

**MARKETECH INTERNATIONAL CORP.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
JUNE 30, 2015 AND 2014**

For the convenience of readers and for information purpose only, the accountants' 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 accountants' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have reviewed the accompanying consolidated balance sheets of Marketech International Corp. and subsidiaries as of June 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our reviews.

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

As explained in Notes 4(3) and 6(8), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method, which statements reflect total assets of \$416,752 thousand and \$343,125 thousand, constituting 3.57% and 3.50% of the consolidated total assets, and total liabilities of \$149,471 thousand and \$153,460 thousand, constituting 1.98% and 2.68% of the consolidated total liabilities as of June 30, 2015 and 2014, respectively, and total comprehensive income (loss) of (\$24,085) thousand, (\$3,172) thousand, (\$57,517) thousand and (\$7,397) thousand, constituting (44.80%), (17.76%), (109.41%) and (5.41%) of the consolidated total comprehensive income for the three-month and six-month periods then ended. The abovementioned investments accounted for using equity method amounted to \$40,551 thousand and \$65,672 thousand representing 0.35% and 0.67% of the consolidated total assets as of June 30, 2015 and 2014, and total

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comprehensive income (loss) (including share of profit (loss) of associates and joint ventures accounted for using the equity method and share of other comprehensive income of associates and joint ventures accounted for using the equity method) of \$576 thousand, (\$1,585) thousand, \$654 thousand and (\$7,157) thousand, constituting 1.07%, (8.87%), 1.24% and (5.23%) of the consolidated total comprehensive income for the three-month and six-month periods then ended. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of June 30, 2015 and 2014.

Based on our reviews except for the effect of such adjustments if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries, investments accounted for using the equity method and the information disclosed in Note 13 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

August 3, 2015

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)

(Consolidated balance sheets as of June 30, 2015 and 2014 were reviewed, not audited)

Assets	Notes	June 30, 2015		December 31, 2014		June 30, 2014	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	\$ 1,167,087	10	\$ 1,628,171	14	\$ 1,293,532	13
Financial assets at fair value through	6(2)						
profit or loss - current		10,549	-	11,696	-	6,899	-
Notes receivable, net		161,525	1	37,141	-	118,733	1
Notes receivable - related parties,	7						
net		212	-	534	-	31,029	1
Accounts receivable, net	6(3)(6)	3,118,072	27	3,092,035	26	2,169,372	22
Accounts receivable - related	7						
parties, net		74,539	1	9,449	-	7,837	-
Construction contracts receivable	6(6) and 7	2,284,687	20	2,354,614	20	2,027,052	21
Other receivables		23,076	-	29,799	-	12,427	-
Inventories, net	6(4)	2,156,887	18	1,852,959	16	1,485,540	15
Prepayments	6(5)	469,961	4	573,960	5	420,020	4
Other current assets	8	176,243	2	202,916	2	226,638	2
Current Assets		<u>9,642,838</u>	<u>83</u>	<u>9,793,274</u>	<u>83</u>	<u>7,799,079</u>	<u>79</u>
Non-current assets							
Financial assets at cost-non-current	6(7)	293,667	3	293,027	3	316,758	3
Investments accounted for using the	6(8)						
equity method		40,551	-	56,209	1	65,672	1
Property, plant and equipment, net	6(9) and 8	1,445,029	12	1,461,476	12	1,468,419	15
Intangible assets		24,159	-	32,781	-	29,965	-
Deferred tax assets		116,387	1	101,109	1	102,340	1
Other non-current assets	6(7)	103,045	1	37,684	-	31,586	1
Non-current Assets		<u>2,022,838</u>	<u>17</u>	<u>1,982,286</u>	<u>17</u>	<u>2,014,740</u>	<u>21</u>
Total Assets		<u>\$ 11,665,676</u>	<u>100</u>	<u>\$ 11,775,560</u>	<u>100</u>	<u>\$ 9,813,819</u>	<u>100</u>

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan Dollars)

(Consolidated balance sheets as of June 30, 2015 and 2014 were reviewed, not audited)

Liabilities and Equity	Notes	June 30, 2015		December 31, 2014		June 30, 2014		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
Short-term borrowings	6(10) and 8	\$ 1,513,648	13	\$ 953,806	8	\$ 981,613	10	
Notes payable		817,340	7	807,648	7	461,143	5	
Accounts payable		2,836,858	24	3,359,079	29	2,065,052	21	
Accounts payable - related parties	7	21,094	-	23,836	-	13,892	-	
Construction contracts payable	6(6)	1,015,218	9	1,018,504	9	849,434	9	
Other payables	6(11)	688,933	6	395,090	3	503,654	5	
Current tax liabilities		48,163	1	74,251	1	49,080	-	
Advance receipts	6(12)	460,500	4	583,379	5	592,007	6	
Other current liabilities, others	6(13)	13,633	-	15,665	-	53,038	1	
Current Liabilities		<u>7,415,387</u>	<u>64</u>	<u>7,231,258</u>	<u>62</u>	<u>5,568,913</u>	<u>57</u>	
Non-current liabilities								
Long-term borrowings	6(13) and 8	2,032	-	2,930	-	3,755	-	
Deferred tax liabilities		32,067	-	46,703	-	37,940	-	
Other non-current liabilities		114,211	1	115,117	1	125,329	1	
Non-current Liabilities		<u>148,310</u>	<u>1</u>	<u>164,750</u>	<u>1</u>	<u>167,024</u>	<u>1</u>	
Total Liabilities		<u>7,563,697</u>	<u>65</u>	<u>7,396,008</u>	<u>63</u>	<u>5,735,937</u>	<u>58</u>	
Equity								
Share capital								
Ordinary shares	6(16)	1,650,698	14	1,650,698	14	1,650,698	17	
Capital surplus								
Capital surplus	6(17)	616,354	5	616,354	5	616,354	6	
Retained earnings								
Legal reserve	6(18)	529,385	5	490,931	4	490,931	5	
Special reserve		92,239	1	92,239	1	92,239	1	
Unappropriated retained earnings	6(22)	1,192,788	10	1,467,273	12	1,230,316	13	
Other equity								
Other equity interest		18,004	-	57,963	1	(4,836)	-	
Total equity attributable to owners of parent		<u>4,099,468</u>	<u>35</u>	<u>4,375,458</u>	<u>37</u>	<u>4,075,702</u>	<u>42</u>	
Non-controlling interest		<u>2,511</u>	<u>-</u>	<u>4,094</u>	<u>-</u>	<u>2,180</u>	<u>-</u>	
Total Equity		<u>4,101,979</u>	<u>35</u>	<u>4,379,552</u>	<u>37</u>	<u>4,077,882</u>	<u>42</u>	
Commitments and contingent liabilities								
Significant subsequent event								
Total Liabilities and Equity	9	<u>\$ 11,665,676</u>	<u>100</u>	<u>\$ 11,775,560</u>	<u>100</u>	<u>\$ 9,813,819</u>	<u>100</u>	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2015.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)
(Unaudited)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2015		2014 (adjusted)		2015		2014 (adjusted)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating Revenue	6(19) and 7	\$ 4,606,426	100	\$ 3,380,834	100	\$ 8,302,082	100	\$ 6,621,894	100
Operating Costs	6(4)(21) and 7	(4,177,365)	(91)	(2,989,739)	(88)	(7,469,475)	(90)	(5,806,176)	(88)
Gross Profit		<u>429,061</u>	<u>9</u>	<u>391,095</u>	<u>12</u>	<u>832,607</u>	<u>10</u>	<u>815,718</u>	<u>12</u>
Operating Expenses	6(21)								
Sales and marketing expenses		(127,771)	(3)	(108,844)	(3)	(241,880)	(3)	(210,257)	(3)
General and administrative expenses		(165,110)	(3)	(184,057)	(6)	(362,084)	(4)	(335,381)	(5)
Research and development expenses		(40,645)	(1)	(35,606)	(1)	(73,585)	(1)	(68,644)	(1)
Total operating expenses		<u>(333,526)</u>	<u>(7)</u>	<u>(328,507)</u>	<u>(10)</u>	<u>(677,549)</u>	<u>(8)</u>	<u>(614,282)</u>	<u>(9)</u>
Operating Profit		<u>95,535</u>	<u>2</u>	<u>62,588</u>	<u>2</u>	<u>155,058</u>	<u>2</u>	<u>201,436</u>	<u>3</u>
Non-operating Income and Expenses									
Other income		6,120	-	7,934	-	13,683	-	13,207	-
Other gains and losses	6(2)(20)(25)	7,739	-	(16,279)	(1)	(29,617)	(1)	(3,908)	-
Finance costs		(7,911)	-	(7,687)	-	(15,448)	-	(16,710)	-
Share of gain (loss) of associates and joint ventures accounted for using the equity method		<u>740</u>	<u>-</u>	<u>(965)</u>	<u>-</u>	<u>939</u>	<u>-</u>	<u>(6,587)</u>	<u>-</u>
Total non-operating income and expenses		<u>6,688</u>	<u>-</u>	<u>(16,997)</u>	<u>(1)</u>	<u>(30,443)</u>	<u>(1)</u>	<u>(13,998)</u>	<u>-</u>
Profit before Income Tax		<u>102,223</u>	<u>2</u>	<u>45,591</u>	<u>1</u>	<u>124,615</u>	<u>1</u>	<u>187,438</u>	<u>3</u>
Income tax expense	6(22)	(24,604)	-	(7,855)	-	(31,976)	-	(33,539)	(1)
Net Income		<u>\$ 77,619</u>	<u>2</u>	<u>\$ 37,736</u>	<u>1</u>	<u>\$ 92,639</u>	<u>1</u>	<u>\$ 153,899</u>	<u>2</u>
Other Comprehensive Income									
Exchange differences on translation		(\$ 28,570)	(1)	(\$ 23,316)	-	(\$ 47,977)	-	(\$ 18,204)	-
Unrealized loss on valuation of available-for-sale financial assets		-	-	-	-	-	-	(1,512)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method		(164)	-	(620)	-	(285)	-	(570)	-
Income tax relating to the components of other comprehensive income	6(22)	<u>4,872</u>	<u>-</u>	<u>4,060</u>	<u>-</u>	<u>8,190</u>	<u>-</u>	<u>3,183</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of tax		<u>(\$ 23,862)</u>	<u>(1)</u>	<u>(\$ 19,876)</u>	<u>-</u>	<u>(\$ 40,072)</u>	<u>-</u>	<u>(\$ 17,103)</u>	<u>-</u>
Total Comprehensive Income		<u>\$ 53,757</u>	<u>1</u>	<u>\$ 17,860</u>	<u>1</u>	<u>\$ 52,567</u>	<u>1</u>	<u>\$ 136,796</u>	<u>2</u>
Net income attributable to:									
Owners of parent		<u>\$ 78,653</u>	<u>2</u>	<u>\$ 37,938</u>	<u>1</u>	<u>\$ 94,109</u>	<u>1</u>	<u>\$ 155,278</u>	<u>2</u>
Non-controlling interest		<u>(\$ 1,034)</u>	<u>-</u>	<u>(\$ 202)</u>	<u>-</u>	<u>(\$ 1,470)</u>	<u>-</u>	<u>(\$ 1,379)</u>	<u>-</u>
Comprehensive income (loss) attributable to:									
Owners of parent		<u>\$ 54,865</u>	<u>1</u>	<u>\$ 18,117</u>	<u>1</u>	<u>\$ 54,150</u>	<u>1</u>	<u>\$ 138,227</u>	<u>2</u>
Non-controlling interest		<u>(\$ 1,108)</u>	<u>-</u>	<u>(\$ 257)</u>	<u>-</u>	<u>(\$ 1,583)</u>	<u>-</u>	<u>(\$ 1,431)</u>	<u>-</u>
Earnings Per Share	6(23)								
Basic earnings per share		<u>\$ 0.48</u>		<u>\$ 0.23</u>		<u>\$ 0.57</u>		<u>\$ 0.94</u>	
Diluted earnings per share		<u>\$ 0.47</u>		<u>\$ 0.23</u>		<u>\$ 0.57</u>		<u>\$ 0.93</u>	

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2015.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	Notes	Equity attributable to owners of the parent										
		Capital Surplus			Retained Earnings			Other equity interest				
		Share capital - ordinary shares	Capital surplus - share premium	Capital surplus - others	Legal reserve	Special reserve	Unappropriate d retained earnings	Currency translation differences of foreign operations	Unrealized gain or loss on available-for- sale financial assets	Total	Non-control ling interest	Total equity
Six-month period ended June 30, 2014												
Balance at January 1, 2014		\$ 1,650,568	\$ 615,925	\$ 351	\$ 468,670	\$ 92,239	\$ 1,279,330	\$ 10,703	\$ 1,512	\$ 4,119,298	\$ 3,544	\$ 4,122,842
Appropriations and distribution of earnings for 2013	6(18)											
Legal reserve		-	-	-	22,261	-	(22,261)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(181,562)	-	-	(181,562)	-	(181,562)
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	(469)	-	-	(469)	-	(469)
Share-based payment	6(15)(16) (17)	130	78	-	-	-	-	-	-	208	-	208
Profit (loss) for the period		-	-	-	-	-	155,278	-	-	155,278	(1,379)	153,899
Other comprehensive income for the period		-	-	-	-	-	-	(15,539)	(1,512)	(17,051)	(52)	(17,103)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	67	67
Balance at June 30, 2014		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 351</u>	<u>\$ 490,931</u>	<u>\$ 92,239</u>	<u>\$ 1,230,316</u>	<u>(\$ 4,836)</u>	<u>\$ -</u>	<u>\$ 4,075,702</u>	<u>\$ 2,180</u>	<u>\$ 4,077,882</u>
Six-month period ended June 30, 2015												
Balance at January 1, 2015		\$ 1,650,698	\$ 616,003	\$ 351	\$ 490,931	\$ 92,239	\$ 1,467,273	\$ 57,963	\$ -	\$ 4,375,458	\$ 4,094	\$ 4,379,552
Appropriations of and distribution of earnings for 2014	6(18)											
Legal reserve		-	-	-	38,454	-	(38,454)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(330,140)	-	-	(330,140)	-	(330,140)
Profit (loss) for the period		-	-	-	-	-	94,109	-	-	94,109	(1,470)	92,639
Other comprehensive income for the period		-	-	-	-	-	-	(39,959)	-	(39,959)	(113)	(40,072)
Balance at June 30, 2015		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 351</u>	<u>\$ 529,385</u>	<u>\$ 92,239</u>	<u>\$ 1,192,788</u>	<u>\$ 18,004</u>	<u>\$ -</u>	<u>\$ 4,099,468</u>	<u>\$ 2,511</u>	<u>\$ 4,101,979</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2015.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	Notes	Six-month period ended June 30, 2015	Six-month period ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated profit before tax for the period		\$ 124,615	\$ 187,438
Adjustments to reconcile profit before tax to net cash used in operating activities			
Income and expenses having no effect on cash flows			
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(1,887)	(243)
Provision for bad debt expense	12	36,051	30,949
Share of (gain) loss of associates and joint ventures accounted for using equity method		(939)	6,587
Loss (gain) on disposal of investments	6(20)	420	(1,742)
Depreciation	6(9)(21)	52,614	56,022
Amortisation	6(21)	11,541	10,001
Loss on disposal of property, plant and equipment		226	493
Interest expense		15,448	16,710
Interest income		(2,730)	(1,512)
Dividend income		(398)	(368)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Current financial assets at fair value through profit or loss		3,034	5,945
Notes receivable, net		(124,384)	132,200
Notes receivable - related parties, net		322	(30,277)
Accounts receivable, net		(84,142)	290,487
Accounts receivable – related parties, net		(66,582)	(6,929)
Construction contracts receivable		69,927	(497,062)
Other receivables		6,778	2,785
Inventories		(318,134)	363,934
Prepayments		98,119	(69,510)
Other current assets		(19,460)	(54,745)
Net changes in liabilities relating to operating activities			
Notes payable		9,692	(117,175)
Accounts payable		(503,030)	(346,931)
Accounts payable – related parties		(2,742)	2,914
Construction contracts payable		(3,286)	61,002
Other payables		(33,294)	(80,187)
Advance receipts		(128,782)	63,212
Other current liabilities – others		(2,012)	30,415
Other non-current liabilities		(906)	(679)
Cash (used in) generated from operations		(863,921)	53,734
Interest received		2,804	1,487
Dividends received		398	368
Interest paid		(15,237)	(17,154)
Income tax paid		(79,636)	(44,899)
Net cash used in operating activities		(955,592)	(6,464)

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

	<u>Notes</u>	<u>Six-month period ended June 30, 2015</u>	<u>Six-month period ended June 30, 2014</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of available-for-sale financial assets –			
current		\$ -	\$ 5,503
Decrease (increase) in other financial assets - current		38,396	(6,858)
Acquisition of non-current financial assets at cost		(6,640)	-
Proceeds from disposal of non-current financial assets at cost		74	-
Proceeds from capital reduction of non-current financial assets at cost		5,160	-
Net cash flow from acquisition of subsidiaries		(10,694)	-
Acquisition of property, plant and equipment	6(9)	(14,157)	(10,316)
Proceed from disposal of property, plant and equipment		245	295
Acquisition of intangible assets		(2,088)	(2,037)
Increase in refundable deposits		(3,353)	(12,751)
Increase in other non-current assets		(44,886)	-
Increase in prepayments for investments	6(7)	(10,000)	-
Net cash used in investing activities		(47,943)	(26,164)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		584,106	10,902
Repayment of long-term borrowings		(804)	(808)
Increase in guarantee deposit received		-	12
Proceeds from exercise of employee stock options		-	208
Net cash provided by financing activities		583,302	10,314
Effect of exchange rate changes on cash and cash equivalents		(40,851)	(16,705)
Decrease in cash and cash equivalents		(461,084)	(39,019)
Cash and cash equivalents at beginning of period	6(1)	1,628,171	1,332,551
Cash and cash equivalents at end of period	6(1)	\$ 1,167,087	\$ 1,293,532

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 3, 2015.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(UNAUDITED)

1. ORGANIZATION AND OPERATIONS

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

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

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 3, 2015.

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")

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt the 2013 version of IFRS (excluding IFRS 9, 'Financial instruments') as endorsed by the Financial Supervisory Commission and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers " effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs") in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

B. IFRS 10, 'Consolidated financial statements'

The standard replaces the requirements relating to consolidated financial statements in IAS 27, 'Consolidated and separate financial statements' and IAS 27 therefore is renamed 'Separate financial statements'; the standard also supersedes requirements in SIC-12, 'Consolidation-special purpose entities'. The standard defines the principle of control that an investor controls an investee if and only if the investor has all three elements of control. The Group changes the definition of control in accordance with the standard.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value using the assumptions that market participants would use when pricing the asset or liability; for non-financial assets, fair value is determined based on the highest and best use of the asset. Also, the standard requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

E. IAS 19 (revised), 'Employee benefits'

The revised standard eliminates the corridor approach and requires actuarial gains and losses to be recognised immediately in other comprehensive income. Past service cost will be recognised immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expenses, is recognised in other comprehensive income. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs. Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date Issued by International Accounting Standards Board (Note 1)</u>
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016 (Note 4)
Investment Entities: Applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014 (Note 2)
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016 (Note 3)

The Group is assessing the potential impact of the new, revised or amended standards and interpretations above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

Note 1: The aforementioned new, revised or amended standards or interpretations are effective after fiscal year beginning on or after the effective dates, unless specified otherwise.

Note 2: The amendment prospectively applies to share-based payment transactions for which the grant date is on or after 1 July 2014; the amendments apply prospectively to business combinations for which the acquisition date is on or after July 1, 2014; the amendment of IFRS 13 is effective when the amendment is issued; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Note 3: The amendment to IFRS 5 applies prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 10 and IFRS 28 applies prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the details of compliance statement, basis of preparation, basis of consolidation and additional portions of the policies, the significant accounting policies are in agreement with the policies summarized in Note 4 of the 2014 consolidated financial statements. 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 for the year ended December 31, 2014.

(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) 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. The basis for preparation of these consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for preparation of the consolidated financial statements as of and for the year ended December 31, 2014.

B. The subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2015	December 31, 2014	June 30, 2014	
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.	Hoa Phong Marketech Co., Ltd.	Specialized contracting and related repair services	100	100	40	Note 1 Note 3

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Percentage of Ownership (%)</u>			<u>Note</u>
			<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>	
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Design, manufacturing, installation of automatic production equipment and its parts	100	-	-	Note 1
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Investment holding and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Investment holding and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	TPP-MIC Co., Limited	Investment holding and reinvestment	60	60	60	-
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Investment holding and reinvestment	100	50	50	Note 4

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2015	December 31, 2014	June 30, 2014	
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	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (Shanghai) Corp. Ltd.	Wholesale, commission agency, 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	-

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Percentage of Ownership (%)</u>			<u>Note</u>
			<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction; specialized contracting for electrical installing construction; specialized contracting for electronic engineering; specialized contracting for petroleum and chemical equipment installation; specialized contracting for channel and guarantee for post construction; consulting service for related construction technology	100	100	100	-
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 and installation of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment	49	49	49	Note 2

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2015	December 31, 2014	June 30, 2014	
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	100	100	100	-
Rusky H.K. Limited	Shanghai Puritic 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	80	80	80	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2015	December 31, 2014	June 30, 2014	
Rusky 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	-
TPP-MIC Co., Limited	TPP-MIC (WuXi) Co., Ltd.	Technology and repair service of semiconductor equipment; self-operation and agency of import and export of various goods and technology	100	100	100	Note 5
MICT International Limited	TPP-MIC (WuXi) Co., Ltd. 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	100	100	100	Note 4
Marketch Integrated Pte. Ltd.	Marketch International Sdn. Bhd.	Contracting for Semiconductor automatic supply system	100	100	100	Note 1
Marketch Engineering Pte. Ltd.	Marketch 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 six-month periods ended June 30, 2015 and 2014 were not reviewed by independent accountants as the entity did not meet the definition of significant subsidiary.

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

Note 3: The Group originally held 40% share ownership of Hoa Phong Marketech Co., Ltd. (Hoa Phong MIC). The stockholders who held the remaining 60% of share ownership surrendered their shares in August 2014 and registered the change in October 2014. As the Group holds all voting rights in Hoa Phong MIC, it is included in the consolidated entities.

Note 4: The Group originally held 50% of share ownership of MICT International Limited (MICT) and obtained the remaining 50% of share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited, it has been included in the consolidated financial reports since March 2015.

Note 5: The Board of Directors approved to file for the liquidation of TPP-MIC (WuXi) Co., Ltd. in September 2014 and it is currently under the liquidation process.

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 June 30, 2015, December 31, 2014 and June 30, 2014, the non-controlling interests amounted to \$2,511, \$4,094 and \$2,180, respectively. Subsidiaries that have non-controlling interests are not material to the Group.

(4) Employees', directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated.

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

There is no significant change during the period. Please refer to Note 5 of the 2014 consolidated financial statements.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Cash on hand	\$ 20,462	\$ 16,917	\$ 15,352
Checking accounts and demand deposits	1,124,435	1,610,648	1,277,707
Time deposits	22,190	606	473
Total	<u>\$ 1,167,087</u>	<u>\$ 1,628,171</u>	<u>\$ 1,293,532</u>

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. Other than 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 – current

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Financial assets held for trading			
-listed stocks	\$ 12,695	\$ 14,192	\$ 11,561
Valuation adjustment of financial assets held for sale	(2,146)	(2,496)	(4,662)
Total	<u>\$ 10,549</u>	<u>\$ 11,696</u>	<u>\$ 6,899</u>

A. The Group recognised net gain (loss) of \$1,180, (\$816), \$1,887 and \$243 on financial assets held for trading for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.

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

(3) Accounts receivable

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Accounts receivable	\$ 3,446,630	\$ 3,402,422	\$ 2,488,004
Less: allowance for bad debts	(328,558)	(310,387)	(318,632)
Total	<u>\$ 3,118,072</u>	<u>\$ 3,092,035</u>	<u>\$ 2,169,372</u>

The Group does not hold any collateral as security.

(4) Inventories

	<u>June 30, 2015</u>		
	<u>Cost</u>	<u>Allowance for valuation loss and loss for obsolete and slow-moving inventories</u>	<u>Book value</u>
Materials	\$ 417,405	(\$ 17,634)	\$ 399,771
Merchandise inventory	689,926	(44,251)	645,675
Raw materials	406,653	(14,240)	392,413
Supplies	26,205	(1,929)	24,276
Work in process	485,323	(6,691)	478,632
Semi-finished goods and finished goods	230,066	(13,946)	216,120
Total	<u>\$ 2,255,578</u>	<u>(\$ 98,691)</u>	<u>\$ 2,156,887</u>

	December 31, 2014		
	Cost	Allowance for valuation loss and loss for obsolete and slow-moving inventories	Book value
Materials	\$ 314,478	(\$ 20,657)	\$ 293,821
Merchandise inventory	672,662	(48,779)	623,883
Raw materials	356,276	(14,250)	342,026
Supplies	20,568	(1,628)	18,940
Work in process	434,570	(8,745)	425,825
Semi-finished goods and finished goods	158,069	(9,605)	148,464
Total	\$ 1,956,623	(\$ 103,664)	\$ 1,852,959

	June 30, 2014		
	Cost	Allowance for valuation loss and loss for obsolete and slow-moving inventories	Book value
Materials	\$ 265,301	(\$ 21,072)	\$ 244,229
Merchandise inventory	609,531	(57,723)	551,808
Raw materials	268,686	(16,708)	251,978
Supplies	22,946	(1,990)	20,956
Work in process	238,095	(9,174)	228,921
Semi-finished goods and finished goods	201,852	(14,204)	187,648
Total	\$ 1,606,411	(\$ 120,871)	\$ 1,485,540

Relevant expenses of inventories recognised as operating costs for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	Three-month periods ended June 30,	
	2015	2014
Construction cost	\$ 2,357,529	\$ 1,641,378
Cost of sales	1,649,133	1,192,693
Other operating cost	179,129	146,421
(Gain on reversal of) valuation loss and loss for market value decline and obsolete and slow-moving inventories (Note)	(8,426)	9,247
Total	\$ 4,177,365	\$ 2,989,739

	Six-month periods ended June 30,	
	2015	2014
Construction cost	\$ 4,293,346	\$ 2,912,836
Cost of sales	2,818,933	2,630,189
Other operating cost	362,814	265,558
Gain on reversal of inventories (Note)	(5,618)	(2,407)
Total	<u>\$ 7,469,475</u>	<u>\$ 5,806,176</u>

Note: The gain on reversal was due to the Group's recognition of impairment loss on inventories when the related inventory items were scrapped or sold.

The Group has no inventories pledged to others.

(5) Prepayments

	June 30, 2015	December 31, 2014	June 30, 2014
Prepayment for purchases	\$ 427,637	\$ 562,429	\$ 405,238
Others	42,324	11,531	14,782
Total	<u>\$ 469,961</u>	<u>\$ 573,960</u>	<u>\$ 420,020</u>

(6) Construction contracts receivable / payable

	June 30, 2015	December 31, 2014	June 30, 2014
Aggregate costs incurred plus recognised profits (less recognised losses)	\$ 17,642,892	\$ 15,134,073	\$ 12,822,901
Less: progress billings	(16,373,423)	(13,797,963)	(11,645,283)
Net balance sheet position for construction in progress	<u>\$ 1,269,469</u>	<u>\$ 1,336,110</u>	<u>\$ 1,177,618</u>
Presented as:			
Receivables from customers on construction contracts	\$ 2,284,687	\$ 2,354,614	\$ 2,027,052
Payables to customers on construction contracts	(1,015,218)	(1,018,504)	(849,434)
	<u>\$ 1,269,469</u>	<u>\$ 1,336,110</u>	<u>\$ 1,177,618</u>
Retentions relating to construction contracts	<u>\$ 35,558</u>	<u>\$ 35,355</u>	<u>\$ 18,151</u>
Advances received before the related construction work is performed	<u>\$ 139,022</u>	<u>\$ 62,031</u>	<u>\$ 287,136</u>

(7) Financial assets at cost-non-current/ prepayments to long-term investments

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Non-current items:			
Taiwan Intelligent Fiber Optic Network Co., Ltd.	\$ 44,024	\$ 44,024	\$ 44,024
Ares Green Technology Corp.	43,481	43,481	43,481
Taiwan Puritic Corp.	39,287	39,287	39,287
Calitech Co., Ltd.	38,675	38,675	38,675
VEEV Interactive Pte. Ltd.	25,243	25,243	28,243
H&D Venture Capital Investment Corp.	20,000	20,000	20,000
Civil Tech Pte. Ltd.	19,500	19,500	19,500
ProbeLeader Co., Ltd.	14,490	14,490	14,490
IP Fund Six Co., Ltd.	10,000	10,000	10,000
H&H Venture Capital Investment Corp.	6,840	12,000	12,000
SOPOWER Technology Corp.	4,500	4,500	19,500
Others (companies individually not exceeding \$10,000)	<u>27,627</u>	<u>21,827</u>	<u>27,558</u>
Total	<u>\$ 293,667</u>	<u>\$ 293,027</u>	<u>\$ 316,758</u>
Prepayments to long-term investments (listed as ‘other non-current assets’)			
Innorich Venture Capital Corp.	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>

A. According to 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. The Group classified those stocks as ‘financial assets measured at cost – non-current’.

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

(8) Investments accounted for using the equity method

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

	<u>June 30, 2015</u>		<u>December 31, 2014</u>	
	<u>Carrying amount</u>	<u>% interest held</u>	<u>Carrying amount</u>	<u>% interest held</u>
Glory Technology Service Inc.	\$ 28,063	40%	\$ 29,082	40%
Leader Fortune Enterprise Co., Ltd.	7,101	31.43%	7,546	31.43%
Frontken MIC Co. Limited	3,364	40%	4,565	40%
MIC Techno Co., Ltd.	1,750	20%	2,069	20%
True Victor International Limited	273	38.57%	315	38.57%
MICT International Limited (Note 2)	-	-	12,632	50%
Total	<u>\$ 40,551</u>		<u>\$ 56,209</u>	

	<u>June 30, 2014</u>	
	<u>Carrying amount</u>	<u>% interest held</u>
Glory Technology Service Inc.	\$ 28,692	40%
MICT International Limited	14,515	50%
Frontken MIC Co. Limited	4,783	40%
Leader Fortune Enterprise Co., Ltd.	6,876	31.43%
Hoa Phong Marketech Co., Ltd.(Note 1)	7,899	40%
MIC Techno Co., Ltd.	2,101	20%
True Victor International Limited	806	38.57%
Total	<u>\$ 65,672</u>	

Note 1: The Group originally held 40% share ownership of Hoa Phong Marketech Co., Ltd. (Hoa Phong MIC). The stockholders who held the remaining 60% of share ownership surrendered their shares in August 2014 and registered the change in October 2014. As the Group holds all voting rights in Hoa Phong MIC, it is included in the consolidated entities.

Note 2: The Group originally held 50% of share ownership of MICT International Limited (MICT) and obtained the remaining 50% of share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited, it has been included in the consolidated financial statements effective March 2015.

B. Associates

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

	Three-month periods ended June 30,	
	2015	2014
Profit (loss) for the period from continuing operations	\$ 1,219	(\$ 1,853)
Other comprehensive loss-net of tax	(480)	(1,512)
Total comprehensive income (loss)	<u>\$ 739</u>	<u>(\$ 3,365)</u>

	Six-month periods ended June 30,	
	2015	2014
Profit (loss) for the period from continuing operations	\$ 1,366	(\$ 16,237)
Other comprehensive loss-net of tax	(833)	(1,330)
Total comprehensive income (loss)	<u>\$ 533</u>	<u>(\$ 17,567)</u>

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
At January 1, 2015						
Cost	\$ 205,438	\$ 1,780,749	\$ 612,043	\$ 169,741	\$ 34,703	\$ 2,802,674
Accumulated depreciation	-	(693,862)	(501,053)	(131,365)	(14,918)	(1,341,198)
Book value	<u>\$ 205,438</u>	<u>\$ 1,086,887</u>	<u>\$ 110,990</u>	<u>\$ 38,376</u>	<u>\$ 19,785</u>	<u>\$ 1,461,476</u>
<u>Six-month period ended June 30, 2015</u>						
Opening net book amount	\$ 205,438	\$ 1,086,887	\$ 110,990	\$ 38,376	\$ 19,785	\$ 1,461,476
Additions	-	11,423	1,508	9,136	(7,910)	14,157
Acquired from business combination	-	-	26,439	368	3,820	30,627
Disposals	-	-	(147)	(198)	(126)	(471)
Depreciation	-	(31,182)	(13,446)	(7,327)	(659)	(52,614)
Net exchange differences	-	(6,005)	618	(775)	(1,984)	(8,146)
Closing net book amount	<u>\$ 205,438</u>	<u>\$ 1,061,123</u>	<u>\$ 125,962</u>	<u>\$ 39,580</u>	<u>\$ 12,926</u>	<u>\$ 1,445,029</u>
At June 30, 2015						
Cost	\$ 205,438	\$ 1,782,595	\$ 645,883	\$ 169,751	\$ 27,494	\$ 2,831,161
Accumulated depreciation	-	(721,472)	(519,921)	(130,171)	(14,568)	(1,386,132)
Book value	<u>\$ 205,438</u>	<u>\$ 1,061,123</u>	<u>\$ 125,962</u>	<u>\$ 39,580</u>	<u>\$ 12,926</u>	<u>\$ 1,445,029</u>

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
At January 1, 2014						
Cost	\$ 205,438	\$ 1,761,682	\$ 627,643	\$ 171,113	\$ 22,199	\$ 2,788,075
Accumulated depreciation	-	(620,661)	(501,127)	(131,293)	(15,042)	(1,268,123)
Book value	<u>\$ 205,438</u>	<u>\$ 1,141,021</u>	<u>\$ 126,516</u>	<u>\$ 39,820</u>	<u>\$ 7,157</u>	<u>\$ 1,519,952</u>
<u>Six-month period ended</u>						
<u>June 30, 2014</u>						
Opening net book amount	\$ 205,438	\$ 1,141,021	\$ 126,516	\$ 39,820	\$ 7,157	\$ 1,519,952
Additions	-	560	2,495	5,251	2,010	10,316
Disposals	-	-	(294)	(405)	(89)	(788)
Depreciation	-	(34,110)	(14,544)	(7,078)	(290)	(56,022)
Net exchange differences	-	(3,336)	(1,339)	(326)	(38)	(5,039)
Closing net book amount	<u>\$ 205,438</u>	<u>\$ 1,104,135</u>	<u>\$ 112,834</u>	<u>\$ 37,262</u>	<u>\$ 8,750</u>	<u>\$ 1,468,419</u>
At June 30, 2014						
Cost	\$ 205,438	\$ 1,757,204	\$ 616,375	\$ 168,229	\$ 22,769	\$ 2,770,015
Accumulated depreciation	-	(653,069)	(503,541)	(130,967)	(14,019)	(1,301,596)
Book value	<u>\$ 205,438</u>	<u>\$ 1,104,135</u>	<u>\$ 112,834</u>	<u>\$ 37,262</u>	<u>\$ 8,750</u>	<u>\$ 1,468,419</u>

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.

(10) Short-term borrowings

	<u>June 30, 2015</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Unsecured borrowing	\$ 1,388,935	1.1%~6.16%	None
Mortgage loan	<u>124,713</u>	1.24%~3.08%	Buildings and time
	<u>\$ 1,513,648</u>		deposits
	<u>December 31, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Unsecured borrowing	\$ 864,869	1.1%~7.28%	None
Mortgage loan	<u>88,937</u>	1.19%~7.2%	Buildings and time
	<u>\$ 953,806</u>		deposits
	<u>June 30, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Unsecured borrowing	\$ 779,358	1.1%~7.28%	None
Mortgage loan	<u>202,255</u>	1.19%~7.2%	Buildings and time
	<u>\$ 981,613</u>		deposits

Details of pledged assets for the loan are provided in Note 8.

(11) Other payables

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Dividends payable	\$ 330,140	\$ -	\$ 181,562
Salaries and bonus payable	251,418	289,054	227,298
Accrued employees' bonus and directors' and supervisors' remuneration	48,553	38,221	42,641
Others	<u>58,822</u>	<u>67,815</u>	<u>52,153</u>
Total	<u>\$ 688,933</u>	<u>\$ 395,090</u>	<u>\$ 503,654</u>

(12) Advance receipts

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Sales revenue received in advance	\$ 434,619	\$ 535,760	\$ 515,003
Others	<u>25,881</u>	<u>47,619</u>	<u>77,004</u>
Total	<u>\$ 460,500</u>	<u>\$ 583,379</u>	<u>\$ 592,007</u>

(13) Long-term borrowings

	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>June 30, 2015</u>
<u>Bank borrowings</u>				
Mortgage loan	Borrowing period is from August 20, 2007 to August 20, 2017; interest is repayable monthly; principal is repayable from January 2008.	3.68%	Buildings	\$ 3,591
Less:current portion (listed as other current liabilities-others)				(1,559)
				<u>\$ 2,032</u>

	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2014</u>
<u>Bank borrowings</u>				
Mortgage loan	Borrowing period is from August 20, 2007 to August 20, 2017; interest is repayable monthly; principal is repayable from January 2008.	1.75%	Buildings	\$ 4,576
Less:current portion (listed as other current liabilities-others)				(1,646)
				<u>\$ 2,930</u>

	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2014
<u>Bank borrowings</u>				
Mortgage loan	Borrowing period is from August 20, 2007 to August 20, 2017; interest is repayable monthly; principal is repayable from January 2008.	1.35~ 1.75%	Buildings	\$ 5,389
	Less: current portion (listed as other current liabilities-others)			(1,634)
				<u>\$ 3,755</u>

- A. The Group has no long-term bank borrowings with interest that was past due.
- B. The Group has not signed any unsecured borrowing facility contract which requires the Group to meet specified levels for certain financial ratios as per financial statements.
- C. The Group has the following undrawn borrowing facilities:

	June 30, 2015	December 31, 2014	June 30, 2014
Floating rate:			
Expiring beyond one year	\$ 900,000	\$ 900,000	\$ 900,000
Fixed rate:			
Expiring beyond one year	10,645	10,266	9,448
	<u>\$ 910,645</u>	<u>\$ 910,266</u>	<u>\$ 909,448</u>

- D. Details of pledged assets are provided in Note 8.

(14) 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.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$1,075, \$1,028, \$1,771 and \$2,057 for the three-month and six-month periods ended June 30, 2015 and 2014, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2016 amounts to \$5,354.
- B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have 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 and its domestic subsidiaries contribute 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 defined contribution pension plans of the Group for the three-month and six-month periods ended June 30, 2015 and 2014, were \$20,025, \$19,476, \$39,322 and \$35,631, respectively.

(15) Share-based payment

The Company's compensatory stock options are set at the closing price of the Company's ordinary shares at December 31, 2007 and June 13, 2008. After the issuance of stock options, if the amount of the Company's ordinary shares is changed, the price of stock options shall be adjusted according to the specified formula. The stock option life is 6 years, 50% can be vested after 2 years' service; 70% can be vested after 3 years' service; and 100% can be vested after 4 years' service.

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

	Six-month periods ended June 30,			
	2015		2014	
	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	-	\$ -	130	\$ 16.00
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options exercised	-	-	(13)	16.00
Options forfeited	-	-	(117)	16.00
Options outstanding at end of the period	-	(Note)	-	(Note)
Options exercisable at end of the period	-	(Note)	-	(Note)

Note: The Company's compensatory stock options were all expired on June 12, 2014.

- B. The weighted-average stock price of stock options at exercise dates for the three-month and six-month periods ended June 30, 2014, was \$23.82 and \$21.95 (in dollars), respectively.

(16) Share capital

- A. To increase the Company's working capital, the Company has exercised employees' stock options during 2014. The capital increase was approved by the Financial Supervisory Commission (FSC). The registration was completed in April 2014.
- B. As of June 30, 2015, the Company's authorized capital was \$2,500,000, consisting of 250,000 thousand shares of ordinary stock (including 9,800 thousand shares reserved for employee stock options), and the paid-in capital was \$1,650,698 with a par value of \$10 (in dollars) per share amounting to 165,069,756 shares. All proceeds from shares issued have been collected.

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

	Six-month periods ended June 30,	
	2015	2014
At January 1	165,069,756	165,056,756
Share-based payment	-	13,000
At June 30	<u>165,069,756</u>	<u>165,069,756</u>

- C. On December 24, 2014, the Board of Directors have resolved to issue employee stock options of 4,000 thousand units. The subscription price of employee stock options on the issuance date was based on the closing price of the Company's ordinary shares. The aforementioned employee stock options have been approved by the FSC on July 15, 2015.

(17) 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 Law 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 and movements in capital surplus are as follows:

	Six-month period ended June 30, 2015			Total
	Share Premium	Employee Stock options	Expired Stock options	
At January 1, 2015	\$ 616,003	\$ -	\$ 351	\$ 616,354
At June 30, 2015	<u>\$ 616,003</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 616,354</u>

	Six-month period ended June 30, 2014			
	Share Premium	Employee Stock options	Expired Stock options	Total
At January 1, 2014	\$ 615,925	\$ 351	\$ -	\$ 616,276
Employee stock options exercised	78	-	-	78
Employee stock options that were past due and not exercised have been transferred and expired options have been recognised	-	(351)	351	-
At June 30, 2014	<u>\$ 616,003</u>	<u>-</u>	<u>\$ 351</u>	<u>\$ 616,354</u>

There was no change during January 1, 2015 to June 30, 2015.

(18) 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. Stock dividends should be appropriated at a rate of 10% per annum. The remainder, if any, 1% shall be appropriated as the directors' and supervisors' remuneration and 1%~15% shall be appropriated as the employees' bonus. The remaining along with the prior years' unappropriated earnings are resolved by the Board of Directors and proposed to the stockholders for appropriation or reserve.
- B. In accordance with the revised Articles 235, 240 and newly added Article 235-1 of the Company Act effective May 20, 2015, dividend and bonus (earnings distribution) are paid only for shareholders. Earnings are not distributed to employees. The Articles of Incorporation shall include that profits for the year shall be distributed as remuneration to employees at a certain ratio. Due to procedure restrictions to revising the current Articles of Incorporation, the Company has not revised policy to distribute employees' remuneration, employees' remuneration are accrued based on the current Articles of Incorporation. The Company expects to revise the Company's Articles of Incorporation in 2016 based on the amended Company Act.
- C. 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.
- D. 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.
- E.(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.

F. For the three-month and six-month periods ended June 30, 2015 and 2014, employees' bonus and directors' and supervisors' remuneration are accrued as follows:

	Three-month periods ended June 30,	
	2015	2014
Employees' bonus	\$ 7,476	\$ 3,242
Directors' and supervisors' remuneration	710	327
	<u>\$ 8,186</u>	<u>\$ 3,569</u>

	Six-month periods ended June 30,	
	2015	2014
Employees' bonus	\$ 8,922	\$ 13,774
Directors' and supervisors' remuneration	856	1,391
	<u>\$ 9,778</u>	<u>\$ 15,165</u>

Employees' bonus and directors' and supervisors' remuneration for the three-month and six-month periods ended June 30, 2015 and 2014 were accrued based on unaudited earnings for those periods as well as legal reserve and others. The basic accrual is within the percentage stated in the Company's Articles of Incorporation (10% for employees' bonus and 1% for directors' and supervisors' remuneration for both 2014 and 2013). The calculation of bonus distributed for stocks is based on the closing price at one day before the annual stockholders' meeting and considers the effect of ex-right and ex-dividend. Bonus distribution is recognised as operating expense. However, if the amount differs from the actual appropriation amount approved by the stockholders, the difference is recognised as profit or loss during the years they have obtained stockholders' approval.

G.(a) Details of 2014 and 2013 earnings appropriation resolved by the stockholders on May 28, 2015 and June 12, 2014, respectively are as follows:

	2014		2013	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 38,454	\$ -	\$ 22,261	\$ -
Cash dividends	<u>330,140</u>	2.0	<u>181,562</u>	1.1
Total	<u>\$ 368,594</u>		<u>\$ 203,823</u>	

Note: The earnings of 2014 distributed as employees' cash bonus of \$34,715 and directors' and supervisors' remuneration of \$3,461 were approved by the Board of Directors. The difference of \$46 between the amount recognised in the 2014 financial statements was

adjusted as an increase to profit or loss in 2015. The earnings of 2013 distributed as employees' cash bonus of \$24,919 and directors' and supervisors' remuneration of \$2,003 was approved by the stockholders. The difference of \$94 between the amount recognised in the 2013 financial statements was adjusted as an increase to profit or loss in 2014.

The abovementioned earnings distribution of 2014 and 2013 were the same as the amounts proposed by the Board of Directors on February 24, 2015, March 7, 2014 and April 9, 2014, respectively.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration for 2014 and 2013 by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(19) Operating revenue

	Three-month periods ended June 30,	
	2015	2014
Construction revenue	\$ 2,461,104	\$ 1,774,195
Sales revenue	1,849,796	1,361,371
Other operating revenue	295,526	245,268
Total	<u>\$ 4,606,426</u>	<u>\$ 3,380,834</u>
	Six-month periods ended June 30,	
	2015	2014
Construction revenue	\$ 4,507,435	\$ 3,164,693
Sales revenue	3,208,829	2,999,508
Other operating revenue	585,818	457,693
Total	<u>\$ 8,302,082</u>	<u>\$ 6,621,894</u>

(20) Other gains and losses

	Three-month periods ended June 30,	
	2015	2014
Net gains(loss) on financial assets at fair value through profit or loss	\$ 1,180	(\$ 816)
Loss on disposal of investments	(769)	-
Exchange gain (loss)	7,510	(14,236)
Other losses	(182)	(1,227)
Total	<u>\$ 7,739</u>	<u>(\$ 16,279)</u>

	Six-month periods ended June 30,	
	2015	2014
Net gains on financial assets at fair value through profit or loss	\$ 1,887	\$ 243
Loss (gain) on disposal of investments	(420)	1,742
Exchange loss	(26,040)	(3,295)
Other losses	(5,044)	(2,598)
Total	<u>(\$ 29,617)</u>	<u>(\$ 3,908)</u>

(21) Employee benefit expense, depreciation and amortisation

	Three-month period ended June 30, 2015		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 148,343	\$ 188,914	\$ 337,257
Labour and health insurance fees	14,165	12,767	26,932
Pension costs	10,648	10,452	21,100
Other employee benefit expense	5,691	4,555	10,246
Depreciation	17,141	9,527	26,668
Amortisation	1,486	4,413	5,899
	Three-month period ended June 30, 2014		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 127,357	\$ 168,379	\$ 295,736
Employee stock options exercised			
Labour and health insurance fees	13,586	12,911	26,497
Pension costs	10,257	10,247	20,504
Other employee benefit expense	4,383	4,263	8,646
Depreciation	18,086	9,535	27,621
Amortisation	898	4,119	5,017

	<u>Six-month period ended June 30, 2015</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 287,183	\$ 362,627	\$ 649,810
Labour and health insurance fees	28,624	26,639	55,263
Pension costs	20,799	20,294	41,093
Other employee benefit expense	9,564	10,865	20,429
Depreciation	34,483	18,131	52,614
Amortisation	2,753	8,788	11,541

	<u>Six-month period ended June 30, 2014</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 251,460	\$ 335,732	\$ 587,192
Labour and health insurance fees	24,523	26,276	50,799
Pension costs	17,524	20,164	37,688
Other employee benefit expense	8,408	9,379	17,787
Depreciation	36,732	19,290	56,022
Amortisation	1,740	8,261	10,001

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three-month periods ended June 30,	
	2015	2014
Current tax		
Current tax on profits for the period	\$ 17,386	\$ 24,806
Additional 10% tax on undistributed earnings	2,364	1,879
Adjustments in respect of prior years	1,966	(2,037)
Total current tax	21,716	24,648
Deferred tax		
Origination and reversal of temporary differences	2,888	(16,793)
Income tax expense	<u>\$ 24,604</u>	<u>\$ 7,855</u>

	Six-month periods ended June 30,	
	2015	2014
Current tax		
Current tax on profits for the period	\$ 48,631	\$ 48,118
Additional 10% tax on undistributed earnings	2,364	1,879
Adjustments in respect of prior years	2,704	(1,774)
Total current tax	53,699	48,223
Deferred tax		
Origination and reversal of temporary differences	(21,723)	(14,684)
Income tax expense	<u>\$ 31,976</u>	<u>\$ 33,539</u>

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

	Three-month periods ended June 30,	
	2015	2014
Currency translation differences	<u>\$ 4,872</u>	<u>\$ 4,060</u>

	Six-month periods ended June 30,	
	2015	2014
Currency translation differences	<u>\$ 8,190</u>	<u>\$ 3,183</u>

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

	<u>Assessment</u>
The Company	Through 2013
eZoom Information, Inc.	Through 2013

C. Unappropriated retained earnings:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Earnings generated in and before 1997	\$ -	\$ -	\$ -
Earnings generated in and after 1998	1,192,788	1,467,273	1,230,316
	<u>\$ 1,192,788</u>	<u>\$ 1,467,273</u>	<u>\$ 1,230,316</u>

D. As of June 30, 2015, December 31, 2014 and June 30, 2014, the balance of the imputation tax credit account was \$398,294, \$324,023, and \$345,810, respectively. The creditable tax rate was 27.15% for 2014 and is estimated to be 26.96% for 2015.

(23) Earnings per share

	<u>Three-month period ended June 30, 2015</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 78,653	165,070	\$ 0.48
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus		1,248	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 78,653	166,318	\$ 0.47

Three-month period ended June 30, 2014

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 37,938	165,069	\$ 0.23
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive Employees' bonus		<u>1,448</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 37,938</u>	<u>166,517</u>	<u>\$ 0.23</u>

Six-month period ended June 30, 2015

	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 94,109	165,070	\$ 0.57
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive Employees' bonus		<u>1,468</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 94,109</u>	<u>166,538</u>	<u>\$ 0.57</u>

	Six-month period ended June 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 155,278	165,064	\$ 0.94
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive Employees' bonus		1,535	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 155,278	166,599	\$ 0.93

(24) Operating leases

Details are provided in Note 9(1).

(25) Business combinations

- A. The Group originally held 50% share ownership of MICT International Limited (MICT) and obtained the remaining 50% of share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited, it is included in the consolidated entities with its subsidiary since March 2015.
- B. The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interests in MICT:

	March 3, 2015
Purchase consideration	
Cash	\$ 12,453
Fair value of interests in MICT on the acquisition date that had been owned prior to the acquisition	11,670
	<u>\$ 24,123</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Investments accounted for using equity method	\$ 23,340
Total identifiable net assets	<u>\$ 23,340</u>
Goodwill	<u>\$ 783</u>

- C. The Group recognised a gain of \$349 as a result of measuring at fair value its 50% equity interest in MICT held before the business combination.

D. The operating revenue included in the consolidated statement of comprehensive income since March 2014 until June 30, 2015 contributed by MICT and its subsidiary was \$3,834. MICT and its subsidiary also contributed loss before income tax of \$3,800 over the same period. Had MICT and its subsidiary been consolidated starting from January 1, 2015, the consolidated statement of comprehensive income would show operating revenue of \$8,303,557 and profit before income tax of \$123,170 for the six-month period ended June 30, 2015.

(26) Supplemental cash flow information

The Group's financing activities with no impact to cash flow for the six-month periods ended June 30, 2015 and 2014 were payables for cash dividends (shown as 'other payables') of \$330,140 and \$181,562, respectively.

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Sales of goods and services

	<u>Three-month periods ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods		
Entities controlled by key management or entities with significant influence	\$ 60,136	\$ 18,313
Other related parties	1,523	439
Total	<u>\$ 61,659</u>	<u>\$ 18,752</u>

	<u>Six-month periods ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods		
Entities controlled by key management or entities with significant influence	\$ 72,275	\$ 49,076
Other related parties	1,523	439
Total	<u>\$ 73,798</u>	<u>\$ 49,515</u>

Prices to related parties and third parties are based on normal sales transactions and sales are collected 2 to 3 months after the completion of transactions.

B. Acquisition of goods and services

	<u>Three-month periods ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Outsourcing construction costs		
Entities controlled by key management or entities with significant influence	<u>\$ 2,179</u>	<u>\$ 22,822</u>

	Six-month periods ended June 30,	
	2015	2014
Outsourcing construction costs		
Entities controlled by key management or entities with significant influence	\$ <u>12,550</u>	\$ <u>46,087</u>

The outsourcing construction costs paid to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the payment terms to related parties are approximately the same to third parties, which is about 2 months after inspection of constructions depending on the construction contracts or individual agreements.

C. Receivables from related parties

(a) Notes receivable

	June 30, 2015	December 31, 2014	June 30, 2014
Entities controlled by key management or entities with significant influence	\$ <u>212</u>	\$ <u>534</u>	\$ <u>31,029</u>

(b) Accounts receivable

	June 30, 2015	December 31, 2014	June 30, 2014
Entities controlled by key management or entities with significant influence	\$ 76,119	\$ 3,566	\$ 7,018
Associates	-	4,710	446
Other related parties	-	1,261	439
Subtotal	76,119	9,537	7,903
Less: allowance for bad debts	(1,580)	(88)	(66)
Total	\$ <u>74,539</u>	\$ <u>9,449</u>	\$ <u>7,837</u>

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.

D. Payables to related parties

Accounts payable

	June 30, 2015	December 31, 2014	June 30, 2014
Entities controlled by key management or entities with significant influence	\$ 19,680	\$ 20,020	\$ 13,698
Other related parties	1,414	3,816	194
Total	\$ <u>21,094</u>	\$ <u>23,836</u>	\$ <u>13,892</u>

The outsourcing construction costs paid to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the payment terms to related parties are approximately the same to third parties, which is about 2 months after inspection of constructions depending on the construction contracts or individual agreements.

E. Endorsements and guarantees provided to related parties

As of June 30, 2015, December 31, 2014 and June 30, 2014, the balance of outstanding endorsement/guarantee is as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Associates	\$ -	\$ -	\$ 80,155

(2) Key management compensation

	<u>Three-month periods ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Salaries and other short-term employee benefits	\$ 8,726	\$ 7,740

	<u>Six-month periods ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Salaries and other short-term employee benefits	\$ 16,622	\$ 16,685

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>	
Time deposits (recorded as 'other current assets')	\$ 51,702	\$ 90,098	\$ 74,398	Guarantee for bank's borrowing facility
Refundable deposits (recorded as 'other current assets')	33,502	41,240	54,211	Bid bond and performance guarantee
Buildings (recorded as 'Property, plant and equipment')	173,371	184,492	179,543	Guarantee for bank's borrowing facility
	<u>\$ 258,575</u>	<u>\$ 315,830</u>	<u>\$ 308,152</u>	

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 \$33,944, \$29,127, \$60,562 and \$52,509 for these leases in profit or loss for the three-month and six-month periods ended June 30, 2015 and 2014, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Not later than one year	\$ 52,845	\$ 46,422	\$ 41,084
Later than one year but not later than five years	70,080	40,932	37,454
Later than five years	<u>33,782</u>	<u>36,412</u>	<u>35,340</u>
Total	<u>\$ 156,707</u>	<u>\$ 123,766</u>	<u>\$ 113,878</u>

(2) As of June 30, 2015, the notes and letters of guarantee used for construction performance and custom security amounted to \$1,245,194.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the proposal for revising the Company's Articles of Incorporation to distribute remuneration to directors and supervisors and remuneration to employees as resolved by the Board of Directors on August 3, 2015 and yet to be approved by the shareholders, the Company shall appropriate 1% of earnings, if any, as remuneration to directors and supervisors, and 1% to 15% of the remainder as remuneration to employees. However, if the Company has accumulated deficit, earnings should be retained to cover losses.

12. OTHERS

(1) Capital risk management

The Group's main objective when managing capital is to maintain an optimal credit ranking and capital ratio to support the operation and to maximize stockholders' equity.

(2) Financial instruments

A. Fair value information of financial instruments

There was no significant change during the period. Please refer to Note 12 of the 2014 consolidated financial statements.

B. Financial risk management policies

There was no significant change during the period. Please refer to Note 12 of the 2014 consolidated financial statements.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.
- 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, SGD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2015							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Sensitivity analysis		
					Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$ 30,301	30.86	\$ 935,094	1%	\$ 9,351	\$	-
USD : RMB	14,772	6.2057	454,321	1%	4,543		-
EUR : NTD	3,858	34.46	132,954	1%	1,330		-
EUR : USD	1,797	1.12	61,911	1%	619		-
JPY : NTD	305,669	0.2524	77,151	1%	772		-
USD : SGD	1,370	1.3441	42,264	1%	423		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 5,642	30.86	\$ 174,099	1%	\$ 1,741	\$	-
USD : RMB	26,301	6.2057	811,656	1%	8,117		-
USD : SGD	2,285	1.3441	70,525	1%	705		-
JYP : SGD	173,829	0.2524	43,874	1%	439		-

December 31, 2014							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$ 22,813	31.65	\$ 722,029	1%	\$ 7,220	\$	-
USD : RMB	11,072	6.2175	350,443	1%	3,504		-
EUR : NTD	3,242	38.47	124,710	1%	1,247		-
EUR : USD	2,033	1.22	78,224	1%	782		-
JPY : NTD	291,488	0.2646	77,128	1%	771		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 5,213	31.65	\$ 164,981	1%	\$ 1,650	\$	-
USD : RMB	28,225	6.2157	893,307	1%	8,933		-
JPY : NTD	173,768	0.2646	45,979	1%	460		-
June 30, 2014							
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$ 21,534	29.865	\$ 643,105	1%	\$ 6,431	\$	-
USD : RMB	10,031	6.2078	299,583	1%	2,996		-
EUR : USD	3,315	1.37	135,187	1%	1,352		-
JPY : NTD	505,105	0.2946	148,804	1%	1,488		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 1,827	29.865	\$ 54,572	1%	\$ 546	\$	-
USD : RMB	21,667	6.2078	647,070	1%	6,471		-
USD : SGD	1,205	1.248	35,980	1%	360		-

- 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-month period ended June 30, 2015				
Exchange gain (loss)				
Foreign currency				
	Amount			Book
	(In thousands)	Exchange rate		value (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : RMB	\$ 797	6.2057	\$	3,935
EUR : USD	69	1.12		2,373
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : RMB	(\$ 674)	6.2057	(\$	3,268)
Three-month period ended June 30, 2014				
Exchange gain (loss)				
Foreign currency				
	Amount			Book
	(In thousands)	Exchange rate		value (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$ -	29.865	(\$	12,046)
EUR : USD	(67)	1.37	(2,079)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : RMB	\$ 585	6.2078	\$	2,967
Six-month period ended June 30, 2015				
Exchange gain (loss)				
Foreign currency				
	Amount			Book
	(In thousands)	Exchange rate		value (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : RMB	\$ 1,162	6.2057	\$	5,778
EUR : USD	(508)	1.12	(15,687)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : RMB	(\$ 1,862)	6.2057	(\$	9,259)

	Six-month period ended June 30, 2014		
	Exchange gain (loss)		
	Foreign currency Amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ -	29.865	(\$ 5,892)
EUR : USD	85	1.37	2,540
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	(\$ 1,121)	6.2078	(\$ 5,392)

Price risk

- The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet at fair value through profit or loss.
- The Company'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, profit for the six-month periods ended June 30, 2015 and 2014 would have increased/decreased by \$127 and \$116, as a result of gains/losses on equity securities classified as at fair value through profit or loss. For the six-month periods ended June 30, 2015 and 2014, the amount reduced from adjustments in equity and included in profit or loss was \$0 and \$1,512, respectively.

Interest rate risk

- The Group's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Changes in market interest rate will change effective interest rates of bank borrowings and thus fluctuate future cash flow. As the Group's operating capital is sufficient and risk is mostly offset by cash and cash equivalents held at variable rates, the Group has assessed there is no significant interest rate shift in cash flow risk.
- The Group analyses its interest rate exposure. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.
- Under the Group's simulation analysis result of interest risk, if the interest rate had increased/decreased by 1% with all other variables held constant, profit for the six-month periods ended June 30, 2015 and 2014 would have increased/ decreased by \$12,593 and \$8,192, respectively.

(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. Described as follows:
 - The Group has assessed the credit status of counterparties when selling 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.
 - 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.
 - 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.
 - For banks and financial institutions, only rated parties with good ratings are accepted.
 - 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.
- ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is calculated from the invoice date as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
Up to 90 days	\$ 1,206,196	\$ 1,013,232	\$ 571,912

- iv. Movement analysis of accounts receivable (including related parties) that were impaired is as follows:
 - a. As of June 30, 2015, December 31, 2014 and June 30, 2014, the Group's accounts receivable that were impaired amounted to \$ 2,171,351, \$2,078,861 and \$1,833,209, and allowance for bad debt was accrued as \$330,138, \$310,475 and \$318,698, respectively.
 - b. Movements on the Group's provision for impairment of accounts receivable are as

	Six-month period ended June 30, 2015		
	Individual provision	Group provision	Total
At January 1	\$ 175,381	\$ 135,094	\$ 310,475
Reversal of impairment during the period	33,514	2,537	36,051
Write-offs during the period	(12,941)	-	(12,941)
Transfer during the period	39,768	(39,768)	-
Effect of exchange rate	(1,978)	(1,469)	(3,447)
At June 30	<u>\$ 233,744</u>	<u>\$ 96,394</u>	<u>\$ 330,138</u>

	Six-month period ended June 30, 2014		
	Individual provision	Group provision	Total
At January 1	\$ 173,630	\$ 131,303	\$ 304,933
Reversal of impairment during the period	13,234	17,715	30,949
Write-offs during the period	(13,992)	-	(13,992)
Transfer during the period	13,913	(13,913)	-
Effect of exchange rate	(1,682)	(1,510)	(3,192)
At June 30	<u>\$ 185,103</u>	<u>\$ 133,595</u>	<u>\$ 318,698</u>

- v. The credit quality of accounts receivable that were neither past due nor impaired was in the following categories based on the Group's Credit Quality Control Policy:

	June 30, 2015	December 31, 2014	June 30, 2014
Type A	\$ 4,761	\$ -	\$ 8,522
Type B	60,386	135,203	29,551
Type C	80,055	184,663	52,713
	<u>\$ 145,202</u>	<u>\$ 319,866</u>	<u>\$ 90,786</u>

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 has stable sales and optimal financials.

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

(c) Liquidity risk

- i. The Group invests in financial assets measured at fair 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 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

<u>June 30, 2015</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 1,513,648	\$ -	\$ -	\$ -
Notes payable (including related parties)	817,340	-	-	-
Accounts payable (including related parties)	2,857,952	-	-	-
Other payables	688,933	-	-	-
Long-term borrowings (including current portion)	1,559	1,620	412	-

Non-derivative financial liabilities

<u>December 31, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 953,806	\$ -	\$ -	\$ -
Notes payable (including related parties)	807,648	-	-	-
Accounts payable (including related parties)	3,382,915	-	-	-
Other payables	395,090	-	-	-
Long-term borrowings (including current portion)	1,646	1,668	1,262	-

Non-derivative financial liabilities

<u>June 30, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Notes payable (including related parties)	\$ 461,143	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,078,944	-	-	-
Other payables	503,654	-	-	-
Long-term borrowings (including current portion)	1,634	1,656	2,099	-

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A.

B. 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.

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 and liabilities at June 30, 2015, December 31, 2014 and June 30, 2014 is as follows:

<u>June 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 10,549	\$ -	\$ -	\$ 10,549

<u>December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 11,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,696</u>

<u>June 30, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 6,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,899</u>

D. All of our financial assets and securities are valued under fair market value (Level 1).

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 \$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 5.

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 material, 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 consist 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 six-month periods ended June 30, 2015 and 2014 is as follows:

Six-month period ended June 30, 2015

	Agency for equipment materials segment	Process system and mechatronic system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers revenue	\$ 1,625,573	\$ 5,166,810	\$ 1,478,681	\$ 31,018	\$ 8,302,082
Inter-segment revenue	26,282	23,742	8,374	2,775	61,173
Total segment revenue	<u>\$ 1,651,855</u>	<u>\$ 5,190,552</u>	<u>\$ 1,487,055</u>	<u>\$ 33,793</u>	<u>\$ 8,363,255</u>
Segment profit (loss)	<u>\$ 142,721</u>	<u>\$ 21,733</u>	<u>(\$ 10,754)</u>	<u>\$ 1,358</u>	<u>\$ 155,058</u>

Six-month period ended June 30, 2014

	Agency for equipment materials segment	Process system and mechatronic system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers revenue	\$ 1,472,102	\$ 3,884,733	\$ 1,238,973	\$ 26,086	\$ 6,621,894
Inter-segment revenue	24,275	20,699	748	4,318	50,040
Total segment revenue	<u>\$ 1,496,377</u>	<u>\$ 3,905,432</u>	<u>\$ 1,239,721</u>	<u>\$ 30,404</u>	<u>\$ 6,671,934</u>
Segment profit (loss)	<u>\$ 83,184</u>	<u>\$ 71,765</u>	<u>\$ 49,944</u>	<u>(\$ 3,457)</u>	<u>\$ 201,436</u>

(4) Reconciliation for segment income (loss)

Sales and service 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 six-month periods ended June 30, 2015 and 2014 is provided as follows:

	Six-month periods ended June 30,	
	2015	2014
Reportable segments income	\$ 153,700	\$ 204,893
Other reportable segments loss (gain)	1,358	(3,457)
Total segments	155,058	201,436
Other gains and losses	(30,023)	(15,740)
Gains (loss) on disposal of investments	(420)	1,742
Income before tax from continuing operations	<u>\$ 124,615</u>	<u>\$ 187,438</u>

MARKETECH INTERNATIONAL CORP.
AND SUBSIDIARIES

Loans to others

For the six-month period ended June 30, 2015

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 six-month period ended June 30, 2015 (Note 2)	Balance at June 30, 2015 (Note 6)	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Y	\$ 6,330	\$ -	\$ -	-	2	\$ -	Operations	\$ -	None	-	\$ 1,639,787	\$ 1,639,787	Note 4
1	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	Other receivables	Y	29,837	29,837	9,946	5.865	2	-	Operations	-	None	-	152,062	152,062	Note 5
1	MIC-Tech Electronics Engineering Corp.	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Other receivables	Y	2,270	2,238	1,740	6.16	2	-	Operations	-	None	-	152,062	228,093	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	Other receivables	Y	22,914	22,378	22,378	7.2	2	-	Operations	-	None	-	91,085	91,085	Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	40,736	-	-	-	2	-	Operations	-	None	-	91,085	136,628	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech (Shanghai) Corp. Ltd.	Other receivables	Y	45,828	44,756	44,756	7.2	2	-	Operations	-	None	-	91,085	136,628	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Integrated Manufacturing & Services Co., Ltd.	Other receivables	Y	7,459	7,459	4,973	6.5	2	-	Operations	-	None	-	91,085	136,628	Note 4 Note 5
3	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co. Ltd.	Other receivables	Y	34,810	34,810	34,810	5.885-6.16	2	-	Operations	-	None	-	127,868	191,802	Note 4 Note 5
4	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	31,650	30,860	30,860	4.896	2	-	Operations	-	None	-	471,816	707,723	Note 4

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

(1) The Company is '0'.

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

Note 2: Fill in the maximum outstanding balance of loans to others during the six-month period ended June 30, 2015.

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

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

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

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

(1) Limit on the accumulated balance of loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company is 60% of the net assets based on the latest financial statements of subsidiaries who receive the loans.

(2) For business transactions, limit on loans granted for a single party is the amount of the transactions.

(3) For short-term borrowings, limit on loans granted for a single party is 40% of the Company's net assets.

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

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

(1) Limit on the accumulated balance of loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company's mainland subsidiaries is 60% of the net assets based on the latest financial statements of the lending companies. The following (2) and (3) do not apply to the limit.

(2) For business transactions, limit on loans granted for a single party is the amount of the transactions.

(3) For short-term borrowings, limit on loans granted for a single party is 40% of the lending company's net assets.

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

Note 6: The ending balance is the amount resolved by the Board of Directors.

MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the six-month period ended June 30, 2015

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2015 (Note 5)	Outstanding endorsement/ guarantee amount at June 30, 2015 (Note 5)	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 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	\$ 2,049,734	\$ 110,775	\$ 46,290	\$ 46,290	-	1.13	\$ 4,099,468	Y	N	N	Note 3
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,049,734	454,242	454,242	258,705	-	11.08	4,099,468	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	3	2,049,734	438,339	306,762	206,762	-	7.48	4,099,468	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	3	2,049,734	827,375	827,375	642,477	-	20.18	4,099,468	Y	N	Y	Note 3
1	Hoa Phong Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	3	2,049,734	84,281	71,127	71,127	-	1.74	4,099,468	N	N	N	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,049,734	67,188	65,617	65,617	-	1.60	4,099,468	N	N	Y	Note 4

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

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
- (5) Mutual guarantee of the trade as required by the construction contract.
- (6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Limit on endorsements and guarantees stated in "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies":

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
- (2) Except for guarantees for contracting constructions, limit on the Company's accumulated endorsement/guarantee is the Company's net assets; limit on endorsement/guarantee to a single party is 50% of the Company's net assets. Limit on the total endorsement/guarantee of the Company and its subsidiaries as a whole is 1.5 times of the Company's net assets; limit on endorsement/guarantee to a single party is 75% of the Company's net assets.

Note 4: Limit on endorsements and guarantees of the Company's subsidiary - Hoa Phong Marketech Co., Ltd. and MIC-Tech Electronics Engineering Corp.:

- (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 accumulated endorsements and guarantees is the endorser company's net assets; limit on endorsement/guarantee to a single party is 50% of the endorser company's net assets. Limit on the total endorsement/guarantee of the endorser company and its subsidiaries as a whole is 1.5 times of the endorser company's net assets; limit on endorsement/guarantee to a single party is 75% of the endorser company's net assets.
- (3) Limit on endorsements and guarantees to a company of which the endorser company and the ultimate parent company directly or indirectly holds 90% or above of its share capital is 10 times of the endorser company's net assets and may not exceed 10% of the ultimate parent's net assets. However, the endorsements and guarantees of the ultimate parent to companies which it holds 100% of voting shares are not subject to the preceding and Note 4(2) limits. Nonetheless, limit is subject to paragraph 4.2 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies": (see above Note 3(2) details of the Company's endorsement/guarantee).

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

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

Note 7: 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 six-month period ended June 30, 2015

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					As of June 30, 2015					
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	\$ 8,541	-	\$ 8,541	None	
"	"	Solar Applied Materials Technology Corp.	"	"	50,000	1,155	-	1,155	"	
"	"	Aerospace Industrial Development Corp.	"	"	20,000	853	-	853	"	
					<u>\$ 10,549</u>			<u>\$ 10,549</u>		
"	Ordinary shares	Ares Green Technology Corp..	None	Financial assets measured at cost - non-current	2,632,293	\$ 43,481	7.96%	-	None	
"	"	Taiwan Puritic Corp.	"	"	5,207,049	39,287	13.58%	-	"	
"	"	Calitech Co., Ltd.	"	"	3,117,199	38,675	10.85%	-	"	
"	"	SOPOWER Technology Corp.	Entities controlled by key management or entities with significant influence	"	3,000,000	4,500	12.61%	-	"	
"	"	VEEV Interactive Pte. Ltd.	None	"	840,000	25,243	6.45%	-	"	
"	"	Taiwan Intelligent Fiber Optic Network Co.,Ltd.	"	"	3,868,261	44,024	2.03%	-	"	
"	"	H&D Venture Capital Investment Corp.	Entities controlled by key management or entities with significant influence	"	2,000,000	20,000	6.67%	-	"	
"	"	Civil Tech Pte. Ltd.	None	"	450,000	19,500	0.90%	-	"	
"	"	ProbeLeader Co., Ltd.	Entities controlled by key management or entities with significant influence	"	966,000	14,490	3.46%	-	"	
"	"	H&H Venture Capital Investment Corp.	None	"	684,000	6,840	4.17%	-	"	
"	"	Top Green Energy Technologies, Inc.	"	"	2,000,000	3,000	0.89%	-	"	
"	"	IP Fund Six Co., Ltd.	"	"	1,000,000	10,000	1.79%	-	"	
"	"	Taiwan Foresight Co., Ltd.	"	"	380,000	4,750	2.24%	-	"	
"	"	Long Time Technology Corp.	"	"	360,000	6,780	1.03%	-	"	
"	"	Paradigm Venture Capital Corp.	"	"	219,375	2,194	3.50%	-	"	
"	"	Taiwan Special Chemicals Corp.	"	"	901,333	9,013	0.78%	-	"	
"	"	BMR Technology Corp.	"	"	2,449,717	-	18.47%	-	"	
"	"	Atech Totalsolution Co., Ltd.	"	"	128,000	-	0.23%	-	"	
"	"	East Wind Life Science Systems	"	"	124,457	-	12.87%	-	"	
"	Preferred stock	Engenuity System, Inc.	"	"	833,334	-	Note 3	-	"	
"	"	ACM Research Inc.	"	"	266,667	-	"	-	"	
"	"	Applied Harmonics Corporation	"	"	237,179	-	"	-	"	
MIC-Tech (Shanghai) Corp. Ltd.	Ordinary shares	MIC-Tech (Beijing) Environment Co.	Entities controlled by key management or entities with significant influence	"	-	1,890	19.00%	-	"	Note 4
Total					<u>\$ 293,667</u>					

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 measure

Note 3: Holding preferred stock.

Note 4: The initial investment in the investee, MIC-Tech (Beijing) Environment Co., is translated at the exchange rate at June 30, 2015.

MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
For the six-month period ended June 30, 2015

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction	Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms	
0	Marketech International Corp.	Marketech Intergrated Pte. Ltd.	1	Accounts receivable	\$ 9,181	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.	0.08%
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	1	Accounts receivable	11,094		0.10%
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	1	Construction revenue	5,887		0.07%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Accounts receivable	8,114		0.07%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Sales revenue	11,342		0.14%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other receivables	6,759		0.06%
1	eZoom Information, Inc.	Marketech International Corp.	2	Services revenue	14,710		0.18%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Sales revenue	13,907		0.17%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	3	Other receivables	9,946		0.09%
4	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	30,860		0.26%
5	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	3	Other receivables	22,378	0.19%	
5	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech (Shanghai) Corp. Ltd.	3	Other receivables	44,756	0.38%	
6	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	3	Other receivables	34,810	0.30%	

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 six-month period ended June 30, 2015

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 June 30, 2015			Net profit (loss) of the investee for the six-month period ended June 30, 2015	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015 (note 1)	Footnote
				Balance as at June 30, 2015	Balance as at June 30, 2014	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	\$ 160,177	\$ 136,757	6,725,040	100	\$ 37,394	(\$ 21,438)	(\$ 21,438)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1,108,679	1,108,679	34,069,104	100	1,209,409	(61,279)	(60,512)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	15,909	13,327	109,336	100	5,907	(2,411)	(3,408)	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	40,565	119	119	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	39,619	54	54	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	9,139	9,139	379,597	100	6,106	(918)	(918)	The Company's subsidiary
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacturing, installation of automatic production equipment and its parts	62,000	-	200,000	100	57,828	301	301	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	35,437	(4,273)	(4,273)	The Company's subsidiary
Marketech International Corp.	Hoa Phong Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services	29,922	29,922	-	100	16,730	(1,741)	(1,741)	The Company's subsidiary
Marketech International Corp.	eZoom Information, Inc.	Taiwan	Research, trading and consulting of information system software and hardware appliance	57,737	29,737	6,200,000	100	27,128	(9,752)	(9,752)	The Company's subsidiary
Marketech International Corp.	Glory Technology Service Inc..	Taiwan	Sale and installation of information and communication equipment	20,000	20,000	2,000,000	40	28,063	6,650	2,660	The Company's investee accounted for using equity method

Table 5-1

Investor	Investee	Location	Main business activities	Initial investment amount (note2)		Shares held as at June 30, 2015			Net profit (loss) of the investee for the six-month period ended June 30, 2015	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015 (note 1)	Footnote
				Balance as at June 30, 2015	Balance as at June 30, 2014	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Investment holding and reinvestment	2,000	2,000	200,000	20	1,750	(1,595)	(319)	The Company's investee accounted for using equity method
Marketech International Corp.	True Victor International Limited	Virgin Islands	Investment holding and reinvestment	\$ 800	\$ 800	19,286	38.57	\$ 273	(\$ 87)	(\$ 34)	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	1,074,008	1,074,008	33,066,604	100	1,179,539	(61,275)	-	The investor's subsidiary
Marketech Integrated Pte Ltd.	Marketech International Sdn. Bhd.	Malaysia	Contracting for semiconductor automatic supply system	46,404	5,816	5,984,000	100	43,161	(2,056)	-	The investor's subsidiary
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Contracting for electrical installing construction	8,569	8,569	28,500	95	5,920	(935)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Investment holding and reinvestment	28,521	28,521	633,000	100	(17,540)	(7,998)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment holding and reinvestment	28,464	28,464	935,104	40	3,364	(2,754)	-	The investor's investee accounted for using equity method
MIC-Tech Ventures Asia Pacific Inc.	TPP-MIC Co., Limited	Hong Kong	Investment holding and reinvestment	6,025	6,025	180,000	60	104	(94)	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Investment holding and reinvestment	58,887	46,434	3,000,000	100	20,236	(5,245)	-	The investor's subsidiary (Note 3)
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Investment holding and reinvestment	8,990	8,990	303,000	31.43	7,101	(848)	-	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 June 30, 2015, the initial investment amounts of other investees are translated at the current rate as of the investment date.

Note 3: The Group originally held 50% of share ownership of MICT International Limited (MICT) and obtained the remaining 50% of share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited, it has been included in the consolidated financial reports since March 2015.

Company Name
Information on investments in Mainland China
For the six-month period ended June 30, 2015

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	amount of remittance from Taiwan to	Amount remitted from Taiwan to		amount of remittance from Taiwan to	Net income of investee as of June 30, 2015	held by the Company	(loss) recognised by the Company for the six-month	investments in Mainland China as of June 30,	amount of investment income	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	\$ 786,930	Note 1(2)	\$ 632,630	\$ -	\$ -	\$ 632,630	(\$ 34,778)	100	(\$ 34,486)	\$ 221,918	\$ -	Note 2 (2)B
MIC-Tech (Shanghai) Corp. Ltd.	Wholesale, commission agency, 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	254,317	Note 1(2)	15,430	-	-	15,430	6,678	100	6,678	319,669	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	9,258	Note 1(2)	9,258	-	-	9,258	(126)	100	(126)	(78)	-	Note 2 (2)B
Shanghai Puritic 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	12,344	Note 1(2)	18,609	-	-	18,609	(9,726)	80	(7,781)	(18,057)	-	Note 2 (2)B

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	amount of remittance from Taiwan to	Amount remitted from Taiwan to		amount of remittance from Taiwan to	Net income of investee as of June 30, 2015	held by the Company	(loss) recognised by the Company for the six-month	investments in Mainland China as of June 30,	amount of investment income	Footnote
MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction, specialized contracting for electrical installing construction, specialized contracting for electronic engineering, specialized contracting for petroleum and chemical equipment installation, specialized contracting for channel and guarantee for post construction and consulting service for related construction technology	\$ 358,562	Note 1(2)	\$ 167,261	\$ -	\$ -	\$ 167,261	(\$ 47,524)	100	(\$ 47,524)	\$ 380,156	\$ -	Note 2 (2)B
SKMIC(WUXI) CORP.	Design, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment	9,412	Note 1(2)	1,512	-	-	1,512	1,098	49	538	6,385	-	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	6,172	Note 1(2)	6,172	-	-	6,172	(218)	100	(218)	(2,552)	-	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	71,225	Note 1(2)	28,490	-	-	28,490	(2,671)	40	(1,068)	3,317	-	Note 2 (2)C
TPP-MIC (WuXi) Co., Ltd.	Technology and repair service of semiconductor equipment, self-operation and agency of import and export of various goods and technology	9,258	Note 1(2)	5,555	-	-	5,555	(94)	60	(56)	104	-	Note 2 (2)B, Note 4
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	92,580	Note 1(2)	46,290	-	-	46,290	(5,245)	100	(4,522)	19,466	-	Note 2 (2)B, Note 5
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, and consulting service for trading	\$ 46,290	Note 1(2)	\$ 46,290	\$ -	\$ -	\$ 46,290	\$ 5,396	100	\$ 5,396	\$ 51,747	\$ -	Note 2 (2)B

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	amount of remittance from Taiwan to	Amount remitted from Taiwan to		amount of remittance from Taiwan to	Net income of investee as of June 30, 2015	held by the Company	(loss) recognised by the Company for the six-month	investments in Mainland China as of June 30,	amount of investment income	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	29,530	Note 1(2)	9,281	-	-	9,281	(848)	31.43	(267)	7,067	-	Note 2 (2)C

Note 1: Investment methods are classified into the following four three categories; fill in the number of category each case belongs to:

- (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 six-month period ended June 30, 2015' 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 - unaudited financial statements.
- (3) Investment in SCEC (Shanghai) Corp. is financial assets measured at cost, thus, the Company did not recognise gain (loss) on investments and financial statements of SCEC (Shanghai) Corp. are unaudited.

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

Note 4: The Board of Directors approved to file for the liquidation of TPP-MIC (WuXi) Co., Ltd. in September 2014. The liquidation procedure has begun.

Note 5: The Group originally held 50% of share ownership of MICT International Limited (MICT) and obtained the remaining 50% of share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited, it has been included in the consolidated financial reports since March 2015.

Note 6: The Company's accumulated amount of remittance from Taiwan of investment to SCEC (Shanghai) Corp. was \$796. The investment of SCEC (Shanghai) Corp. has been liquidated in December 2014, but the investment has not been remitted to Taiwan yet.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Marketech International Corp.	\$ 993,222	\$ 1,593,208	\$ 2,459,681

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 June 30, 2015 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.