MARKETECH INTERNATIONAL CORP.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

AND REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying separate balance sheets of Marketech International Corp. as of December 31, 2015 and 2014, and the related separate statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these separate financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Marketech International Corp. as of December 31, 2015 and 2014, and the results of its financial performance and cash flows for the years then ended, in conformity with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

PricewaterhouseCoopers, Taiwan

February 22, 2016

The accompanying 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 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.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2015 AMOUNT	%	December 31, 2014 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 670,818	7	$ 634,883	7
1110	Financial assets at fair value through profit or loss - current	6(2)	5,719	-	11,696	-
1150	Notes receivable, net	6(3)	63,435	1	19,109	-
1170	Accounts receivable, net	6(4)(6)	1,950,129	21	2,072,267	23
1180	Accounts receivable - related parties, net	7	22,474	-	36,621	-
1190	Construction contracts receivable	6(6) and 7	1,613,903	17	1,758,141	19
1200	Other receivables	7	21,871	-	41,305	1
130X	Inventories, net	6(5)	1,566,187	17	1,251,338	14
1410	Prepayments		155,739	2	208,680	2
1470	Other current assets	8	43,506	-	34,054	-
11XX	**Total current assets**		6,113,781	65	6,068,094	66
	Non-current assets					
1543	Financial assets at cost-non-current	6(7)	285,816	3	293,027	3
1550	Investments accounted for using equity method	6(8)	1,653,587	18	1,542,064	17
1600	Property, plant and equipment, net	6(9) and 7	1,126,399	12	1,168,848	13
1780	Intangible assets	7	12,265	-	14,469	-
1840	Deferred tax assets	6(20)	108,037	1	101,109	1
1900	Other non-current assets	6(8)(9)	42,037	1	10,583	-
15XX	**Total non-current assets**		3,228,141	35	3,130,100	34
1XXX	**Total Assets**		$ 9,341,922	100	$ 9,198,194	100

(Continued)

MARKETECH INTERNATIONAL CORP.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2015 AMOUNT	%	December 31, 2014 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 490,000	5	$ -	-
2150	Notes payable		806,991	9	807,648	9
2170	Accounts payable		1,685,147	18	2,371,283	26
2180	Accounts payable - related parties	7	20,141	-	21,113	-
2190	Construction contracts payable	6(6)	1,099,852	12	916,758	10
2200	Other payables	6(11)	301,666	3	297,041	3
2230	Current tax liabilities	6(20)	77,393	1	74,238	1
2310	Advance receipts		217,263	2	161,072	1
2399	Other current liabilities, others		21,872	-	9,464	-
21XX	**Total current liabilities**		4,720,325	50	4,658,617	50
	Non-current liabilities					
2570	Deferred tax liabilities	6(20)	30,644	-	46,703	1
2600	Other non-current liabilities	6(12)	131,357	2	117,416	1
25XX	**Total non-current liabilities**		162,001	2	164,119	2
2XXX	**Total Liabilities**		4,882,326	52	4,822,736	52
	Equity					
	Share capital	6(14)				
3110	Ordinary shares		1,650,698	18	1,650,698	18
	Capital surplus	6(15)				
3200	Capital surplus		618,773	7	616,354	7
	Retained earnings	6(16)				
3310	Legal reserve		529,385	6	490,931	5
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings	6(20)	1,542,603	16	1,467,273	16
	Other equity interest					
3400	Other equity interest		25,898	-	57,963	1
3XXX	**Total Equity**		4,459,596	48	4,375,458	48
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total Liabilities and Equity**		$ 9,341,922	100	$ 9,198,194	100

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

MARKETECH INTERNATIONAL CORP.
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	2015 AMOUNT	2015 %	2014 AMOUNT	2014 %
4000	**Operating Revenue**	6(17) and 7	$ 12,482,462	100	$ 10,432,963	100
5000	**Operating Costs**	6(5)(19) and 7	(10,996,701)	(88)	(9,144,096)	(88)
5900	**Gross Profit**		1,485,761	12	1,288,867	12
	Operating Expenses	6(19) and 7				
6100	Sales and marketing expenses		(256,264)	(2)	(238,015)	(2)
6200	General and administrative expenses		(439,859)	(4)	(378,058)	(4)
6300	Research and development expenses		(173,307)	(1)	(151,827)	(1)
6000	**Total operating expenses**		(869,430)	(7)	(767,900)	(7)
6900	**Operating Profit**		616,331	5	520,967	5
	Non-operating Income and Expenses					
7010	Other income	7	64,137	1	40,441	1
7020	Other gains and losses	6(2)(7)(18)	28,670	-	14,762	-
7050	Finance costs		(8,161)	-	(2,960)	-
7070	Share of gain (loss) of subsidiaries, associates and joint ventures accounted for using equity method		(127,460)	(1)	(108,372)	(1)
7000	**Total non-operating income and expenses**		(42,814)	-	(56,129)	-
7900	**Profit before Income Tax**		573,517	5	464,838	5
7950	Income tax expense	6(20)	(114,793)	(1)	(80,293)	(1)
8200	**Net Income**		$ 458,724	4	$ 384,545	4
	Other Comprehensive Income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(12)	($ 17,831)	-	$ 9,267	-
8349	Income tax relating to the components of other comprehensive income	6(20)	3,031	-	(1,576)	-
8310	**Total components of other comprehensive (loss) income that will not be reclassified to profit or loss**		(14,800)	-	7,691	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(38,655)	(1)	56,035	-
8362	Unrealized losses on valuation of available-for-sale financial assets		-	-	(1,512)	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		16	-	911	-
8399	Income tax relating to components of other comprehensive income	6(20)	6,574	-	(9,686)	-
8360	**Total components of other comprehensive (loss) income that will be reclassified to profit or loss**		(32,065)	(1)	45,748	-
8300	**Other comprehensive (loss) income, net of tax**		($ 46,865)	(1)	$ 53,439	-
8500	**Total Comprehensive Income**		$ 411,859	3	$ 437,984	4
	Basic earnings per share	6(21)				
9750	**Basic earnings per share**		$	2.78	$	2.33
	Diluted earnings per share	6(21)				
9850	**Diluted earnings per share**		$	2.73	$	2.30

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

MARKETECH INTERNATIONAL CORP.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Capital Reserves		Retained Earnings			Other equity interest		
	Notes	Share capital - ordinary shares	Capital surplus - share premium	Capital surplus - others	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total equity
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
Appropriation and distribution of earnings for 2013: (Note)	6(16)									
Legal reserve		-	-	-	22,261	-	(22,261)	-	-	-
Cash dividends		-	-	-	-	-	(181,562)	-	-	(181,562)
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method		-	-	-	-	-	(470)	-	-	(470)
Share-based payment	6(13)(14)(15)	130	78	-	-	-	-	-	-	208
Profit for 2014		-	-	-	-	-	384,545	-	-	384,545
Other comprehensive income for 2014		-	-	-	-	-	7,691	47,260	(1,512)	53,439
Balance at December 31, 2014		$1,650,698	$ 616,003	$ 351	$ 490,931	$ 92,239	$ 1,467,273	$ 57,963	$ -	$4,375,458
2015										
Balance at January 1, 2015		$1,650,698	$ 616,003	$ 351	$ 490,931	$ 92,239	$ 1,467,273	$ 57,963	$ -	$4,375,458
Appropriation and distribution of earnings for 2014: (Note)	6(16)									
Legal reserve		-	-	-	38,454	-	(38,454)	-	-	-
Cash dividends		-	-	-	-	-	(330,140)	-	-	(330,140)
Share-based payment	6(13)(14)(15)	-	-	2,419	-	-	-	-	-	2,419
Profit for 2015		-	-	-	-	-	458,724	-	-	458,724
Other comprehensive income for 2015		-	-	-	-	-	(14,800)	(32,065)	-	(46,865)
Balance at December 31, 2015		$1,650,698	$ 616,003	$ 2,770	$ 529,385	$ 92,239	$ 1,542,603	$ 25,898	$ -	$4,459,596

Note: The stockholders have resolved to distribute directors' and supervisors' remuneration of $3,461 and employees' bonus of $34,715 for 2014 and distribute directors' and supervisors' remuneration of $2,003 and employees' bonus of $24,919 for 2013. All amounts have been deducted from the statements of comprehensive income.

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

MARKETECH INTERNATIONAL CORP.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2105 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		$ 573,517	$ 464,838
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(18)	(863)	(3,822)
Provision for bad debt expense	12	36,226	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		127,460	108,372
Loss on disposal of investments	6(18)	681	4,012
Depreciation	6(9)(19)	70,666	77,311
Amortisation	6(19)	10,272	11,831
Gain on disposal of property, plant and equipment		(269)	(426)
Impairment loss on financial assets	6(18)	14,829	23,234
Compensation cost of share-based payments	6(13)(15)(19)	2,419	-
Interest income		(503)	(841)
Interest expense		8,161	2,960
Dividend income		(9,169)	(7,652)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets measured at fair value through profit or loss - current		6,841	4,727
Notes receivable, net		(45,551)	89,074
Accounts receivable, net		87,137	(561,711)
Accounts receivable - related parties, net		14,147	(17,593)
Construction contracts receivable		144,238	(705,283)
Other receivables		18,067	(15,390)
Inventories, net		(314,849)	(25,872)
Prepayments		52,941	(76,702)
Other current assets		(16,664)	399
Net changes in liabilities relating to operating activities			
Notes payable		(657)	226,844
Accounts payable		(686,136)	839,932
Accounts payable - related parties		(972)	4,928
Construction contracts payable		183,094	240,832
Other payables		4,530	4,421
Advance receipts		56,191	19,840
Other current liabilities, others		12,408	(9,758)
Other non-current liabilities		(2,358)	(1,526)
Cash inflow generated from operations		345,834	696,979
Interest received		501	750
Dividends received		12,849	7,652
Interest paid		(8,066)	(2,960)
Income tax paid		(123,653)	(71,023)
Net cash provided by operating activities		227,465	631,398

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MARKETECH INTERNATIONAL CORP.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2105 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale financial assets - current		$ -	$ 5,503
Increase in other receivables – related parties		-	(6,330)
Acquisition of financial assets measured at cost – non-current		(21,259)	-
Proceeds from disposal of financial assets measured at cost – non-current		271	-
Proceeds from capital reduction of financial assets measured at cost – non-current		12,689	497
Acquisition of investments accounted for using equity method – subsidiaries		(240,835)	(204,405)
Acquisition of investments accounted for using equity method – non-subsidiaries		(42,000)	(4,915)
Acquisition of property, plant and equipment	6(9)	(28,297)	(33,849)
Proceeds from disposal of property, plant and equipment		349	1,644
Acquisition of intangible assets		(8,068)	(15,203)
Decrease (increase) in refundable deposits		308	(10,753)
Increase in prepayments for investments	6(8)	(24,548)	-
Net cash used in investing activities		(351,390)	(267,811)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		490,000	-
Decrease in guarantee deposits received		-	(86)
Proceeds from exercise of employee stock options		-	208
Cash dividends paid	6(16)	(330,140)	(181,562)
Net cash provided by (used in) financing activities		159,860	(181,440)
Increase in cash and cash equivalents		35,935	182,147
Cash and cash equivalents at beginning of year	6(1)	634,883	452,736
Cash and cash equivalents at end of year	6(1)	$ 670,818	$ 634,883

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

MARKETECH INTERNATIONAL CORP.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. ORGANIZATION AND OPERATIONS

Marketech International Corp. (the “Company”) was incorporated in the Republic of China (ROC) on December 27, 1988. On October 17, 2002, the Company’s common shares were officially listed on the Taiwan Over-The-Counter Securities Exchange and on May 24, 2004, the shares were transferred to be listed on the Taiwan Stock Exchange. The Company is 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 SEPARATE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The separate financial statements were approved and authorized for issuance by the Board of Directors on February 22, 2016.

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 Taipei Exchange 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 separate 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 other comprehensive income (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 Company 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 Company 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 Company 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 Company assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Company will disclose additional information about fair value measurements accordingly.

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

The revised standard makes amendments that net interest amount, calculated by applying the discount rate to the net defined benefit asset or liability, replaces the finance charge and expected return on plan assets. The revised standard eliminates the accounting policy choice that the actuarial gains and losses could be recognised based on corridor approach or recognised in profit or loss. The revised standard requires that the actuarial gains and losses can only be recognised immediately in other comprehensive income when incurred. Past service cost will be recognised immediately in the period incurred and will no longer be amortised using straight-line basis over the average period until the benefits become vested. 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, rather than when the entity is demonstrably committed to a termination. Additional disclosures are required for defined benefit plans.

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

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:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board (Note 1)
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)	To be determined by International Accounting Standards Board
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
IFRS 16, Leaders	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
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 Company is assessing the potential impact of the new, revised or amended standards and interpretations above. The impact will be disclosed when the assessment is complete.

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 July 1, 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Statement of compliance

The separate financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, the separate 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 Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The separate financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company still retains partial interest in the former foreign associate or jointly controlled entity after losing significant influence over the former foreign associate, or losing joint control of the former jointly controlled entity, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

C. Assets and liabilities relating of undertaking construction are classified as a current and non-current based on operating cycle.

(5) Cash and cash equivalents

A. Cash and cash equivalents include petty cash, bank deposits and other short-term and highly liquid investments in the separate statements of cash flows.

B. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

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

B. On a regular way purchase or sale basis, financial assets held for trading, except for beneficiary certificates, are recognised and derecognised using settlement date accounting. Others are recognised and derecognised using trade date accounting. Financial assets initially designed at fair value through profit or loss are recognised and derecognised using settlement date accounting.

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

(7) Notes and accounts receivable

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

(8) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

(a) Financial assets measured at amortised cost

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

(b) Financial assets measured at cost

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

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

The perpetual inventory system is adopted for inventory recognition. Cost is the basis for recognition and is determined using the weighted-average method. Costs include acquisition, manufacturing or processing costs to make inventories available for sale or use. These exclude borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value for the measure of the ending inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Construction contracts

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

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

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

(12) Investments accounted for using equity method / subsidiaries, associates and joint ventures

A. Investments in subsidiaries

(a) Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

(c) The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

(d) If changes in shareholdings in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.

(e) When the Company loses its control in a subsidiary, the Company revalues the remaining investment in the prior subsidiary at fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Investments in associates

(a) Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

(b) The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

(c) When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

(d) Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

(e) In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

(f) Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

(g) When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(h) When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

C. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the separate financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared for consolidation. Owners' equity in the separate financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared for consolidation.

(13) <u>Property, plant and equipment</u>

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting

Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings	4～55 years
Machinery and office equipment	3～15 years
Other equipment	2～8 years

(14) Leases (leasee)

Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(15) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 3 years.

B. Trademarks

Trademarks are acquired in a business combination.

C. Other intangible assets

Other intangible assets are technology royalties which are stated at cost and amortised on a straight-line basis over the contract duration.

(16) Impairment of non-financial assets

A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. Goodwill is evaluated annually and is recorded as cost less impairment loss. Impairment loss of goodwill shall not be reversed.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(17) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(20) Financial guarantee contracts

A financial guarantee contract is a contract that requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract is initially recognised at its fair value adjusted for transaction costs on the trade date. After initial recognition, the financial guarantee is measured at the higher of the initial fair value less cumulative amortisation and the best estimate of the amount required to settle the present obligation on each balance sheet date.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees’ compensation (bonuses) and directors’ and supervisors’ remuneration

Employees’ compensation (bonuses) 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. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Construction revenue

Details of construction revenue are provided in Note 4(11).

B. Sales of goods

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

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

The preparation of these separate financial statements require management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Construction contract

The Company recognises contract revenue and profit based on management's evaluation to contract profit and percentage of completion. Management examines and corrects the contract profit and cost during execution of the contract. The actual result of the total profit and cost may be higher or lower than the estimation, and the effect is recognised in revenue and profit.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2015	December 31, 2014
Cash on hand	$ 8,762	$ 4,201
Checking accounts and demand deposits	662,056	630,682
Total	$ 670,818	$ 634,883

A. The Company 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. The Company's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. The Company has no cash and cash equivalents pledged to others.

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

	December 31, 2015	December 31, 2014
Current items:		
Financial assets held for trading-listed stocks	$ 7,592	$ 14,192
Valuation adjustment of financial assets held for trading	(1,873)	(2,496)
Total	$ 5,719	$ 11,696

A. The Company recognised net gain of $863 and $3,822 on financial assets held for trading for the years ended December 31, 2015 and 2014, respectively.

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

(3) Notes receivable

	December 31, 2015	December 31, 2014
Notes receivable	$ 64,660	$ 19,109
Less: allowance for bad debts	(1,225)	-
Total	$ 63,435	$ 19,109

(4) Accounts receivable

	December 31, 2015	December 31, 2014
Accounts receivable	$ 2,133,007	$ 2,244,002
Less: allowance for bad debts	(182,878)	(171,735)
Total	$ 1,950,129	$ 2,072,267

The Company does not hold any collateral as security.

(5) Inventories

	December 31, 2015		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 475,355	($ 13,344)	$ 462,011
Merchandise inventory	288,164	(26,711)	261,453
Raw materials	314,593	(10,481)	304,112
Supplies	22,733	(1,301)	21,432
Work in process	382,739	(5,646)	377,093
Semi-finished goods and finished goods	143,603	(3,517)	140,086
Total	$ 1,627,187	($ 61,000)	$ 1,566,187

	December 31, 2014		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	$ 298,419	($ 11,490)	$ 286,929
Merchandise inventory	236,487	(31,259)	205,228
Raw materials	327,596	(12,128)	315,468
Supplies	19,735	(1,461)	18,274
Work in process	333,923	(4,452)	329,471
Semi-finished goods and finished goods	101,178	(5,210)	95,968
Total	$ 1,317,338	($ 66,000)	$ 1,251,338

Relevant expenses of inventories recognised as operating costs for the years ended December 31, 2015 and 2014 are as follows:

	Years ended December 31,	
	2015	2014
Construction cost	$ 6,749,279	$ 5,695,248
Cost of sales	3,640,648	3,016,823
Other operating cost	611,774	441,025
Valuation loss and loss on market value decline and obsolete and slow-moving inventories gains on reversal (Note)	(5,000)	(9,000)
Total	$ 10,996,701	$ 9,144,096

Note: The gain on reversal was recognized when certain inventories which were previously provided with allowance were subsequently scrapped or sold.

The Company has no inventories pledged to others.

(6) Construction contracts receivable / payable

	December 31, 2015	December 31, 2014
Aggregate costs incurred plus recognised profits (less recognised losses)	$ 14,622,032	$ 10,753,809
Less: progress billings	(14,107,981)	(9,912,426)
Net balance sheet position for construction in progress	$ 514,051	$ 841,383
Presented as:		
Receivables from customers on construction contracts	$ 1,613,903	$ 1,758,141
Payables to customers on construction contracts	(1,099,852)	(916,758)
	$ 514,051	$ 841,383
Retentions relating to construction contracts	$ 40,509	$ 33,919
Advances received before the related construction work is performed	$ -	$ -

(7) Financial assets at cost - non-current

	December 31, 2015	December 31, 2014
Non-current items:		
Taiwan Intelligent Fiber Optic Network Co., Ltd.	$ 44,024	$ 44,024
Ares Green Technology Corp.	43,481	43,481
Taiwan Puritic Corp.	39,287	39,287
Calitech Co., Ltd.	38,563	38,675
Civil Tech Pte. Ltd.	19,500	19,500
VEEV Interactive Pte. Ltd.	15,243	25,243
ProbeLeader Co., Ltd.	14,490	14,490
H&D Venture Capital Investment Corp.	12,800	20,000
IP Fund Six Co., Ltd.	10,000	10,000
Innorich Venture Capital Corp.	10,000	-
H&H Venture Capital Investment Corp.	6,840	12,000
Others (companies individually not exceeding $10,000)	31,588	26,327
Total	$ 285,816	$ 293,027

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

B. The ending balances of VEEV Interactive Pte. Ltd. for the years ended December 31, 2015 and 2014 were assessed to decline dramatically and would be lower than the original investment cost. Therefore, impairment loss of $10,000 and $3,000 was recognised on equity investment, respectively.

C. The ending balances of SOPOWER Technology Corp. for the years ended December 31, 2015 and 2014 were assessed to decline significantly and would be lower than the original investment cost. Therefore, impairment loss of $4,500 and $15,000 was recognised on equity investment, respectively.

D. The Company has no financial assets measured at cost pledged to others.

(8) Investments accounted for using equity method / prepayments for long – term investments

	December 31,			
	2015		2014	
	Carrying amount	% interest held	Carrying amount	% interest held
Subsidiaries:				
Market Go Profits Ltd.	$ 1,310,110	100%	$ 1,301,288	100%
Marketech Integrated Manufacturing Company Limited	53,107	100%	-	-
Headquarter International Ltd.	43,123	100%	41,483	100%
MIC-Tech Viet Nam Co., Ltd.	41,942	100%	41,354	100%
Tiger United Finance Ltd.	41,743	100%	40,578	100%
eZoom Information, Inc.	25,270	100%	8,880	100%
Marketech International Sdn. Bhd.	20,770	34%	-	-
Marketech Integrated Pte. Ltd.	18,792	100%	42,955	100%
Hoa Phong Marketech Co., Ltd.	14,879	100%	19,241	100%
Marketech Engineering Pte. Ltd.	6,404	100%	7,717	100%
MIC-Tech Global Corp.	5,686	100%	7,102	100%
Associates:				
Solmark Advanced Materials Technology, Inc.	41,274	30%	-	-
Glory Technology Service Inc.	28,316	40%	29,082	40%
MIC Techno Co., Ltd.	1,882	20%	2,069	20%
True Victor International Limited	289	38.57%	315	38.57%
	$ 1,653,587		$ 1,542,064	
Prepayments for long-term investments (shown as 'other non-current assets')				
Marketech International Sdn. Bhd.	$ 24,548			

A. Subsidiaries

(a) Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2015 consolidated financial statements.

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

B. Associates

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

	Years ended December 31, 2015	Years ended December 31, 2014
Profit for the period from continuing operations	$ 3,835	$ 5,292
Other comprehensive income - net of tax	27	70
Total comprehensive income	$ 3,862	$ 5,362

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
At January 1, 2015						
Cost	$ 205,438	$ 1,389,528	$ 355,159	$ 101,979	$ 22,451	$ 2,074,555
Accumulated depreciation	-	(528,855)	(287,577)	(81,046)	(8,229)	(905,707)
Book value	$ 205,438	$ 860,673	$ 67,582	$ 20,933	$ 14,222	$ 1,168,848
Year ended December 31, 2015						
Opening net book amount	$ 205,438	$ 860,673	$ 67,582	$ 20,933	$ 14,222	$ 1,168,848
Additions	-	3,219	7,311	13,624	4	24,158
Transfers (Note)	-	11,181	6,610	-	(13,652)	4,139
Disposals	-	-	(69)	(11)	-	(80)
Depreciation	-	(44,651)	(15,998)	(9,906)	(111)	(70,666)
Closing net book amount	$ 205,438	$ 830,422	$ 65,436	$ 24,640	$ 463	$ 1,126,399
At December 31, 2015						
Cost	$ 205,438	$ 1,403,928	$ 363,601	$ 106,498	$ 7,730	$ 2,087,195
Accumulated depreciation	-	(573,506)	(298,165)	(81,858)	(7,267)	(960,796)
Book value	$ 205,438	$ 830,422	$ 65,436	$ 24,640	$ 463	$ 1,126,399

	Land		Buildings		Machinery and equipment		Office equipment		Others		Total
At January 1, 2014											
Cost	$	205,438	$	1,386,164	$	374,338	$	103,478	$	13,312	$ 2,082,730
Accumulated depreciation		-	(	479,021)	(	299,719)	(	81,836)	(	8,626)	(869,202)
Book value	$	205,438	$	907,143	$	74,619	$	21,642	$	4,686	$ 1,213,528
Year ended December 31, 2014											
Opening net book amount	$	205,438	$	907,143	$	74,619	$	21,642	$	4,686	$ 1,213,528
Additions		-		3,364		11,829		9,009		9,647	33,849
Disposals		-		-	(	1,171)	(	47)		-	(1,218)
Depreciation		-	(	49,834)	(	17,695)	(	9,671)	(	111)	(77,311)
Closing net book amount	$	205,438	$	860,673	$	67,582	$	20,933	$	14,222	$ 1,168,848
At December 31, 2014											
Cost	$	205,438	$	1,389,528	$	355,159	$	101,979	$	22,451	$ 2,074,555
Accumulated depreciation		-	(	528,855)	(	287,577)	(	81,046)	(	8,229)	(905,707)
Book value	$	205,438	$	860,673	$	67,582	$	20,933	$	14,222	$ 1,168,848

Note: Transfers are transferred from prepayment for equipment (recorded as ‘other non-current assets’).

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

B. The Company has no property, plant and equipment pledged to others.

(10) Short-term borrowings

	December 31, 2015	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowing	$ 490,000	1.05%~1.1%	None

	December 31, 2014	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowing	$ -	-	None

(11) Other payables

	December 31, 2015	December 31, 2014
Salaries and bonus payable	$ 207,168	$ 206,595
Accrued employees’ compensation (bonuses) and directors’ and supervisors’ remuneration	46,197	38,221
Others	48,301	52,225
Total	$ 301,666	$ 297,041

(12) Pensions

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

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2015	December 31, 2014
Present value of defined benefit obligations	$ 242,770	$ 221,827
Fair value of plan assets	(112,180)	(106,710)
Net defined benefit liability	$ 130,590	$ 115,117

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2015			
Balance at January 1	($ 221,827)	$ 106,710	($ 115,117)
Current service cost	(1,300)	-	(1,300)
Interest (expense) income	(4,401)	2,158	(2,243)
Past service cost	693	-	693
Settlement profit (loss)	2,596	(2,745)	(149)
	(224,239)	106,123	(118,116)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	700	700
Change in demographic assumptions	(3,566)	-	(3,566)
Change in financial assumptions	(16,547)	-	(16,547)
Experience adjustments	1,582	-	1,582
	(18,531)	700	(17,831)
Pension fund contribution	-	5,357	5,357
Balance at December 31	($ 242,770)	$ 112,180	($ 130,590)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2014			
Balance at January 1	($ 225,998)	$ 100,089	($ 125,909)
Current service cost	(1,402)	-	(1,402)
Interest (expense) income	(4,513)	1,800	(2,713)
Past service cost	141	-	141
Settlement profit (loss)	1,258	(1,205)	53
	(230,514)	100,684	(129,830)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	580	580
Change in demographic assumptions	(7,744)	-	(7,744)
Change in financial assumptions	16,440	-	16,440
Experience adjustments	(9)	-	(9)
	8,687	580	9,267
Pension fund contribution	-	5,446	5,446
Balance at December 31	($ 221,827)	$ 106,710	($ 115,117)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earning is less than aforementioned rates, government shall make payment for the deficit after authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The constitution of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2015	2014
Discount rate	1.50%	2.00%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2015				
Effect on present value of defined benefit obligation	($ 8,492)	$ 8,902	$ 8,835	($ 8,472)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculate net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis during 2015 and during 2014 are the same.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ended December 31, 2016 amounts to $5,812.

(g) As of December 31, 2015, the weighted average duration of the defined benefit retirement plan is 14 years.

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

(b) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2015 and 2014 were $33,316 and $32,135, respectively.

(13) <u>Share-based payment</u>

A. For the years ended December 31, 2015 and 2014, the Company’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Contract period	Vesting conditions
Employee stock options	2008.6.13	130	6 years	2~4 years’ service
Employee stock options	2015.9.11	3,956	6 years	2~4 years’ service

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

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

	Years ended December 31,			
	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	3,956	19.60	-	-
Options exercised	-	-	(13)	16.00
Options forfeited	-	-	(117)	16.00
Options outstanding at end of the period	3,956	19.60	-	(Note)
Options exercisable at end of the period	-		-	(Note)
Options approved but not yet issued at end of the period	44		-	

Note: The Company's compensatory stock options with the grant date on June 13, 2008 were all expired on June 12, 2014.

C. The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2014 was $21.95 (in dollars).

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

		December 31, 2015	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)
2015.9.11	2021.9.10	3,956	$ 19.60

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

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

F. Expenses incurred on share-based payment transactions are $2,419 and $0 for the years ended December 31, 2015 and 2014, respectively.

(14) 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 December 31, 2015, the Company's authorized capital was $2,500,000, consisting of 250 million shares of ordinary stock (including 9,800 thousand shares reserved for employee stock options), and the paid-in capital was $1,650,698 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:

	Years ended December 31,	
	2015	2014
At January 1	165,069,756	165,056,756
Share-based payment	-	13,000
At December 31	165,069,756	165,069,756

(15) 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.

	Year ended December 31, 2015			
	Share premium	Employee stock options	Expired stock options	Total
At January 1	$ 616,003	$ -	$ 351	$ 616,354
Compensation cost of employee stock options	-	2,419	-	2,419
At December 31	$ 616,003	$ 2,419	$ 351	$ 618,773

	Year ended December 31, 2014			
	Share premium	Employee stock options	Expired stock options	Total
At January 1	$ 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 December 31	$ 616,003	$ -	$ 351	$ 616,354

(16) Retained earnings

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

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

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

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

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

E.(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	330,140	2.0	181,562	1.1
Total	$ 368,594		$ 203,823	

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 earnings appropriation 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.

(b) Details of 2015 earnings appropriation proposed by the Board of Directors on February 22, 2016 are as follows:

	2015	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 45,872	$ -
Cash dividends	330,140	2.0
Total	$ 376,012	

Information about the earnings appropriation for 2015 by the Company as approved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

The earnings appropriation of 2015 has not been resolved by the shareholders, thus, no dividend was accrued in these separate financial statements.

F. For the information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(19).

(17) Operating revenue

	Years ended December 31,	
	2015	2014
Construction revenue	$ 7,148,457	$ 6,086,736
Sales revenue	4,299,479	3,509,061
Other operating revenue	1,034,526	837,166
Total	$ 12,482,462	$ 10,432,963

(18) Other gains and losses

	Years ended December 31,	
	2015	2014
Net gain on financial assets at fair value through profit or loss	$ 863	$ 3,822
Loss on disposal of investments	(681)	(4,012)
Impairment loss on financial assets	(14,829)	(23,234)
Exchange gain	43,048	37,760
Other gains	269	426
Total	$ 28,670	$ 14,762

(19) Employee benefit expense, depreciation and amortisation

A. Employee benefit expense, depreciation and amortisation

	Year ended December 31, 2015		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 273,453	$ 474,400	$ 747,853
Compensation cost of employee stock options	-	2,419	2,419
Labour and health insurance fees	24,897	32,224	57,121
Pension costs	14,698	21,617	36,315
Other employee benefit expense	12,336	18,587	30,923
Depreciation	46,409	24,257	70,666
Amortisation	4,521	5,751	10,272

	Year ended December 31, 2014		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 242,409	$ 459,312	$ 701,721
Labour and health insurance fees	22,955	32,321	55,276
Pension costs	13,948	22,108	36,056
Other employee benefit expense	8,327	12,994	21,321
Depreciation	51,356	25,955	77,311
Amortisation	4,258	7,573	11,831

Note: As of December 31, 2015 and 2014, the Company had 729 and 692 employees, respectively.

B. Employees' compensation (bonuses) and directors' and supervisors' remuneration

(a) According to the Articles of Incorporation of the Company, when distributing earnings, 1%~15% shall be appropriated as employees' bonus and 1% shall be appropriated as directors' and supervisors' remuneration. However, 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 provides that profits for the year shall be distributed as compensation to employees at a certain ratio.

Due to the procedure restriction to revise the Articles of Incorporation, the procedure of appropriation of remuneration to directors and supervisors and compensation to employees was approved by the Board of Directors on August 3, 2015 but yet to be resolved by the shareholders. If the Company has any profit for the current year, the Company shall first set aside 1% as directors' and supervisors' remuneration and then 1%~15% as employees' compensation in accordance with the Company Act. If a company has accumulated deficit, earnings shall be retained to cover losses. Therefore, the Company accrued the employees' compensation based on the current Articles of Incorporation which approved by the Board of Directors but not yet resolved by stockholders. The Company expects to revise the Company's Articles of Incorporation in 2016 based on the amended Company Act.

(b) For the year ended December 31, 2015, employees' compensation and directors' and supervisors' remuneration were accrued based on the profit before tax of current year (6.5% and 1% for employees and directors/supervisors, respectively). Accrued employees' compensation and directors' and supervisors' remuneration were recognised in salary expenses.

(c) For the year ended December 31, 2014, employees' bonuses and directors' and supervisors' remuneration were accrued based on the net income of current year and the percentage specified in the Articles of Incorporation of the Company (10% and 1% for employees and directors/supervisors, respectively). Accrued employees' bonuses and directors' and supervisors' remuneration were recognised in salary expenses. If the amount resolved by the stockholders has significant change after the balance sheet date, adjustments will be made in the statement of comprehensive income of current year.

(d) For the years ended December 31, 2015 and 2014, employees' compensation (bonuses) and directors' and supervisors' remuneration are accrued as follows:

	Years ended December 31,	
	2015	2014
Employees'compensation (bonus)	$ 40,000	$ 34,715
Directors' and supervisors' remuneration	6,197	3,506
Total	$ 46,197	$ 38,221

The difference between employees' bonuses of $34,715 and directors' and supervisors' remuneration of $3,461 as resolved by the stockholders in 2014 and the amount recognised in the 2014 financial statements by $45 had been adjusted in the 2015 statement of comprehensive income.

The employees' compensation and directors' and supervisors' remuneration of 2015 resolved by the Board of Directors on February 22, 2016 were $40,000 and $6,197, respectively. Where the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences are adjusted in the profit or loss of 2016.

Information about employees' compensation (bonuses) and directors' and supervisors' remuneration will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2015	Years ended December 31, 2014
Current tax		
Current tax on profits for the period	$ 124,467	$ 97,459
Additional 10% tax on unappropriated earnings	2,364	3,999
Perior year income tax (over) underestimate	1,344	(2,031)
Total current tax	128,175	99,427
Deferred tax		
Origination and reversal of temporary differences	(13,382)	(19,134)
Income tax expense	$ 114,793	$ 80,293

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

	Years ended December 31, 2015	Years ended December 31, 2014
Currency translation differences of foreign operations	$ 6,574	($ 9,686)
Remeasurements of defined benefit obligations	3,031	(1,576)
Total	$ 9,605	($ 11,262)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2015	Years ended December 31, 2014
Tax calculated based on profit before tax and statutory tax rate	$ 97,498	$ 79,532
Effect of items disallowed by tax regulation	13,587	(1,207)
Additional 10% tax on unappropriated earnings	2,364	3,999
Prior year income tax (over) underestimation	1,344	(2,031)
Income tax expenses	$ 114,793	$ 80,293

C. Amounts of deferred tax assets or liabilities as a result of temporary difference and investment tax credit are as follows:

	Year ended December 31, 2015			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Bad debt expense	$ 26,152	$ 1,462	$ -	$ 27,614
Valuation loss and loss for market value decline and obsolete and slow-moving inventories	11,220	(850)	-	10,370
Defined benefit obligation	19,570	(401)	3,031	22,200
Impairment loss on financial assets	7,820	(1,803)	-	6,017
Unused compensated absences payable	7,778	(1,689)	-	6,089
Unrealised loss on investments	28,569	7,178	-	35,747
Subtotal	101,109	3,897	3,031	108,037
－Deferred tax liabilities:				
Unrealised exchange gain	(2,937)	477	-	(2,460)
Unrealised construction gain	(12,996)	9,008	-	(3,988)
Exchange differences on translation	(30,770)	-	6,574	(24,196)
Subtotal	(46,703)	9,485	6,574	(30,644)
Total	$ 54,406	$ 13,382	$ 9,605	$ 77,393

	Year ended December 31, 2014			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
—Deferred tax assets:				
Bad debt expense	$ 26,152	$ -	$ -	$ 26,152
Valuation loss and loss for market value decline and obsolete and slow-moving inventories	12,750	(1,530)	-	11,220
Defined benefit obligation	21,405	(259)	(1,576)	19,570
Impairment loss on financial assets	4,420	3,400	-	7,820
Unused compensated absences payable	9,204	(1,426)	-	7,778
Unrealised loss on investments	10,130	18,439	-	28,569
Subtotal	84,061	18,624	(1,576)	101,109
—Deferred tax liabilities:				
Unrealised exchange gain	(42)	(2,895)	-	(2,937)
Unrealised construction gain	(16,401)	3,405	-	(12,996)
Exchange differences on translation	(21,084)	-	(9,686)	(30,770)
Subtotal	(37,527)	510	(9,686)	(46,703)
Total	$ 46,534	$ 19,134	($ 11,262)	$ 54,406

D. The Company's income tax returns through 2013 have been assessed and approved by the Tax Authority.

E. Unappropriated retained earnings:

	December 31, 2015	December 31, 2014
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	1,542,603	1,467,273
	$ 1,542,603	$ 1,467,273

F. As of December 31, 2015 and 2014, the balance of the imputation tax credit account was \$354,821 and \$324,023, respectively. The creditable tax rate was 27.15% for 2014 and is estimated to be 27.83% for 2015.

(21) Earnings per share

	Year ended December 31, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit	$ 458,724	165,070	$ 2.78
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation		2,756	
Profit plus assumed conversion of all dilutive potential ordinary shares	$ 458,724	167,826	$ 2.73

	Year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit	$ 384,545	165,066	$ 2.33
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonuses		1,928	
Profit plus assumed conversion of all dilutive potential ordinary shares	$ 384,545	166,994	$ 2.30

(22) Operating leases

Details are provided in Note 9(1).

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Sales of goods and services

	Years ended December 31, 2015	Years ended December 31, 2014
Sales of goods		
Entities controlled by key management or entities with significant influence	$ 72,275	$ 41,882
Subsidiaries	28,683	41,878
Total	$ 100,958	$ 83,760

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

	Years ended December 31, 2015	Years ended December 31, 2014
Purchases of goods		
Entities controlled by key management or entities with significant influence	$ 19,766	$ 12,358
Subsidiaries	19,569	291
Total	$ 39,335	$ 12,649

Prices to related parties and third parties are based on normal purchases terms and are collectible about 2 to 3 months after inspection.

	Years ended December 31, 2015	Years ended December 31, 2014
Outsourcing construction costs		
Entities controlled by key management or entities with significant influence	$ 24,446	$ 60,102
Subsidiaries	71	1,054
Total	$ 24,517	$ 61,156

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

Accounts receivable

	December 31, 2015	December 31, 2014
Subsidiaries	$ 11,630	$ 33,232
Entities controlled by key management or entities with significant influence	11,179	3,457
Subtotal	22,809	36,689
Less: allowance for bad debts	(335)	(68)
Total	$ 22,474	$ 36,621

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

	December 31, 2015	December 31, 2014
Entities controlled by key management or entities with significant influence	$ 15,810	$ 19,169
Subsidiaries	4,331	1,944
Total	$ 20,141	$ 21,113

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

E. Construction contracts receivable

Construction contracts receivable

	December 31, 2015	December 31, 2014
Subsidiaries	$ 7,618	$ -
Associates	7,044	16,267
Entities controlled by key management or entities with significant influence	6,483	6,456
Total	$ 21,145	$ 22,723

F. Property transactions

On December 31, 2015 and 2014, the Company has acquired computer equipment and related software from entities controlled by key management and the acquisition price was $15,816 and $13,643 (recorded as 'property, plant and equipment' and 'intangible assets'), respectively.

G. Operating expense

The fee of information maintenance service in 2015 and 2014 allocated to subsidiaries by the Company amounted to $32,659 and $28,966, respectively.

H. Financing

Financing to related parties in 2014 is as follows:

	Year ended December 31, 2014			
	Maximum balance	Ending balance	Interest rate	Interest income
Subsidiaries	$ 30,420	$ 6,330	4.896%	$ 394
Entities controlled by key management or entities with significant influence	$ 19,600	$ -	4.896%	$ 108

The Company's financing to entities controlled by key management or entities with significant influence mainly refers to financing to SOPOWER Technology Corp. This financing represents accounts receivable arising from sales of goods. The amount exceeding normal credit limit to third parties was transferred to other receivables and treated as loans to others. As of December 31, 2014, the receivables were fully collected.

I. Endorsements and guarantees

(a) As of December 31, 2015 and 2014, the balances of endorsements and guarantees provided to subsidiaries by the Company are as follows:

	December 31,	
	2015	2014
Subsidiaries	$ 1,995,077	$ 1,687,599

(b) The revenue (recorded as 'other receivables' and 'other income') recognised from the abovementioned endorsements and guarantees are as follows:

	Years ended December 31,			
	2015		2014	
	Other receivables	Other income	Other receivables	Other income
Subsidiaries	$ 9,876	$ 21,400	$ 5,083	$ 14,553

(2) Key management compensation

	Years ended December 31,	
	2015	2014
Salaries and other short-term employee benefits	$ 51,132	$ 47,325

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2015	December 31, 2014	Purpose
Refundable deposits (recorded as 'other current assets')	$ 18,195	$ 25,407	Bid bond and performance guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Commitments

(1) Operating leases agreements

The Company 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 $64,856 and $58,440 for these leases in profit or loss for the years ended December 31, 2015 and 2014, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2015	December 31, 2014
Not later than one year	$ 26,791	$ 25,985
Later than one year but not later than five years	49,651	34,730
Later than five years	27,880	36,413
Total	$ 104,322	$ 97,128

(2) As of December 31, 2015, the notes and letters of guarantee used for construction performance and custom security amounted to $1,301,186.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Please refer to Note 6(19) E(b).

12. OTHERS

(1) Capital risk management

The Company'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

The carrying amounts of the Company's financial instruments not measured at fair value are including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), construction contracts receivable (including related parties), other receivables (including related parties), other financial assets (recorded as 'other current assets'), refundable deposits (recorded as 'other non-current assets'), short-term borrowings, notes payable (including related parties), accounts payable (including related parties), construction contracts payable (including related parties), other payables and guarantee deposits received (recorded as 'other non-current liabilities')) are approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

B. Financial risk management policies

The Company's financial risk mainly arises from risks along with investments in financial instruments and foreign exchange risk of foreign currency transactions. The Company always adopt the restricted control standard for financial risk of all investments in financial instruments that market risk, credit risk, liquidity risk and cash flow risk of any financial investment and implementation has to be assessed and the ones with the least risks are chosen. For foreign exchange risk of foreign currency transactions based on strategic risk management objectives, the Company seeks the most optimised risk position and maintain appropriate liquidity position to reach the best hedging strategy.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, JPY 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 Company's functional currency.
- The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2015					
				Sensitivity analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：NTD	$ 29,918	32.825	$ 982,063	1%	$ 9,821	$ -
EUR：NTD	3,836	35.88	137,640	1%	1,376	-
JPY：NTD	213,944	0.2727	58,343	1%	583	-
Investments accounted for using equity method						
USD:NTD	42,701	32.825	1,401,670	1%	14,017	-
VND:NTD	40,298,867	0.0014	56,821	1%	568	-
MMK:NTD	2,115,812	0.0251	53,107	1%	531	-
Financial liabilities						
Monetary items						
USD：NTD	$ 3,990	32.825	$ 130,972	1%	$ 1,310	$ -
JPY：NTD	172,377	0.2727	47,007	1%	470	-

	December 31, 2014					
				Sensitivity analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD：NTD	$ 22,813	31.65	$ 722,029	1%	$ 7,220	$ -
EUR：NTD	3,242	38.47	124,710	1%	1,247	-
JPY：NTD	291,488	0.2646	77,128	1%	771	-
Investments accounted for using equity method						
USD:NTD	43,961	31.65	1,391,381	1%	13,914	-
VND:NTD	42,394,619	0.0014	60,624	1%	606	-
SGD:NTD	1,794	23.94	42,955	1%	430	-
Financial liabilities						
Monetary items						
USD：NTD	$ 5,213	31.650	$ 164,981	1%	$ 1,650	$ -
JPY：NTD	173,768	0.2646	45,979	1%	460	-

- 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 Company.

	Year ended December 31, 2015		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ -	32.825	$ 13,559
EUR：NTD	-	35.88	2,575
Financial liabilities			
Monetary items			
USD：NTD	$ -	32.825	($ 692)

	Year ended December 31, 2014		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ -	31.65	$ 21,678
JPY：NTD	-	0.2646	(2,686)
Financial liabilities			
Monetary items			
USD：NTD	$ -	31.65	($ 4,385)
JPY：NTD	-	0.2646	1,681

Price risk

- The Company is exposed to equity securities price risk because of investments held by the Company and classified on the 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 years ended December 31, 2015 and 2014 would have increased/decreased by $76 and $142, as a result of gains/losses on equity securities classified as at fair value through profit or loss. For the years ended December 31, 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 Company's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Company 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 Company's operating capital is sufficient and risk is mostly offset by cash and cash equivalents held at variable rates, the Company has assessed there is no significant interest rate shift in cash flow risk.
- The Company analyses its interest rate exposure. Based on these scenarios, the Company 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.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. Described as follows:

- The Company 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 Company'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 Company are all in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies". The Company 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 notes and accounts receivable (including related parties) that were past due but not impaired is calculated from the invoice date as follows:

	December 31, 2015	December 31, 2014
Up to 90 days	$ 653,110	$ 1,013,118

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

a. As of December 31, 2015 and 2014, the Company's notes and accounts receivable that were impaired amounted to $1,502,706 and $1,257,519, and allowance for bad debts was accrued as $184,438 and $171,803, respectively.

b. Movements on the Company's provision for impairment of accounts receivable are as follows:

	Year ended December 31, 2015		
	Individual provision	Group provision	Total
At January 1	$ 100,547	$ 71,256	$ 171,803
Provision of impairment during the period	-	36,226	36,226
Write-offs during the period	(23,591)	-	(23,591)
Transfer during the period	20,175	(20,175)	-
At December 31	$ 97,131	$ 87,307	$ 184,438

	Year ended December 31, 2014		
	Individual provision	Group provision	Total
At January 1	$ 108,240	$ 63,693	$ 171,933
Write-offs during the period	(130)	-	(130)
Transfer during the period	(7,563)	7,563	-
At December 31	$ 100,547	$ 71,256	$ 171,803

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

	December 31, 2015	December 31, 2014
Type A	$ -	$ -
Type B	6,702	7,567
Type C	57,958	21,596
	$ 64,660	$ 29,163

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 Company invests in financial assets measured at fair value through profit or loss and available – for – sale financial assets 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 Company's operating capital is sufficient to fulfill the Company's capital needs and it does not expect significant liquidity risk.

ii. The table below analyses the Company'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

December 31, 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 490,000	$ -	$ -	$ -
Notes payable (including related parties)	806,991	-	-	-
Accounts payable (including related parties)	1,705,288	-	-	-
Other payables	301,666	-	-	-
Financial guarantee contract	1,517,629			

December 31, 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Notes payable (including related parties)	$ 807,648	$ -	$ -	$ -
Accounts payable (including related parties)	2,392,396	-	-	-
Other payables	297,041	-	-	-
Financial guarantee contract	1,031,854	-	-	-

iii. The Company 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 Company'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 Company'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 December 31, 2015 and 2014 is as follows:

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 5,719	$ -	$ -	$ 5,719

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

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

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

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

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

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

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

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

14. SEGMENT INFORMATION

Not applicable.

MARKETECH INTERNATIONAL CORP.

Loans to others

For the year ended December 31, 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 year ended December 31, 2015 (Note 2)	Balance at December 31, 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 bad debts	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	-	$ 1,783,838	$ 1,783,838	Note 4
1	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	Other receivables	Y	53,202	52,446	34,963	4.785~5.865	2	-	Operations	-	None	-	245,286	245,286	Note 5
1	MIC-Tech Electronics Engineering Corp.	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Other receivables	Y	2,329	1,998	1,998	4.785	2	-	Operations	-	None	-	245,286	367,929	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	Other receivables	Y	23,292	-	-	-	2	-	Operations	-	None	-	58,882	58,882	Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	51,759	49,949	49,949	5.5775	2	-	Operations	-	None	-	58,882	88,322	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech (Shanghai) Corp. Ltd.	Other receivables	Y	45,828	-	-	-	2	-	Operations	-	None	-	58,882	88,322	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Integrated Manufacturing & Services Co., Ltd.	Other receivables	Y	15,528	14,985	14,985	5.5775-6.5	2	-	Operations	-	None	-	58,882	88,322	Note 4 Note 5
3	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co. Ltd.	Other receivables	Y	69,294	57,441	57,441	5.06~5.335	2	-	Operations	-	None	-	138,870	208,305	Note 4 Note 5
4	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	49,238	49,238	49,238	4.896	2	-	Operations	-	None	-	523,188	784,781	Note 4

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

(1)The Company is '0'.

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

Note 2:Fill in the maximum outstanding balance of loans to others during the year ended December 31, 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.
Provision of endorsements and guarantees to others
For the year ended December 31, 2015

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2015 (Note 5)	Outstanding endorsement/ guarantee amount at December 31, 2015 (Note 6)	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	$ 2,229,798	$ 110,775	$ 49,238	$ 49,238	-	1.10	$ 4,459,596	Y	N	N	Note 3
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,229,798	603,470	533,145	355,471	-	11.96	4,459,596	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	3	2,229,798	438,339	319,928	319,928	-	7.17	4,459,596	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	3	2,229,798	1,092,766	1,092,766	792,992	-	24.50	4,459,596	Y	N	Y	Note 3
1	Hoa Phong Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	3	2,229,798	84,281	38,495	38,495	-	0.86	4,459,596	N	N	N	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,229,798	68,296	65,908	65,908	-	1.48	4,459,596	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.

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

For the year ended December 31, 2015

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					As of December 31, 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	10,000	$ 3,766	-	$ 3,766	None	
″	″	Solar Applied Materials Technology Corp.	″	″	50,000	948	-	948	″	
	″	Aerospace Industrial Development Corp.	″	″	25,000	1,005	-	1,005	″	
						$ 5,719		$ 5,719		
″	Ordinary shares	Ares Green Technology Corp..	None	Financial assets measured at cost - non-current	2,711,261	$ 43,481	7.96%	$ -	None	
″	″	Taiwan Puritic Corp.	″	″	6,191,181	39,287	13.58%	-	″	
″	″	Calitech Co., Ltd.	″	″	3,108,199	38,563	10.82%	-	″	
″	″	SOPOWER Technology Corp.	Entities controlled by key management or entities with significant influence	″	189,233	-	12.61%	-	″	
″	″	VEEV Interactive Pte. Ltd.	None	″	840,000	15,243	6.45%	-	″	
″	″	Taiwan Intelligent Fiber Optic Network Co.,Ltd.	″	″	3,868,261	44,024	1.72%	-	″	
″	″	H&D Venture Capital Investment Corp.	Entities controlled by key management or entities with significant influence	″	1,280,000	12,800	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%	-	″	
″	″	Innorich Venture Capital Corp.	″	″	1,000,000	10,000	1.87%	-	″	
″	″	Taiwan Foresight Co., Ltd.	″	″	380,000	4,750	2.24%	-	″	
″	″	Long Time Technology Corp.	″	″	360,000	6,780	1.03%	-	″	
″	″	Paradigm Venture Capital Corp.	″	″	153,562	1,536	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		″	-	″	
″	″	Adant Technologies Inc.	″	″	174,520	6,509	″	-	″	
MIC-Tech (Shanghai) Corp. Ltd.	Ordinary shares	MIC-Tech (Beijing) Environment Co.	Entities controlled by key management or entities with significant influence	″	-	1,898	19.00%	-	″	Note 4
		Total				$ 287,714				

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

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

Note 3: Holding preferred stock.

Note 4: The initial investment in the investee, MIC-Tech (Beijing) Environment Co., is translated at the exchange rate at December 31, 2015.

MARKETECH INTERNATIONAL CORP.

Significant inter-company transactions during the reporting period

For the year ended December 31, 2015

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other income	$ 12,313	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.	0.07%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Construction revenue	7,618		0.04%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Accounts receivable	11,029		0.09%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Sales revenue	28,658		0.16%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other receivables	8,587		0.07%
1	eZoom Information, Inc.	Marketech International Corp.	2	Services revenue	34,021		0.19%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Sales revenue	21,530		0.12%
2	MIC-Tech Global Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	Advance sales receipts	14,432		0.12%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	3	Construction revenue	13,773		0.08%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	3	Other receivables	34,963		0.29%
4	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech Electronics Engineering Corp.	3	Sales revenue	5,549		0.03%
4	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co. Ltd.	3	Other operating revenue	6,343		0.04%
4	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co. Ltd.	3	Other receivables	62,907		0.53%
5	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	49,238		0.41%
6	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	49,949		0.42%
6	MIC-Tech (WuXi) Co., Ltd.	Integrated Manufacturing & Services Co., Ltd.	3	Other receivables	14,985		0.13%

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.

Information on investees

For the year ended December 31, 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 December 31, 2015			Net profit (loss) of the investee for the year ended December 31, 2015	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 1)	Footnote
				Balance as at December 31, 2015	Balance as at December 31, 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	$ 18,792	($ 38,926)	($ 38,926)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1,209,166	1,108,679	37,169,104	100	1,310,111	(75,008)	(73,475)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	15,909	13,327	109,336	100	5,686	(3,041)	(3,668)	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	43,123	97	97	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	41,743	(330)	(330)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	9,139	9,139	379,597	100	6,404	129	129	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	53,107	1,265	1,265	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	41,942	1,159	1,159	The Company's subsidiary
Marketech International Corp.	Hoa Phong Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services	29,922	29,922	-	100	14,879	(4,064)	(4,064)	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	25,270	(11,610)	(11,610)	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	28,316	7,283	2,913	The Company's investee accounted for using equity method
Marketech International Corp.	Solmark Advanced Materials Technology, Inc.	Taiwan	Manufacturing and sale of precursors for advanced process (process of atomic layer deposition)	42,000	-	4,200,000	30	41,274	(2,421)	(726)	The Company's investee accounted for using equity method

Investor	Investee	Location	Main business activities	Initial investment amount (Note2)		Shares held as at December 31, 2015			Net profit (loss) of the investee for the year ended December 31, 2015	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 1)	Footnote
				Balance as at December 31, 2015	Balance as at December 31, 2014	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Sale of panels and its materials	$ 2,000	$ 2,000	200,000	20	$ 1,882	($ 934)	($ 187)	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	289	(93)	(36)	The Company's investee accounted for using equity method (Note 6)
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Specialized contracting and related repair services	24,345	-	3,078,750	34	20,770	(3,290)	-	The Company's investee accounted for using equity method (Note5)
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Investment holding and reinvestment	1,203,669	1,074,008	37,066,604	100	1,307,969	(74,920)	NA	The investor's subsidiary
Marketech Integrated Pte Ltd.	Marketech International Sdn. Bhd.	Malaysia	Specialized contracting and related repair services	43,385	5,438	5,984,000	66	41,001	(3,290)	NA	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	6,502	469	NA	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Investment holding and reinvestment	28,521	28,521	633,000	100	(23,835)	(14,486)	NA	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment holding and reinvestment	31,422	28,464	2,337,608	100	8,758	(2,463)	NA	The investor's subsidiary (Note 4)
MIC-Tech Ventures Asia Pacific Inc.	TPP-MIC Co., Limited	Hong Kong	Investment holding and reinvestment	6,025	6,025	180,000	60	69	(159)	NA	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	14,635	(11,051)	NA	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	4,243	(10,526)	NA	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 December 31, 2015, the initial investment amounts of other investees are translated at the current rate as of the investment date.
Note 3: The Company's subsidiary, MIC-Tech Ventures Asia Pacific Inc. 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 Company holds all voting rights in MICT International Limited, it and its subsidiary (Integrated Manufacturing & Services Co., Ltd.) have been included in the consolidated financial reports since March 2015.
Note 4: The Company's subsidiary, MIC-Tech Ventures Asia Pacific Inc. originally held 40% of share ownership of Frontken MIC Co. Limited (Frontken MIC) and obtained the remaining 60% of share ownership on September 30, 2015. As the Company holds all voting rights in Frontken MIC, it and its subsidiary (Frontken-MIC (Wuxi) Co., Ltd.) have been included in the consolidated financial reports since the date of acquisition.
Note 5: The Company’s subsidiary, Marketech Integrated Pte. Ltd. (MIPL) originally held 100% of share ownership of Marketech International Sdn. Bhd. (MISB). The Company acquired shares for MISB’s capital increase in October 2015 and thus, the Company holds 34% of shares in MISB, while MIPL’s share ownership of MISB is reduced to 66% as of December 31, 2015.
Note 6: True Victor International Limited, the Company’s investee accounted for using equity method, has completed liquidation procedure in June 2015. However, the investment has not been remitted back as of December 31, 2015.

MARKETECH INTERNATIONAL CORP.

Information on investments in Mainland China

For the year ended December 31, 2015

Table 6

Expressed in thousands of NTD

1. Basic information

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the yaer ended December 31, 2015 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015 (Note 3)	Net income of investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2)	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	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	$ 837,038	Note 1(2)	$ 672,913	$ -	$ -	$ 672,913	($ 117,094)	100	($ 116,498)	$ 142,322	$ -	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	270,511	Note 1(2)	16,413	-	-	16,413	32,998	100	32,998	347,175	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	9,848	Note 1(2)	9,848	-	-	9,848	(473)	100	(473)	(422)	-	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	13,130	Note 1(2)	19,793	-	-	19,793	(17,766)	80	(14,213)	(24,482)	-	Note 2 (2)B

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the yaer ended December 31, 2015 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015 (Note 3)	Net income of investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2)	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	$ 578,344	Note 1(2)	$ 177,912	$ 101,758	$ -	$ 279,670	($ 7,272)	100	($ 7,272)	$ 613,214	$ -	Note 2 (2)B
SKMIC (WUXI) Corp.	Design, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; wholesale, commission agency, import and export of semiconductor production, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity; international and entrepot trade, trading and trading agency among enterprises in area, and consulting service for trading	10,012	Note 1(2)	1,608	-	-	1,608	9,519	49	4,664	10,505	-	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	6,565	Note 1(2)	6,565	-	-	6,565	(273)	100	(273)	(2,617)	-	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	75,760	Note 1(2)	30,304	-	-	30,304	(2,352)	100	(941)	8,658	-	Note 2 (2)B, Note 6
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	9,848	Note 1(2)	5,909	-	-	5,909	(155)	60	(94)	-	-	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	98,475	Note 1(2)	49,238	-	-	49,238	(11,051)	100	(10,315)	13,816	-	Note 2 (2)B, Note 5

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the yaer ended December 31, 2015 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015 (Note 3)	Net income of investee for the year ended December 31, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2015 (Note 2)	Book value of investments in Mainland China as of December 31, 2015	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2015	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	$ 49,238	Note 1(2)	$ 49,238	$ -	$ -	$ 49,238	$ 5,727	100	$ 5,727	$ 52,279	$ -	Note 2 (2)B
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	31,410	Note 1(2)	9,872	-	-	9,872	(10,502)	31.43	(3,301)	4,214	-	Note 2 (2)B

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

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 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 audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
B.The financial statements that are audited 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 liquidation of TPP-MIC (WuXi) Co., Ltd. has been completed in November 2015.

Note 5: The Company's subsidiary, MIC-Tech Ventures Asia Pacific Inc. 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 and its subsidiary (Intergrated Manufacturing & Services Co., Ltd.) have been included in the consolidated financial reports since March 2015.

Note 6: The Company's subsidiary, MIC-Tech Ventures Asia Pacific Inc. originally held 40% of share ownership of Frontken MIC Co. Limited (Frontken MIC) and obtained the remaining 60% of share ownership on September 30, 2015. As the Group holds all voting rights in Frontken MIC, it and its subsidiary (Frontken-MIC (Wuxi) Co., Ltd.) have been included in the consolidated financial reports since the date of acquisition.

Note 7: 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.

2. Limit on investee in Mainland China

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2015 (Note 1) (Note 2)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Marketech International Corp.	$ 1,056,465	$ 1,894,559	$ 2,675,758

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 December 31, 2015 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US$186 thousand.