		
〃	Ordinary shares	Taiwan Colour & Imaging Technology Corp.	None	Financial assets measured at fair value through profit or loss - non-current	1,700,000	$ 2,005	13.03%	$ 2,005	None	
〃	〃	Highlight Tech Corp.	〃	〃	453,000	11,280	0.46%	11,280	〃	
〃	〃	Ennoconn Corporation	The ultimate parent company	〃	10,000	2,795	0.01%	2,795	〃	
〃	〃	WINGS GLOBAL TECHNOLOGY INC.	None	〃	750,000	15,000	18.75%	15,000	〃	
〃	〃	Promos Technologies,Inc.	〃	〃	250,331	-	0.56%	-		
〃	〃	Taiwan Puritic Corp.	〃	〃	6,191,181	115,045	10.32%	115,045	〃	
〃	〃	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	26,583	1.58%	26,583	〃	
〃	〃	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	7,643	3.46%	7,643	〃	
〃	〃	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	4,977	2.24%	4,977	〃	
〃	〃	Long Time Technology Corp.	〃	〃	346,000	7,852	0.29%	7,852	〃	
〃	〃	Paradigm Venture Capital Corp.	〃	〃	90,187	902	3.50%	902	〃	
〃	〃	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	〃	〃	87,803	3,895	19.41%	3,895	〃	
〃	〃	Foresight Energy Technologies Co., Ltd.	〃	〃	1,350,000	10,524	4.50%	10,524	〃	
〃	〃	ACM Research Inc.	〃	〃	249,477	84,301	-	84,301	〃	
〃	〃	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	685	19.99%	685	〃	
〃	Convertible bonds	Nitride Solutions Inc.	None	〃	-	2,916	-	2,916	〃	
〃	〃	HALLYS CORPORATION	〃	〃	–	20,730	–	20,730	〃	
〃	Preferred stock	Adant Technologies Inc.	〃	〃	174,520	-	Note3	-	〃	
〃	〃	Kinestral Technologies, Inc.	〃	〃	501,532	24,089	〃	24,089	〃	
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				$ 419,830		$ 419,830		

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 nine months ended September 30, 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	$ 27,190	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.	0.15%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	1	Non-operating revenue	7,066		0.04%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Non-operating revenue	15,100		0.08%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Construction revenue	10,644		0.06%
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	1	Accounts receivable	5,356		0.03%
1	eZoom Information, Inc.	Marketech International Corp.	2	Services revenue	24,594		0.13%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Sales revenue	88,702		0.48%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Accounts receivable	60,312		0.33%
3	MIC-Tech Electronics Engineering Corp.	Marketech International Corp.	2	Accounts payable	5,464		0.03%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co.,Ltd.	3	Other receivables	55,448		0.30%
3	MIC-Tech Electronics Engineering Corp.	MIC-Tech Ventures Asia Pacific Inc.	3	Other payable	45,788		0.25%
4	Shanghai Maohua Electronics Engineering Co.,Ltd.	MIC-Tech Electronics Engineering Corp.	3	Construction revenue	75,098		0.41%
5	MIC-Tech (Shanghai) Corp.	Marketech International Corp.	3	Accounts payable	6,139		0.03%
5	MIC-Tech (Shanghai) Corp.	MIC-Tech China Trading (Shanghai) Co. Ltd.	3	Other receivables	62,102		0.34%
6	Marketech Integrated Manufacturing Company Limited	Marketech Integrated Construction Co., Ltd.	3	Other receivables	6,192		0.03%

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 nine months ended September 30, 2018

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note2)		Shares held as at September 30, 2018			Net profit (loss) of the investee for the nine months ended September 30, 2018	Investment income (loss) recognised by the Company for the nine months ended September 30, 2018 (Note 1)	Footnote
				Balance as at September 30, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	$ 192,522	$ 192,522	8,225,040	100	($ 8,625)	($ 2,482)	($ 2,482)	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	1,023,354	33,946	33,946	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	19,147	19,147	131,560	100	7,996	392	392	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	38,654	(275)	(275)	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	37,715	(339)	(339)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	10,129	10,129	421,087	100	14,260	13,227	13,227	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	357,153	2,701	2,701	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	27,701	(2,842)	(2,842)	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	45,246	29,922	-	100	13,568	(4,120)	(4,120)	The Company's subsidiary
Marketech International Corp.	eZoom Information, Inc.	Taiwan	Research, trading and consulting of information system software and hardware appliance	195,737	67,737	20,000,000	100	146,929	(12,761)	(12,761)	The Company's subsidiary
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Specialized contracting and related repair services	44,431	44,431	6,258,750	51.12	33,209	7,094	3,626	The Company's subsidiary

				Initial investment amount (Note2)		Shares held as at September 30, 2018					
Investor	Investee	Location	Main business activities	Balance as at September 30, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2018	Investment income (loss) recognised by the Company for the nine months ended September 30, 2018 (Note 1)	Footnote
Marketech International Corp.	ADAT Technology CO., LTD.	Taiwan	The research, development, application, and service of software; supply of electronic information and the buying and selling of equipment	$ 20,000	$ 10,000	$ 2,000,000	47.62	$ 12,679	($ 10,610)	($ 7,282)	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	36,445	3,288	3,288	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	7,880	(2,564)	(2,564)	The Company's subsidiary
Marketech International Corp.	Glory Technology Service Inc..	Taiwan	Sale and installation of information and communication equipment	42,713	31,019	5,510,305	29.24	56,754	12,651	3,745	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	1,843	(32)	(6)	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	1,021,591	33,972	-	The investor's subsidiary
Marketech Integrated Pte Ltd.	Marketech International Sdn. Bhd.	Malaysia	Specialized contracting and related repair services	42,481	42,481	5,984,000	48.88	32,897	7,094	-	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	13,797	14,018	-	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	(24,830)	(10,948)	-	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	5,422	(58)	-	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	26,799	(9,072)	-	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	(4,122)	(27,109)	-	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	31	3,288	-	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 September 30, 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 nine months ended September 30, 2018

Table 6

1. Basic information

Expressed in thousands of NTD

(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 nine months ended September 30, 2018 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2018 (Note 3)	Net income of investee for the nine months ended September 30, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2018 （Note 2）	Book value of investments in Mainland China as of September 30, 2018	Accumulated amount of investment income remitted back to Taiwan as of September 30, 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	$ 778,388	Note1(2)	$ 625,763	$ -	$ -	$ 625,763	$ 30,194	100	$ 30,616	$ 36,443	$ -	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	251,557	Note1(2)	15,263	-	-	15,263	11,268	100	11,268	334,305	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	9,158	Note1(2)	9,158	-	-	9,158	879	100	879	(836)	-	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	18,315	Note1(2)	18,407	-	-	18,407	(14,949)	87	(13,005)	(27,160)	-	Note 2 (2)B
MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; construction of chemical and petroleum projects; construction of public municipal infrastructure projects; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting. Building equipment, building materials (excluding steel and cement), electronic products, chemical products (excluding hazardous products), metal products, electrical equipment, wholesale of communications equipment, commission-based agency (excluding auctions) and import-export business, and delivery of all related and supplementary services	537,820	Note1(2)	260,073	-	-	260,073	(3,413)	100	(3,413)	437,706	-	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.	9,310	Note1(2)	1,496	-	-	1,496	(205)	49	(101)	59	-	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	6,105	Note1(2)	6,105	-	-	6,105	2,073	100	2,073	(582)	-	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	70,452	Note1(2)	28,181	-	-	28,181	(58)	100	(58)	5,401	-	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 nine months ended September 30, 2018 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2018 (Note 3)	Net income of investee for the nine months ended September 30, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2018 （Note 2）	Book value of investments in Mainland China as of September 30, 2018	Accumulated amount of investment income remitted back to Taiwan as of September 30, 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.	$ 152,625	Note1(2)	$ 82,418	$ -	$ -	$ 82,418	($ 9,077)	60	($ 5,446)	$ 26,035	$ -	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	45,788	Note1(2)	45,788	-	-	45,788	(1,145)	100	(1,145)	24,386	-	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	29,209	Note1(2)	9,180	-	-	9,180	(27,103)	31.43	(8,518)	(4,130)	-	Note 2 (2)C

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 nine months ended September 30, 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 September 30, 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.	$ 1,113,851	$ 1,957,170	$ 3,347,386

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 September 30, 2018 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US$186 thousand.

Note 3: The liquidation of TPP-MIC (WuXi) Co., Ltd. was completed in November, 2015. 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 September 30, 2018, and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US$186 thousand.