MARKETECH INTERNATIONAL CORP.

SEPARATE FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2014 AND 2013

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying separate balance sheets of Marketech International Corp. as of December 31, 2014 and 2013, and the related separate statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These separate financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these separate financial statements based on our audits.

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

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In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of Marketech International Corp. as of December 31, 2014 and 2013, and the results of its financial performance and cash flows for the years then ended, in conformity with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

PricewaterhouseCoopers, Taiwan

February 26, 2015

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

MARKETECH INTERNATIONAL CORP.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2014			December 31, 2013		
	ASSETS	Notes		Amount	%		Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	$	634,883	7	$	452,736	6
1110	Financial assets at fair value through profit or loss-current	6(2)		11,696	-		12,601	-
1125	Available-for-sale financial assets-current	6(3)		-	-		5,273	-
1150	Notes receivable, net			19,109	-		108,183	2
1170	Accounts receivable, net	6(4)(6)		2,072,267	23		1,510,556	20
1180	Accounts receivable-related parties, net	7		36,621	-		19,028	-
1190	Construction contracts receivable	6(6) and 7		1,758,141	19		1,052,858	14
1200	Other receivables	7		41,305	1		20,660	-
130X	Inventories, net	6(5)		1,251,338	14		1,225,466	16
1410	Prepayments			208,680	2		131,978	2
1470	Other current assets			34,054	-		9,546	-
11XX	**Total current assets**			6,068,094	66		4,548,885	60
	Non-current assets							
1543	Financial assets at cost-non -current	6(7)		293,027	3		300,734	4
1550	Investments accounted for using equity method	6(8)		1,542,064	17		1,391,928	18
1600	Property, plant and equipment, net	6(9) and 7		1,168,848	13		1,213,528	16
1780	Intangible assets	7		14,469	-		11,097	-
1840	Deferred tax assets	6(19)		101,109	1		84,061	1
1900	Other non-current assets	6(7)		10,583	-		40,761	1
15XX	**Total non-current assets**			3,130,100	34		3,042,109	40
1XXX	**TOTAL ASSETS**		$	9,198,194	100	$	7,590,994	100

(Continued)

MARKETECH INTERNATIONAL CORP.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	LIABILITIES AND EQUITY	Notes	December 31, 2014 Amount	%	December 31, 2013 Amount	%
	Current Liabilities					
2150	Notes payable		$ 807,648	9	$ 580,804	8
2170	Accounts payable		2,371,283	26	1,531,351	20
2180	Accounts payable – related parties	7	21,113	-	16,185	-
2190	Construction contracts payable	6(6)	916,758	10	675,926	9
2200	Other payables	6(10)	297,041	3	292,620	4
2230	Current tax liabilities	6(19)	74,238	1	47,001	1
2310	Advance receipts		161,072	1	141,232	2
2399	Other current liabilities, others		9,464	-	19,222	-
21XX	**Total current liabilities**		4,658,617	50	3,304,341	44
	Non-current liabilities					
2570	Deferred tax liabilities	6(19)	46,703	1	37,527	-
2600	Other non-current liabilities	6(11)	117,416	1	129,828	2
25XX	**Total non-current liabilities**		164,119	2	167,355	2
2XXX	**TOTAL LIABILITIES**		4,822,736	52	3,471,696	46
	Equity					
	Share capital	6(13)				
3110	Ordinary shares		1,650,698	18	1,650,568	22
	Capital surplus	6(14)				
3200	Capital surplus		616,354	7	616,276	8
	Retained earnings	6(15)				
3310	Legal reserve		490,931	5	468,670	6
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		1,467,273	16	1,279,330	17
	Other equity					
3400	Other equity		57,963	1	12,215	-
3XXX	**TOTAL EQUITY**		4,375,458	48	4,119,298	54
	Significant contingent liabilities and unrecognised contract commitments	7 and 9				
	Significant events after the balance sheet date	11				
	TOTAL LIABILITIES AND EQUITY		$ 9,198,194	100	$ 7,590,994	100

The accompanying notes are an integral part of the separate financial statements.

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

			2014		2013	
		Notes	Amount	%	Amount	%
4000	**Operating Revenue**	6(16) and 7	$ 10,432,963	100	$ 9,518,958	100
5000	**Operating Costs**	6(5)(11) (18) and 7	(9,144,096)	(88)	(8,409,567)	(89)
5900	**Gross profit**		1,288,867	12	1,109,391	11
	Operating Expenses	6(11)(18) and 7				
6100	Sales and marketing expenses		(238,015)	(2)	(255,479)	(3)
6200	General and administrative expenses		(378,058)	(4)	(379,025)	(4)
6300	Research and development expenses		(151,827)	(1)	(150,727)	(1)
6000	**Total operating expenses**		(767,900)	(7)	(785,231)	(8)
6900	**Operating income**		520,967	5	324,160	3
	Non-operating income and expenses					
7010	Other income	7	40,441	1	46,082	1
7020	Other gains and losses	6(17)	14,762	-	27,730	-
7050	Finance costs		(2,960)	-	(2,230)	-
7070	Share loss of subsidiaries, associates and joint ventures accounted for under equity method		(108,372)	(1)	(114,950)	(1)
7000	**Total non-operating income and expenses**		(56,129)	-	(43,368)	-
7900	**Profit before income tax**		464,838	5	280,792	3
7950	Income tax expense	6(19)	(80,293)	(1)	(58,177)	(1)
8200	**Net income**		$ 384,545	4	$ 222,615	2
	Other comprehensive income, net					
8310	Exchange differences on translation		$ 56,035	-	$ 60,990	1
8325	Unrealised loss on valuation of available-for-sale financial assets	6(3)	(1,512)	-	(3,496)	-
8360	Actuarial gains on defined benefit plans	6(11)	9,267	-	25,834	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		911	-	1,056	-
8399	Income tax relating to components of other comprehensive income	6(19)	(11,262)	-	(14,941)	-
8300	**Other comprehensive income, net of tax**		$ 53,439	-	$ 69,443	1
8500	**Total comprehensive income**		$ 437,984	4	$ 292,058	3
9750	**Basic earnings per share**	6(20)	$	2.33	$	1.35
9850	**Diluted earnings per share**	6(20)	$	2.30	$	1.34

The accompanying notes are an integral part of the separate financial statements.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			Capital surplus		Retained Earnings			Other equity		
	Notes	Ordinary share	Capital surplus－share premium	Capital surplus－others	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gain or loss on available-for-sale financial assets	Total equity
2013										
Balance at January 1, 2013		$ 1,645,778	$ 612,811	$ 366	$ 442,729	$ 92,239	$ 1,226,039	($ 40,794)	$ 5,008	$ 3,984,176
Appropriation and distribution of earnings for 2012: (Note)	6(15)									
Legal reserve		-	-	-	25,941	-	(25,941)	-	-	-
Cash dividends		-	-	-	-	-	(164,578)	-	-	(164,578)
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method		-	-	(15)	-	-	(247)	-	-	(262)
Share-based payment	6(12)(13)(14)	4,790	3,114	-	-	-	-	-	-	7,904
Profit for 2013		-	-	-	-	-	222,615	-	-	222,615
Other comprehensive income for 2013		-	-	-	-	-	21,442	51,497	(3,496)	69,443
Balance at December 31, 2013		$ 1,650,568	$ 615,925	$ 351	$ 468,670	$ 92,239	$ 1,279,330	$ 10,703	$ 1,512	$ 4,119,298
2014										
Balance at January 1, 2014		$ 1,650,568	$ 615,925	$ 351	$ 468,670	$ 92,239	$ 1,279,330	$ 10,703	$ 1,512	$ 4,119,298
Appropriation and distribution of earnings for 2013: (Note)	6(15)									
Legal reserve		-	-	-	22,261	-	(22,261)	-	-	-
Cash dividends		-	-	-	-	-	(181,562)	-	-	(181,562)
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method		-	-	-	-	-	(470)	-	-	(470)
Share-based payment	6(12)(13)(14)	130	78	-	-	-	-	-	-	208
Profit for 2014		-	-	-	-	-	384,545	-	-	384,545
Other comprehensive income for 2014		-	-	-	-	-	7,691	47,260	(1,512)	53,439
Balance at December 31, 2014		$ 1,650,698	$ 616,003	$ 351	$ 490,931	$ 92,239	$ 1,467,273	$ 57,963	$ -	$ 4,375,458

Note: The stockholders have resolved to distribute directors’ and supervisors’ remuneration of $2,003 and employees’ bonus of $24,919 for 2013 and distribute directors’ and supervisors’ remuneration of $2,335 and employees’ bonus of $28,631 for 2012. All amounts have been deducted from the statements of comprehensive income.

The accompanying notes are an integral part of the separate financial statements.

MARKETECH INTERNATIONAL CORP.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		$ 464,838	$ 280,792
Adjustments			
Adjustments to reconcile profit before tax to net cash provided by operating activities			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(17)	(3,822)	(821)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		108,372	114,950
Loss (gain) on disposal of investments	6(17)	4,012	(5,047)
Depreciation	6(9)(18)	77,311	77,951
Amortisation	6(18)	11,831	9,556
Gain on disposal of property, plant and equipment		(426)	(196)
Impairment loss on financial assets	6(17)	23,234	12,995
Interest income		(841)	(574)
Interest expense		2,960	2,230
Dividend income		(7,652)	(6,446)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets measured at fair value through profit or loss – current		4,727	-
Notes receivable, net		89,074	47,945
Accounts receivable, net		(561,711)	(40,132)
Accounts receivable – related parties, net		(17,593)	9,738
Construction contracts receivable		(705,283)	(304,117)
Other receivables		(15,390)	(8,708)
Inventories		(25,872)	(155,399)
Prepayments		(76,702)	1,338
Other current assets		399	29,217
Net changes in liabilities relating to operating activities			
Notes payable		226,844	148,535
Accounts payable		839,932	97,044
Accounts payable – related parties		4,928	(6,255)
Construction contracts payable		240,832	(161,398)
Other payables		4,421	112,606
Advance receipts		19,840	(50,320)
Other current liabilities – others		(9,758)	4,303
Other non-current liabilities		(1,526)	(1,056)
Cash inflow generated from operations		696,979	208,731
Interest received		750	524
Dividends received		7,652	6,446
Interest paid		(2,960)	(2,230)
Income tax paid		(71,023)	(54,272)
Net cash provided by operating activities		631,398	159,199

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MARKETECH INTERNATIONAL CORP.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale financial assets – current		$ 5,503	$ 11,749
Increase in other receivables – related parties		(6,330)	-
Acquisition of financial assets measured at cost – non-current		-	(31,042)
Proceeds from capital reduction of financial assets measured at cost – non-current		497	2,640
Acquisition of investments accounted for using equity method – subsidiaries		(204,405)	(65,776)
Acquisition of investments accounted for using equity method		(4,915)	-
Proceeds from subsidiaries' capital reduction		-	3,991
Acquisition of property, plant and equipment	6(9)	(33,849)	(198,271)
Proceeds from disposal of property, plant and equipment		1,644	813
Acquisition of intangible assets		(15,203)	(10,059)
Increase in refundable deposits		(10,753)	(15,287)
Increase in prepayments for investments	6(7)	-	(16,024)
Net cash used in investing activities		(267,811)	(317,266)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term borrowings		-	150,000
Repayment of long-term borrowings		-	(150,000)
Decrease in guarantee deposits received		(86)	(2)
Proceeds from exercise of employee stock options		208	7,904
Cash dividends paid	6(15)	(181,562)	(164,578)
Net cash used in financing activities		(181,440)	(156,676)
Net increase (decrease) in cash and cash equivalents		182,147	(314,743)
Cash and cash equivalents at beginning of year	6(1)	452,736	767,479
Cash and cash equivalents at end of year	6(1)	$ 634,883	$ 452,736

The accompanying notes are an integral part of the separate financial statements.

MARKETECH INTERNATIONAL CORP.
NOTES TO SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(EXPRESSED IN NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. ORGANIZATION AND OPERATIONS

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

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

The separate financial statements were approved and authorized for issuance by the Board of Directors on February 24, 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”)

None.

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt the 2013 version of IFRS (excluding IFRS 9, ‘Financial instruments’) as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers " effective January 1, 2015 (collectively referred herein as the “2013 version of IFRSs”) in preparing the separate financial statements. The related new standards, interpretations and amendments are listed below:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendments to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendments to IFRS 1)	July 1, 2011
Government loans (amendments to IFRS 1)	January 1, 2013
Disclosures－Transfers of financial assets (amendments to IFRS 7)	July 1, 2011
Disclosures－Offsetting of financial assets and financial liabilities (amendments to IFRS 7)	January 1, 2013
IFRS 10, 'Consolidated financial statements'	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11,'Joint arrangements'	January 1, 2013
IFRS 12,'Disclosure of interests in other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013
Presentation of items of other comprehensive income (amendments to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendments to IAS 12)	January 1, 2012
IAS 19 (revised), 'Employee benefits'	January 1, 2013
IAS 27,'Separate financial statements' (as amended in 2011)	January 1, 2013
IAS 28,'Investments in associates and joint ventures' (as amended in 2011)	January 1, 2013
Offsetting of financial assets and financial liabilities (amendments to IAS 32)	January 1, 2014
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009－2011	January 1, 2013

Based on the Company's assessment, the adoption of the 2013 version of IFRSs will not have significant impact on the separate financial statements of the Company, except for the following:

A.IAS 1, 'Presentation of financial statements'

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

B.IFRS 10, 'Consolidated financial statements'

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

C.IFRS 12, ‘Disclosure of interests in other entities’

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

D.IFRS 13, ‘Fair value measurement’

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

E.IAS 19 (revised), ‘Employee benefits’

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

Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. Operating expenses would be decreased by $257, other comprehensive income would be decreased by $257, income tax related to components of other comprehensive income would be increased by $44 for the year ended December 31, 2014 at the first-time adoption.

(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 IFRSs as endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board (Note1)
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 (Note4)
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, 2017
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 (Note2)
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016 (Note3)

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

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

Note 2: The amendment prospectively applies to share-based payment transactions for which the grant date is on or after 1 July 2014; the amendments apply prospectively to business combinations for which the acquisition date is on or after 1 July 2014; the amendment of IFRS13 is effective when the amendment is issued ; the remaining amendments are effective for annual periods beginning on or after 1 January 2016.

Note 3: The amendment to IFRS 5 is applied 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 IFRS28 are applied prospectively to changes in a method disposal that occur in annual periods beginning on or after January 1, 2016.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Statement of compliance

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

(2) Basis of preparation

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

(a)Financial assets and financial liabilities 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 plus unrecognised actuarial losses, and less unrecognised actuarial gains and present value of defined benefit obligation.

B.The preparation of financial statements in conformity with the IFRSs as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A.Foreign currency transactions and balances

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

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

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

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

B. Translation of foreign operations

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

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

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

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

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

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

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

(4) <u>Classification of current and non-current items</u>

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

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

(b)Assets held mainly for trading purposes;

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

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

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

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

(b)Liabilities arising mainly from trading activities;

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

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

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

(5) <u>Cash and cash equivalents</u>

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

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

(6) <u>Financial assets at fair value through profit or loss</u>

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

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

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

(7) Available-for-sale financial assets

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

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

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

(8) Notes and accounts receivable

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

(9) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

(a)<u>Financial assets measured at amortised cost</u>

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

(2)<u>Financial assets measured at cost</u>

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss.

Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset directly.

(3)Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset directly.

(10) Derecognition of financial assets

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

(11) Inventories

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

(12) Construction contracts

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

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

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

(13) Investments accounted for using equity method / subsidiaries and associates

A.Investments in subsidiaries

(a)Subsidiaries refer to the entities (including special purpose entities) that the Company has control over their financial and operating policies and own more than 50% of voting shares directly or indirectly. The Company evaluates investments in subsidiaries accounted under equity method in these separate financial statements.

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

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

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

(e)When the Company loses its control in a subsidiary, the Company revalues the remaining investment in the prior subsidiary at fair value, and recognises the difference between fair value and book value in the profit or loss for the period. The accounting treatment on the previously recognised amount related to the subsidiary in other comprehensive income is the same as the basis if the Company directly disposes related assets or liabilities, which means if the Company has recognised gain or loss in other comprehensive income, the Company should reclassify the gain or loss on disposal of related assets or liabilities to profit or loss; and when the Company loses control in the subsidiary, the gain or loss should be reclassified from equity to profit or loss.

B.Investments in associates

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

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

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

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

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

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

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

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

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

(14) Property, plant and equipment

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

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

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

D.The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

(15) Leases (leasee)

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

(16) Intangible assets

A.Computer software

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

B.Trademarks

Trademarks are acquired in a business combination.

C.Other intangible assets

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

(17) Impairment of non-financial assets

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

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

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

(18) Borrowings

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

(19) Notes and accounts payable

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

(20) Derecognition of financial liabilities

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

(21) Financial guarantee contracts

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

(22) Employee benefits

A.Short-term employee benefits

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

B.Pensions

(a)Defined contribution plans

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

(b)Defined benefit plans

i. Defined benefit plans are non-defined contribution plans. Pension benefit amount from defined benefit plans is collected at retirement and is based on one or more factors such as age, service duration and salary. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Actuarial gains and losses arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise.

iii. Past service costs are recognised immediately in profit or loss if vested immediately; if not, the past service costs are amortised on a straight-line basis over the vesting period.

C.Employees’ bonus and directors’ and supervisors’ remuneration

Employees’ bonus and directors’ and supervisors’ remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees’ bonus and directors’ and supervisors’ remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders’ meeting subsequently, the differences should be recognised based on the accounting for changes in estimates. The Company calculates the number of shares of employees’ stock bonus based on the fair value per share at the previous day of the stockholders’ meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(23) <u>Employee share-based payment</u>

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

(24) <u>Income tax</u>

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

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

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

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

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(25) Share capital

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

(26) Dividends

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

(27) Revenue recognition

A.Construction revenue

Details of construction revenue are provided in Note 4(12).

B.Sales of goods

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

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

The preparation of these separate financial statements require management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Related information of such assumptions and estimates is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

A.Construction contract

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

B.Evaluation of inventories

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

6. DETAILS OF SIGNIFICANTACCOUNTS

(1) Cash and cash equivalents

	December 31,	
	2014	2013
Cash on hand	$ 4,201	$ 3,984
Checking accounts and demand deposits	630,682	448,752
Total	$ 634,883	$ 452,736

A.The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Company's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

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

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

	December 31,	
	2014	2013
Current items:		
Financial assets held for trading		
Listed stocks	$ 14,192	$ 17,229
Valuation adjustment of financial assets held for sale	(2,496)	(4,628)
Total	$ 11,696	$ 12,601

A.The Company recognised net gain of $3,822 and $821 on financial assets held for trading for the years ended December 31, 2014 and 2013, respectively.

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

(3) Available-for-sale financial assets – current

	December 31, 2014	December 31, 2013
Current items:		
Listed stocks	$ -	$ 3,761
Valuation adjustment of financial assets held for sale	-	1,512
Total	$ -	$ 5,273

A.The Company recognised gain of $1,742 and $5,047 on disposal of investments for disposing available-for-sale financial assets in 2014 and 2013, respectively.

B.The Company recognised unrealised valuation loss of $1,512 and $3,496 on available-for-sale financial assets in other comprehensive income for changes in fair value in 2014 and 2013, respectively.

C.The Company has no available-for-sale financial assets pledged to others.

(4) Accounts receivable

	December 31, 2014	December 31, 2013
Accounts receivable	$ 2,244,002	$ 1,682,486
Less: allowance for bad debts	(171,735)	(171,930)
	$ 2,072,267	$ 1,510,556

A.The maximum exposure to credit risk at December 31, 2014 and 2013 was the carrying amount of each class of accounts receivable.

B.The Company does not hold any collateral as security.

(5) Inventories

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

	December 31, 2013		
	Cost	Allowance for valuation loss and loss for obsolete and slow-moving inventories	Book value
Materials	$ 271,447	($ 8,816)	$ 262,631
Merchandise inventory	405,461	(36,049)	369,412
Raw materials	269,703	(13,431)	256,272
Supplies	22,601	(1,549)	21,052
Work in process	178,657	(10,718)	167,939
Semi-finished goods and finished goods	152,597	(4,437)	148,160
Total	$ 1,300,466	($ 75,000)	$ 1,225,466

Relevant expenses of inventories recognised as operating costs for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
Cost of sales	$ 3,016,823	$ 2,688,770
Construction cost	5,695,248	5,280,122
Other operating cost	441,025	426,675
(Gain on reversal of) valuation loss and loss for market value decline and obsolete and slow-moving inventories (Note)	(9,000)	14,000
	$ 9,144,096	$ 8,409,567

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

The Company has no inventories pledged to others.

(6) Construction contracts receivable / payable

	December 31,	
	2014	2013
Aggregate costs incurred plus recognised profits (less recognised losses)	$ 10,753,809	$ 8,844,956
Less: progress billings	(9,912,426)	(8,468,024)
Net balance sheet position for construction in progress	$ 841,383	$ 376,932
Presented as:		
Construction contracts receivable	$ 1,758,141	$ 1,052,858
Construction contracts payable	(916,758)	(675,926)
	$ 841,383	$ 376,932
Retentions relating to construction contracts	$ 33,919	$ 14,888
Advances received before the related construction work is performed	$ -	$ -

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

	December 31, 2014	December 31, 2013
Non-current items:		
Taiwan Intelligent Fiber Optic Network Co., Ltd.	$ 44,024	$ 28,000
Ares Green Technology Corp.	43,481	43,481
Taiwan Puritic Corp.	39,287	39,287
Calitech Co., Ltd.	38,675	38,675
VEEV Interactive Pte. Ltd.	25,243	28,243
H&D Venture Capital Investment Corp.	20,000	20,000
Civil Tech Pte. Ltd.	19,500	19,500
ProbeLeader Co., Ltd.	14,490	14,490
H&H Venture Capital Investment Corp.	12,000	12,000
IP Fund Six Co., Ltd.	10,000	10,000
SOPOWER Technology Corp.	4,500	19,500
Others (companies with each not exceeding $10,000)	21,827	27,558
Total	$ 293,027	$ 300,734
Prepayments to long-term investments (listed as 'other non-current assets')		
Taiwan Intelligent Fiber Optic Network Co., Ltd.	$ -	$ 16,024

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

B.The ending balance of SOPOWER Technology Corp. for the year ended December 31, 2014 was assessed to decline dramatically and would be lower than the original investment cost. Therefore, impairment loss of $15,000, was recognised on equity investment.

C.The ending balance of SOPOWER Technology Corp. for the year ended December 31, 2013 was assessed to decline dramatically and would be lower than the original investment cost. Therefore, impairment loss of $10,500, was recognised on equity investment.

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

(8) Investments accounted for using equity method

	December 31, 2014		December 31, 2013	
	Carrying amount	% interest held	Carrying amount	% interest held
Market Go Profits Ltd.	$ 1,301,288	100%	$ 1,176,730	100%
Marketech Integrated Pte. Ltd.	42,955	100%	46,244	100%
Headquarter International Ltd.	41,483	100%	38,934	100%
MIC-Tech Viet Nam Co., Ltd.	41,354	100%	23,228	100%
Tiger United Finance Ltd.	40,578	100%	38,476	100%
Glory Technology Service Inc.	29,082	40%	25,918	40%
Hoa Phong Marketech Co., Ltd.	19,241	100%	8,346	40%
eZoom Information, Inc.	8,880	100%	18,980	100%
Marketech Engineering Pte. Ltd.	7,717	100%	-	-
MIC-Tech Global Corp.	7,102	100%	11,943	100%
MIC Techno Co., Ltd.	2,069	20%	2,325	20%
True Victor International Limited	315	38.57%	804	38.57%
	$ 1,542,064		$ 1,391,928	

A. Subsidiaries

(a) Details of the Company's subsidiaries are provided in Note 4(3) of the Group's 2014 consolidated financial statements.

(b) The Company originally held 40% share capital of Hoa Phong Marketech Co., Ltd. (Hoa Phong MIC). The stockholders who held the remaining 60% of share capital surrendered their shares in August 2014 and registered the change in October 2014. As the Company holds all voting rights in Hoa Phong MIC, it is included in the consolidated entities. Details are provided in Note 6(26) in the 2014 consolidated financial statements.

B. Associates

The financial information of the Company's principal associates is summarized below:

	Assets	Liabilities	Revenue	Profit/(loss)
December 31, 2014	$ 280,997	$ 198,345	$ 250,462	$ 5,292
December 31, 2013	$ 301,588	$ 220,762	$ 228,320	$ 2,874

(9) Property, plant and equipment

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

	Land		Buildings		Machinery and equipment		Office equipment		Others		Total
At January 1, 2013											
Cost	$ 135,801	$	1,274,301	$	372,140	$	99,772	$	15,724	$	1,897,738
Accumulated depreciation	-	(	428,582)	(	286,004)	(	80,552)	(	8,775)	(	803,913)
Book value	$ 135,801	$	845,719	$	86,136	$	19,220	$	6,949	$	1,093,825
2013											
Opening net book amount	$ 135,801	$	845,719	$	86,136	$	19,220	$	6,949	$	1,093,825
Additions	-		16,367		2,858		10,771		5,281		35,277
Transfers (Note)	69,637		95,496		4,960		-	(	7,099)		162,994
Disposals	-		-	(	200)	(	417)		-	(	617)
Depreciation charges	-	(	50,439)	(	19,135)	(	7,932)	(	445)	(	77,951)
Closing net book amount	$ 205,438	$	907,143	$	74,619	$	21,642	$	4,686	$	1,213,528
At December 31, 2013											
Cost	$ 205,438	$	1,386,164	$	374,338	$	103,478	$	13,312	$	2,082,730
Accumulated depreciation	-	(	479,021)	(	299,719)	(	81,836)	(	8,626)	(	869,202)
Book value	$ 205,438	$	907,143	$	74,619	$	21,642	$	4,686	$	1,213,528

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

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

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

(10) Other payables

	December 31,	
	2014	2013
Salaries and bonus payable	$ 206,595	$ 209,132
Accrued employees' bonus and directors' and supervisors' remuneration	38,221	27,016
Others	52,225	56,472
Total	$ 297,041	$ 292,620

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

	December 31, 2014	December 31, 2013
Present value of defined benefit obligations	$ 221,827	$ 225,998
Fair value of plan assets	(106,710)	(100,089)
Net liability in the balance sheet (listed as 'other non-current liabilities')	$ 115,117	$ 125,909

(c)Changes in present value of funded obligations are as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
Present value of defined benefit obligations at January 1	($ 225,998)	($ 251,427)
Current service cost	(1,402)	(1,469)
Interest cost	(4,513)	(3,930)
Actuarial profit	8,687	26,346
Settlement	1,399	4,482
Present value of defined benefit obligations at December 31	($ 221,827)	($ 225,998)

(d)Changes in fair value of plan assets are as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
Fair value of plan assets at January 1	$ 100,089	$ 98,627
Expected return on plan assets	1,800	1,763
Profit (loss) on plan assets	580	(512)
Employer contributions	5,446	5,688
Settlement	(1,205)	(5,477)
Fair value of plan assets at December 31	$ 106,710	$ 100,089

(e)Amounts of expenses recognised in comprehensive income statements are as follows:

	Year ended December 31,	
	2014	2013
Current service cost	$ 1,402	$ 1,469
Interest cost	4,513	3,930
Expected return on plan assets	(1,800)	(1,763)
Settlement loss	(194)	996
Current pension costs	$ 3,921	$ 4,632

Details of abovementioned pension costs recognised as cost and expenses in comprehensive income statements are as follows:

	Years ended December 31,	
	2014	2013
Operating costs	$ 1,681	$ 1,968
Sales and marketing expenses	529	645
General and administrative expenses	1,477	1,732
Research and development expenses	234	287
	$ 3,921	$ 4,632

(f)Amounts recognised under other comprehensive income in the statements of comprehensive income are as follows:

	Years ended December 31,	
	2014	2013
Recognition for current period	($ 9,267)	($ 25,834)
Accumulated amount	($ 19,306)	($ 10,039)

(g)The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of December 31, 2014 and 2013 is given in the Annual Labor Retirement Fund Utilisation Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

For the years ended December 31, 2014 and 2013, the Company's actual returns on plan assets were $2,380 and $1,251, respectively.

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

	Years ended December 31,	
	2014	2013
Discount rate	2.00%	2.00%
Future salary increases	2.00%	2.50%
Expected return on plan assets	1.75%	1.75%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

(i)Historical information of experience adjustments was as follows:

	Years ended December 31,		
	2014	2013	2012
Present value of defined benefit obligations	($ 221,826)	($ 225,998)	($ 251,426)
Fair value of plan assets	106,709	100,089	98,627
Deficit in the plan	($ 115,117)	($ 125,909)	($ 152,799)
Experience adjustments on plan liabilities	$ 8,687	$ 26,346	($ 14,797)
Experience adjustments on plan assets	$ 580	($ 512)	($ 998)

(j)Expected contributions to the defined benefit pension plans of the Company within one year from December 31, 2014 amounts to $6,228.

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

(b)The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2014 and 2013 were $32,135 and $33,275, respectively.

(12) Share-based payment

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

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

	Years ended December 31,			
	2014		2013	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the year	130	$ 16.00	1,943	$ 16.47
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options exercised	(13)	16.00	(479)	16.50
Options forfeited	(117)	16.00	(1,334)	16.50
Options outstanding at end of the year	-	(Note)	130	16.00
Options exercisable at end of the year	-	(Note)	130	16.00

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

B.The weighted-average stock price of stock options at exercise dates for the period from January 1, 2014 to June 12, 2014 and for the year ended December 31, 2013 was $21.95 (in dollars) and $18.23 (in dollars), respectively.

(13) Share capital

A.To increase the Company's working capital, the Company has exercised employees' stock options during 2014 and 2013. The capital increase was approved by the Financial Supervisory Commission (FSC). The registration was completed in April 2014 and April 2013.

B.As of December 31, 2014, the Company's authorized capital was $2,500,000, consisting of 250,000 thousand shares of ordinary stock (including 9,800 thousand shares reserved for employee stock options), and the paid-in capital was $1,650,698 with a par value of $10 (in dollars) per share amounting to 165,069,756 shares. All proceeds from shares issued have been collected.

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

	2014	2013
At January 1	165,056,756	164,577,756
Share-based payment	13,000	479,000
At December 31	165,069,756	165,056,756

C. On December 24, 2014, the Board of Directors have resolved to issue employee stock options of 4,000 thousand units. The subscription price of employee stock options on the issuance date was based on the closing price of the Company's ordinary shares. As of February 26, 2015, the employee stock options have not been approved by the Competent Authority.

(14) 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.

	2014				
	Share premium	Changes in equity of associates and joint ventures accounted for using equity method	Employee stock options	Expired stock options	Total
At January 1, 2014	$ 615,925	$ -	$ 351	$ -	$ 616,276
Employee stock options exercised	78	-	-	-	78
Unexercised employee stock options that were past due and transferred to expired options	-	-	(351)	351	-
At December 31, 2014	$ 616,003	$ -	$ -	$ 351	$ 616,354

	2013				
	Share premium	Changes in equity of associates and joint ventures accounted for using equity method	Employee stock options	Expired stock options	Total
At January 1, 2013	$ 612,811	$ 15	$ 351	$ -	$ 613,177
Employee stock options exercised	3,114	-	-	-	3,114
Changes in net equity of subsidiary associates and joint ventures accounted for using equity method	-	(15)	-	-	(15)
At December 31, 2013	$ 615,925	$ -	$ 351	$ -	$ 616,276

(15) Retained earnings

A.Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and special reserve. Stock dividends should be appropriated at a rate of 10% per annum. The remainder, if any, 1% shall be appropriated as the directors' and supervisors' remuneration and 1%~15% shall be appropriated as the employees' bonus. The remaining along with the prior years' unappropriated earnings are resolved by the Board of Directors and proposed to the stockholders for appropriation or reserve. However, appropriation of legal reserve is not included as the amount of accumulated legal reserve equals the Company's total capital.

B.The Company's dividend policy is summarized below: as to react to the overall environment development and industrial growth, fulfilling future operation development needs as priority and optimizing financial structure are the principles and 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.For the years ended December 31, 2014 and 2013, employees' bonus and directors' and supervisors' remuneration are accrued as follows:

	2014	2013
Employees' bonus	$ 34,715	$ 24,919
Directors' and supervisors' remuneration	3,506	2,097
	$ 38,221	$ 27,016

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

F.(a)Details of 2013 and 2012 earnings appropriation resolved by the stockholders on June 12, 2014 and June 11, 2013, respectively are as follows:

	2013		2012	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 22,261	$ -	$ 25,941	$ -
Cash dividends	181,562	1.1	164,578	1.0
Total	$ 203,823		$ 190,519	

Note:The earnings of 2013 distributed as employees' cash bonus of $24,919 and directors' and supervisors' remuneration of $2,003 was approved by the stockholders. The difference of $94 between the amount recognised in the 2013 financial statements was adjusted as an increase to profit or loss in 2014. The earnings of 2012 distributed as employees' cash bonus of $28,631 and directors' and supervisors' remuneration of $2,335 was approved by the stockholders. The difference of $75 between the amount recognised in the 2012 financial statements was adjusted as an increase to profit or loss in 2013.

The abovementioned earnings distribution of 2013 and 2012 were the same as the amounts proposed by the Board of Directors on March 7, 2014, April 9, 2014 and March 15, 2013.

Information about the appropriation of employees' bonus and directors' and supervisors' remuneration for 2013 and 2012 by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(b)Details of 2014 earnings appropriation proposed by the Board of Directors on February 24, 2015 are as follows:

	2014	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 38,454	$ -
Cash dividends	330,140	2.0
Total	$ 368,594	

Note:The employees' bonus of $34,715 and directors' and supervisors' remuneration of $3,461 of 2014 was proposed by the Board of Directors on February 24, 2015.

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

The earnings distribution of 2014 have not been resolved by the stockholders, thus, no dividend was accrued in these separate financial statements.

(16) Operating revenue

	Years ended December 31,	
	2014	2013
Construction revenue	$ 6,086,736	$ 5,554,978
Sales revenue	3,509,061	3,153,474
Other operating revenue	837,166	810,506
Total	$ 10,432,963	$ 9,518,958

(17) Other gains and losses

	Years ended December 31,	
	2014	2013
Net gains on financial assets at fair value through profit or loss	$ 3,822	$ 821
Gain (loss) on disposal of investments	(4,012)	5,047
Impairment loss on financial assets	(23,234)	(12,995)
Exchange gain	37,760	34,663
Other gain	426	194
Total	$ 14,762	$ 27,730

(18) Employee benefit expense, depreciation and amortisation

	Year ended December 31, 2014		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 242,409	$ 462,725	$ 705,134
Labour and health insurance fees	22,955	32,321	55,276
Pension costs	13,948	22,108	36,056
Other employee benefit expense	8,327	9,581	17,908
Depreciation	51,356	25,955	77,311
Amortisation	4,258	7,573	11,831

	Year ended December 31, 2013		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	$ 255,266	$ 469,937	$ 725,203
Labour and health insurance fees	21,918	32,440	54,358
Pension costs	14,604	23,303	37,907
Other employee benefit expense	7,844	10,350	18,194
Depreciation	49,403	28,548	77,951
Amortisation	2,495	7,061	9,556

Note:As of December 31, 2014 and 2013, the Company had 692 and 714 employees, respectively.

(19) Income tax

A.Income tax expense

(a)Components of income tax expense:

	Years ended December 31,	
	2014	2013
Current tax		
Current tax on profits for the period	$ 97,459	$ 56,424
Tax on undistributed earnings	3,999	6,889
Adjustments in respect of prior years	(2,031)	1,512
Total current tax	99,427	64,825
Deferred tax:		
Origination and reversal of temporary differences	(19,134)	(6,648)
Income tax expense	$ 80,293	$ 58,177

(b)Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2014	2013
Tax calculated based on profit before tax and statutory tax rate	$ 79,532	$ 47,735
Effects from items disallowed by tax regulation	(1,207)	2,041
Additional 10% tax on undistributed earnings	3,999	6,889
Prior year income tax underestimation	(2,031)	1,512
Income tax expense	$ 80,293	$ 58,177

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

	Years ended December 31, 2014	2013
Currency translation differences	($ 9,686)	($ 10,549)
Actuarial gains/losses on defined benefit obligations	(1,576)	(4,392)
Total	($ 11,262)	($ 14,941)

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

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

	Year ended December 31, 2013			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised exchange loss	$ 1,997	($ 1,997)	$ -	$ -
Losses on bad debt expense	26,073	79	-	26,152
Valuation loss and loss for market value decline and obsolete and slow-moving inventories	10,370	2,380	-	12,750
Unrealised construction loss	441	(441)	-	-
Defined benefit obligation	25,976	(179)	(4,392)	21,405
Impairment loss on financial assets	2,295	2,125	-	4,420
Unused compensated absences payable	7,201	2,003	-	9,204
Unrealised loss on investments	-	10,130	-	10,130
Subtotal	74,353	14,100	(4,392)	84,061
－Deferred tax liabilities:				
Unrealised exchange gain	-	(42)	-	(42)
Unrealised gain on investments	(8,991)	8,991	-	-
Unrealised construction gain	-	(16,401)	-	(16,401)
Exchange differences on translation	(10,535)	-	(10,549)	(21,084)
Subtotal	(19,526)	(7,452)	(10,549)	(37,527)
Total	$ 54,827	$ 6,648	($ 14,941)	$ 46,534

C.The Company’s income tax returns through 2012 have been assessed and approved by the Tax Authority.

D.Unappropriated retained earnings:

	December 31, 2014	December 31, 2013
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	1,467,273	1,279,330
	$ 1,467,273	$ 1,279,330

E.As of December 31, 2014 and 2013, the balance of the imputation tax credit account was $322,956 and $301,905, respectively. The creditable tax rate was 27.03% for 2013 and is estimated to be 27.07% for 2014.

(20) Earnings per share

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

	Year ended December 31, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 222,615	164,629	$ 1.35
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options		13	
Employees' bonus		1,849	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 222,615	166,491	$ 1.34

(21) Operating leases

Details are provided in Note 9(1).

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Sales of goods and services

	Years ended December 31,	
	2014	2013
Construction revenue		
Subsidiaries	$ 5,433	$ 14,306
Entities controlled by key management or entities with significant influence	1,259	31,996
Associates	886	5,885
Total	$ 7,578	$ 52,187

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.

	Years ended December 31,	
	2014	2013
Sales of goods		
Subsidiaries	$ 41,878	$ 27,946
Entities controlled by key management or entities with significant influence	41,882	8
Associates	-	4,911
Total	$ 83,760	$ 32,865

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

B. Acquisition of goods and services

	Years ended December 31,	
	2014	2013
Outsourcing construction costs		
Entities controlled by key management or entities with significant influence	$ 60,102	$ 68,949
Subsidiaries	1,054	1,130
Other related parties	-	137
Total	$ 61,156	$ 70,216

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

	Years ended December 31,	
	2014	2013
Accounts receivable		
Subsidiaries	$ 33,232	$ 18,854
Entities controlled by key management or entities with significant influence	3,457	177
Subtotal	36,689	19,031
Less: allowance for bad debts	(68)	(3)
Total	$ 36,621	$ 19,028

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

D. Payables to related parties

Accounts payable

	Years ended December 31, 2014	Years ended December 31, 2013
Entities controlled by key management or entities with significant influence	$ 19,169	$ 7,479
Subsidiaries	1,944	8,706
Total	$ 21,113	$ 16,185

The outsourcing cost for construction charges to related parties and third parties is based on regular construction contract and agreed upon terms. The collection terms to related parties are the same as to third parties and terms are approximately 2 months after inspection of construction depending on the construction contracts or individual agreements.

E. Construction contracts receivable

(a)Contract prices of contracted but yet to be completed construction

	December 31, 2014	December 31, 2013
Associates	$ 22,516	$ 26,926
Entities controlled by key management or entities with significant influence	7,600	7,701
Subsidiaries	-	5,261
	$ 30,116	$ 39,888

(b)Construction contracts receivable

	December 31, 2014	December 31, 2013
Associates	$ 16,267	$ 16,371
Entities controlled by key management or entities with significant influence	6,456	5,312
Subsidiaries	-	3,797
	$ 22,723	$ 25,480

F. Property transactions

On December 31, 2014 and 2013, the Company has acquired computer software and related software from entities controlled by key management and the acquisition price was $13,643 and $14,879 (recorded as ‘property, plant and equipment’ and ‘intangible assets’), respectively.

G. Operating expense

The fee of information maintenance service in 2014 and 2013 allocated to subsidiaries by the Company amounted to $28,966 and $22,968, respectively.

H. Financing

Financing to related parties in 2014 is as follows:

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

The Company’s financing to entities controlled by key management or entities with significant influence mainly refer 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.

No such event in 2013.

I. Endorsements and guarantees

(a) As of December 31, 2014 and 2013, the balances of endorsements and guarantees provided to subsidiaries by the Company are as follows:

	December 31,	
	2014	2013
Subsidiaries	$ 1,687,599	$ 1,079,274

(b) The revenue of service expense (recorded as ‘other receivables’ and ‘other income’) recognised for the abovementioned endorsements and guarantees is as follows:

	Year ended December 31, 2014		Year ended December 31, 2013	
	Other receivables	Other income	Other receivables	Other income
Subsidiaries	$ 5,083	$ 14,553	$ 11,676	$ 11,676

(2) Key management compensation

	Years ended December 31,	
	2014	2013
Salaries and other short-term employee benefits	$ 47,325	$ 44,836

8. PLEDGED ASSETS

Details of the book value of the Company’s assets pledged as collaterals are as follows:

	Book value		
Pledged asset	December 31, 2014	December 31, 2013	Purpose
Refundable deposits (recorded as ‘other current assets’)	$ 25,407	$ 500	Bid bond and performance guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Commitments

(1)Operating lease agreements

The Company leases in 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 Company recognised rental costs and expenses of $58,440 and $62,956 for these leases in profit or loss for the years ended December 31, 2014 and 2013, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31,	
	2014	2013
Not later than one year	$ 25,985	$ 27,300
Later than one year but not later than five years	34,730	36,343
Later than five years	36,413	39,183
Total	$ 97,128	$ 102,826

(2)As of December 31, 2014, the notes and letters of guarantees used for construction performance and custom security amounted to $829,303.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Details are provided in Note 6(15)F(b).

12. OTHERS

(1)Capital risk management

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

(2)Financial instruments

A. Fair value information of financial instruments

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

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a)Market risk

Foreign exchange risk

(1)The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, JPY and EUR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

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

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

	December 31, 2013									
						Sensitivity analysis				
		Foreign currency amount (in thousands)	Exchange rate		Book value (NTD)	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)										
Financial assets										
Monetary items										
USD:NTD	$	23,136	29.805	$	689,572	1%	$	6,896	$	-
EUR:NTD		448	41.09		18,394	1%		184		-
JPY:NTD		274,876	0.2839		78,037	1%		780		-
Investments accounted for using equity method										
USD:NTD		43,657	29.805		1,301,189	1%		13,012		-
VND:NTD		23,046,123	0.0014		31,573	1%		316		-
Financial liabilities										
Monetary items										
USD:NTD	$	6,057	29.805	$	180,521	1%	$	1,805	$	-
JPY:NTD		70,954	0.2839		20,144	1%		201		-

Price risk

(1) The Company is exposed to equity securities price risk because of investments held by the Company and classified on the separate balance sheet either as available-for-sale or at fair value through profit or loss.

(2) The Company's investments in equity securities comprise listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit for the years ended December 31, 2014 and 2013 would have increased/decreased by $142 and $172, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $0 and $38, respectively, as a result of gains/losses on equity securities classified as available-for-sale. For the years ended December 31, 2014 and 2013, the amount recognised from available-for-sale financial assets to adjustments in equity was $0 and ($197) and the amount reduced from adjustments in equity and included in profit or loss was $1,512 and $3,299, respectively.

Interest rate risk

- The Company's interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Changes in market interest rate will change effective interest rates of bank borrowings and thus fluctuate future cash flow. As the Company's operating capital is sufficient and risk is mostly offset by cash and cash equivalents held at variable rates, the Company has assessed there is no significant interest rate shift in cash flow risk.

- The Company analyses its interest rate exposure. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

(b)Credit risk

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

- The Company has assessed credit quality of counterparties when selling products or services. The Company does not expect counterparty default, thus, the probability of credit risk is remote. The maximum exposure to credit risk 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 parties with a minimum rating of 'A' are accepted.
- The endorsements and guarantees provided by the Company are all in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies". The Company knows the credit status of endorsees well and does not require any security. If there is any non-performance, the performance amount is the possible credit risk.

ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

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

	December 31,	
	2014	2013
Up to 90 days	$ 1,013,118	$ 779,290

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

a. As of December 31, 2014 and 2013, the Company's accounts receivable that were impaired amounted to $1,257,519 and $909,354, and allowance for bad debt was accrued as $171,803 and $171,933, respectively.

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

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

	Year ended December 31, Year of 2013		
	Individual provision	Group provision	Total
At January 1	$ 92,303	$ 82,013	$ 174,316
Write-offs during the period	(2,383)	-	(2,383)
Transfer during the period	18,320	(18,320)	-
At December 31	$ 108,240	$ 63,693	$ 171,933

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

	December 31, 2014	December 31, 2013
Type A	$ -	$ -
Type B	604	10,300
Type C	9,450	2,573
	$ 10,054	$ 12,873

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 reaching NT$30,000 for the most recent 3 years and who has stable sales and optimal financials.

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

(c)Liquidity risk

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

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

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

Non-derivative financial liabilities December 31, 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Notes payable (including related parties)	$ 580,804	$ -	$ -	$ -
Accounts payable (including related parties)	1,547,536	-	-	-
Other payables	292,620	-	-	-
Financial guarantee contracts	931,263	-	-	-

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

(3)Fair value estimation

A. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1:Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3:Inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's financial assets and liabilities that are measured at fair value at December 31, 2014 and 2013:

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

December 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 12,601	$ -	$ -	$ 12,601
Available-for-sale financial assets				
Equity securities	5,273	-	-	5,273
Total	$ 17,874	$ -	$ -	$ 17,874

B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in level 1.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

Significant transactions information in 2014 in accordance with "Rules Governing the Preparation of Financial Statements by Securities Issuers" is as follows:

A.Loans to others:

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2014 (Note 2)	Balance at December 31, 2014 (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	$ 30,420	$ 6,330	$ 6,330	4.896	2	$ -	Operations	$ -	None	-	$ 1,750,183	$ 1,750,183	Note 4
0	Marketech International Corp.	SOPOWER Technology Corp.	Other receivables	Y	19,600	-	-	-	1	-	Not applicable	-	None	-	-	1,750,183	Note 4, Note 7
1	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	Other receivables	Y	17,835	7,893	7,893	7.28	2	-	Operations	-	None	-	175,031	175,031	Note 5
1	MIC-Tech Electronics Engineering Corp.	ChenGao M&E Engineering (Shanghai) Co., Ltd.	Other receivables	Y	1,273	1,273	1,273	6.16	2	-	Operations	-	None	-	175,031	262,547	Note 4, Note 5
1	MIC-Tech Electronics Engineering Corp.	Fuzhou Jiwei System Integrated Co., Ltd.	Other receivables	Y	1,372	-	-	-	2	-	Operations	-	None	-	175,031	262,547	Note 4, Note 5
2	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	Other receivables	Y	22,914	22,914	12,730	7.2	2	-	Operations	-	None	-	107,410	107,410	Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	69,467	40,736	40,736	6.9	2	-	Operations	-	None	-	107,410	161,116	Note 4, Note 5
2	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech (Shanghai) Corp. Ltd.	Other receivables	Y	45,828	45,828	45,828	7.2	2	-	Operations	-	None	-	107,410	161,116	Note 4, Note 5
3	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	49,619	-	-	-	2	-	Operations	-	None	-	128,214	192,321	Note 4, Note 5
3	MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech China Trading (Shanghai) Co. Ltd.	Other receivables	Y	14,424	-	-	-	2	-	Operations	-	None	-	128,214	192,321	Note 4, Note 5
4	MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Other receivables	Y	31,650	31,650	31,650	4.896	2	-	Operations	-	None	-	508,260	762,390	Note 4

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

(1)The Company is '0'.

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

Note 2:Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2014.

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. The following (2) and (3) do not apply to the limit.

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

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

(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.

Note 7:The Company's loans to SOPOWER Technology Corp. are accounts receivable arising from sales of goods. The amount exceeding normal credit limit to third parties was transferred to other receivables and proceeded as loans to others. As of December 31, 2014, the receivables were fully collected.

B.Provision of endorsements and guarantees to others:

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2014 (Note 5)	Outstanding endorsement/ guarantee amount at December 31, 2014 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarant or company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	2	$ 2,187,729	$ 20,044	$ 20,044	$ 20,044	-	0.46	$ 4,375,458	Y	N	N	Note 3
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	2,187,729	110,775	110,775	62,603	-	2.53	4,375,458	Y	N	N	Note 3
0	Marketech International Corp.	Marketech International Sdn. Bhd.	3	2,187,729	19,250	-	-	-	-	4,375,458	Y	N	N	Note 3
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,187,729	406,787	406,787	251,969	-	9.30	4,375,458	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	3	2,187,729	438,339	438,339	327,564	-	10.02	4,375,458	Y	N	Y	Note 3
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	3	2,187,729	711,654	711,654	369,674	-	16.26	4,375,458	Y	N	Y	Note 3
1	Hoa Phong Marketech Co., Ltd.	MIC-Tech Viet Nam Co., Ltd.	3	2,187,729	84,281	84,281	84,281	-	1.93	4,375,458	N	N	N	Note 4
2	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	3	2,187,729	67,188	67,188	67,188	-	1.54	4,375,458	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.

C.Holding of marketable securities at the end of the period (not including subsidiaries and associates):

Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of December 31, 2014 Number of shares	Book value (Note 2)	Ownership (%)	Fair value	Collateral	Footnote
Marketech International Corp.	Ordinary shares	Lasertec Corporation	None	Financial assets measured at fair value through profit or loss - current	20,000	$ 7,277	-	$ 7,277	None	
〃	〃	Solar Applied Materials Technology Corp.	〃	〃	30,000	754	-	754	〃	
	〃	Aerospace Industrial Development Corp.	〃	〃	100,000	3,665	-	3,665	〃	
						$ 11,696		$ 11,696		
〃	Ordinary shares	Ares Green Technology Corp.	None	Financial assets measured at cost - non-current	2,632,293	$ 43,481	7.96%	$ -	None	
〃	〃	Taiwan Puritic Corp.	〃	〃	5,207,049	39,287	13.58%	-	〃	
〃	〃	Calitech Co., Ltd.	〃	〃	3,117,199	38,675	10.85%	-	〃	
〃	〃	SOPOWER Technology Corp.	Entities controlled by key management or entities with significant influence	〃	3,000,000	4,500	12.61%	-	〃	
〃	〃	VEEV Interactive Pte. Ltd.	None	〃	840,000	25,243	6.45%	-	〃	
〃	〃	Taiwan Intelligent Fiber Optic Network Co.,Ltd.	〃	〃	3,868,261	44,024	2.03%	-	〃	
〃	〃	H&D Venture Capital Investment Corp.	Entities controlled by key management or entities with significant influence	〃	2,000,000	20,000	6.67%	-	〃	
〃	〃	Civil Tech Pte. Ltd.	None	〃	450,000	19,500	0.90%	-	〃	
〃	〃	ProbeLeader Co., Ltd	Entities controlled by key management or entities with significant influence	〃	966,000	14,490	3.46%	-	〃	
〃	〃	H&H Venture Capital Investment Corp.	〃	〃	1,200,000	12,000	4.17%	-	〃	

(Continued)

Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of December 31, 2014 Number of shares	Book value (Note 2)	Ownership (%)	Fair value	Collateral	Footnote
Marketech International Corp.	Ordinary shares	Top Green Energy Technologies, Inc.	None	Financial assets measured at cost - non-current	2,000,000	$ 3,000	0.89%	$ -	None	
〃	〃	IP Fund Six Co., Ltd.	〃	〃	1,000,000	10,000	1.79%	-	〃	
〃	〃	Long Time Technology Corp.	〃	〃	360,000	6,780	1.03%	-	〃	
〃	〃	Paradigm Venture Capital Corp.	〃	〃	219,375	2,194	3.50%	-	〃	
〃	〃	Taiwan Special Chemicals Corp.	〃	〃	901,333	9,013	0.82%	-	〃	
〃	〃	Saga Polaris Venture Capital Corp.	〃	〃	84,000	840	1.14%	-	〃	Note 3
〃	〃	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 4	-	〃	
〃	〃	ACM Research Inc.	〃	〃	266,667	-	〃	-	〃	
〃	〃	Applied Harmonics Corp	〃	〃	237,179	-	〃	-	〃	
		Total				$ 293,027				

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

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

Note 3:Dissolution of Saga Polaris Venture Capital Corp. was registered on August 13, 2013 and it is under liquidation process.

Note 4:Holding preferred stock.

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

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

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

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

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

I.Derivative financial instruments undertaken during the year ended December 31, 2014: None.

J.Significant inter-company transactions: individual amount less than $5,000 is not disclosed.

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Marketech International Corp.	Marketech Intergrated Pte. Ltd.	1	Accounts receivable	$ 20,392	Sales revenue: Prices and terms of sales of goods to related parties are approximately the same to third parties. A certain percentage of profit is negotiated for sale of services with related parties. Construction revenue: The price of construction charges to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the collection terms to related parties are approximately the same to third parties, which is about 2 to 3 months after inspection of constructions depending on the construction contracts or individual agreements.	0.17%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Accounts receivable	12,740		0.11%
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	1	Sales revenue	39,324		0.26%
0	Marketech International Corp.	eZoom Information, Inc.	1	Construction cost and operating expense	28,966		0.19%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other receivables	6,331		0.05%
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other revenue	6,317		0.04%
1	Mic-Tech Ventures Asia Pacific Inc.	MIC-Tech (WuXi) Co., Ltd.	3	Sales revenue	8,492		0.06%
2	MIC-Tech Global Corp.	Marketech Intergrated Pte. Ltd.	3	Accounts receivable	5,193		0.04%
2	MIC-Tech Global Corp.	Marketech Intergrated Pte. Ltd.	3	Sales revenue	12,373		0.08%
3	MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	3	Other receivables	7,893		0.07%
0	Marketech International Corp.	MIC-Tech Viet Nam Co.,Ltd.	1	Other receivables	6,330		0.05%
1	Mic-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	31,650		0.27%
4	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Other receivables	40,736		0.35%
4	MIC-Tech (WuXi) Co., Ltd.	Shanghai Puritic Co., Ltd.	3	Other receivables	12,730		0.11%
4	MIC-Tech (WuXi) Co., Ltd.	MIC-Tech (Shanghai) Corp. Ltd.	3	Other receivables	45,828		0.39%

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

(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.

(2) Information on investees(not including investees in Mainland China)

A.Investee name, location and other information (not including investees in Mainland China):

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2) Balance as at December 31, 2014	Initial investment amount (Note 2) Balance as at December 31, 2013	Shares held as at December 31, 2014 Number of shares	Shares held as at December 31, 2014 Ownership (%)	Shares held as at December 31, 2014 Book value	Net profit (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 1)	Footnote
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	$ 136,757	$ 88,930	5,725,040	100	$ 42,955	($ 51,646)	($ 51,646)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1,108,679	985,859	34,069,104	100	1,301,288	(47,916)	(46,384)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	13,327	11,215	91,500	100	7,102	(7,190)	(7,190)	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42,475	42,475	1,289,367	100	41,483	133	133	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	40,578	(268)	(268)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	9,139	-	379,597	100	7,717	(1,424)	(1,424)	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	30,292	-	100	41,354	7,802	7,802	The Company's subsidiary
Marketech International Corp.	Hoa Phong Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services	29,922	11,553	-	100	19,241	(2,584)	(1,686)	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2)		Shares held as at December 31, 2014			Net profit (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 1)	Footnote
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	eZoom Information, Inc.	Taiwan	Research, trading and consulting of information system software and hardware appliance	$ 29,737	$ 29,737	3,400,000	100	$ 8,880	($ 10,100)	($ 10,100)	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	29,082	7,912	3,164	The Company's investee accounted for using equity method
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Investment holding and reinvestment	2,000	2,000	200,000	20	2,069	(1,281)	(256)	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	315	(1,339)	(517)	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	951,698	33,066,604	100	1,270,650	(47,821)	-	The investor's subsidiary
Marketech Integrated Pte Ltd.	Marketech International Sdn. Bhd.	Malaysia	Contracting for Semiconductor automatic supply system	6,437	4,409	750,000	100	4,945	(2,775)	-	The investor's subsidiary
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Specialized contracting for electrical installing construction	8,569	-	28,500	95	7,496	(1,120)	-	The investor's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2) Balance as at December 31, 2014	Balance as at December 31, 2013	Shares held as at December 31, 2014 Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 1)	Footnote
MIC-Tech Ventures Asia Pacific Inc.	Russky H.K. Limited	Hong Kong	Investment holding and reinvestment	$ 28,521	$ 28,521	633,000	100	($ 9,823)	($ 105)	$ -	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment holding and reinvestment	28,464	23,549	935,104	40	4,565	(24,434)	-	The investor's investee accounted for using equity method
MIC-Tech Ventures Asia Pacific Inc.	TPP-MIC Co., Limited	Hong Kong	Investment holding and reinvestment	6,025	6,025	180,000	60	163	72	-	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Investment holding and reinvestment	46,434	46,434	1,500,000	50	12,632	(11,714)	-	The investor's investee accounted for using equity method
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Investment holding and reinvestment	8,990	8,990	303,000	31.43	7,546	(2,999)	-	The investor's investee accounted for using equity method

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

Note 2:Except for subsidiaries in Malaysia are translated at the current rate as of December 31, 2014, the initial investment amounts of other investees are translated at the current rate as of the investment date.

Note 3: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 did not place funds in accordance with the contract and surrendered their shares in August 2014 and registered the change in October 2014. As the Company holds all voting rights in Hoa Phong MIC, it is included in the consolidated entities.

(3) Information on investments in Mainland China

A.Basic information:

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, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 3) Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 (Note 3)	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 2)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
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 and their components; lease of self-owned plants	$ 807,075	Note 1(2)	$ 648,825	$ -	$ -	$ 648,825	($ 59,953)	100	($ 59,384)	$ 262,285	$ -	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	260,828	Note 1(2)	15,825	-	-	15,825	2,446	100	2,446	320,536	-	Note 2 (2)B
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	9,495	Note 1(2)	9,495	-	-	9,495	(616)	100	(616)	49	-	Note 2 (2)B

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 (Note 3)	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 2)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MIC-Tech Electronics Engineering Corp.	General contracting for electrical installing construction, specialized contracting for electrical installing construction, specialized contracting for electronic engineering, specialized contracting for petroleum and chemical equipment installation, specialized contracting for channel and guarantee for post construction and consulting service for related construction technology	$ 367,741	Note 1(2)	$ 76,593	$ 94,950	$ -	$ 171,543	$ 3,703	100	$ 3,703	$ 437,578	$ -	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	12,660	Note 1(2)	19,085	-	-	19,085	415	80	332	(10,579)	-	Note 2 (2)B
SKMIC(WUXI) CORP.	Design and installation of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment	9,653	Note 1(2)	1,551	-	-	1,551	(161)	49	(79)	5,990	-	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	6,330	Note 1(2)	6,330	-	-	6,330	(404)	100	(404)	(2,391)	-	Note 2 (2)B

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 (Note 3)	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 2)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	$ 73,048	Note 1(2)	$ 24,155	$ 5,064	$ -	$ 29,219	($ 24,305)	40	($ 9,722)	$ 4,482	$ -	Note 2 (2)B
TPP-MIC (WuXi) Co., Ltd.	Technology and repairmen service of semiconductor equipment, self-operation and agency of import and export of various goods and technology	9,495	Note 1(2)	5,697	-	-	5,697	72	60	43	163	-	Note 2 (2)B
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	94,950	Note 1(2)	47,475	-	-	47,475	(11,729)	50	(5,865)	12,632	-	Note 2 (2)B, Note 4
SCEC (Shanghai) Corp.	Construction of petroleum and chemical equipment, street pipe system and clean room	74,829	Note 1(2)	714	-	-	714	-	-	-	-	-	Note 2 (3), Note 5

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 (Note 3)	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 2)	Book value of investments in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products (except for hazardous chemicals, chemicals used in production of narcotic drugs and psychotropic substances and special chemicals), semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, and consulting service for trading	$ 47,475	Note 1(2)	$ 18,990	$ 28,485	$ -	$ 47,475	$ 1,469	100	$ 1,469	$ 47,500	$ -	Note 2 (2)B
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	30,286	Note 1(2)	9,519	-	-	9,519	(2,999)	31.43	(943)	7,511	-	Note 2 (2)B

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

(1)Directly invest in a company in Mainland China.

(2)Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.

(3)Others.

Note 2:In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2014' column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are audited and attested by R.O.C. parent company's CPA.
C.Others - unaudited financial statements.

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

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

Note 4:Taicang Integrated Manufacturing and Services Co., Ltd. was renamed as Integrated Manufacturing & Services Co., Ltd. on December 24, 2014.

Note 5:The Company has disposed all its investments in SCEC (Shanghai) Corp.as of December 2014.

B.Limit on investees in Mainland China:

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 (Note 1)(Note 2)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
$ 1,018,648	$ 1,621,437	$ 2,625,275

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

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was USD$186 thousand.

C.Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: Note 13(1) J.

14. SEGMENT INFORMATION

Not applicable.