

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

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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.



資誠

## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

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

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

As explained in Notes 4(3) and 6(8), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method, which statements reflect total assets of \$388,916 thousand and \$349,307 thousand, constituting 3.04% and 3.30% of the consolidated total assets, and total liabilities of \$139,762 thousand and \$147,483 thousand, constituting 1.66% and 2.31% of the consolidated total liabilities as of September 30, 2015 and 2014, respectively, and total comprehensive income (loss) of (\$15,660) thousand, (\$55,676) thousand, (\$73,177) thousand and (\$63,073) thousand, constituting (6.56%), (51.10%), (25.12%) and (25.67%) of the consolidated total comprehensive income for the three months and nine months then ended, respectively. The abovementioned investments accounted for using equity method amounted to \$78,853 thousand and \$61,755 thousand representing 0.62% and 0.58% of the consolidated total assets as of September 30,

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2015 and 2014, respectively, and total comprehensive income (loss) (including share of gain (loss) of associates and joint ventures accounted for using the equity method and share of other comprehensive income of associates and joint ventures accounted for using the equity method) of (\$158) thousand, (\$1,166) thousand, \$496 thousand and (\$8,323) thousand, constituting (0.07%), (1.07%), 0.17% and (3.39%) of the consolidated total comprehensive income for the three months and nine months then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies as of September 30, 2015 and 2014.

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

*PricewaterhouseCoopers, Taiwan*

November 2, 2015

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Assets	Notes	September 30, 2015		December 31, 2014		September 30, 2014	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>							
Cash and cash equivalents	6(1)	\$ 1,724,969	14	\$ 1,628,171	14	\$ 995,108	10
Financial assets at fair value through profit or loss - current	6(2)	5,453	-	11,696	-	11,557	-
Notes receivable, net		169,331	1	37,675	-	114,006	1
Accounts receivable, net	6(3)(6)	2,980,536	23	3,092,035	26	2,475,627	23
Accounts receivable - related parties	7	63,055	1	9,449	-	24,233	-
Construction contracts receivable	6(6) and 7	2,822,487	22	2,354,614	20	2,303,036	22
Other receivables		18,156	-	29,799	-	9,211	-
Other receivables - related parties	7	-	-	-	-	18,980	-
Inventories, net	6(4)	2,164,170	17	1,852,959	16	1,746,946	17
Prepayments	6(5)	599,960	5	573,960	5	589,090	6
Other current assets	8	184,766	1	202,916	2	255,436	2
<b>Total current assets</b>		<u>10,732,883</u>	<u>84</u>	<u>9,793,274</u>	<u>83</u>	<u>8,543,230</u>	<u>81</u>
<b>Non-current assets</b>							
Financial assets at cost-non-current	6(7)	305,095	2	293,027	3	316,758	3
Investments accounted for using the equity method	6(8)	78,853	1	56,209	1	61,755	1
Property, plant and equipment, net	6(9) and 8	1,443,784	11	1,461,476	12	1,467,715	14
Intangible assets		23,666	-	32,781	-	36,666	-
Deferred tax assets		103,885	1	101,109	1	107,775	1
Other non-current assets		88,467	1	37,684	-	35,478	-
<b>Total non-current Assets</b>		<u>2,043,750</u>	<u>16</u>	<u>1,982,286</u>	<u>17</u>	<u>2,026,147</u>	<u>19</u>
<b>Total Assets</b>		<u>\$ 12,776,633</u>	<u>100</u>	<u>\$ 11,775,560</u>	<u>100</u>	<u>\$ 10,569,377</u>	<u>100</u>

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**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2015 and 2014 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2015		December 31, 2014		September 30, 2014	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>							
Short-term borrowings	6(10) and 8	\$ 2,398,789	19	\$ 953,806	8	\$ 1,130,339	11
Notes payable		812,864	7	807,648	7	555,114	5
Accounts payable		2,729,043	21	3,359,079	29	2,544,246	24
Accounts payable - related parties	7	18,688	-	23,836	-	9,790	-
Construction contracts payable	6(6)	1,283,196	10	1,018,504	9	924,485	9
Other payables	6(11)	384,247	3	395,090	3	318,251	3
Current tax liabilities		38,603	-	74,251	1	43,274	-
Advance receipts	6(12)	594,915	5	583,379	5	610,156	6
Other current liabilities, others	6(13)	23,196	-	15,665	-	74,457	1
<b>Total current liabilities</b>		<u>8,283,541</u>	<u>65</u>	<u>7,231,258</u>	<u>62</u>	<u>6,210,112</u>	<u>59</u>
<b>Non-current liabilities</b>							
Long-term borrowings	6(13) and 8	-	-	2,930	-	3,338	-
Deferred tax liabilities		38,230	-	46,703	-	43,712	-
Other non-current liabilities		113,752	1	115,117	1	124,988	1
<b>Non-current Liabilities</b>		<u>151,982</u>	<u>1</u>	<u>164,750</u>	<u>1</u>	<u>172,038</u>	<u>1</u>
<b>Total liabilities</b>		<u>8,435,523</u>	<u>66</u>	<u>7,396,008</u>	<u>63</u>	<u>6,382,150</u>	<u>60</u>
<b>Equity</b>							
<b>Share capital</b>							
Ordinary shares	6(16)	1,650,698	13	1,650,698	14	1,650,698	16
<b>Capital surplus</b>							
Capital surplus	6(17)	616,786	5	616,354	5	616,354	6
<b>Retained earnings</b>							
Legal reserve	6(18)	529,385	4	490,931	4	490,931	5
Special reserve		92,239	1	92,239	1	92,239	1
Unappropriated retained earnings	6(22)	1,389,996	11	1,467,273	12	1,313,316	12
<b>Other equity interest</b>							
Other equity interest		59,865	-	57,963	1	19,241	-
<b>Total equity attributable to owners of parent</b>		<u>4,338,969</u>	<u>34</u>	<u>4,375,458</u>	<u>37</u>	<u>4,182,779</u>	<u>40</u>
<b>Non-controlling interest</b>		<u>2,141</u>	<u>-</u>	<u>4,094</u>	<u>-</u>	<u>4,448</u>	<u>-</u>
<b>Total Equity</b>		<u>4,341,110</u>	<u>34</u>	<u>4,379,552</u>	<u>37</u>	<u>4,187,227</u>	<u>40</u>
<b>Commitments and contingent liabilities</b>							
<b>Total Liabilities and Equity</b>	9	<u>\$ 12,776,633</u>	<u>100</u>	<u>\$ 11,775,560</u>	<u>100</u>	<u>\$ 10,569,377</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See review report of independent accountants dated November 2, 2015.

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

Items	Notes	Three months ended September 30				Nine months ended September 30			
		2015		2014		2015		2014	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Operating revenue</b>	6(19) and 7	\$ 4,755,644	100	\$ 3,485,270	100	\$ 13,057,726	100	\$ 10,107,164	100
<b>Operating costs</b>	6(4)(21) and 7	( 4,208,682)	( 88)	( 3,082,043)	( 88)	( 11,678,157)	( 89)	( 8,888,219)	( 88)
<b>Gross profit</b>		<u>546,962</u>	<u>12</u>	<u>403,227</u>	<u>12</u>	<u>1,379,569</u>	<u>11</u>	<u>1,218,945</u>	<u>12</u>
<b>Operating Expenses</b>	6(21)								
Sales and marketing expenses		( 128,297)	( 3)	( 113,925)	( 4)	( 370,177)	( 3)	( 324,182)	( 3)
General and administrative expenses		( 201,773)	( 4)	( 147,478)	( 4)	( 563,857)	( 4)	( 482,859)	( 5)
Research and development expenses		( 40,378)	( 1)	( 37,312)	( 1)	( 113,963)	( 1)	( 105,956)	( 1)
<b>Total operating expenses</b>		<u>( 370,448)</u>	<u>( 8)</u>	<u>( 298,715)</u>	<u>( 9)</u>	<u>( 1,047,997)</u>	<u>( 8)</u>	<u>( 912,997)</u>	<u>( 9)</u>
<b>Operating Profit</b>		<u>176,514</u>	<u>4</u>	<u>104,512</u>	<u>3</u>	<u>331,572</u>	<u>3</u>	<u>305,948</u>	<u>3</u>
<b>Non-operating Income and Expenses</b>									
Other income	6(25)	24,106	-	12,397	-	37,789	-	25,604	-
Other gains and losses	6(2)(20)	60,107	1	( 6,895)	-	30,490	-	( 10,803)	-
Finance costs		( 11,560)	-	( 6,219)	-	( 27,008)	-	( 22,929)	-
Share of gain (loss) of associates and joint ventures accounted for using the equity method		( 578)	-	( 1,792)	-	361	-	( 8,379)	-
<b>Total non-operating income and expenses</b>		<u>72,075</u>	<u>1</u>	<u>( 2,509)</u>	<u>-</u>	<u>41,632</u>	<u>-</u>	<u>( 16,507)</u>	<u>-</u>
<b>Profit before Income Tax</b>		<u>248,589</u>	<u>5</u>	<u>102,003</u>	<u>3</u>	<u>373,204</u>	<u>3</u>	<u>289,441</u>	<u>3</u>
Income tax expense	6(22)	( 51,790)	( 1)	( 17,182)	( 1)	( 83,766)	( 1)	( 50,721)	( 1)
<b>Net Income</b>		<u>\$ 196,799</u>	<u>4</u>	<u>\$ 84,821</u>	<u>2</u>	<u>\$ 289,438</u>	<u>2</u>	<u>\$ 238,720</u>	<u>2</u>
<b>Other Comprehensive Income</b>									
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>									
Exchange differences on translation		\$ 50,053	1	\$ 28,443	1	\$ 2,076	-	\$ 10,239	-
Unrealized loss on valuation of available-for-sale financial assets		-	-	-	-	-	-	( 1,512)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method		420	-	626	-	135	-	56	-
Income tax relating to the components of other comprehensive income	6(22)	( 8,573)	-	( 4,932)	-	( 383)	-	( 1,749)	-
<b>Other comprehensive income for the year, net of tax</b>		<u>\$ 41,900</u>	<u>1</u>	<u>\$ 24,137</u>	<u>1</u>	<u>\$ 1,828</u>	<u>-</u>	<u>\$ 7,034</u>	<u>-</u>
<b>Total Comprehensive Income</b>		<u>\$ 238,699</u>	<u>5</u>	<u>\$ 108,958</u>	<u>3</u>	<u>\$ 291,266</u>	<u>2</u>	<u>\$ 245,754</u>	<u>2</u>
<b>Net income attributable to:</b>									
Owners of the parent		\$ 197,208	4	\$ 83,001	2	\$ 291,317	2	\$ 238,279	2
Non-controlling interest		( \$ 409)	-	( \$ 1,820)	-	( \$ 1,879)	-	( \$ 441)	-
<b>Comprehensive income (loss) attributable to:</b>									
Owners of the parent		\$ 239,069	5	\$ 107,078	3	\$ 293,219	2	\$ 245,305	2
Non-controlling interest		( \$ 370)	-	( \$ 1,880)	-	( \$ 1,953)	-	( \$ 449)	-
<b>Basic earnings per share</b>	6(23)								
Basic earnings per share		\$ 1.19		\$ 0.50		\$ 1.76		\$ 1.44	
<b>Diluted earnings per share</b>	6(23)								
Diluted earnings per share		\$ 1.18		\$ 0.50		\$ 1.74		\$ 1.43	

The accompanying notes are an integral part of these consolidated financial statements.  
See review report of independent accountants dated November 2, 2015.

**MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)  
(REVIEWED, NOT AUDITED)

	Notes	Equity attributable to owners of the parent										
		Capital Reserves			Retained Earnings			Other equity interest				
		Share capital - common stock	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-f or-sale financial assets	Total	Non-controlling interest	Total equity
<b>Nine months ended September 30, 2014</b>												
Balance at January 1, 2014		\$ 1,650,568	\$ 615,925	\$ 351	\$ 468,670	\$ 92,239	\$ 1,279,330	\$ 10,703	\$ 1,512	\$ 4,119,298	\$ 3,544	\$ 4,122,842
Appropriations and distribution of earnings for 2013	6(18)											
Legal reserve		-	-	-	22,261	-	( 22,261 )	-	-	-	-	-
Cash dividends		-	-	-	-	-	( 181,562 )	-	-	( 181,562 )	-	( 181,562 )
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	( 470 )	-	-	( 470 )	-	( 470 )
Share-based payment	6(15)(16)(17)	130	78	-	-	-	-	-	-	208	-	208
Profit for the period		-	-	-	-	-	238,279	-	-	238,279	441	238,720
Other comprehensive income (loss) for the period		-	-	-	-	-	-	8,538	( 1,512 )	7,026	8	7,034
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	455	455
Balance at September 30, 2014		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 351</u>	<u>\$ 490,931</u>	<u>\$ 92,239</u>	<u>\$ 1,313,316</u>	<u>\$ 19,241</u>	<u>\$ -</u>	<u>\$ 4,182,779</u>	<u>\$ 4,448</u>	<u>\$ 4,187,227</u>
<b>Nine months ended September 30, 2015</b>												
Balance at January 1, 2015		\$ 1,650,698	\$ 616,003	\$ 351	\$ 490,931	\$ 92,239	\$ 1,467,273	\$ 57,963	\$ -	\$ 4,375,458	\$ 4,094	\$ 4,379,552
Appropriations and distribution of earnings for 2014	6(18)											
Legal reserve		-	-	-	38,454	-	( 38,454 )	-	-	-	-	-
Cash dividends		-	-	-	-	-	( 330,140 )	-	-	( 330,140 )	-	( 330,140 )
Share-based payment	6(15)(16)(17)	-	-	432	-	-	-	-	-	432	-	432
Profit (loss) for the period		-	-	-	-	-	291,317	-	-	291,317	( 1,879 )	289,438
Other comprehensive income (loss) for the period		-	-	-	-	-	-	1,902	-	1,902	( 74 )	1,828
Balance at September 30, 2015		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 783</u>	<u>\$ 529,385</u>	<u>\$ 92,239</u>	<u>\$ 1,389,996</u>	<u>\$ 59,865</u>	<u>\$ -</u>	<u>\$ 4,338,969</u>	<u>\$ 2,141</u>	<u>\$ 4,341,110</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See review report of independent accountants dated November 2, 2015.

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

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Consolidated profit before tax for the period		\$ 373,204	\$ 289,441
Adjustments to reconcile net income to net cash used in operating activities			
Income and expenses having no effect on cash flows			
Net gain on financial assets at fair value through profit or loss	6(2)(20)	( 392 )	( 4,063 )
Provision for bad debts	12	42,351	21,092
Share of (gain) loss of associates and joint ventures accounted for using equity method		( 361 )	8,379
Loss on disposal of investments	6(20)	212	4,012
Depreciation	6(9)(21)	79,191	82,536
Amortisation	6(21)	16,145	15,909
Loss on disposal of property, plant and equipment		285	445
Impairment loss on financial assets	6(21)	4,829	-
Interest expense		27,008	22,929
Interest income		( 5,096 )	( 2,112 )
Dividend income		( 8,380 )	( 7,652 )
Compensation cost of share-based payments	6(15)(17)	432	-
Gain recognised in bargain purchase	6(25)	( 2,419 )	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		6,635	5,107
Notes receivable, net		( 131,656 )	137,679
Accounts receivable, net		79,876	15,507
Accounts receivable – related parties, net		( 55,229 )	( 23,983 )
Construction contracts receivable		( 467,873 )	( 773,041 )
Other receivables		15,656	7,658
Inventories		( 300,299 )	116,344
Prepayments		( 23,259 )	( 237,476 )
Other current assets		( 45,614 )	( 68,123 )
Net changes in liabilities relating to operating activities			
Notes payable		5,216	( 23,204 )
Accounts payable		( 645,285 )	113,403
Accounts payable – related parties		( 5,148 )	( 1,188 )
Construction contracts payable		264,692	136,053
Other payables		( 20,619 )	( 88,711 )
Advance receipts		5,633	81,361
Other current liabilities		9,116	51,833
Other non-current liabilities		( 1,365 )	( 1,008 )
Cash used in operations		( 782,514 )	( 120,873 )
Interest received		5,170	2,075
Dividends received		12,060	7,652
Interest paid		( 24,386 )	( 23,201 )
Income tax paid		( 131,076 )	( 70,933 )
Net cash used in operating activities		( 920,746 )	( 205,280 )

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

	<u>Notes</u>	<u>Nine months ended September 30, 2015</u>	<u>Nine months ended September 30, 2014</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Increase in other receivables– related parties, net		\$ -	(\$ 18,980 )
Proceeds from disposal of available-for-sale financial assets – current		-	5,503
Decrease (increase) in other financial assets - current		69,235	( 23,283 )
Acquisition of non-current financial assets at cost		( 23,226 )	-
Proceeds from disposal of non-current financial assets at cost		74	-
Proceeds from capital reduction of non-current financial assets at cost		5,489	-
Net cash flow from acquisition of subsidiaries		( 5,177 )	1,045
Acquisition of investments accounted for using equity method		( 42,000 )	( 4,915 )
Acquisition of property, plant and equipment	6(9)	( 26,570 )	( 30,552 )
Proceeds from disposal of property, plant and equipment		252	2,011
Acquisition of intangible assets		( 5,530 )	( 14,113 )
Increase in refundable deposits		( 15,561 )	( 15,259 )
Increase in other non-current assets		( 41,172 )	-
Net cash used in investing activities		<u>( 84,186 )</u>	<u>( 98,543 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term borrowings		1,424,850	141,240
Repayment of long-term borrowings		( 4,409 )	( 808 )
Proceeds from exercise of employee stock options		-	208
Cash dividends paid	6(18)	( 330,140 )	( 181,562 )
Changes in non-controlling interests		-	455
Net cash provided by (used in) financing activities		<u>1,090,301</u>	<u>( 40,467 )</u>
Effect of exchange rate changes on cash and cash equivalents		<u>11,429</u>	<u>6,847</u>
Increase (decrease) in cash and cash equivalents		96,798	( 337,443 )
Cash and cash equivalents at beginning of period	6(1)	<u>1,628,171</u>	<u>1,332,551</u>
Cash and cash equivalents at end of period	6(1)	<u>\$ 1,724,969</u>	<u>\$ 995,108</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See review report of independent accountants dated November 2, 2015.

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

SEPTEMBER 30, 2015 AND 2014

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

(REVIEWED, NOT AUDITED)

1. ORGANIZATION AND OPERATIONS

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

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

The consolidated financial statements were approved and authorised for issuance by the Board of Directors on November 2, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the Taiwan Stock Exchange or traded on the 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 consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 1, ‘Presentation of financial statements’

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

B. IFRS 10, ‘Consolidated financial statements’

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

definition of control in accordance with the standard.

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

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

D. IFRS 13, 'Fair value measurement'

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

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

The revised standard 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 Group

None.

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

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

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

The Group is assessing the potential impact of the new, revised or amended standards and interpretations above. 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.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation and additional portions of certain accounting policies, the significant accounting policies are in agreement with the policies summarized in Note 4 of the 2014 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Statement of compliance

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34, ‘Interim Financial Reporting’ as endorsed by the FSC.
- B. These consolidated financial statements should be read along with the consolidated financial statements for the year ended December 31, 2014.

##### (2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
  - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Available-for-sale financial assets measured at fair value.
  - (c) Liabilities on cash-settled share-based payment arrangements measured at fair value.
  - (d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

##### (3) Basis of consolidation

- A. Basis for preparation of these consolidated financial statements:

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



B. The subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Contracting for semiconductor automatic supply system	100	100	100	Note 1
Marketech International Corp.	Headquarter International Ltd.	Investment holding and reinvestment	100	100	100	Note 1
Marketech International Corp.	Tiger United Finance Ltd.	Investment holding and reinvestment	100	100	100	Note 1
Marketech International Corp.	Market Go Profits Ltd.	Investment holding and reinvestment	100	100	100	-
Marketech International Corp.	MIC-Tech Global Corp.	International trade	100	100	100	Note 1
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Trading, installation and repair of various machinery equipment and its peripherals	100	100	100	Note 1
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Contracting for electrical installing construction	100	100	100	Note 1
Marketech International Corp.	eZoom Information, Inc.	Research, trading and consulting of information system software and hardware appliance	100	100	100	Note 1
Marketech International Corp.	Hoa Phong Marketech Co., Ltd.	Specialized contracting and related repair services	100	100	100	Note 1 Note 3

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Design, manufacturing, installation of automatic production equipment and its parts	100	-	-	Note 1
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Investment holding and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Investment holding and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	TPP-MIC Co., Limited	Investment holding and reinvestment	60	60	60	-
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Investment holding and reinvestment	100	50	50	Note 4
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co., Limited	Investment holdings and reinvestment	100	40	40	Note 6

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembling of wrapping device and cooling equipment; assembling of barbecue grill; wholesale, commission agency and import and export of the aforementioned products their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (Shanghai) Corp. Ltd.	Wholesale, commission agency, import and export of semiconductor production, inspection equipment and its consumables and boilers that generate electricity; storage and allocation of mainly chemical and boiler products; international and entrepot trade; trading and trading agency among enterprises in customs bonded area; consulting services in customs bonded area	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction; specialized contracting for electrical installing construction; specialized contracting for electronic engineering; specialized contracting for petroleum and chemical equipment installation; specialized contracting for channel and guarantee for post construction; consulting service for related construction technology	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
MIC-Tech Ventures Asia Pacific Inc.	SKMIC (WUXI) Corp.	Design and installation of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; wholesale, commission agency and import of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity; international and entreport trade, trading and trading agency among enterprises in customs bonded area; consulting service for trading	49	49	49	Note 2



Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity; international and entrepot trade, trading and trading agency among enterprises in customs bonded area; consulting service for trading	100	100	100	-
Rusky H.K. Limited	Shanghai Puritic Co., Ltd.	Production of scrubber bins for semiconductor manufacturers; design, installation, debugging and technology services of tunnel system; equipment repair for semiconductor manufacturers; consulting service for electrical and medical equipment wholesale, commissioned distribution, export, import and related services of electronic products, machinery equipment, chemical products, communication equipment, metal products, plastic products	80	80	80	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
Rusky H.K. Limited	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Design of microelectronic products and display devices; consulting service for related technology and management	100	100	100	-
Frontken MIC Co. Limited	Frontken-MIC (Wuxi) Co., Ltd.	Research of specialized cleaning equipment of semiconductor device and integrated circuit, cleaning of special components of semiconductor device, integrated circuit and micromodule and cleaning technology for semiconductor	100	100	100	Note 6
TPP-MIC Co., Limited	TPP-MIC (WuXi) Co., Ltd.	Technology and repair service of semiconductor equipment; self-operation and agency of import and export of various goods and technology	100	100	100	Note 5
MICT International Limited	Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, lighting source, projection screen, high definition projection cathode-ray tube and micro-display module, and production, cleaning and regeneration of new electrical device	100	100	100	Note 4

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			September 30, 2015	December 31, 2014	September 30, 2014	
Marketech Integrated Pte. Ltd.	Marketech International Sdn. Bhd.	Contracting for semiconductor automatic supply system	100	100	100	Note 1
Marketech Engineering Pte. Ltd.	Marketech Integrated Construction Co., Ltd.	Specialized contracting for electrical installing construction	95	95	95	Note 1

Note 1: The financial statements of the entity as of and for the nine months ended September 30, 2015 and 2014 were not reviewed by independent accountants as the entity did not meet the definition of significant subsidiary.

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

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

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

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

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

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: As of September 30, 2015, December 31, 2014 and September 30, 2014, the non-controlling interests amounted to \$2,141, \$4,094 and \$4,448, respectively. Subsidiaries that have non-controlling interests are not material to the Group.

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

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Cash on hand	\$ 21,448	\$ 16,917	\$ 16,591
Checking accounts and demand deposits	1,687,357	1,610,648	977,960
Time deposits	16,164	606	557
Total	<u>\$ 1,724,969</u>	<u>\$ 1,628,171</u>	<u>\$ 995,108</u>

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

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

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Financial assets held for trading			
-listed stocks	\$ 7,778	\$ 14,192	\$ 13,811
Valuation adjustment of financial assets held for trading	( 2,325)	( 2,496)	( 2,254)
Total	<u>\$ 5,453</u>	<u>\$ 11,696</u>	<u>\$ 11,557</u>

A. The Group recognised net gain (loss) of (\$1,495), \$3,820, \$392 and \$4,063 on financial assets held for trading for the three months and nine months ended September 30, 2015 and 2014, respectively.

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

(3) Accounts receivable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Accounts receivable	\$ 3,303,171	\$ 3,402,422	\$ 2,786,909
Less: allowance for bad debts	( 322,635)	( 310,387)	( 311,282)
Total	<u>\$ 2,980,536</u>	<u>\$ 3,092,035</u>	<u>\$ 2,475,627</u>

The Group does not hold any collateral as security.

(4) Inventories

	<u>September 30, 2015</u>		
	<u>Cost</u>	<u>Allowance for valuation loss and loss on obsolete and slow-moving inventories</u>	<u>Book value</u>
Materials	\$ 486,537	(\$ 21,732)	\$ 464,805
Merchandise inventory	690,172	( 46,386)	643,786
Raw materials	400,130	( 15,194)	384,936
Supplies	27,258	( 1,749)	25,509
Work in process	444,311	( 5,119)	439,192
Semi-finished goods and finished goods	216,970	( 11,028)	205,942
Total	<u>\$ 2,265,378</u>	<u>(\$ 101,208)</u>	<u>\$ 2,164,170</u>

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



	September 30, 2014		
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 510,155	(\$ 20,162)	\$ 489,993
Merchandise inventory	576,318	( 55,184)	521,134
Raw materials	310,231	( 15,765)	294,466
Supplies	25,305	( 1,952)	23,353
Work in process	261,086	( 7,824)	253,262
Semi-finished goods and finished goods	173,925	( 9,187)	164,738
Total	<u>\$ 1,857,020</u>	<u>(\$ 110,074)</u>	<u>\$ 1,746,946</u>

Relevant expenses of inventories recognised as operating costs for the three months and nine months ended September 30, 2015 and 2014 are as follows:

	Three months ended September 30,	
	2015	2014
Construction cost	\$ 2,316,177	\$ 1,742,237
Cost of sales	1,692,908	1,191,697
Other operating cost	198,350	159,946
Valuation loss and loss on market value decline and obsolete and slow-moving inventories gains on reversal (Note)	1,247	( 11,837)
Total	<u>\$ 4,208,682</u>	<u>\$ 3,082,043</u>

	Nine months ended September 30,	
	2015	2014
Construction cost	\$ 6,609,523	\$ 4,655,073
Cost of sales	4,511,841	3,821,886
Other operating cost	561,164	425,504
Gain on reversal (Note)	( 4,371)	( 14,244)
Total	<u>\$ 11,678,157</u>	<u>\$ 8,888,219</u>

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

The Group has no inventories pledged to others.

(5) Prepayments

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Prepayment for purchases	\$ 538,955	\$ 562,429	\$ 560,651
Others	61,005	11,531	28,439
Total	<u>\$ 599,960</u>	<u>\$ 573,960</u>	<u>\$ 589,090</u>

(6) Construction contracts receivable / payable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Aggregate costs incurred plus recognised profits (less recognised losses)	\$ 18,159,625	\$ 15,134,073	\$ 13,588,210
Less: progress billings	( 16,620,334)	( 13,797,963)	( 12,209,659)
Net balance sheet position for construction in progress	<u>\$ 1,539,291</u>	<u>\$ 1,336,110</u>	<u>\$ 1,378,551</u>
Presented as:			
Receivables from customers on construction contracts	\$ 2,822,487	\$ 2,354,614	\$ 2,303,036
Payables to customers on construction contracts	( 1,283,196)	( 1,018,504)	( 924,485)
	<u>\$ 1,539,291</u>	<u>\$ 1,336,110</u>	<u>\$ 1,378,551</u>
Retentions relating to construction contracts	<u>\$ 40,351</u>	<u>\$ 35,355</u>	<u>\$ 21,295</u>
Advances received before the related construction work is performed	<u>\$ 303,022</u>	<u>\$ 62,031</u>	<u>\$ 166,348</u>

(7) Financial assets at cost - non-current

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Non-current items:			
Taiwan Intelligent Fiber Optic Network Co., Ltd.	\$ 44,024	\$ 44,024	\$ 44,024
Ares Green Technology Corp.	43,481	43,481	43,481
Taiwan Puritic Corp.	39,287	39,287	39,287
Calitech Co., Ltd.	38,675	38,675	38,675
VEEV Interactive Pte. Ltd.	25,243	25,243	28,243
H&D Venture Capital Investment Corp.	20,000	20,000	20,000
Civil Tech Pte. Ltd.	19,500	19,500	19,500
ProbeLeader Co., Ltd.	14,490	14,490	14,490
IP Fund Six Co., Ltd.	10,000	10,000	10,000
Innorich Venture Capital Corp.	10,000	-	-
H&H Venture Capital Investment Corp.	6,840	12,000	12,000
SOPOWER Technology Corp.	-	4,500	19,500
Others (companies individually not exceeding \$10,000)	33,555	21,827	27,558
Total	<u>\$ 305,095</u>	<u>\$ 293,027</u>	<u>\$ 316,758</u>

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

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

(8) Investments accounted for using the equity method

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

	<u>September 30, 2015</u>		<u>December 31, 2014</u>	
	<u>Carrying amount</u>	<u>% interest held</u>	<u>Carrying amount</u>	<u>% interest held</u>
Solmark Advanced Materials Technology, Inc.	\$ 41,243	30%	\$ -	-
Glory Technology Service Inc.	29,437	40%	29,082	40%
Leader Fortune Enterprise Co., Ltd.	6,129	31.43%	7,546	31.43%
Frontken MIC Co. Limited (Note 2)	-	-	4,565	40%
MIC Techno Co., Ltd.	1,755	20%	2,069	20%
True Victor International Limited	289	38.57%	315	38.57%
MICT International Limited (Note 1)	-	-	12,632	50%
Total	<u>\$ 78,853</u>		<u>\$ 56,209</u>	

	<u>September 30, 2014</u>	
	<u>Carrying amount</u>	<u>% interest held</u>
Glory Technology Service Inc.	\$ 30,014	40%
MICT International Limited (Note 1)	12,412	50%
Frontken MIC Co. Limited (Note 2)	9,195	40%
Leader Fortune Enterprise Co., Ltd.	7,270	31.43%
MIC Techno Co., Ltd.	2,043	20%
True Victor International Limited	821	38.57%
Total	<u>\$ 61,755</u>	

Note 1: The Group originally held 50% of share ownership of MICT International Limited (MICT) and obtained the remaining 50% share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited and its subsidiary (Integrated Manufacturing & Services Co., Ltd.), it and its subsidiary (Integrated Manufacturing & Services Co., Ltd.) have been included in the consolidated financial statements effective March 2015.

Note 2: The Group originally held 40% share ownership of Frontken MIC Co. Limited (Frontken MIC) and obtained the remaining 60% share ownership on September 30, 2015. As the Group holds all voting rights in Frontken MIC Co. Limited and its subsidiary (Frontken-MIC (Wuxi) Co., Ltd.), it and its subsidiary (Frontken-MIC (Wuxi) Co., Ltd.) have been included in the consolidated financial reports since September 2015.

## B. Associates

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

	Three months ended September 30,	
	2015	2014
Loss for the period from continuing operations	(\$ 371)	(\$ 1,747)
Other comprehensive income - net of tax	1,257	1,504
Total comprehensive income (loss)	<u>\$ 886</u>	<u>(\$ 243)</u>

	Nine months ended September 30,	
	2015	2014
Profit (loss) for the period from continuing operations	\$ 995	(\$ 17,984)
Other comprehensive income - net of tax	424	174
Total comprehensive income (loss)	<u>\$ 1,419</u>	<u>(\$ 17,810)</u>

## (9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
<u>At January 1, 2015</u>						
Cost	\$ 205,438	\$ 1,780,749	\$ 612,043	\$ 169,741	\$ 34,703	\$ 2,802,674
Accumulated depreciation	-	( 693,862)	( 501,053)	( 131,365)	( 14,918)	( 1,341,198)
Book value	<u>\$ 205,438</u>	<u>\$ 1,086,887</u>	<u>\$ 110,990</u>	<u>\$ 38,376</u>	<u>\$ 19,785</u>	<u>\$ 1,461,476</u>
<u>Nine months ended September 30, 2015</u>						
Opening net book amount	\$ 205,438	\$ 1,086,887	\$ 110,990	\$ 38,376	\$ 19,785	\$ 1,461,476
Additions	-	2,819	5,186	15,173	3,402	26,580
Acquired from business combination	-	-	26,439	368	3,820	30,627
Transfers (Note)	-	9,556	4,110	-	( 13,273)	393
Disposals	-	-	( 164)	( 244)	( 129)	( 537)
Depreciation	-	( 46,271)	( 20,742)	( 11,088)	( 1,090)	( 79,191)
Net exchange differences	-	3,419	3,195	( 333)	( 1,845)	4,436
Closing net book amount	<u>\$ 205,438</u>	<u>\$ 1,056,410</u>	<u>\$ 129,014</u>	<u>\$ 42,252</u>	<u>\$ 10,670</u>	<u>\$ 1,443,784</u>
<u>At September 30, 2015</u>						
Cost	\$ 205,438	\$ 1,800,666	\$ 665,531	\$ 176,170	\$ 25,770	\$ 2,873,575
Accumulated depreciation	-	( 744,256)	( 536,517)	( 133,918)	( 15,100)	( 1,429,791)
Book value	<u>\$ 205,438</u>	<u>\$ 1,056,410</u>	<u>\$ 129,014</u>	<u>\$ 42,252</u>	<u>\$ 10,670</u>	<u>\$ 1,443,784</u>

	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
<u>At January 1, 2014</u>						
Cost	\$ 205,438	\$ 1,761,682	\$ 627,643	\$ 171,113	\$ 22,199	\$ 2,788,075
Accumulated depreciation	-	( 620,661)	( 501,127)	( 131,293)	( 15,042)	( 1,268,123)
Book value	<u>\$ 205,438</u>	<u>\$ 1,141,021</u>	<u>\$ 126,516</u>	<u>\$ 39,820</u>	<u>\$ 7,157</u>	<u>\$ 1,519,952</u>
<u>Nine months ended September 30, 2014</u>						
Opening net book amount	\$ 205,438	\$ 1,141,021	\$ 126,516	\$ 39,820	\$ 7,157	\$ 1,519,952
Acquired from business combination	-	951	10,525	8,113	10,963	30,552
Additions	-	-	-	140	239	379
Disposals	-	-	( 1,740)	( 624)	( 92)	( 2,456)
Depreciation	-	( 50,630)	( 20,793)	( 10,638)	( 475)	( 82,536)
Net exchange differences	-	1,656	111	41	16	1,824
Closing net book amount	<u>\$ 205,438</u>	<u>\$ 1,092,998</u>	<u>\$ 114,619</u>	<u>\$ 36,852</u>	<u>\$ 17,808</u>	<u>\$ 1,467,715</u>
<u>At September 30, 2014</u>						
Cost	\$ 205,438	\$ 1,766,003	\$ 605,741	\$ 167,115	\$ 32,338	\$ 2,776,635
Accumulated depreciation	-	( 673,005)	( 491,122)	( 130,263)	( 14,530)	( 1,308,920)
Book value	<u>\$ 205,438</u>	<u>\$ 1,092,998</u>	<u>\$ 114,619</u>	<u>\$ 36,852</u>	<u>\$ 17,808</u>	<u>\$ 1,467,715</u>

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

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

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

(10) Short-term borrowings

	<u>September 30, 2015</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Unsecured borrowing	\$ 2,323,930	1.07%~6.16%	None
Mortgage loan	74,859	1.24%~3.08%	Buildings and time deposits
	<u>\$ 2,398,789</u>		
	<u>December 31, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Unsecured borrowing	\$ 864,869	1.1%~7.28%	None
Mortgage loan	88,937	1.19%~7.2%	Buildings and time deposits
	<u>\$ 953,806</u>		

	<u>September 30, 2014</u>	<u>Interest rate range</u>	<u>Collateral</u>
<u>Bank borrowings</u>			
Unsecured borrowing	\$ 1,027,492	1.1%~7.28%	None
Mortgage loan	<u>102,847</u>	1.19%~7.2%	Buildings and time
	<u>\$ 1,130,339</u>		deposits

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

(11) Other payables

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Salaries and bonus payable	\$ 271,398	\$ 289,054	\$ 243,390
Accrued employees' bonus and directors' and supervisors' remuneration	45,659	38,221	23,782
Others	<u>67,190</u>	<u>67,815</u>	<u>51,079</u>
Total	<u>\$ 384,247</u>	<u>\$ 395,090</u>	<u>\$ 318,251</u>

(12) Advance receipts

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Sales revenue received in advance	\$ 567,882	\$ 535,760	\$ 532,339
Others	<u>27,033</u>	<u>47,619</u>	<u>77,817</u>
Total	<u>\$ 594,915</u>	<u>\$ 583,379</u>	<u>\$ 610,156</u>

(13) Long-term borrowings

	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2015</u>
<u>Bank borrowings</u>				
Mortgage loan		-	None	\$ -
Less: current portion (listed as other current liabilities)				<u>-</u>
				<u>\$ -</u>



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

	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>September 30, 2014</u>
<u>Bank borrowings</u>				
Mortgage loan	Borrowing period is from August 20, 2007 to August 20, 2017; interest is payable monthly; principal is payable from January 2008	1.75%	Buildings	\$ 4,975
	Less: current portion (listed as other current liabilities)			( 1,637)
				<u>\$ 3,338</u>

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Floating rate:			
Expiring beyond one year	\$ 900,000	\$ 900,000	\$ 900,000
Fixed rate:			
Expiring beyond one year	14,322	10,266	9,842
	<u>\$ 914,322</u>	<u>\$ 910,266</u>	<u>\$ 909,842</u>

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

#### (14) Pensions

- A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months

prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) For the aforementioned pension plan, the Group recognised pension costs of \$885, \$1,029, \$2,656 and \$3,086 for the three months and nine months ended September 30, 2015 and 2014, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2016 amounts to \$5,354.

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

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

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

(d) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2015 and 2014 were \$22,097, \$20,570, \$61,419 and \$56,201, respectively.

#### (15) Share-based payment

A. For the nine months ended September 30, 2015 and 2014, the Group'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:

	Nine months ended September 30,			
	2015		2014	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	-	\$ -	130	\$ 16.00
Options granted	3,956	19.60	-	-
Options exercised	-	-	(13)	16.00
Options forfeited	-	-	(117)	16.00
Options outstanding at end of the period	<u>3,956</u>	19.60	<u>-</u>	(Note)
Options exercisable at end of the period	<u>-</u>		<u>-</u>	(Note)
Options approved but not yet issued at end of the period	<u>44</u>		<u>-</u>	

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 nine months ended September 30, 2014 was \$21.95 (in dollars).

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

Issue date approved	Expiry date	September 30, 2015	
		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	2015.09.11	\$ 19.60	\$ 19.60	34.91%	4.375 years	0%	0.81%	\$ 5.8326

F. Expenses incurred on share-based payment transactions are \$ 432, \$ 0, \$ 432 and \$ 0 for the three months and nine months ended September 30, 2015 and 2014, respectively.

(16) Share capital

- A. To increase the Company's working capital, the Company has exercised employees' stock options during 2014. The capital increase was approved by the Financial Supervisory Commission (FSC). The registration was completed in April 2014.
- B. As of September 30, 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:

	Nine months ended September 30,	
	2015	2014
At January 1	165,069,756	165,056,756
Share-based payment	-	13,000
At September 30	<u>165,069,756</u>	<u>165,069,756</u>

(17) Capital surplus

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

Details of movements in capital surplus are as follows:

	Nine months ended September 30, 2015			
	Share premium	Employee stock options	Expired stock options	Total
At January 1, 2015	\$ 616,003	\$ -	\$ 351	\$ 616,354
Compensation cost of employee stock options	-	432	-	432
At September 30, 2015	<u>\$ 616,003</u>	<u>\$ 432</u>	<u>\$ 351</u>	<u>\$ 616,786</u>

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

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve. The remaining along with the prior years' unappropriated earnings are resolved by the Board of Directors and proposed to the stockholders for appropriation or reserve.
- B. 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	<u>\$ 368,594</u>		<u>\$ 203,823</u>	

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.

F. For the information relating to employees’ remuneration (bonuses) and directors’ and supervisors’ remuneration, please refer to Note 6(21).

(19) Operating revenue

	Three months ended September 30,	
	2015	2014
Construction revenue	\$ 2,466,832	\$ 1,900,029
Sales revenue	1,948,461	1,318,788
Other operating revenue	340,351	266,453
Total	<u>\$ 4,755,644</u>	<u>\$ 3,485,270</u>

	Nine months ended September 30,	
	2015	2014
Construction revenue	\$ 6,974,267	\$ 5,064,722
Sales revenue	5,157,290	4,318,296
Other operating revenue	926,169	724,146
Total	<u>\$ 13,057,726</u>	<u>\$ 10,107,164</u>

(20) Other gains and losses

	Three months ended September 30,	
	2015	2014
Net (loss) gain on financial assets at fair value through profit or loss	(\$ 1,495)	\$ 3,820
Gain (loss) on disposal of investments	208 (	5,754)
Impairment loss	( 4,829)	-
Exchange gain (loss)	67,554 (	3,991)
Other losses	( 1,331)	( 970)
Total	<u>\$ 60,107</u>	<u>(\$ 6,895)</u>

	Nine months ended September 30,	
	2015	2014
Net gain on financial assets at fair value through profit or loss	\$ 392	\$ 4,063
Loss on disposal of investments	( 212) (	4,012)
Impairment loss	( 4,829)	-
Exchange gain (loss)	41,514 (	7,286)
Other losses	( 6,375)	( 3,568)
Total	<u>\$ 30,490</u>	<u>(\$ 10,803)</u>

(21) Employee benefit expense, depreciation and amortisation

A. Employee benefit expense, depreciation and amortisation

	Three months ended September 30, 2015		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 149,624	\$ 206,043	\$ 355,667
Compensation cost of employee stock options	-	432	432
Labour and health insurance fees	16,717	12,709	29,426
Pension costs	12,731	10,251	22,982
Other employee benefit expense	5,155	8,864	14,019
Depreciation	18,020	8,557	26,577
Amortisation	923	3,681	4,604



Three months ended September 30, 2014			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 132,675	\$ 173,804	\$ 306,479
Labour and health insurance fees	14,646	13,093	27,739
Pension costs	11,274	10,325	21,599
Other employee benefit expense	3,007	5,773	8,780
Depreciation	17,523	8,991	26,514
Amortisation	1,269	4,639	5,908

Nine months ended September 30, 2015			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 436,807	\$ 567,815	\$ 1,004,622
Employee stock options	-	432	432
Labour and health insurance fees	45,341	39,348	84,689
Pension costs	33,530	30,545	64,075
Other employee benefit expense	14,719	20,584	35,303
Depreciation	52,503	26,688	79,191
Amortisation	3,676	12,469	16,145

Nine months ended September 30, 2014			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 384,135	\$ 508,239	\$ 892,374
Labour and health insurance fees	39,169	39,369	78,538
Pension costs	28,798	30,489	59,287
Other employee benefit expense	11,415	16,449	27,864
Depreciation	54,255	28,281	82,536
Amortisation	3,009	12,900	15,909

**B. Employees' remuneration (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 remuneration 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 remuneration 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' remuneration 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' remuneration 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 nine months ended September 30, 2015, employees' remuneration and directors' and supervisors' remuneration were accrued based on the profit before tax of current year (until September 30, 2015) (10% and 1% for employees and directors/supervisors, respectively). Accrued employees' remuneration and directors' and supervisors' remuneration were recognised in salary expenses. If the amount resolved by the Board of Directors has significant change after the balance sheet date, adjustments will be made in the income statement of current year.
- (c) For the nine months ended September 30, 2015, employees' bonus and directors' and supervisors' remuneration were accrued based on the net income of current year (until September 30, 2015) and the percentage specified in the Articles of Incorporation of the Company (10% and 1% for employees and directors/supervisors, respectively). Accrued employees' bonus and directors' and supervisors' remuneration were recognised in salary expenses. If the amount resolved by the Board of Directors has significant change after the balance sheet date, adjustments will be made in the income statement of current year. The calculation of bonus distributed for stocks is based on the closing price at one day before the annual stockholders' meeting and considers the effect of ex-right and ex-dividend. Bonus distribution is recognised as salary expense. However, if the amount differs from the actual appropriation amount approved by the stockholders, the difference is recognised as profit or loss for the years of stockholders' approval.
- (d) For the three months and nine months ended September 30, 2015 and 2014, employees' bonus and directors' and supervisors' remuneration are accrued as follows:

	Three months ended September 30,	
	2015	2014
Employees' bonus	\$ 33,491	\$ 7,323
Directors' and supervisors' remuneration	3,428	740
	<u>\$ 36,919</u>	<u>\$ 8,063</u>

	Nine months ended September 30,	
	2015	2014
Employees' bonus	\$ 40,967	\$ 21,097
Directors' and supervisors' remuneration	4,138	2,131
	<u>\$ 45,105</u>	<u>\$ 23,228</u>

The difference between employees' bonus 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 \$46 had been adjusted in the 2015 income statement.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration for 2014 by the Company as proposed by the Board of Directors and resolved by the stockholders in 2015 will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2015	2014
Current tax		
Current tax on profits for the period	\$ 41,671	\$ 21,869
Adjustments in respect of prior years	27	( 92)
Total current tax	41,698	21,777
Deferred tax		
Origination and reversal of temporary differences	10,092	( 4,595)
Income tax expense	<u>\$ 51,790</u>	<u>\$ 17,182</u>

	Nine months ended September 30,	
	2015	2014
Current tax		
Current tax on profits for the period	\$ 90,302	\$ 69,987
Additional 10% tax on undistributed earnings	2,364	1,879
Adjustments in respect of prior years	2,731	( 1,866)
Total current tax	95,397	70,000
Deferred tax		
Origination and reversal of temporary differences	( 11,631)	( 19,279)
Income tax expense	<u>\$ 83,766</u>	<u>\$ 50,721</u>

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

	Three months ended September 30,	
	2015	2014
Currency translation differences	(\$ 8,573)	(\$ 4,932)

  

	Nine months ended September 30,	
	2015	2014
Currency translation differences	(\$ 383)	(\$ 1,749)

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

	Assessment
The Company	Through 2013
eZoom Information, Inc.	Through 2013

C. Unappropriated retained earnings:

	September 30, 2015	December 31, 2014	September 30, 2014
Earnings generated in and before 1997	\$ -	\$ -	\$ -
Earnings generated in and after 1998	1,389,996	1,467,273	1,313,316
	<u>\$ 1,389,996</u>	<u>\$ 1,467,273</u>	<u>\$ 1,313,316</u>

D. As of September 30, 2015, December 31, 2014 and September 30, 2014, the balance of the imputation tax credit account was \$350,252, \$324,023, and \$290,727, respectively. The creditable tax rate was 27.15% for 2014 and is estimated to be 27.95% for 2015.

(23) Earnings per share

	Three months ended September 30, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 197,208	165,070	\$ 1.19
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus		2,074	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 197,208	167,144	\$ 1.18

	Three months ended September 30, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 83,001	165,069	\$ 0.50
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus		934	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 83,001	166,003	\$ 0.50

Nine months ended September 30, 2015			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 291,317	165,070	\$ 1.76
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus		2,805	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 291,317	167,875	\$ 1.74
Nine months ended September 30, 2014			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 238,279	165,066	\$ 1.44
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus		1,564	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 238,279	166,630	\$ 1.43

(24) Operating leases

Details are provided in Note 9(1).

(25) Business combinations

A. Acquired the share ownership of MICT International Limited

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

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

- (c) The Group recognised a gain of \$349 as a result of measuring at fair value its 50% equity interest in MICT held before the business combination.
- (d) The operating revenue included in the consolidated statement of comprehensive income since March 2014 until September 30, 2015 contributed by MICT and its subsidiary was \$4,070. MICT and its subsidiary also contributed loss before income tax of \$7,240 over the same period. Had MICT and its subsidiary been consolidated starting from January 1, 2015, the consolidated statement of comprehensive income would show operating revenue of \$13,059,214 and profit before income tax of \$372,476 for the nine months ended September 30, 2015.

B. Acquired the share ownership of Frontken MIC Co. Limited

- (a) The Group originally held 40% share ownership of Frontken MIC Co. Limited (Frontken MIC) and obtained the remaining 60% share ownership on September 30, 2015. As the Group holds all voting rights in Frontken MIC Co. Limited and its subsidiary (Frontken-MIC (Wuxi) Co., Ltd.), it and its subsidiary (Frontken-MIC (Wuxi) Co., Ltd.) are included in the consolidated entities with its subsidiary since September 2015.
- (b) The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interests in Frontken MIC:



	<u>September 30, 2015</u>
Purchase consideration	
Cash	\$ 2,958
Fair value of interests in Frontken MIC on the acquisition date that had been owned prior to the acquisition	<u>3,585</u>
	<u>\$ 6,543</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Investments accounted for using equity method	\$ 8,962
Total identifiable net assets	<u>\$ 8,962</u>
Gain recognised in bargain purchase	<u>(\$ 2,419)</u>

- (c) The Group recognised a gain of \$206 as a result of measuring at fair value its 40% equity interest in Frontken MIC held before the business combination.
- (d) Frontken MIC and its subsidiary had been consolidated since September 30, 2015. Had Frontken MIC and its subsidiary been consolidated starting from January 1, 2015, the consolidated statement of comprehensive income would show operating revenue of \$13,057,726 and profit before income tax of \$371,667 for the nine months ended September 30, 2015.
- C. Acquired the share ownership of Hoa Phong Marketech Co., Ltd.
- (a) The Company originally held 40% share ownership of Hoa Phong Marketech Co., Ltd. (Hoa Phong MIC). The stockholders who held the remaining 60% of share ownership surrendered their shares in August 2014 and the change was registered in October 2014. As the Group holds all voting rights in Hoa Phong MIC, it is included in the consolidated financial reports from the date of acquisition.
- (b) The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value at the acquisition date of the non-controlling interests in Hoa Phong MIC:

	<u>August 31, 2014</u>
Purchase consideration	
Fair value of equity interest in Hoa Phong MIC held before the business combination	\$ 819
Fair value of the non-controlling interest	<u>1,229</u>
	<u>\$ 2,048</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	\$ 1,045
Other current assets	1,109
Property, plant and equipment	379
Other non-current assets	194
Current liabilities	<u>(679)</u>
Total identifiable net assets	<u>\$ 2,048</u>

(c) The Group recognised a loss of \$5,754 as a result of measuring at fair value its 40% equity interest in Hoa Phong MIC held before the business combination.

(d) The operating revenue included in the consolidated statement of comprehensive income since August 31, 2014 until September 30, 2014 contributed by Hoa Phong MIC was \$0. Hoa Phong MIC also contributed loss before income tax of \$251 over the same period. Had Hoa Phong MIC been consolidated starting from January 1, 2014, the consolidated statement of comprehensive income would show operating revenue of \$10,107,570 and profit before income tax of \$288,832 for the nine months ended September 30, 2014.

## 7. RELATED PARTY TRANSACTIONS

### (1) Significant related party transactions and balances

#### A. Sales of goods and services

	<u>Three months ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods		
Other related parties	\$ 8,092	\$ 421
Associates	-	2,529
Entities controlled by key management or entities with significant influence	-	1,558
Total	<u>\$ 8,092</u>	<u>\$ 4,508</u>

	<u>Nine months ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Sales of goods		
Entities controlled by key management or entities with significant influence	\$ 72,275	\$ 50,634
Other related parties	9,615	860
Associates	-	2,529
Total	<u>\$ 81,890</u>	<u>\$ 54,023</u>

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

#### B. Acquisition of goods and services

	<u>Three months ended September 30,</u>	
	<u>2015</u>	<u>2014</u>
Purchases of goods		
Entities controlled by key management or entities with significant influence	\$ 7,940	\$ 1,297

	Nine months ended September 30,	
	2015	2014
Purchases of goods		
Entities controlled by key management or entities with significant influence	\$ 16,698	\$ 3,424

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

	Three months ended September 30,	
	2015	2014
Outsourcing construction costs		
Entities controlled by key management or entities with significant influence	\$ 4,362	\$ 6,330
Other related parties	4,325	-
Total	\$ 8,687	\$ 6,330

	Nine months ended September 30,	
	2015	2014
Outsourcing construction costs		
Entities controlled by key management or entities with significant influence	\$ 16,912	\$ 52,417
Other related parties	4,325	-
Total	\$ 21,237	\$ 52,417

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

	September 30, 2015	December 31, 2014	September 30, 2014
Entities controlled by key management or entities with significant influence	\$ 64,766	\$ 3,566	\$ 21,487
Associates	-	4,710	2,985
Other related parties	-	1,261	421
Subtotal	64,766	9,537	24,893
Less: allowance for bad debts	( 1,711)	( 88)	( 660)
Total	\$ 63,055	\$ 9,449	\$ 24,233

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. Loans to related parties

Other receivables

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Entities controlled by key management or entities with significant influence	\$ -	\$ -	\$ 19,600
Less: allowance for bad debts	-	-	( 620)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,980</u>

The Group'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.

E. Payables to related parties

Accounts payable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Entities controlled by key management or entities with significant influence	\$ 16,921	\$ 20,020	\$ 3,782
Other related parties	1,767	3,816	6,008
Total	<u>\$ 18,688</u>	<u>\$ 23,836</u>	<u>\$ 9,790</u>

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

F. Construction contracts receivable

Construction contracts receivable

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Associates	\$ 7,044	\$ 16,267	\$ 16,267
Entities controlled by key management or entities with significant influence	6,483	6,456	6,456
Other related parties	286	5,969	2,498
Total	<u>\$ 13,813</u>	<u>\$ 28,692</u>	<u>\$ 25,221</u>

G. Property transactions

Acquisition of property, plant and equipment and intangible assets:

	Three months ended September 30,	
	2015	2014
Entities controlled by key management or entities with significant influence	\$ <u>5,033</u>	\$ <u>7,169</u>
	Nine months ended September 30,	
	2015	2014
Entities controlled by key management or entities with significant influence	\$ <u>11,766</u>	\$ <u>11,315</u>

(2) Key management compensation

	Three months ended September 30,	
	2015	2014
Salaries and other short-term employee benefits	\$ <u>14,286</u>	\$ <u>11,119</u>
	Nine months ended September 30,	
	2015	2014
Salaries and other short-term employee benefits	\$ <u>30,908</u>	\$ <u>27,804</u>

8. PLEGDED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2015	December 31, 2014	September 30, 2014	
Time deposits (recorded as 'other current assets')	\$ 20,863	\$ 90,098	\$ 90,823	Guarantee for bank's borrowing facility
Refundable deposits (recorded as 'other current assets')	46,708	41,240	53,195	Bid bond and performance guarantee
Buildings (recorded as 'Property, plant and equipment')	176,520	184,492	182,464	Guarantee for bank's borrowing facility
	\$ <u>244,091</u>	\$ <u>315,830</u>	\$ <u>326,482</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### Commitments

#### (1) Operating leases agreements

The Group leases buildings under non-cancellable operating lease agreements. The lease terms are under 10 years, and all these lease agreements are renewable at the end of the lease period. Rental is increased periodically to reflect market rental rates. The Group recognised rental costs and expenses of \$34,286, \$28,535, \$94,848 and \$81,044 for these leases in profit or loss for the three months and nine months ended September 30, 2015 and 2014, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Not later than one year	\$ 50,714	\$ 46,422	\$ 45,200
Later than one year but not later than five years	66,712	40,932	40,397
Later than five years	<u>30,841</u>	<u>36,412</u>	<u>34,384</u>
Total	<u>\$ 148,267</u>	<u>\$ 123,766</u>	<u>\$ 119,981</u>

(2) As of September 30, 2015, the notes and letters of guarantee used for construction performance and custom security amounted to \$1,632,565.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

## 12. OTHERS

### (1) Capital risk management

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

### (2) Financial instruments

#### A. Fair value information of financial instruments

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

#### B. Financial risk management policies

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

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Foreign exchange risk

- The Group operates internationally and is exposed to foreign exchange risk arising from

various currency exposures, primarily with respect to the USD, RMB and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

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

September 30, 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)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD : NTD	\$ 35,266	32.87	\$ 1,159,203	1%	\$ 11,592	\$	-
USD : RMB	10,867	6.3506	357,183	1%	3,572		-
EUR : NTD	3,451	36.92	127,407	1%	1,274		-
EUR : USD	1,847	1.12	68,176	1%	682		-
JPY : NTD	141,518	0.2739	38,762	1%	388		-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 4,221	32.87	\$ 138,739	1%	\$ 1,387	\$	-
USD : RMB	28,479	6.3506	936,111	1%	9,361		-
USD : SGD	1,564	1.4229	51,404	1%	514		-



December 31, 2014

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 22,813	31.65	\$ 722,029	1%	\$ 7,220	\$ -
USD : RMB	11,072	6.2175	350,443	1%	3,504	-
EUR : NTD	3,242	38.47	124,710	1%	1,247	-
EUR : USD	2,033	1.22	78,224	1%	782	-
JPY : NTD	291,488	0.2646	77,128	1%	771	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 5,213	31.65	\$ 164,981	1%	\$ 1,650	\$ -
USD : RMB	28,225	6.2157	893,307	1%	8,933	-
JPY : NTD	173,768	0.2646	45,979	1%	460	-

September 30, 2014

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis		
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 17,357	30.42	\$ 527,988	1%	\$ 5,280	\$ -
USD : RMB	11,314	6.1655	344,172	1%	3,442	-
EUR : NTD	897	38.59	34,623	1%	346	-
EUR : USD	3,056	1.27	117,936	1%	1,179	-
JPY : NTD	337,435	0.278	93,807	1%	938	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 5,097	30.42	\$ 155,058	1%	\$ 1,551	\$ -
USD : RMB	24,069	6.1655	732,183	1%	7,322	-
USD : SGD	1,204	1.2728	36,639	1%	366	-

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

Three months ended September 30, 2015			
Exchange gain (loss)			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ -	32.87	\$ 31,753
EUR : USD	13	1.12	( 596)
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	(\$ 4,325)	6.3506	(\$ 22,765)

Three months ended September 30, 2014			
Exchange gain (loss)			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ -	30.42	\$ 12,319
EUR : USD	( 387)	1.27	( 11,721)
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	\$ 848	6.1655	\$ 4,047

Nine months ended September 30, 2015			
Exchange gain (loss)			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ -	32.87	\$ 31,169
EUR : USD	( 495)	1.12	( 16,283)
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : RMB	(\$ 6,187)	6.3506	(\$ 32,024)

	Nine months ended September 30, 2014			
	Exchange gain (loss)			
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	-	30.42	\$ 6,427
EUR : USD	(	302)	1.27	( 9,181)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : RMB	(\$	273)	6.1655	(\$ 1,345)

#### Price risk

- The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet at fair value through profit or loss.
- The Company's investments in equity securities comprise listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit for the nine months ended September 30, 2015 and 2014 would have increased/decreased by \$78 and \$138, as a result of gains/losses on equity securities classified as at fair value through profit or loss. For the nine months ended September 30, 2015 and 2014, the amount reduced from adjustments in equity and included in profit or loss was \$0 and \$1,512, respectively.

#### Interest rate risk

- The Group's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Changes in market interest rate will change effective interest rates of bank borrowings and thus fluctuate future cash flow. As the Group's operating capital is sufficient and risk is mostly offset by cash and cash equivalents held at variable rates, the Group has assessed there is no significant interest rate shift in cash flow risk.
- The Group analyses its interest rate exposure. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.
- Under the Group's simulation analysis result of interest risk, if the interest rate had increased/decreased by 1% with all other variables held constant, profit for the nine months ended September 30, 2015 and 2014 would have increased/ decreased by \$19,910 and \$9,423, respectively.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. Described as follows:
  - The Group has assessed the credit status of counterparties when selling products and goods or services. So it expects that the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount.
  - Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilisation of credit limits is regularly monitored.
  - Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.
  - For banks and financial institutions, only rated parties with good ratings are accepted.
  - The endorsements and guarantees provided by the Group are all in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies". The Group knows the credit status of endorsees well and does not require any security. If there is any non-performance, the performance amount is the possible credit risk.
- ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is calculated from the invoice date as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Up to 90 days	\$ 1,548,994	\$ 1,013,232	\$ 735,842

- iv. Movement analysis of accounts receivable (including related parties) that were impaired is as follows:
  - a. As of September 30, 2015, December 31, 2014 and September 30, 2014, the Group's accounts receivable that were impaired amounted to \$1,651,111, \$2,078,861 and \$1,773,518, and allowance for bad debts was accrued as \$324,346, \$310,475 and \$311,942, respectively.
  - b. Movements on the Group's provision for impairment of accounts receivable are as follows:

	Nine months ended September 30, 2015		
	Individual provision	Group provision	Total
At January 1	\$ 175,381	\$ 135,094	\$ 310,475
Provision of impairment during the period	33,584	8,767	42,351
Write-offs during the period	( 31,830)	-	( 31,830)
Transfer during the period	26,770	( 26,770)	-
Effect of exchange rate	2,233	1,117	3,350
At September 30	<u>\$ 206,138</u>	<u>\$ 118,208</u>	<u>\$ 324,346</u>

	Nine months ended September 30, 2014		
	Individual provision	Group provision	Total
At January 1	\$ 173,630	\$ 131,303	\$ 304,933
Provision of impairment during the period	7,380	13,712	21,092
Write-offs during the period	( 13,959)	-	( 13,959)
Transfer during the period	12,954	( 13,574)	( 620)
Effect of exchange rate	279	217	496
At September 30	<u>\$ 180,284</u>	<u>\$ 131,658</u>	<u>\$ 311,942</u>

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

	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2014</u>
Type A	\$ 2,242	\$ -	\$ 311
Type B	36,746	135,203	112,401
Type C	128,844	184,663	189,730
	<u>\$ 167,832</u>	<u>\$ 319,866</u>	<u>\$ 302,442</u>

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

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

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

(c) Liquidity risk

- i. The Group invests in financial assets measured at fair value through profit or loss in active markets, so it expects to sell the financial assets in markets with prices approximate to fair value. Financial assets at cost are not traded in active markets, thus, liquidity risk is expected. However, the Group's operating capital is sufficient to fulfill the Group's capital needs and it does not expect significant liquidity risk.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities

<u>September 30, 2015</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 2,398,789	\$ -	\$ -	\$ -
Notes payable (including related parties)	812,864	-	-	-
Accounts payable (including related parties)	2,747,731	-	-	-
Other payables	384,247	-	-	-
<u>December 31, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 953,806	\$ -	\$ -	\$ -
Notes payable (including related parties)	807,648	-	-	-
Accounts payable (including related parties)	3,382,915	-	-	-
Other payables	395,090	-	-	-
Long-term borrowings (including current portion)	1,646	1,668	1,262	-
<u>September 30, 2014</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Notes payable (including related parties)	\$ 555,114	\$ -	\$ -	\$ -
Accounts payable (including related parties)	2,554,036	-	-	-
Other payables	318,251	-	-	-
Long-term borrowings (including current portion)	1,637	1,660	1,678	-

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through

the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A.
- B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

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

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

Level 3: Unobservable inputs for the asset or liability.

- C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at September 30, 2015, December 31, 2014 and September 30, 2014 is as follows:

<u>September 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 5,453	\$ -	\$ -	\$ 5,453

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

<u>September 30, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	<u>\$ 11,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,557</u>

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



### 13. SUPPLEMENTARY DISCLOSURES

#### (4) 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.

#### (5) Information on investees

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

#### (6) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

## 14. SEGMENT INFORMATION

### (1) General information

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

The Group is divided into the following 4 segments:

- A. Agency for equipment materials segment: mainly engaged in semiconductor, optoelectronics and other high-tech industrial processing and trading, distribution, after-sale service and technical support of factory equipment and its material, chemicals and parts.
- B. Process system and mechatronic system service segment: mainly contracting electrical, clean room, peripheral system facilities and process, engaged in lump sum contracts, providing integrated services consisting of planning, design, construction, supervision, installation, testing, operational consulting, maintenance and repair for gas, automatic supply system of chemicals, special gas and factory monitor system. Services for general industries such as petrochemical plant, conventional industry plant, mechatronic system for intelligent buildings.
- C. Customized equipment manufacturing segment: mainly engaged in research and development of customized automation equipment and process based on request of customers in semiconductor, optoelectronics and traditional industry.
- D. Other segments: mainly providing repair, cleaning and renewal services to customers' equipment and device in semiconductor, optoelectronics and traditional industry.

### (2) Measurement of segment information

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

### (3) Segment profit information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments for the nine months ended September 30, 2015 and 2014 is as follows:

Nine months ended September 30, 2015

	Agency for equipment materials segment	Process system and mechatronic system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers	\$ 2,460,878	\$ 8,005,079	\$ 2,546,195	\$ 45,574	\$ 13,057,726
Inter-segment revenue	42,260	40,139	8,100	4,217	94,716
Total segment revenue	<u>\$ 2,503,138</u>	<u>\$ 8,045,218</u>	<u>\$ 2,554,295</u>	<u>\$ 49,791</u>	<u>\$ 13,152,442</u>
Segment profit (loss)	<u>\$ 199,209</u>	<u>\$ 35,523</u>	<u>\$ 99,943</u>	<u>(\$ 3,103)</u>	<u>\$ 331,572</u>

Nine months ended September 30, 2014

	Agency for equipment materials segment	Process system and mechatronic system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers	\$ 2,225,762	\$ 6,068,145	\$ 1,774,090	\$ 39,167	\$ 10,107,164
Inter-segment revenue	44,673	33,133	1,202	10,355	89,363
Total segment revenue	<u>\$ 2,270,435</u>	<u>\$ 6,101,278</u>	<u>\$ 1,775,292</u>	<u>\$ 49,522</u>	<u>\$ 10,196,527</u>
Segment profit (loss)	<u>\$ 132,998</u>	<u>\$ 128,675</u>	<u>\$ 48,909</u>	<u>(\$ 4,634)</u>	<u>\$ 305,948</u>

(4) Reconciliation for segment income (loss)

Sales and service between segments are carried out at arm's length. The revenue and financial information from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income before tax from continuing operations for the nine months ended September 30, 2015 and 2014 is provided as follows:

	Nine months ended September 30,	
	2015	2014
Reportable segments income	\$ 334,675	\$ 310,582
Other reportable segments loss	( 3,103)	( 4,634)
Total segments	331,572	305,948
Other gains and losses	41,844	( 12,495)
Loss on disposal of investments	( 212)	( 4,012)
Income before tax from continuing operations	<u>\$ 373,204</u>	<u>\$ 289,441</u>

MARKETECH INTERNATIONAL CORP.  
AND SUBSIDIARIES

Loans to others

Nine months ended September 30, 2015

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2015 (Note 2)	Balance at September 30, 2015 (Note 6)	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables	Y	\$ 6,330	\$ -	\$ -	-	2	\$ -	Operations	\$ -	None	-	\$ 1,735,588	\$ 1,735,588	Note 4
1	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	Other receivables	Y	31,055	31,055	12,940	5.865	2	-	Operations	-	None	-	158,664	158,664	Note 5
1	MIC-Tech Electronics Engineering Corp.	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Other receivables	Y	2,329	2,329	1,812	6.16	2	-	Operations	-	None	-	158,664	237,995	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	Other receivables	Y	23,292	23,292	23,292	7.2	2	-	Operations	-	None	-	78,804	78,804	Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	51,759	51,759	51,759	5.5775	2	-	Operations	-	None	-	78,804	118,206	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech (Shanghai) Corp. Ltd.	Other receivables	Y	45,828	-	-	-	2	-	Operations	-	None	-	78,804	118,206	Note 4 Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Integrated Manufacturing & Services Co., Ltd.	Other receivables	Y	15,528	15,528	7,764	5.5775-6.5	2	-	Operations	-	None	-	78,804	118,206	Note 4 Note 5
3	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co. Ltd.	Other receivables	Y	46,583	46,583	46,583	5.06-6.16	2	-	Operations	-	None	-	128,285	192,427	Note 4 Note 5
4	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	32,870	32,870	32,870	4.896	2	-	Operations	-	None	-	473,607	710,410	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 nine month ended September 30, 2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES  
Provision of endorsements and guarantees to others  
Nine months ended September 30, 2015

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2015 (Note 5)	Outstanding endorsement/ guarantee amount at September 30, 2015 (Note 5)	Actual amount drawn down (Note 7)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
			Relationship with the endorser/ guarantor (Note 2)												
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	\$ 2,169,485	\$ 110,775	\$ 49,305	\$ 49,305	-	1.14	\$ 4,338,969	Y	N	N	Note 3	
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,169,485	603,470	603,470	449,767	-	13.91	4,338,969	Y	N	Y	Note 3	
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	3	2,169,485	438,339	320,229	320,229	-	7.38	4,338,969	Y	N	Y	Note 3	
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	3	2,169,485	1,015,418	1,015,418	957,673	-	23.40	4,338,969	Y	N	Y	Note 3	
1	Hoa Phong Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	3	2,169,485	84,281	57,544	57,544	-	1.33	4,338,969	N	N	N	Note 4	
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,169,485	68,296	68,296	68,296	-	1.57	4,338,969	N	N	Y	Note 4	

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

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

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

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

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

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

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

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on the total amount is 5 times of the Company's net assets.
- (2) Except for guarantees for contracting constructions, limit on the accumulated endorsements and guarantees is the endorser company's net assets; limit on endorsement/guarantee to a single party is 50% of the endorser company's net assets. Limit on the total endorsement/guarantee of the endorser company and its subsidiaries as a whole is 1.5 times of the endorser company's net assets; limit on endorsement/guarantee to a single party is 75% of the endorser company's net assets.
- (3) Limit on endorsements and guarantees to a company of which the endorser company and the ultimate parent company directly or indirectly holds 90% or above of its share capital is 10 times of the endorser company's net assets and may not exceed 10% of the ultimate parent's net assets. However, the endorsements and guarantees of the ultimate parent to companies which it holds 100% of voting shares are not subject to the preceding and Note 4(2) limits. Nonetheless, limit is subject to paragraph 4.2 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies": (see above Note 3(2) details of the Company's endorsement/guarantee).

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

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

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES

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

Nine months ended September 30, 2015

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of September 30, 2015					
					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	\$ 3,328	-	\$ 3,328	None	
"	"	Solar Applied Materials Technology Corp.	"	"	50,000	945	-	945	"	
"	"	Aerospace Industrial Development Corp.	"	"	20,000	1,180	-	1,180	"	
						<u>\$ 5,453</u>		<u>\$ 5,453</u>		
"	Ordinary shares	Ares Green Technology Corp..	None	Financial assets measured at cost - non-current	2,632,293	\$ 43,481	7.96%	\$ -	None	
"	"	Taiwan Puritic Corp.	"	"	6,191,181	39,287	13.58%	-	"	
"	"	Calitech Co., Ltd.	"	"	3,117,199	38,675	10.85%	-	"	
"	"	SOPOWER Technology Corp.	Entities controlled by key management or entities with significant influence	"	189,233	-	12.61%	-	"	
"	"	VEEV Interactive Pte. Ltd.	None	"	840,000	25,243	6.45%	-	"	
"	"	Taiwan Intelligent Fiber Optic Network Co.,Ltd.	"	"	3,868,261	44,024	1.72%	-	"	
"	"	H&D Venture Capital Investment Corp.	Entities controlled by key management or entities with significant influence	"	2,000,000	20,000	6.67%	-	"	
"	"	Civil Tech Pte. Ltd.	None	"	450,000	19,500	0.90%	-	"	
"	"	ProbeLeader Co., Ltd.	Entities controlled by key management or entities with significant influence	"	966,000	14,490	3.46%	-	"	
"	"	H&H Venture Capital Investment Corp.	None	"	684,000	6,840	4.17%	-	"	
"	"	Top Green Energy Technologies,Inc.	"	"	2,000,000	3,000	0.89%	-	"	
"	"	IP Fund Six Co., Ltd.	"	"	1,000,000	10,000	1.79%	-	"	
"	"	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	"	-	<u>1,967</u>	19.00%	-	"	Note 4
		Total				<u>\$ 305,095</u>				

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

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

Note 3: Holding preferred stock.

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

MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES  
Significant inter-company transactions during the reporting period  
Nine months ended September 30, 2015

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction	
						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	8,563	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	5,060		0.04%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Accounts receivable	7,590		0.06%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Sales revenue	19,714		0.15%
1	eZoom Information, Inc.	Marketech International Corp.	2	Services revenue	22,346		0.17%
2	MIC-Tech Global Corp.	Marketech International Corp.	2	Sales revenue	19,875		0.15%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	3	Construction revenue	5,840		0.04%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	3	Other receivables	12,940		0.10%
4	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	32,870		0.26%
5	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	3	Other receivables	23,751		0.19%
5	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	51,759		0.41%
5	MIC-Tech (WuXi) Co., Ltd.	Integrated Manufacturing & Services Co., Ltd.	3	Other receivables	7,764		0.06%
6	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co., Ltd.	3	Other receivables	46,583		0.36%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

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

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

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



## MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES

## Information on investees

Nine months ended September 30, 2015

Table 5

 Expressed in thousands of NTD  
 (Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note2)		Shares held as at September 30, 2015			Net profit (loss) of the investee for the nine months ended September 30, 2015	Investment income (loss) recognised by the Company for the nine months ended September 30, 2015 (Note 1)	Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	\$ 160,177	\$ 136,757	6,725,040	100	\$ 23,630	(\$ 31,433)	(\$ 31,433)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1,108,679	1,108,679	34,069,104	100	1,215,841	( 107,937)	( 106,788)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	15,909	13,327	109,336	100	3,805	( 4,775)	( 5,528)	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	43,284	194	194	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	41,991	( 145)	( 145)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	9,139	9,139	379,597	100	7,316	1,004	1,004	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	54,597	2,011	2,011	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	36,489	( 4,256)	( 4,256)	The Company's subsidiary
Marketech International Corp.	Hoa Phong Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services	29,922	29,922	-	100	16,178	( 2,774)	( 2,774)	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	23,899	( 12,981)	( 12,981)	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	29,437	10,087	4,035	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	30.00	41,243	( 2,524)	( 757)	The Company's investee accounted for using equity method

Investor	Investee	Location	Main business activities	Initial investment amount (Note2)		Shares held as at September 30, 2015			Net profit (loss) of the investee for the nine months ended September 30, 2015	Investment income (loss) recognised by the Company for the nine months ended September 30, 2015 (Note 1)	Footnote
				Balance as at September 30, 2015	Balance as at September 30, 2014	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Investment holding and reinvestment	\$ 2,000	\$ 2,000	200,000	20.00	\$ 1,755	(\$ 1,569)	(\$ 314)	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	( 92)	( 36)	The Company's investee accounted for using equity method
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Investment holding and reinvestment	1,074,008	1,074,008	33,066,604	100	1,184,017	( 107,943)	-	The investor's subsidiary
Marketech Integrated Pte Ltd.	Marketech International Sdn. Bhd.	Malaysia	Contracting for semiconductor automatic supply system	42,310	5,303	5,984,000	100	38,884	( 2,646)	-	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	7,320	1,293	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Investment holding and reinvestment	28,521	28,521	633,000	100	( 19,507)	( 9,300)	-	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	8,962	( 2,562)	-	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	71	( 154)	-	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	17,531	( 8,697)	-	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	6,129	( 4,907)	-	The investor's investee accounted for using equity method

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

Note 2: Except for subsidiaries in Malaysia are translated at the current rate as of June 30, 2015, the initial investment amounts of other investees are translated at the current rate as of the investment date.

Note 3: The Group originally held 50% of share ownership of MICT International Limited (MICT) and obtained the remaining 50% of share ownership on March 3, 2015. As the Group holds all voting rights in MICT International Limited, it and its subsidiary (Integrated Manufacturing & Services Co., Ltd.) have been included in the consolidated financial reports since March 2015.

Note 4: The Group 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.

MARKETECH INTERNATIONAL CORP.AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2015

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2015 (Note 3)			Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015 (Note 3)	Net income of investee for the nine months ended September 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nines month ended September 30, 2015 (Note 2)	Book value of investments in Mainland China as of September 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2015	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	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	\$ 838,185	Note 1(2)	\$ 673,835	\$ -	\$ -	\$ 673,835	(\$ 73,639)	100	(\$ 73,196)	\$ 190,992	\$ -	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	270,882	Note 1(2)	16,435	-	-	16,435	( 4,953)	100	( 4,953)	320,712	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	9,861	Note 1(2)	9,861	-	-	9,861	( 297)	100	( 297)	( 257)	-	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	13,148	Note 1(2)	19,821	-	-	19,821	( 11,317)	80	( 9,053)	( 20,090)	-	Note 2 (2)B

Amount remitted from Taiwan  
to Mainland China/  
Amount remitted back to  
Taiwan for the nine months ended  
September 30, 2015 (Note 3)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China			Amount remitted from Mainland China to Taiwan			Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2015 (Note 2)	Book value of investments in Mainland China as of September 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2015	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2015	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015 (Note 3)	Net income of investee for the nine months ended September 30, 2015						
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	\$ 381,917	Note 1(2)	\$ 178,155	\$ -	\$ -	\$ 178,155	(\$ 46,672)	100	(\$ 46,672)	\$ 396,659	\$ -	Note 2 (2)B	
SKMIC (WUXI) CORP.	Design, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment	10,025	Note 1(2)	1,611	-	-	1,611	747	49	366	6,467	-	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	6,574	Note 1(2)	6,574	-	-	6,574	( 247)	100	( 247)	( 2,685)	-	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	75,864	Note 1(2)	30,346	-	-	30,346	( 2,478)	100	( 991)	8,835	-	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	9,861	Note 1(2)	5,917	-	-	5,917	( 154)	60	( 92)	71	-	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	98,610	Note 1(2)	49,305	-	-	49,305	( 8,697)	100	( 7,969)	16,711	-	Note 2 (2)B, Note 5	
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products (except for hazardous chemicals, chemicals used in production of narcotic drugs and psychotropic substances and special chemicals), semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, and consulting service for trading	49,305	Note 1(2)	49,305	-	-	49,305	4,428	100	4,428	52,850	-	Note 2 (2)B	

		Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2015 (Note 3)													
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			Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015 (Note 3)			Net income of investee for the nine months ended September 30, 2015	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine month ended September 30, 2015 (Note 2)	Book value of investments in Mainland China as of September 30, 2015	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2015	Footnote
				Remitted to Mainland China	Remitted back to Taiwan	Remitted to Mainland China	Remitted back to Taiwan								
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	\$ 31,453	Note 1(2)	\$ 9,885	\$ -	\$ -	\$ 9,885	\$ -	(\$ 4,907)	31.43	(\$ 1,542)	\$ 6,092	\$ -	Note 2 (2)C	

Note 1: Investment methods are classified into the following four 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 nine month ended September 30, 2015' column:

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

(3) Investment in SCEC (Shanghai) Corp. is financial assets measured at cost, thus, the Company did not recognise gain (loss) on investments and financial statements of SCEC (Shanghai) Corp. are unaudited.

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

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

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

Note 6: The Group originally held 40% of share ownership of Fronken MIC Co. Limited (Fronken MIC) and obtained the remaining 60% of share ownership on September 30, 2015. As the Group holds all voting rights in Fronken MIC, it and its subsidiary (Fronken-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.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2015	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
			\$	\$
Marketech International Corp.	\$ 1,057,914	\$ 1,897,156	\$ 2,603,381	

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

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2015 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.