

Stock Code: 6196

**Taiwan Stock Exchange
Market Observation Post
System:**

<http://mops.twse.com.tw>

Company Website:

<http://www.micb2b.com>



Marketech International Corp.

**Handbook for the 2018
Annual General Meeting of Shareholders**

Time : May 30th, 2018 (Wednesday) at 9:00 a.m.

**Venue: 3F.,No.3, Yuancyu St., Nangang Dist., Taipei City
(Audio-Visual Meeting Center)**

DISCLAIMER

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2016 ANNUAL GENERAL MEETING (THE "HANDBOOK") OF MARKETECH INTERNATIONAL CORP. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

Marketch International Corp.
Handbook for the 2018 Annual General Meeting of Shareholders

Table of Contents

	<u>Page</u>
I. Meeting Procedures	1
II. Meeting Agenda	2
III. Matters to Report	3
IV. Matters for Ratification	5
V. Matters to Discuss	6
VI. Other Matters and Extempore Motion	6
VII. Adjournment	6
 Annexes	
1. 2017 Business Report.....	7
2. 2017 Financial Statements and Report of Independent Accountants.....	10
3. 2017 Audit Committee Audit Report.....	35
4. Investments in Mainland China in 2017.....	36
5. Status of implementing the Provision of Endorsements and Guarantees to Others in 2017.....	39
6. Implementation of the third domestic unsecured convertible bonds.	41
7. Ratification of 2017 Earnings Distribution.....	42
8. Comparison Table of Amendments to the “Procedures for Endorsement and Guarantee”.....	43
9. Comparison Table of Amendments to the “Procedures for Lending Funds to Other Parties”.....	44
10. Comparison Table of Amendments to the “Rules of Procedure for Board of Directors Meetings”.....	45
11. Comparison Table of Amendments to the “Article of Incorporation”.....	48
 Appendixes	
1. Articles of Incorporation	49
2. Rules of Shareholders’ Meeting.....	54
3. Shareholdings of Directors.....	56
4. The Impact of Stock Dividend Issuance proposed in this Annual General Meeting of Shareholders on the Company’s Business Performance, Earnings Per Share, and Return on Shareholders’ Investment.....	57
5. Information on Employees’ Compensation and Directors’ Remuneration.....	58
Additional Information	59

Marketch International Corp.
Handbook for the 2018 Annual General Meeting of Shareholders

I. Meeting Procedures

1. Meeting Commencement Announced
2. Chairman's Address
3. Chairman's Remarks
4. Matters to Report
5. Matters for Ratification
6. Matters to Discuss
7. Other Matters and Extempore Motion
8. Adjournment

Marketch International Corp.
Handbook for the 2018 Annual General Meeting of Shareholders

II. Meeting Agenda

Time : May 30th, 2018 (Wednesday) at 9:00 a.m.

Venue: 3F.,No.3, Yuancyu St., Nangang Dist., Taipei City
(Audio-Visual Meeting Center)

1. Chairman to announce the commencement of meeting

2. Chairman's Remarks

3. Matters to Report

- (1) Employees' Compensation and Directors' Remuneration in 2017
- (2) 2017 Business Report
- (3) Audit Committee's review report of 2017
- (4) Investments in Mainland China in 2017
- (5) Status of implementing the Provision of Endorsements and Guarantees to Others in 2017
- (6) Implementation of the third domestic unsecured convertible bonds.
- (7) Please refer to the Company's Rules of Procedure for Board of Directors Meetings.
- (8) Other reports

4. Matters for Ratification

- (1) To ratify 2017 Business Report and Financial Statements
- (2) To ratify 2017 Earnings Distribution

5. Matters for Discussion

- (1) Amendment to "Procedures for Endorsement and Guarantee".
- (2) Amendment to "Procedures for Lending Funds to Other Parties".
- (3) Amendment to "Articles of Corporation"

6. Other Matters and Extempore Motion

7. Adjournment

III. Matters to Report

- Item 1:** (proposed by the Board of Directors)
Description: **Please refer to the Company’s 2017 Employees’ Compensation and Directors’ and Remuneration**
Explanation: The 2017 directors’ and remuneration is NT\$10,430,532 and employees’ compensation is NT\$89,000,000, please refer to “Appendixes 5” (page 58) of this handbook.
- Item 2:** (proposed by the Board of Directors)
Description: **Please refer to the Company’s 2017 Business Report**
Explanation: Regarding the Company’s 2017 Business Report and Financial Statements, please refer to “Annex 1” (page 7-9) and “Annex 2” (page 10-34) of this handbook.
- Item 3:** (proposed by the Board of Directors)
Description: **Please refer to the Audit Committee Audit Report on the 2017 Business Report, Financial Statements and Earnings Distribution.**
Explanation: Regarding the Company’s Audit Committee Audit Report on the 2017 Business Report, Financial Statements and Earnings Distribution, please refer to “Annex 3” (page 35) of this handbook.
- Item 4:** (proposed by the Board of Directors)
Description: **Please refer to the Company’s 2017 Report on the Investments in Mainland China.**
Explanation: Regarding the Company’s 2017 Report on the Investments in Mainland China, please refer to “Annex 4” (page 36-38) of this handbook.
- Item 5:** (proposed by the Board of Directors)
Description: **Please refer to the Company’s Report on the Provision of Endorsements and Guarantees to Others for 2017**
Explanation: Regarding the Company’s Report on the Provision of Endorsements and Guarantees to Others for 2017, please refer to “Annex 5” (page 39-40) of this handbook.
- Item 6:** (proposed by the Board of Directors)
Description: **Please refer to the Company’s 2017 Implementation Report of the 3rd Offering of Domestic Unsecured Convertible Corporate Bonds.**
Explanation: Regarding the Company’s 2017 Implementation Report of the 3rd Offering of Domestic Unsecured Convertible Corporate Bonds, please refer to “Annex 6” (page 41) of this handbook.

Item 7: (proposed by the Board of Directors)

Description: Please refer to the Company's Rules of Procedure for Board of Directors Meetings.

Explanation: (1) Amendments were made to Company's "Rules of Procedure for Board of Directors Meetings" are made to comply with legal regulations and to satisfy the Company's actual operational needs.
(2) Regarding the amendments to "Rules of Procedure for Board of Directors Meetings", please refer to "Annex 10" (page 45-47) of this handbook.

IV. Matters for Ratification

Item 1: (proposed by the Board of Directors)

Description: Please ratify The Company's 2017 Business Report and Financial Statements.

Explanation:

- (1) The Company's 2017 Business Report and Financial Statements are completed and approved by the Board of Directors on February 24, 2018 with records. The 2017 Annual Financial Statement has also been audited by Independent Accountant Chang Shu-Chiung and Independent Accountant Weng Shih-Jung of PricewaterhouseCoopers (PwC) Taiwan. Aforesaid statements and report are also audited by the audit committees with records.
- (2) Aforesaid statements / report and independent accountants' report are attached. Please refer to "Annex 1" (page 7-9) and "Annex 2" (page 10-34) of this handbook.

Resolution:

Item 2: (proposed by the Board of Directors)

Description: Please ratify the Company's 2017 Earnings Distribution

Explanation:

- (1) Please refer to "Annex 7" of our Company's 2017 Earnings Distribution (page 42).
- (2) The distributed cash dividend shall be counted only until digit in ones (shall be rounded down to an integer).
- (3) Regarding the earnings distribution stated in preceding Paragraph, if the 3rd offering of domestic unsecured convertible corporate bonds or employees' execution of employee stock option affects the Company's no. of the weighted average outstanding shares and results in a change of shareholders' dividend declared ratio, it is hereby proposed at the Shareholders' Meeting to fully authorize the Chairman to make an adjustment according to the resolution of the board of directors.
- (4) Accng to earnings distribution stated in preceding Paragraph, the cash dividend shall be, after the authorization was approved at the General Meeting of Shareholders', distributed based on the dividends appointment base date stipulated by the Board of Directors separately.

Resolution:

V. Matters for Discussion

Item 1: (proposed by the Board of Directors)

Description: Amendments to “Procedures for Endorsements and Guarantees”

Explanation: (1) Amendments were made to Company’s “Procedures for Endorsements and Guarantees” are made to comply with legal regulations and to satisfy the Company’s actual operational needs.
(2) Regarding the Comparison Table of Amendments to “Procedures for Endorsements and Guarantees” , please refer to “Annex 8” (page 43)of this handbook.

Resolution

Item 2: (proposed by the Board of Directors)

Description: Amendment to “Procedures for Loaning of Funds to Others”

Explanation: (1) Amendments were made to Company’s “Procedures for Loaning of Funds to Others” are made to comply with legal regulations and to satisfy the Company’s actual operational needs.
(2) Regarding the Comparison Table of Amendments to “Procedures for Loaning of Funds to Others” , please refer to “Annex 9” (page 44)of this handbook.

Resolution:

Item 3: (proposed by the Board of Directors)

Description: Amendment to “Articles of Corporation”

Explanation: (1) Amendments were made to Company’s “Articles of Corporation” are made to comply with satisfy the Company’s actual operational needs.
(2) Regarding the Comparison Table of Amendments to “Articles of Corporation”, please refer to “Annex 11” (page 48)of this handbook.

Resolution:

VI. Other Matters and Extempore Motion

VII. Adjournment

【Annex 1: 2017 Business Report】

Marketech International Corp. 2017 Business Report

I. Operating Results of 2017

1. Operating Results

The Company's consolidate revenue for 2017 totaled NT\$20,211,994 thousand, with an increase over NT\$18,650,941 thousand comparing with the year before (2016). Net income in 2017 was NT\$648,829 thousand, with an increase over NT\$511,263 thousand comparing with the year before.

The Parent Company's separate revenue of the parent company for 2017 totaled NT\$15,319,550 thousand, with an increase over NT\$13,308,343 thousand comparing with the year before (2016). Net income in 2017 was NT\$652,951 thousand, with an increase over NT\$515,151 thousand comparing with the year before. The company will continue to stabilize growth and profitability as the operational goals in the future, thus to create the largest shareholder equity.

Summary of the 2017 and 2016 Consolidated and Separate Financial Statement is listed as follows:

(1) Summary of Consolidated Financial Statement

Unit: NT\$ thousands

Items	2016	2017	Variance (\$)	Variance (%)
Operating Revenue	18,650,941	20,211,994	1,561,053	8.37
Gross Profit	2,247,657	2,301,337	53,680	2.39
Operating Income	700,300	800,699	100,399	14.34
Net Income	511,263	648,829	137,566	26.91
EPS (in dollars) (Note2)	3.12	3.77	0.65	20.83

Note 1: The above information is summarized from Audit Reports of 2016 and 2017.

Note 2: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares.

(2) Summary of Separate Financial Statement

Unit: NT\$ thousands

Items	2016	2017	Variance (\$)	Variance (%)
Operating Revenue	13,308,343	15,319,550	2,011,207	15.11
Gross Profit	1,749,009	1,849,529	100,520	5.75
Operating Income	770,176	875,580	105,404	13.69
Net Income	515,151	652,951	137,800	26.75
EPS (in dollars) (Note2)	3.12	3.77	0.65	20.83

Note 1: The above information is summarized from Audit Reports of 2016 and 2017.

Note 2: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares.

2. Budget Implementation

In 2017, the continuous booming in semiconductor, optoelectronics and other electronic industries, and momentum of expanded production across the strait have increased the market demand, of which benefits not only the manufacturers in these industries, but also MIC to achieve the budget plan and reach significant increase in annual consolidated and non-consolidated operating revenue in 2017. The company will continue to stabilize growth and profitability as the operational goals in the future.

3. Analysis of Receipts, Expenditures and Profitability

Items		Consolidated Financial Statement		Separate Financial Statement	
		2016	2017	2016	2017
Financial Structure	Ratio of liabilities to assets (%)	67.30	67.99	58.26	58.58
	Ratio of long-term capital to fixed assets (%)	377.18	305.66	469.76	392.56
Solvency	Current ratio (%)	137.68	131.53	139.25	131.32
	Quick ratio (%)	102.89	94.30	100.19	90.05
	Times interest earned	12.88	13.98	55.50	71.29
Profitability	Return on total assets (%)	4.29	4.65	5.16	5.65
	Return on shareholders' equity (%)	11.27	13.31	11.36	13.39
	Ratio of operating income to paid-in capital (%)	42.42	45.23	46.66	49.46
	Ratio of pre-tax income to paid-in capital (%)	40.75	45.98	40.68	46.12
	Profit margin (%)	2.74	3.21	3.87	4.26
	Earnings per share (dollar) (Note)	3.12	3.77	3.12	3.77

Note: The Earnings per Share is calculated based on the no. of the weighted average outstanding shares

4. Research and Development

(1) Expenditure involved

Unit: NT\$ thousands; %

Items \ Year	Consolidated Financial Statement		Separate Financial Statement	
	2016	2017	2016	2017
Research and development expenses (A)	209,703	184,082	208,022	177,920
Operating revenue (B)	18,650,941	20,211,994	13,308,343	15,319,550
Ratio (A)/(B)(%)	1.12	0.91	1.56	1.16

(2) Developed technologies and products in 2017

Featured with the capability of integrating high-technology production, auto-control and precision machinery technologies, the R&D team of MIC Group has shown extraordinary results in developing high-technology system and facilities. Its major performance in 2016 is shown below:

Year	R&D Performance	Applications
2017	Imec Miliflex tool	LED industry (Micro LED)
	LED Wafer Thickness and Flatness Measurement Techniques	LED industry (LED Sapphire)

II. Highlights of 2018 Business Plan

1. Operating Strategies

- (1) Go further in high-tech equipment and material product lines to increase the operating revenue.
- (2) Upgrade capabilities in turnkey service of engineering, design and system integration.
- (3) Cooperate with well-known international manufacturers to develop capabilities in production relevant processing equipment.
- (4) Research and develop customized equipment and production.
- (5) Upgrade and extend equipment maintenance services.
- (6) Expand and diversity business in non-IT industries with its core technology and capability.
- (7) Actively develop IoT and AI applications and installation capabilities.

2. Sales volume forecast and basis thereof

The “Global Economic Prospects” published by the World Bank forecasts global economic growth to edge up to 3.1% in 2018, which is higher than the 3% of 2017. The Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan has published the economic growth rate of 2017, which is 2.86%, and forecasted that the economic growth rate of 2018 will be 2.42%. DGBAS expressed that the country’s economy now had a steady growth and will have an “optimistic development” in the future.

SEMI (Semiconductor Equipment and Materials International) expressed that, following the continuously increased production capabilities of the Mainland Chinese wafer plants, the semiconductor equipment demand would increase in 2018; it is expected that the global semiconductor equipment expenditure will reach USD63 billion with a growth of 11% comparing with 2017. Industrial Economics and Knowledge (IEK) Center of Industrial Technology Research Institute indicated that the business cycle for panel display will reach the peak in 2018: until now, 4 out of 10.5G lines will have a mass production and 8 to 9 are still in the planning stage.

Looking into 2018, MIC Group has maintained its foot in Taiwan while heading towards Asia. It is expected to see a growth in MIC’s operating performance this year comparing with the year before.

3. Important Production and Sales Policies

- (1) To integrate MIC Group’s business units and build up the Company’s core technology.
- (2) To provide customers on-time solutions that satisfy the customer demand in order to increase the Company’s competitiveness in sales.
- (3) To provide customer a full line service through synergy of the company’s business units.
- (4) To enhance sales office’s supply service to provide appropriate and on-time integrated services.
- (5) To enhance its relationship with customers in Asia and to extend the Company’s capability to provide local services.

(III). Future Development Strategy

Centered on four major business groups – business agency, engineering design, system applications, and R&D and Manufacturing – MIC aims to further diversify its services and to include non-IT customers in order to expand its business in Asia.

Regarding the management system, MIS has implemented ISO9001, ISO14001 and OHSAS18001 work standards to enhance its work quality and efficiency to ensure the Group’s competitiveness, to make employees confident, to bring customers a good protection and to maximize shareholders’ benefits.

(IV). Impacts of External Competitive Environment, Regulatory Environment and Macroeconomic Environment

Impacted by the fierce competition of macroeconomic environment, the industry generally has the costs increased and profitability decreased. MIC Group is now making effort on the project and purchase management in order to enhance our competitiveness in the industry by controlling the costs and expenditure. As for the regulations, amendments concerning the protection of our environment, consumers and investors, as well as our social responsibilities were made, creating more restrictions on the business and turning the macroeconomic environment even more complicated. MIC Group will therefore provide even more professional services to confront the incoming challenges. Upholding the spirit of “innovation”, we aim to provide an “integrated” and “differentiated” service to expand our market and make the Group even more advantageous.

A Good Health and All the Bests to our Shareholders.

Sincerely yours,

Chairman: Margaret Kao

President: Scott Lin

Accounting Director: Chung Chi-Wen

【Annex 2:2018 Financial Statements and Report of Independent Accountants】

I. 2018 Consolidated Financial Statements and Report of Independent Accountants



REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Marketech International Corp. and its subsidiaries (the "Group") as at December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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 (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of construction revenue

Description

Please refer to Notes 4(13) and 4(29) for accounting policy on construction contract and revenue. Please refer to Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumption. Please refer to Notes 6(22) and 6(6) for description on construction revenue and construction cost.

The Group recognized revenue and profit by using the percentage of completion method. This method is also being used to calculate the cost in each contract at the year-end. The management will re-evaluate the cost if the budget had increased or decreased, and depending on the cost after adjustment to recalculate the percentage of completion. The construction revenue may be affected by the appropriateness of determination of cost and estimated cost. Thus, we considered this as one of the key audit matters.

How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the managements' control system and tested it, if the contract had been created or had significantly changed in estimation of construction cost.
- B. Obtained the newly added construction contract list for this fiscal year, and ensure that the total contract price is equal to the amount being used to calculate construction revenue. Ensure that the construction supplement can be traced back to supplementary contracts.
- C. Checked the construction cost estimation sheets incurred in the current period, sample tested the basis of estimation and subcontracting amount, and ensured it has been approved appropriately by the management.
- D. Checked the rationality of significant changes in estimation of construction cost, and sample tested whether the revised plan has been approved by the management.
- E. Obtained the billing details, and selected samples of related vouchers by using statistical procedures to check the correctness of input cost in engineering reports and computation of percentage of completion.

Valuation on inventories

Description

Please refer to Note 4(12) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for the description of inventory.

The Group is primarily engaged in import and export trading business, which include integrated circuit, electronic equipment, and materials, components used on electronic equipment. Due to the rapid technological changes, the semiconductor equipment industry has become more and more competitive, and the product price frequently changes. Therefore, the Group is now exposed to risk on inventory valuation loss and slow-moving inventory. Inventories are stated at the lower of cost or net realizable value, slow-moving inventories are using specific identification method to estimate the allowance for inventory valuation losses.

The base stock of inventories are based on assumptions of future demand and development plan. Due to the large quantity of inventories for sale, and since the amounts involved are significant, the determination of net realisable value for obsolete or slow-moving inventory involves subjective judgement resulting in high degree of estimation uncertainty. As a result of the high uncertainties in these estimates, we considered this as one of the key audit matters.

How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Assessed the policy of allowance for inventory valuation loss, based on our understanding of the operations and industry of the Group.
- B. Tested whether the basis of market value used in calculating the net realizable value of inventory is consistent with the policy of the Group and validated selling prices of selected samples of respective inventory and their accuracy of net realizable value calculation.
- C. Acquired management's individually identified out-of-date inventory list, inspected the related supporting documents and proper recognition in the financial statements.

Valuation of allowance of accounts receivable

Description

Please refer to Note 4(9) for accounting policy of accounts receivable. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to accounts receivable. Please refer to Note 6(5) for the description of accounts receivable.

First, the Group assessed the significant accounts receivable individually, and for those that are not significant can be assessed either individually or collectively. If there is no impairment after individual assessment, then the group of accounts receivable will be added for collective assessment. If the accounts receivable over a certain age is significant, the management will re-examine the collectability and assesses each case for possible impairment. Management uses professional judgement during the process, and accounting estimates have a high possibility of becoming inappropriate. The professional judgement may be affected by the following issues. Such as customer's financial status, internal credit rating, order history, and economic situation. Thus, obtaining the supporting documents which management used for judgement is important. Thus, we considered the assessment on allowance for bad debts as one of our key audit matters.

How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the process which management used to evaluate the collectibility of accounts receivable.
- B. Ensured that the classification of impairment in the group of accounts receivable is appropriate and in accordance with the Group's accounting policy.
- C. Checked the details of significant impairment recognized by the management, against the supporting documents to verify appropriateness.
- D. Verified the subsequent collections details of significant accounts receivable.
- E. Obtained the details of significant accounts receivable which have not yet been collected at the year end, and re-evaluated the appropriateness.



Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Marketch International Corp. Ltd. as at and for the years ended December 31, 2017 and 2016.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

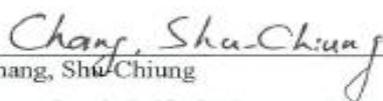
1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

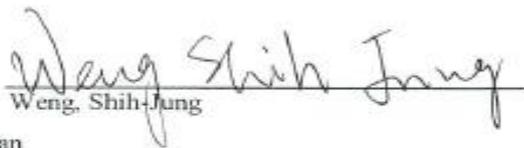
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Chang, Shu-Chiung


Weng, Shih-Jung

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2018

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

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,300,572	14	\$ 1,752,244	12
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		17,143	-	7,297	-
1125	Available-for-sale financial assets	6(3)				
	- current		41,502	-	63,853	-
1150	Notes receivable, net	6(4)	167,147	1	213,014	2
1170	Accounts receivable, net	6(5)(8)	3,898,907	24	4,019,113	29
1180	Accounts receivable - related	7				
	parties, net		168	-	417	-
1190	Construction contracts receivable	6(8) and 7	3,163,858	20	2,868,149	20
1200	Other receivables		20,890	-	16,083	-
130X	Inventories, net	6(6)	3,049,761	19	2,621,278	19
1410	Prepayments	6(7)	811,826	5	456,297	3
1470	Other current assets	8	171,820	1	160,570	1
11XX	Total current assets		<u>13,643,594</u>	<u>84</u>	<u>12,178,315</u>	<u>86</u>
Non-current assets						
1543	Financial assets at cost -	6(9)				
	non-current		279,343	2	256,628	2
1550	Investments accounted for using	6(10)				
	equity method		52,117	-	37,679	-
1600	Property, plant and equipment, net	6(11), 7 and 8	1,864,277	12	1,388,586	10
1780	Intangible assets	7	20,115	-	21,619	-
1840	Deferred tax assets	6(26)	122,914	1	113,923	1
1900	Other non-current assets	6(11)	88,783	1	86,032	1
15XX	Total non-current assets		<u>2,427,549</u>	<u>16</u>	<u>1,904,467</u>	<u>14</u>
1XXX	Total Assets		<u>\$ 16,071,143</u>	<u>100</u>	<u>\$ 14,082,782</u>	<u>100</u>

(Continued)

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 2,012,182	13	\$ 1,913,374	14
2150	Notes payable		908,350	6	858,675	6
2170	Accounts payable		3,911,241	24	3,447,773	25
2180	Accounts payable - related parties	7	22,053	-	13,565	-
2190	Construction contracts payable	6(8)	1,851,105	12	1,325,311	9
2200	Other payables	6(13)	544,024	3	455,018	3
2230	Current tax liabilities		96,090	1	93,751	1
2310	Advance receipts	6(8)(14)	1,014,888	6	724,461	5
2399	Other current liabilities, others		12,917	-	13,428	-
21XX	Total current liabilities		<u>10,372,850</u>	<u>65</u>	<u>8,845,356</u>	<u>63</u>
Non-current liabilities						
2530	Bonds payable	6(15)	200,199	1	477,153	3
2540	Long-term borrowings	6(16)	200,000	1	-	-
2570	Deferred tax liabilities	6(26)	-	-	10,350	-
2640	Accrued pension liabilities	6(17)	154,014	1	144,643	1
2670	Other non-current liabilities, others		78	-	85	-
25XX	Total non-current liabilities		<u>554,291</u>	<u>3</u>	<u>632,231</u>	<u>4</u>
2XXX	Total Liabilities		<u>10,927,141</u>	<u>68</u>	<u>9,477,587</u>	<u>67</u>
Equity						
Share capital						
3110	Ordinary shares	6(19)	1,770,164	11	1,650,698	12
Capital surplus						
3200	Capital surplus	6(18)(20)	843,057	5	648,446	4
Retained earnings						
3310	Legal reserve	6(21)	626,773	4	575,258	4
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		1,893,389	12	1,667,955	12
Other equity interest						
3400	Other equity interest		(80,645)	(1)	(26,985)	-
31XX	Total equity attributable to owners of parent		<u>5,144,977</u>	<u>32</u>	<u>4,607,611</u>	<u>33</u>
36XX	Non-controlling interests		<u>(975)</u>	<u>-</u>	<u>(2,416)</u>	<u>-</u>
3XXX	Total Equity		<u>5,144,002</u>	<u>32</u>	<u>4,605,195</u>	<u>33</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total Liabilities and Equity		<u>\$ 16,071,143</u>	<u>100</u>	<u>\$ 14,082,782</u>	<u>100</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2017		2016		
		AMOUNT	%	AMOUNT	%	
4000	Operating Revenue	6(22) and 7	\$ 20,211,994	100	\$ 18,650,941	100
5000	Operating Costs	6(6)(25) and 7	(17,910,657)	(89)	(16,403,284)	(88)
5900	Gross Profit		<u>2,301,337</u>	<u>11</u>	<u>2,247,657</u>	<u>12</u>
	Operating Expenses	6(25) and 7				
6100	Sales and marketing expenses		(562,119)	(2)	(525,098)	(3)
6200	General and administrative expenses		(754,437)	(4)	(812,556)	(4)
6300	Research and development expenses		(184,082)	(1)	(209,703)	(1)
6000	Total operating expenses		<u>(1,500,638)</u>	<u>(7)</u>	<u>(1,547,357)</u>	<u>(8)</u>
6900	Operating Profit		<u>800,699</u>	<u>4</u>	<u>700,300</u>	<u>4</u>
	Non-operating Income and Expenses					
7010	Other income	6(23)	63,054	-	81,362	-
7020	Other gains and losses	6(2)(24)	7,858	-	54,865	-
7050	Finance costs		(62,688)	-	(56,596)	-
7060	Share of gain of associates and joint ventures accounted for using equity method		<u>5,052</u>	-	<u>2,412</u>	-
7000	Total non-operating income and expenses		<u>13,276</u>	-	<u>(27,687)</u>	-
7900	Profit before Income Tax		<u>813,975</u>	<u>4</u>	<u>672,613</u>	<u>4</u>
7950	Income tax expense	6(26)	(165,146)	(1)	(161,350)	(1)
8200	Net Income		<u>\$ 648,829</u>	<u>3</u>	<u>\$ 511,263</u>	<u>3</u>
	Other Comprehensive Income					
8311	Gains (losses) on remeasurements of defined benefit plans	6(17)	(\$ 11,229)	-	(\$ 15,975)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	<u>1,909</u>	-	<u>2,716</u>	-
8310	Total components of other comprehensive loss that will not be reclassified to profit or loss		<u>(9,320)</u>	-	<u>(13,259)</u>	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		(56,650)	-	(98,892)	(1)
8362	Unrealized gain on valuation of available-for-sale financial assets of foreign operations	6(3)	(6,395)	-	29,408	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(146)	-	(104)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(26)	<u>9,681</u>	-	<u>16,855</u>	-
8360	Total components of other comprehensive loss that will be reclassified to profit or loss		<u>(53,510)</u>	-	<u>(52,733)</u>	(1)
8300	Other comprehensive loss, net of tax		<u>(\$ 62,830)</u>	-	<u>(\$ 65,992)</u>	(1)
8500	Total Comprehensive Income		<u>\$ 585,999</u>	<u>3</u>	<u>\$ 445,271</u>	<u>2</u>
	Profit (loss) attributable to:					
8610	Owners of the parent		<u>\$ 652,951</u>	<u>3</u>	<u>\$ 515,151</u>	<u>3</u>
8620	Non-controlling interests		<u>(\$ 4,122)</u>	-	<u>(\$ 3,888)</u>	-
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		<u>\$ 589,971</u>	<u>3</u>	<u>\$ 449,009</u>	<u>2</u>
8720	Non-controlling interests		<u>(\$ 3,972)</u>	-	<u>(\$ 3,738)</u>	-
9750	Basic earnings per share	6(27)	<u>\$ 3.77</u>		<u>\$ 3.12</u>	
9850	Diluted earnings per share	6(27)	<u>\$ 3.51</u>		<u>\$ 2.95</u>	

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

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

	Notes	Equity attributable to owners of the parent										
		Capital Reserves			Retained Earnings			Other equity interest		Total	Non-controlling interests	Total equity
		Share capital - ordinary shares	Share premium	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets			
Year 2016												
Balance at January 1, 2016		\$ 1,650,698	\$ 616,003	\$ 2,770	\$ 529,385	\$92,239	\$ 1,542,603	\$ 25,898	\$ -	\$ 4,459,596	\$ 5,202	\$ 4,464,798
Appropriations and distribution of earnings for 2015	6(21)	-	-	-	45,873	-	(45,873)	-	-	-	-	-
Legal reserve		-	-	-	45,873	-	(45,873)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(330,140)	-	-	(330,140)	-	(330,140)
Share-based payment	6(18)(20)	-	-	8,537	-	-	-	-	-	8,537	-	8,537
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	(527)	-	-	(527)	-	(527)
Due to recognition of equity component of convertible bonds issued	6(15)(20)	-	-	21,136	-	-	-	-	-	21,136	-	21,136
Profit (loss) for 2016		-	-	-	-	-	515,151	-	-	515,151	(3,888)	511,263
Other comprehensive income (loss) for 2016		-	-	-	-	-	(13,259)	(82,291)	29,408	(66,142)	150	(65,992)
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	(3,880)	(3,880)
Balance at December 31, 2016		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 32,443</u>	<u>\$ 575,258</u>	<u>\$92,239</u>	<u>\$ 1,667,955</u>	<u>(\$ 56,393)</u>	<u>\$ 29,408</u>	<u>\$ 4,607,611</u>	<u>(\$ 2,416)</u>	<u>\$ 4,605,195</u>
Year 2017												
Balance at January 1, 2017		\$ 1,650,698	\$ 616,003	\$ 32,443	\$ 575,258	\$92,239	\$ 1,667,955	(\$ 56,393)	\$ 29,408	\$ 4,607,611	(\$ 2,416)	\$ 4,605,195
Appropriations and distribution of earnings for 2016	6(21)	-	-	-	51,515	-	(51,515)	-	-	-	-	-
Legal reserve		-	-	-	51,515	-	(51,515)	-	-	-	-	-
Cash dividends		-	-	-	-	-	(363,153)	-	-	(363,153)	-	(363,153)
Share-based payment	6(18)(19)(20)	14,225	18,151	133	-	-	-	-	-	32,509	-	32,509
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	(3,529)	-	-	(3,529)	-	(3,529)
Conversion of convertible bonds	6(15)(19)(20)(29)	105,241	188,751	(12,424)	-	-	-	-	-	281,568	-	281,568
Profit (loss) for 2017		-	-	-	-	-	652,951	-	-	652,951	(4,122)	648,829
Other comprehensive income (loss) for 2017		-	-	-	-	-	(9,320)	(47,265)	(6,395)	(62,980)	150	(62,830)
Change in non-controlling interests		-	-	-	-	-	-	-	-	-	5,413	5,413
Balance at December 31, 2017		<u>\$ 1,770,164</u>	<u>\$ 822,905</u>	<u>\$ 20,152</u>	<u>\$ 626,773</u>	<u>\$92,239</u>	<u>\$ 1,893,389</u>	<u>(\$ 103,658)</u>	<u>\$ 23,013</u>	<u>\$ 5,144,977</u>	<u>(\$ 975)</u>	<u>\$ 5,144,002</u>

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

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

	Notes	Years ended December 31	
		2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 813,975	\$ 672,613
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit	6(2)(23)	(9,846)	(1,328)
Provision (reversal of provision) for bad debt expense	12(2)	(12,129)	74,825
Share of gain of associates and joint ventures accounted for using equity method		(5,052)	(2,412)
Gain on disposal of investments	6(24)	(35,556)	(7,894)
Depreciation	6(11)(25)	109,120	102,789
Amortisation	6(25)	20,431	19,333
Loss on disposal of property, plant and equipment		1,353	1,264
Impairment loss on financial assets	6(9)(23)	15,243	-
Compensation cost of share-based payments	6(18)(20)	7,901	8,537
Interest income		(7,881)	(4,109)
Interest expense		62,688	56,596
Dividend income	6(23)	(16,935)	(14,624)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		38,599	(106,623)
Accounts receivable, net		100,180	(1,110,410)
Accounts receivable – related parties, net		250	23,386
Construction contracts receivable		(295,709)	(383,138)
Other receivables		(5,670)	(10,437)
Inventories		(437,591)	(422,209)
Prepayments		(355,530)	(57,671)
Other current assets		36,368	4,697
Changes in operating liabilities			
Notes payable		49,675	51,684
Accounts payable		473,981	794,603
Accounts payable – related parties		8,488	(7,045)
Construction contracts payable		525,794	88,371
Other payables		100,616	62,888
Advance receipts		290,427	126,347
Other current liabilities, others		(511)	(10,019)
Other non-current liabilities		(1,858)	(1,922)
Cash inflow (outflow) generated from operations		1,470,821	(51,908)
Interest received		7,164	3,327
Dividends received		16,935	14,624
Interest paid		(67,409)	(52,771)
Income tax paid		(172,702)	(152,940)
Net cash flows from (used in) operating activities		<u>1,254,809</u>	<u>(239,668)</u>

(Continued)

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

	Notes	Years ended December 31	
		2017	2016
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of available-for-sale financial assets – current		\$ 32,233	\$ 1,889
Decrease in other financial assets – current		6,733	410
Acquisition of financial assets measured at cost – non-current		(66,915)	(20,131)
Proceeds from disposal of financial assets measured at cost – non-current		67,942	13,449
Proceeds from capital reduction of financial assets measured at cost – non-current		274	9,185
Acquisition of investments accounted for using equity method		(9,611)	(1,408)
Proceeds from disposal of investments accounted for using equity method		-	307
Proceeds from capital reduction of investments accounted for using equity method		-	41,182
Acquisition of property, plant and equipment	6(11)	(611,238)	(95,635)
Proceeds from disposal of property, plant and equipment		19,051	2,577
Acquisition of intangible assets		(19,021)	(18,307)
Increase in refundable deposits		(56,613)	(9,798)
(Increase) decrease in other non-current assets		(3,214)	1,088
Net cash flows used in investing activities		<u>(640,379)</u>	<u>(75,192)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		113,112	634,001
Increase in long-term borrowings		200,000	-
(Decrease) increase in guarantee deposits received		(6)	67
Proceeds from exercise of employee stock options	6(18)	24,609	-
Proceeds from issuance of bonds	6(15)	-	495,000
Cash dividends paid	6(21)	(363,153)	(330,140)
Changes in non-controlling interests		-	(3,880)
Net cash flows (used in) from financing activities		<u>(25,438)</u>	<u>795,048</u>
Effect of exchange rate changes on cash and cash equivalents		(40,664)	(132,818)
Net increase in cash and cash equivalents		548,328	347,370
Cash and cash equivalents at beginning of year	6(1)	<u>1,752,244</u>	<u>1,404,874</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 2,300,572</u>	<u>\$ 1,752,244</u>

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

II. 2018 Parent Company only Financial Statements and Report of Independent Accountants



REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Marketech International Corp. (the “Company”) as at December 31, 2017 and 2016, and the parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the company as at December 31, 2017 and 2016, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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 (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company. parent company only financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.



Recognition of construction revenue

Description

Please refer to Notes 4(12) and 4(28) for accounting policy on construction contract and revenue. Please refer to Note 5(2) for the details of uncertainty of construction contract accounting estimation and assumption. Please refer to Notes 6(21) and 6(6) for description on construction revenue and construction cost.

The Company recognized revenue and profit by using the percentage of completion method. This method is also being used to calculate the cost in each contract at the year-end. The management will re-evaluate the cost if the budget had increased or decreased, and depending on the cost after adjustment to recalculate the percentage of completion. The construction revenue may be affected by the appropriateness of determination of cost and estimated cost. Thus, we considered this as one of the key audit matters.

How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Obtained an understanding of the managements' control system and tested it, if the contract had been created or had significantly changed in estimation of construction cost.
- B. Obtained the newly added construction contract list for this fiscal year, and ensured that the total contract price is equal to the amount being used to calculate construction revenue. Ensured that any additional construction supplement can be traced back to supplementary contracts.
- C. Checked the construction cost estimation sheets incurred in the current period, and sampling the basis of estimation and subcontracting amount, and ensured it has been approved appropriately by the management.
- D. Checked the rationality of significant changes in estimation of construction cost, and sample tested whether the revised plan has been approved by the management.
- E. Obtained the billing details, and selected samples of related vouchers by using statistical procedure to check the correctness of input cost in engineering reports and computation of percentage of completion.

Valuation on inventories

Description

Please refer to Note 4(11) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for the description of inventory.

The Company is primarily engaged in import and export trading business, which include integrated circuit, electronic equipment, and materials, components used on electronic equipment. Due to the rapid technological changes, the semiconductor equipment industry has become more and more competitive, and the product price frequently changes. Therefore, the Company is now exposed to risk on inventory valuation loss and slow-moving inventory. Inventories are stated at the lower of cost or net realizable value, and slow-moving inventories are assessed using specific identification method to estimate the allowance for inventory valuation losses.

The base stock of inventories are based on assumptions of future demand and development plan. Due to the large quantity of inventories for sale, and since the amounts involved are significant, the determination of net realizable value for obsolete or slow-moving inventory involves subjective judgement resulting in high degree of estimation uncertainty. As a result of the high uncertainties in these estimates, we considered this is one of the key audit matters.

How our audit addressed the matter

We tailored the major audit scope as follows:

- A. Assessed the policy of allowance for inventory valuation loss, based on our understanding of the operations and industry of the company.
- B. Tested whether the basis of market value used in calculating the net realizable value of inventory is consistent with the policy of the company and validated selling prices of selected samples of respective inventory and their accuracy of net realizable value calculation.
- C. Acquired management's individually identified out-of-date inventory list, inspected the related supporting documents and proper recognition in the financial statements.



Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



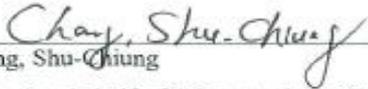
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

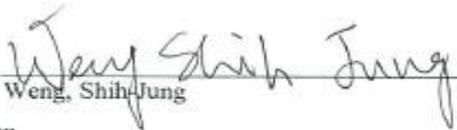
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Chang, Shu-Chung


Weng, Shih Jung

For and on behalf of PricewaterhouseCoopers, Taiwan
February 24, 2018

The accompanying parent company only 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 parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 750,892	6	\$ 881,517	8
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		17,143	-	7,297	-
1125	Available-for-sale financial assets	6(3)				
	- current		41,502	-	63,853	1
1150	Notes receivable, net	6(4)	64,957	1	136,651	1
1170	Accounts receivable, net	6(5)	2,650,543	21	2,642,947	24
1180	Accounts receivable - related	7				
	parties, net		7,102	-	11,098	-
1190	Construction contracts receivable	6(7) and 7	2,398,711	19	1,935,864	17
1200	Other receivables	7	83,714	1	85,969	1
130X	Inventories, net	6(6)	2,295,799	18	1,949,583	18
1410	Prepayments		475,970	4	305,882	3
1470	Other current assets	8	32,996	-	19,882	-
11XX	Total current assets		<u>8,819,329</u>	<u>70</u>	<u>8,040,543</u>	<u>73</u>
Non-current assets						
1543	Financial assets at	6(8)				
	cost-non-current		277,607	2	254,873	2
1550	Investments accounted for using	6(9)				
	equity method		1,716,459	15	1,471,719	14
1600	Property, plant and equipment, net	6(10) and 7	1,453,359	12	1,120,544	10
1780	Intangible assets	7	15,270	-	15,515	-
1840	Deferred tax assets	6(25)	122,914	1	113,923	1
1900	Other non-current assets	6(10)	16,430	-	20,757	-
15XX	Total non-current assets		<u>3,602,039</u>	<u>30</u>	<u>2,997,331</u>	<u>27</u>
1XXX	Total Assets		<u>\$ 12,421,368</u>	<u>100</u>	<u>\$ 11,037,874</u>	<u>100</u>

(Continued)

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2017		December 31, 2016		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 650,000	5	\$ 550,000	5
2150	Notes payable		908,350	7	858,352	8
2170	Accounts payable		2,582,979	21	2,339,645	21
2180	Accounts payable - related parties	7	19,944	-	24,306	-
2190	Construction contracts payable	6(7)	1,278,326	10	1,136,463	10
2200	Other payables	6(12)	407,884	3	338,486	3
2230	Current tax liabilities		96,090	1	93,751	1
2310	Advance receipts	6(13)	760,815	6	423,408	4
2399	Other current liabilities, others		11,639	-	9,566	-
21XX	Total current liabilities		<u>6,716,027</u>	<u>53</u>	<u>5,773,977</u>	<u>52</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	200,199	2	477,153	5
2540	Long-term borrowings	6(15)	200,000	3	-	-
2570	Deferred tax liabilities	6(25)	-	-	10,350	-
2640	Net defined benefit liability - non-current	6(16)	154,014	1	144,643	1
2670	Other non-current liabilities, others	6(9)	6,151	-	24,140	-
25XX	Total non-current liabilities		<u>560,364</u>	<u>6</u>	<u>656,286</u>	<u>6</u>
2XXX	Total Liabilities		<u>7,276,391</u>	<u>59</u>	<u>6,430,263</u>	<u>58</u>
Equity						
Share capital						
3110	Ordinary shares	6(18)	1,770,164	14	1,650,698	15
Capital surplus						
3200	Capital surplus	6(17)(19)	843,057	7	648,446	6
Retained earnings						
3310	Legal reserve	6(20)	626,773	5	575,258	5
3320	Special reserve		92,239	1	92,239	1
3350	Unappropriated retained earnings		1,893,389	15	1,667,955	15
Other equity interest						
3400	Other equity interest		(80,645)	(1)	(26,985)	-
3XXX	Total Equity		<u>5,144,977</u>	<u>41</u>	<u>4,607,611</u>	<u>42</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total Liabilities and Equity		<u>\$ 12,421,368</u>	<u>100</u>	<u>\$ 11,037,874</u>	<u>100</u>

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

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Year ended December 31			
		2017		2016	
Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating Revenue	\$ 15,319,550	100	\$ 13,308,343	100
5000	Operating Costs	(13,470,021)	(88)	(11,559,334)	(87)
5900	Gross Profit	<u>1,849,529</u>	<u>12</u>	<u>1,749,009</u>	<u>13</u>
	Operating Expenses				
6100	Sales and marketing expenses	(285,763)	(2)	(271,458)	(2)
6200	General and administrative expenses	(510,266)	(3)	(499,353)	(4)
6300	Research and development expenses	(177,920)	-	(208,022)	(1)
6000	Total operating expenses	<u>(973,949)</u>	<u>(5)</u>	<u>(978,833)</u>	<u>(7)</u>
6900	Operating Profit	<u>875,580</u>	<u>7</u>	<u>770,176</u>	<u>6</u>
	Non-operating Income and Expenses				
7010	Other income	89,877	1	101,828	1
7020	Other gains and losses	(26,303)	-	(4,946)	-
7050	Finance costs	(11,615)	-	(12,322)	-
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	(111,151)	(2)	(183,210)	(2)
7000	Total non-operating income and expenses	<u>(59,192)</u>	<u>(1)</u>	<u>(98,650)</u>	<u>(1)</u>
7900	Profit before Income Tax	816,388	6	671,526	5
7950	Income tax expense	(163,437)	(1)	(156,375)	(1)
8200	Net Income	<u>\$ 652,951</u>	<u>5</u>	<u>\$ 515,151</u>	<u>4</u>
	Other Comprehensive Income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(\$ 11,229)	-	(\$ 15,975)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,909	-	2,716	-
8310	Total components of other comprehensive loss that will not be reclassified to profit or loss	<u>(9,320)</u>	<u>-</u>	<u>(13,259)</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operations	(56,800)	-	(99,042)	(1)
8362	Unrealized gains on valuation of available-for-sale financial assets	(6,395)	-	29,408	-
8380	Total Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(146)	-	(104)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	9,681	-	16,855	-
8360	Total components of other comprehensive loss that will be reclassified to profit or loss	<u>(53,660)</u>	<u>-</u>	<u>(52,883)</u>	<u>(1)</u>
8300	Other comprehensive loss, net of tax	<u>(\$ 62,980)</u>	<u>-</u>	<u>(\$ 66,142)</u>	<u>(1)</u>
8500	Total Comprehensive Income	<u>\$ 589,971</u>	<u>5</u>	<u>\$ 449,009</u>	<u>3</u>
9750	Basic earnings per share	<u>\$ 3.77</u>		<u>\$ 3.12</u>	
9850	Diluted earnings per share	<u>\$ 3.51</u>		<u>\$ 2.95</u>	

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

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves			Retained Earnings			Other equity interest		Total equity
		Share capital – ordinary shares	Capital surplus – share premium	Capital surplus – others	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statement translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	
Year ended December 31, 2016										
Balance at January 1, 2016		\$ 1,650,698	\$ 616,003	\$ 2,770	\$ 529,385	\$ 92,239	\$ 1,542,603	\$ 25,898	\$ -	\$ 4,459,596
Appropriation and distribution of 2015 earnings: (Note)	6(20)									
Legal reserve		-	-	-	45,873	-	(45,873)	-	-	-
Cash dividends		-	-	-	-	-	(330,140)	-	-	(330,140)
Share-based payment	6(17)(19)	-	-	8,537	-	-	-	-	-	8,537
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method		-	-	-	-	-	(527)	-	-	(527)
Due to recognition of equity component of convertible bonds issued	6(14)(19)	-	-	21,136	-	-	-	-	-	21,136
Profit for 2016		-	-	-	-	-	515,151	-	-	515,151
Other comprehensive income (loss) for 2016		-	-	-	-	-	(13,259)	(82,291)	29,408	(66,142)
Balance at December 31, 2016		<u>\$ 1,650,698</u>	<u>\$ 616,003</u>	<u>\$ 32,443</u>	<u>\$ 575,258</u>	<u>\$ 92,239</u>	<u>\$ 1,667,955</u>	<u>(\$ 56,393)</u>	<u>\$ 29,408</u>	<u>\$ 4,607,611</u>
Year ended December 31, 2017										
Balance at January 1, 2017		\$ 1,650,698	\$ 616,003	\$ 32,443	\$ 575,258	\$ 92,239	\$ 1,667,955	(\$ 56,393)	\$ 29,408	\$ 4,607,611
Appropriations of and distribution of earnings for 2016	6(20)									
Legal reserve		-	-	-	51,515	-	(51,515)	-	-	-
Cash dividends		-	-	-	-	-	(363,153)	-	-	(363,153)
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	-	(3,529)	-	-	(3,529)
Share-based payment	6(17)(18)(19)	14,225	18,151	133	-	-	-	-	-	32,509
Conversion of convertible bonds	6(14)(18)(19)(28)	105,241	188,751	(12,424)	-	-	-	-	-	281,568
Profit (loss) for 2017		-	-	-	-	-	652,951	-	-	652,951
Other comprehensive loss for 2017		-	-	-	-	-	(9,320)	(47,265)	(6,395)	(62,980)
Balance at December 31, 2017		<u>\$ 1,770,164</u>	<u>\$ 822,905</u>	<u>\$ 20,152</u>	<u>\$ 626,773</u>	<u>\$ 92,239</u>	<u>\$ 1,893,389</u>	<u>(\$ 103,658)</u>	<u>\$ 23,013</u>	<u>\$ 5,144,977</u>

Note: The stockholders have resolved to distribute directors' and supervisors' remuneration of \$7,545 and employees' bonus of \$75,452 for 2016 and distribute directors' and supervisors' remuneration of \$6,197 and employees' bonus of \$40,000 for 2015. All amounts have been deducted from the statements of comprehensive income.

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

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 816,388	\$ 671,526
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets or liabilities at fair value through profit or loss	6(2)(23)	(9,846)	(1,328)
Provision for bad debt expense	12	8,494	28,000
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method		111,151	183,210
Gain on disposal of investments	6(23)	(35,556)	(7,894)
Depreciation	6(10)(24)	80,845	73,458
Amortisation	6(24)	19,222	13,648
(Gain) loss on disposal of property, plant and equipment	6(10)	(1,666)	102
Impairment loss on financial assets	6(8)(23)	15,243	-
Compensation cost of share-based payments	6(17)(19)(24)	7,901	8,537
Interest income	6(22)	(3,569)	(1,749)
Interest expense		11,615	12,322
Dividend income	6(22)	(16,935)	(14,624)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		64,426	(73,216)
Accounts receivable, net		(28,822)	(720,818)
Accounts receivable - related parties, net		3,996	11,376
Construction contracts receivable		(462,847)	(321,961)
Other receivables		1,703	(64,809)
Inventories, net		(346,216)	(383,396)
Prepayments		(170,088)	(150,143)
Other current assets		1,196	18,689
Changes in operating liabilities			
Notes payable		49,998	51,361
Accounts payable		243,334	654,498
Accounts payable - related parties		(4,362)	4,165
Construction contracts payable		141,863	36,611
Other payables		69,101	36,668
Advance receipts		337,407	206,145
Other current liabilities, others		2,074	(12,306)
Other non-current liabilities		(1,859)	(1,922)
Cash inflow generated from operations		904,191	256,150
Interest received		2,753	1,092
Dividends received		16,935	14,624
Interest paid		(6,704)	(9,128)
Income tax paid		(167,481)	(145,259)
Net cash flows from operating activities		<u>749,694</u>	<u>117,479</u>

(Continued)

MARKETECH INTERNATIONAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of available-for-sale financial assets			
- current		\$ 32,233	\$ 1,889
Acquisition of financial assets measured at cost – non-current		(66,915)	(20,131)
Proceeds from disposal of financial assets measured at cost – non-current		67,942	13,449
Proceeds from capital reduction of financial assets measured at cost – non-current		274	9,185
Acquisition of investments accounted for using equity method – subsidiaries		(424,745)	(93,243)
Acquisition of investments accounted for using equity method – non-subsidiaries		(9,611)	(1,408)
Proceeds from disposal of investments accounted for using equity method – non-subsidiaries		-	307
Proceeds from capital reduction of investments accounted for using equity method method		-	41,182
Acquisition of property, plant and equipment	6(10)	(422,981)	(70,282)
Proceeds from disposal of property, plant and equipment	6(10)	10,987	2,577
Acquisition of intangible assets		(18,977)	(16,898)
(Increase) decrease in refundable deposits		(9,982)	1,663
Net cash flows used in investing activities		<u>(841,775)</u>	<u>(131,710)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		100,000	60,000
Increase in long-term borrowings	6(15)	200,000	-
Increase in guarantee deposits received		-	70
Proceeds from exercise of employee stock options	6(17)	24,609	-
Proceeds from issuance of bonds		-	495,000
Cash dividends paid	6(20)	(363,153)	(330,140)
Net cash flows (used in) from financing activities		<u>(38,544)</u>	<u>224,930</u>
Net (decrease) increase in cash and cash equivalents		(130,625)	210,699
Cash and cash equivalents at beginning of year	6(1)	881,517	670,818
Cash and cash equivalents at end of year	6(1)	<u>\$ 750,892</u>	<u>\$ 881,517</u>

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

【Annex 3: 2017 Audit Committee Audit Report】

Marketch International Corp.

Audit Committee Audit Report

To: Members of the 2018 Shareholders' Meeting

We, as the Audit Committee of MIC Group, have audited the 2017 Business Report, Financial Statements and Earnings Distribution Proposal made and submitted by the board of directors. The said Financial Statements were audited by Independent Accountant Chang Shu-Chiung and Independent Accountant Weng Shih-Jung of Pricewaterhouse Coopers (PwC) Taiwan, and are supported with an audit report issued by PwC. We believe that there is no inconsistent information of aforementioned Business Report, Financial Statements and Earnings Distribution Proposal and hereby submit these documents to you according to Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

Chairperson of Audit Committee, Lin Hsiao-Min

February 26, 2018

【Annex 4 : Investments in Mainland China in 2017】

Marketch International Corp. Information on investments in Mainland China For the year ended December 31, 2017

I. Financial Information of Investments in Mainland China

Unit: NT\$ thousands

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
MIC-Tech (WuXi) Co., Ltd.	Design, manufacturing, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device, environment pollution preventing equipment; assembling of wrapping device and cooling equipment; assembling of barbecue grill; wholesale, commission agency and import and export of the aforementioned products their components, textile, commodities, chemical products and cosmetics; lease of self-owned plants	\$ 758,880 (Note 4)	\$ 610,080	\$ -	\$ -	\$ 610,080	(\$ 2,055)	100%	(\$ 1,483)	\$ 20,529	\$ -
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	245,252 (Note 4)	14,880	-	-	14,880	17,980	100%	17,980	337,044	-
Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	8,928 (Note 4)	8,928	-	-	8,928	(895)	100%	(895)	(1,734)	-
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	524,341 (Note 4)	253,555	-	-	253,555	(91,119)	100%	(91,119)	469,868	-

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
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;	\$ 17,856 (Note 4)	\$ 17,945	\$ -	\$ -	\$ 17,945	\$ 1,317	87%	\$ 2,060	(\$ 16,389)	\$ -
SKMIC (WUXI) CORP	Design, installation and maintenance of semiconductor device, crystal dedicated device, electronic component device and environment pollution preventing equipment; wholesale, agent, export and import services for aforementioned products; clearing, repair and maintenance of industrial equipment.	9,077 (Note 4)	1,458	-	-	1,458	(4,861)	49%	(2,382)	161	-
ChenGao M&E Engineering (Shanghai) Co., Ltd.	Design of microelectronic products and display devices, consulting service for related technology and management	5,952 (Note 4)	5,952	-	-	5,952	(149)	100%	(149)	(2,660)	-
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	68,686 (Note 4)	27,474	-	-	27,474	(374)	100%	(374)	5,616	-
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	124,992 (Note 4)	44,640	35,712	-	80,352	(5,152)	100%	(5,152)	30,712	-
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables and boilers that generate electricity, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, and consulting service for trading	44,640 (Note 4)	44,640	-	-	44,640	(13,502)	100%	(13,502)	25,270	-

Investee in Mainland China	Main Business Activities	Paid-in Capital (Note 1 and Note 2)	Accumulated amount of remittance from Taiwan to Mainland China at period start (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan at period end (Note 1 and Note 2)		Accumulated amount of remittance from Taiwan to Mainland China at period end (Note 1 and Note 2)	Net income (loss) of investee of this period	Ownership held by the Company (direct or indirect)	Investment income (loss) of this period recognized by the Company (Note 3)	Book value of investments in Mainland China at period end (Note 1)	Accumulated amount of investment income remitted back to Taiwan at period end
				Remitted to Mainland China	Remitted back to Taiwan						
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, food, textile, commodities, cosmetics, valve switch, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area, simple commercial processing in customs bonded area, and consulting service for trading in customs bonded area	\$ 28,477 (Note 4)	\$ 8,950	\$ -	\$ -	\$ 8,950	\$ 6,107	31.43%	\$ 1,919	\$ 4,105	\$ -

Note 1: Refers to the paid-in capital, amount remitted to Mainland China / back to Taiwan, and book value of investments in Mainland China until December 31, 2017.

Note 2: Paid-in capital and investment amount were translated at the original currency times exchange rate at period end.

Note 3: In "Investment income (loss) of this period recognized by the Company":

(1) If there is not investment income (loss) as it is still at the preparation stage, it is a must to make a note.

(2) The basis of recognizing the investment income (loss) shall be classified in three types as follows; relevant notes shall also be made accordingly.

A. Financial statements audited and certified by an international accounting firm with whom an accounting firm of the Republic of China co-works.

B. Financial statements audited and certified by an accountant engaged with the parent company in Taiwan.

C. Others – self-assessed financial statements that have not been audited or certified by an accountant in the same period.

Note 4: Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.

II. Information of Ceiling on Investments in Mainland China

December 31, 2017

Unit: NT\$ thousands

Accumulated amount of remittance from Taiwan to Mainland China until December 31, 2017 (Note 1 and 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
\$ 1,085,936	\$ 1,908,120	\$ 3,086,986

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, 2017 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.

【Annex 5: Status of implementing the Provision of Endorsements and Guarantees to Others in 2017】

Marketech International Corp. and Subsidiaries Provision of Endorsements and Guarantees to Others For the year ended December 31, 2017

Unit: NT\$ thousands

Endorser / Guarantor	Endorsee / Guarantee		Shareholding (%)	Limit on endorsements / guarantees provided for a single party (Note 2 and 3)	Maximum outstanding endorsements / guarantees (Note 4)	Outstanding endorsements / guarantees at period end (Note 5)	Actual drawdown amount (Note 6)	Ceiling on total amount of endorsement / guarantee (Note 2 and 3)	Content of Guarantee
	Company Name	Relationship							
Marketech International Corp.	Marketech Integrated Pte Ltd.	Note 1(2)	100%	2,572,489	66,346	54,389	49,156	5,144,977	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee
Marketech International Corp.	MIC-Tech (Shanghai) Corp. Ltd.	Note 1(3)	100%	2,572,489	987,298	946,884	451,463	5,144,977	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee
Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1(3)	100%	2,572,489	319,275	294,624	294,624	5,144,977	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	Note 1(3)	100%	2,572,489	1,450,270	1,313,572	762,575	5,144,977	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee.
Marketech International Corp.	Shanghai Puritic Co., Ltd.	Note 1(3)	87%	2,572,489	93,444	91,399	15,872	5,144,977	Provide promissory notes as bank loan guarantee and signed a contract for joint guarantee.
Marketech International Corp.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Note 1(3)	100%	2,572,489	31,996	31,954	-	5,144,977	Provide banker's letter of guarantee for joint guarantee
Marketech International Corp.	Marketech International Sdn. Bhd.	Note 1(2)	100%	2,572,489	148,800	148,800	20,342	5,144,977	Provide promissory notes as bank loan guarantee.
Marketech International Corp.	Special Triumph Sdn., Bhd	Note 1(5)	0%	2,572,489	39,309	39,309	24,738	5,144,977	Provide banker's letter of guarantee for joint guarantee
Marketech Co., Ltd	MIC-Tech Viet Nam Co., Ltd	Note 1(3)	0%	12,005	8,320	7,675	7,675	20,009	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp. Ltd.	Note 1(3)	0%	1,409,603	169,222	109,508	109,508	2,349,339	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	MIC-Tech (WuXi) Co., Ltd.	Note 1(3)	0%	1,409,603	4,340	4,291	4,291	2,349,339	Signed a contract for joint guarantee.
MIC-Tech Electronics Engineering Corp.	Shanghai Puritic Co., Ltd.	Note 1(5)	0%	1,409,603	71,415	71,321	71,321	2,349,339	Signed a contract for joint guarantee.
MIC-Tech (Shanghai) Corp. Ltd.	MIC-Tech Electronics Engineering Corp.	Note 1(3)	0%	1,011,132	629,272	629,272	629,272	1,685,221	Signed a contract for joint guarantee.

Note 1: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified as shown below:

- (1) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (2) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.
- (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 2: The Company's limit on endorsements and guarantees

- (1) Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms, the amount of endorsement/ guarantee shall not exceed five times of the Company's net worth.
- (2) Except for guarantees of (1), 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 3: Limit on endorsements and guarantees of the Company's subsidiary – Marketech Co., Ltd.:

(1) Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms, the amount of endorsement/ guarantee shall not exceed five times of Marketech Co., Ltd's net worth; the amount of endorsement/ guarantee for one single endorsement/ guarantee target shall not exceed three times of Marketech Co., Ltd's net worth.

(2) Endorsements and guarantees apart from (1) can adopt the following standards:

(2-1) Total

(2-1-1) Limit on the Marketech Co., Ltd's accumulated endorsement/ guarantee shall not exceed five times of Marketech Co., Ltd's net worth.

(2-1-2) For other companies that the ultimate parent company has directly or indirectly more than 90% of voting right, the total endorsement/ guarantee that Marketech Co., Ltd. has shall comply with (2-1-1) and shall not exceed five times of the ultimate parent company's 10% of net worth. However, for other companies that the Marketech Co., Ltd's ultimate parent company has directly or indirectly 100% of voting right, such term shall not be applied.

(2-1-3) The total endorsement and guarantee amount of Marketech Co., Ltd. and its subsidiaries shall not exceed five times of Marketech Co., Ltd's net worth.

(2-2) Limit to a single party:

(2-2-1) Where Marketech Co., Ltd. is engaged in endorsement and guarantee due to business activities, the endorsement and guarantee amount to a single party shall not exceed the total transaction amount (here the "transaction amount" refers to the sales or purchasing amount between the parties, whichever is higher) between the parties during the period of 12 months prior to the endorsement/ guarantee.

(2-2-2) Where the endorsement/ guarantee is made not because of (2-2-1), the endorsement/ guarantee amount to a single party shall not exceed 3 times of Marketech Co., Ltd's net worth.

Limit on endorsements and guarantees of the Company's subsidiary – MIC-Tech Electronics Engineering Corp. and MIC-Tech (Shanghai) Corp. Ltd.:

(1) Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms, the amount of endorsement/ guarantee shall not exceed five times of the Company's net worth; the amount of endorsement/ guarantee for one single endorsement/ guarantee target shall not exceed three times of the Company's net worth.

(2) Endorsements and guarantees apart from (1) can adopt the following standards:

(2-1) Total

(2-1-1) Limit on the Company's accumulated endorsement/ guarantee shall not exceed five times of the Company's net worth.

(2-1-2) For other companies that the ultimate parent company has directly or indirectly more than 90% of voting right, the total endorsement/ guarantee that the Company has shall comply with (2-1-1) and shall not exceed five times of the ultimate parent company's 10% of net worth. However, for other companies that the Company's ultimate parent company has directly or indirectly 100% of voting right, such term shall not be applied.

(2-1-3) The total endorsement and guarantee amount of the Company and its subsidiaries shall not exceed five times of the Company's net worth.

(2-2) Limit to a single party:

(2-2-1) Where the Company is engaged in endorsement and guarantee due to business activities, the endorsement and guarantee amount to a single party shall not exceed the total transaction amount (here the "transaction amount" refers to the sales or purchasing amount between the parties, whichever is higher) between the parties during the period of 12 months prior to the endorsement/ guarantee.

(2-2-2) Where the endorsement/ guarantee is made not because of (2-2-1), the endorsement/ guarantee amount to a single party shall not exceed 3 times of the Company's net worth.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period (2017)

Note 5: The amount agreed by the Board of Directors until December 31, 2017.

Note 6: The actual drawn down amount that the endorsee / guarantee use under the ceiling on endorsements / guarantees

【Annex 6: 2017 Report of the 3rd Offering of Domestic Unsecured Convertible Corporate Bonds.】

Marketch International Corp. Report on the Company's 2017 Implementation of the 3rd Offering of Domestic Unsecured Convertible Corporate Bonds

1. Issuance of Corporate Bonds

Type of Corporate Bond	The 3 rd Offering of Domestic Unsecured Convertible Corporate Bonds.
Date of Resolution by the Board of Directors	June 8, 2016
Approval Reference Number from the Competent Authority	Letter of Jin-Guan-Zheng-Fa-Zhi No. 1050028409 issued on August 1, 2016.
Date of Issue	August 22, 2016
Par Value	NT\$100,000 per corporate bond
Issue Price	Fully distributed pursuant to the par value
Total Amount	NT\$5 billion
Interest Rate	Annual Interest Rate of 0%
Term	Three Years Maturity Date: August 22, 2019
Methods of Redemption	Except for creditors who convert common shares according to Article 10 of Rules for Issuance and Conversion of Unsecured Convertible Corporate Bonds, or the Company redeems the bond prior to its maturity or repurchases the bond at the place of business of a securities firm for write-down according to Article 18 of the Rules for Issuance and Conversion, redemption will be made by cash at once according to the par value at maturity.
Unpaid Amount	NT\$5 billion

2. Implementation Status

The Company's 3rd offering of domestic unsecured convertible corporate bonds was completed on August 22, 2016 and implemented in the third quarter of 2016 according to the schedule.

Unit: NT\$ thousands; %

Project	Implementation Situation	Implementation Status		Reasons for advanced or delayed progress, and improvement plan.
		Amount of Expenditure	Implementation Progress	
Repayment of Bank Loans	Scheduled	500,000	100%	The implementation is completed according to the schedule.
	Actual	500,000	100%	

3. Conversion Status

Up to December 31 of 2017, the total convertible amount of the 3rd offering of domestic unsecured convertible corporate bonds issued by the company is NTD293,900,000, which can be converted to 10,524,173 ordinary shares.

【 Annex 7: Ratification of 2017 Earnings Distribution 】

Marketch International Corp. Ratification of 2017 Earnings Distribution

Unit: NT\$

Items	Amount
Unappropriated earnings at period start	\$ 1,253,286,479
Deduction: Adjusted un-appropriated earnings in 2017 (Note 1)	(12,848,330)
Unappropriated earnings after the adjustment	1,240,438,149
Increment: Net income in 2017	652,950,677
Deduction: Legal reserve	(65,295,068)
To-be- appropriated earnings in total	1,828,093,758
Appropriation item(s): (Note 2)	
Shareholders' dividend – Cash 2.50 / per share	(442,541,073)
Unappropriated earnings at period end	<u>\$ 1,385,552,685</u>

Note: 1. Refers to re-measurements of defined benefit plans, which was recognized as other comprehensive income due to actuarial assumption variables of defined benefit / pension plan of 2017 and then transferred into retained earnings, NTD 9,319,670. Besides, subsidiaries and associated corporation which were assessed with equity method and a reduction of reserved profit from joint share adjustment, NTD 3,528,660.

2. The distributed profit was generated mainly in 2017 as the priority.

3. Regarding the dividend distribution rate set in profit distribution proposal, if the 3rd offering of domestic unsecured convertible corporate bonds or employees' execution of employee stock option affects the Company's no. of the weighted average outstanding shares and results in a change of shareholders' dividend declared ratio, it is hereby proposed at the Shareholders' Meeting to fully authorize the Chairman to make an adjustment according to the resolution of the board of directors.

4. The distributed cash profit shall be counted only until digit in ones. Digits below shall all be rounded off (shall be rounded down to an integer). Fractional amount less than one dollar should be recorded

Chairman: Margaret Kao

President: Scott Lin

Accounting Director: Chung Chi-Wen

【Annex 8: Comparison Table of Amendments to the “Procedures for Endorsement and Guarantee”】

Comparison Table of Amendments to the “Procedures for Endorsement and Guarantee”

Article before the amendment	Article after the amendment	Explanations
<p>4. Limits of Endorsements and Guarantees</p> <p>The Company’s cumulative liability to and limits and amount of endorsements/ guarantees provided to others are as follows:</p> <p>4.1 Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms, <u>the amount of endorsement/ guarantee shall not exceed five times of the Company’s net worth.</u></p>	<p>4. Limits of Endorsements and Guarantees</p> <p>The Company’s cumulative liability to and limits and amount of endorsements/ guarantees provided to others are as follows:</p> <p>4.1 Where the Company fulfills its contractual obligations by providing mutual endorsements / guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages according to the contractual terms, <u>the total endorsement and guarantee amount shall not exceed five times of the Company’s net worth.</u></p> <p><u>Where the Company is engaged in endorsement and guarantee due to business activities, the endorsement and guarantee amount to a single party shall not exceed the total transaction amount (here the “transaction amount” refers to the sales or purchasing amount between the parties, whichever is higher) between the parties during the period of 12 months prior to the endorsement/ guarantee.</u></p>	<p>Limit of endorsement and guarantee made for business activities</p>

【Annex 9: Comparison Table of Amendments to the “Procedures for Lending Funds to Other Parties”】

Comparison Table of Amendments to the “Procedures for Lending Funds to Other Parties”

Article before the amendment	Article after the amendment	Explanations
<p>2.2 Loan Limit:</p> <p><u>2.2.1 The inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares and the cumulative balance thereof shall not exceed 80% of the Company's net worth as stated in its latest financial statement, and shall not be restricted by Paragraph 2.2.3 and 2.2.4.</u></p> <p><u>2.2.2 Individual fund loans for business activities shall not exceed the total transaction amount (here the “transaction amount” refers to the sales or purchasing amount between the parties, whichever is higher) between the parties during the period of 12 months prior to the endorsement/ guarantee.</u></p> <p><u>2.2.3 The individual fund loans for short-term financing shall not exceed 40% of the Company’s net worth. The “fund loans for short-term financing” refers to the Company’s accumulated short-term financing funds.</u></p> <p><u>2.2.4 The cumulative balances of fund loans as described in 2.2.2 and 2.2.3 shall not exceed 40% of the Company’s net worth in the most recent financial statements.</u></p>	<p>2.2 Loan Limit:</p> <p><u>2.2.1 The total of the Company’s fund loans shall not exceed 40% of the Company’s net worth in the most recent financial statements.</u></p> <p><u>2.2.2 Limit for the Company’s individual fund loan target is as follows:</u></p> <p><u>(1) Individual fund loans for the Company’s business activities shall not exceed the total transaction amount (here the “transaction amount” refers to the sales or purchasing amount between the parties, whichever is higher) between the parties during the period of 12 months prior to the endorsement/ guarantee.</u></p> <p><u>(2) The individual fund loans for short-term financing shall not exceed 40% of the Company’s net worth. The aforesaid “fund loans for short-term financing” refers to the cumulative balance of funds provided by our company to the company.</u></p> <p><u>2.2.3 The cumulative balance of inter-company fund loans between foreign subsidiaries in which the Company holds, directly or indirectly, shall not be bounded by 2.2.1. However, the Company is obliged to set the limit and validity of fund loans in the subsidiary’s internal operationg procedures in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued by the securities competent authority.</u></p>	<p>For the actual operating meeds and help to perfect the managemet rules.</p>
<p>2.3 Loan Period:</p>	<p>2.3 Loan Period:</p> <p><u>2.3.3 The loan period for foreign subsidiaries that the Company holds directly or indirectly 100% of shares shall be limited to two years and shall not be bounded by the 2.3.1 and 2.3.2.</u></p>	<p>For the actual operating meeds and help to perfect the managemet rules.</p>

【Annex 10: Comparison Table of Amendments to the “Rules of Procedure for Board of Directors Meetings”】

Comparison Table of Amendments to the “Rules of Procedure for Board of Directors Meetings”

Article before the amendment	Article after the amendment	Explanations
<p>3. Convener of board meeting: Board meetings shall be convened and chaired by the chairman of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the chairman shall designate a director as the representative. If the chairman fails to do so, the directors shall select from among themselves one director to serve as representative.</p>	<p>3. Convener of board meeting: 3.1 Board meetings shall be convened and chaired by the chairman of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair. 3.2 When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the chairman shall designate a director as the representative. If the chairman fails to do so, the directors shall select from among themselves one director to serve as representative.</p>	Itemized the article.
<p>4. Convening of board meetings: The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director and supervisor 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. All matters set forth under Article 5.8 shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	<p>4. Convening of board meetings: 4.1 The board of directors shall meet at least quarterly. 4.2 A notice of the reasons for convening a board meeting shall be given to each director and supervisor 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. 4.3 <u>The notice of board meeting may be effected by means of electronic transmission.</u> 4.4 All matters set forth under Article 5.8 shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</p>	To comply with the needs of practice; itemized the article.
<p>5.4 When a board meeting is held, the Strategy Execution Office (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, non-director managers from relevant departments may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants. The chairman shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Paragraph 2 of Article 3. The number of "all directors," as used in the preceding paragraph shall be counted as the number of directors then actually in office.</p>	<p>5.4 When a board meeting is held, the Strategy Execution Office (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference. As merited by the content of a proposal to be put forward at a board meeting, non-director managers from relevant departments may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting as non-voting participants. The chairman shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 4-2. The number of "all directors," as used in the preceding paragraph shall be counted as the number of directors then actually in office.</p>	Amendments based on items of the article.
<p>5.8 The matters listed below as they relate to the Company shall be raised for discussion at a board meeting: 5.8.1 The Company's business plan. 5.8.2 Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA). 5.8.3 Adoption or amendment of an internal control system</p>	<p>5.8 The matters listed below as they relate to the Company shall be raised for discussion at a board meeting: 5.8.1 The Company's business plan. 5.8.2 Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).</p>	To comply with provisions of regulations.

Article before the amendment	Article after the amendment	Explanations
<p>pursuant to Article 14-1 of the Securities and Exchange Act.</p> <p>5.8.4 Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5.8.5 The offering, issuance, or private placement of equity-type securities.</p> <p>5.8.6 The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>5.8.7 A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>5.8.8 Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under Paragraph 2.</p> <p>Concerning resolutions that shall be made by the board of meeting as prescribed in Article 14-3 of Securities and Exchange Act, independent directors shall participate in the meeting in person, or designate another independent director to attend the meeting on behalf of him/her. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>5.8.3 Adoption, <u>amendment of an internal control system and examination of the effectiveness of the internal control system pursuant</u> to Article 14-1 of the Securities and Exchange Act.</p> <p>5.8.4 Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.</p> <p>5.8.5 The offering, issuance, or private placement of equity-type securities.</p> <p>5.8.6 The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>5.8.7 A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>5.8.8 Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under Paragraph 2.</p> <p><u>At least one independent director shall participate in the board meeting in person. Concerning resolutions that shall be made at the board meeting as prescribed in 5.8, all independent directors shall participate in the meeting. The independent director shall participate in the meeting in person, or designate another independent director to attend the meeting on behalf of him/her.</u> If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	
<p>5.9 When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.</p> <p><u>The attending directors as prescribed in the preceding paragraph does not include directors who is not allowed to exert the voting right as prescribed in Paragraph 1 of Article 5.11.</u></p>	<p>5.9 When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.</p> <p>One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall</p>	Deleted the repeated content

Article before the amendment	Article after the amendment	Explanations
<p>One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:</p> <p>5.9.1A show of hand or a vote by voting machine. 5.9.2 A roll call vote. 5.9.3 A vote by ballot.</p> <p>"Attending directors," as used in the Paragraph 2, does not include directors that may not exercise voting rights pursuant to Paragraph 1 of Article 5.11.</p>	<p>seek the opinion of the majority to make a decision:</p> <p>5.9.1A show of hand or a vote by voting machine. 5.9.2 A roll call vote. 5.9.3 A vote by ballot.</p> <p>"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Paragraph 1 of Article 5.11.</p>	
<p>5.11 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, and if <u>the relationship is likely to prejudice the interest of the Company, that director may make a statement and answer to the question. However, that director shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Paragraph 2 of Article 180 of the Company Act apply mutatis mutandis in accordance with Paragraph 3 of Article 206 of the same Act. °</p>	<p>5.11 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, <u>the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Paragraph 2 of Article 180 of the Company Act apply mutatis mutandis in accordance with Paragraph 3 of Article 206 of the same Act.</p>	<p>To comply with provisions of regulations.</p>
<p>5.12.9 Other matters required to be recorded.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the declaration website designated by the competent authority, within 2 days from the date of the meeting:</p> <p>(1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>(2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the <u>audit committee established by the Company.</u> The board meeting attendance list is a part of the meeting minutes and shall all be well preserved.</p> <p>(3) The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Company</p> <p>(4) The meeting minutes may be produced and distributed in electronic form.</p>	<p>5.12.9 Other matters required to be recorded.</p> <p>The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the declaration website designated by the competent authority, within 2 days from the date of the meeting:</p> <p>(1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.</p> <p>(2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of <u>the Company.</u> The board meeting attendance list is a part of the meeting minutes and shall all be well preserved.</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Company.</p> <p>The meeting minutes may be produced and distributed in electronic form.</p>	<p>To perfect the rules.</p>

【Annex 11: Comparison Table of Amendments to the “Articles of Corporation”】

Comparison Table of Amendments to the “Articles of Corporation”

Article before the amendment	Article after the amendment	Explanations
<p>Article 14</p> <p>The Board of Directors is constituted by directors. The directors shall, with the concurrence of a majority of the directors present who represent two-thirds or more of all the directors, elect from among them a chairman. The chairman shall represent the Company externally.</p>	<p>Article 14</p> <p>The Board of Directors is constituted by directors. The directors shall, with the concurrence of a majority of the directors present who represent two-thirds or more of all the directors, elect from among them a chairman. <u>and a vice chairman through the same method.</u> The chairman shall represent the Company externally.</p>	For the actual operating needs .
<p>Article 22</p> <p>The Articles of Incorporation was established on December 22, 1988. The 1st amendment was made on February 2, 1990. The 2nd amendment was made on June 29, 1991. The 3rd amendment was made on June 20, 1992. The 4th amendment was made on November 11, 1992. The 5th amendment was made on June 21, 1994. The 6th amendment was made on July 20, 1995. The 7th amendment was made on October 9, 1996. The 8th amendment was made on June 6, 1998. The 9th amendment was made on July 31, 2000. The 10th amendment was made on October 13, 2000. The 11th amendment was made on April 26, 2001. The 12th amendment was made on October 22, 2001. The 13th amendment was made on May 22, 2002. The 14th amendment was made on May 22, 2002. The 15th amendment was made on June 6, 2003. The 16th amendment was made on June 11, 2004. The 17th amendment was made on June 14, 2005. The 18th amendment was made on June 9, 2006. The 19th amendment was made on April 10, 2007. The 20th amendment was made on June 15, 2007. The 21st amendment was made on June 19, 2009. The 22nd amendment was made on June 17, 2010. The 23rd amendment was made on June 10, 2011. The 24th amendment was made on June 12, 2012. The 25th amendment was made on June 12, 2014. The 26th amendment was made on May 28, 2015.</p>	<p>Article 22</p> <p>The Articles of Incorporation was established on December 22, 1988. The 1st amendment was made on February 2, 1990. The 2nd amendment was made on June 29, 1991. The 3rd amendment was made on June 20, 1992. The 4th amendment was made on November 11, 1992. The 5th amendment was made on June 21, 1994. The 6th amendment was made on July 20, 1995. The 7th amendment was made on October 9, 1996. The 8th amendment was made on June 6, 1998. The 9th amendment was made on July 31, 2000. The 10th amendment was made on October 13, 2000. The 11th amendment was made on April 26, 2001. The 12th amendment was made on October 22, 2001. The 13th amendment was made on May 22, 2002. The 14th amendment was made on May 22, 2002. The 15th amendment was made on June 6, 2003. The 16th amendment was made on June 11, 2004. The 17th amendment was made on June 14, 2005. The 18th amendment was made on June 9, 2006. The 19th amendment was made on April 10, 2007. The 20th amendment was made on June 15, 2007. The 21st amendment was made on June 19, 2009. The 22nd amendment was made on June 17, 2010. The 23rd amendment was made on June 10, 2011. The 24th amendment was made on June 12, 2012. The 25th amendment was made on June 12, 2014. The 26th amendment was made on May 28, 2015. The 27th amendment was made on May 31, 2016. <u>The 28th amendment was made on May 30, 2018.</u></p>	Add date of revision

【 Appendix 1: Article of Incorporation 】

Marketch International Corp. Articles of Incorporation (Before the Amendment)

Passed by the Shareholders' Meeting on May 31, 2016

CHAPTER I GENERAL PRINCIPLES

Article 1 The Corporation is incorporated as a company limited by shares under the Company Act of the Republic of China and is named "Marketch International Corp."

Article 2 The Company is engaged in the following businesses:

1. F107170 Wholesale of Industrial Catalyst
2. F207170 Retail Sale of Industrial Catalyst
3. C801010 Basic Industrial Chemical Manufacturing
4. F107200 Wholesale of Chemistry Raw Material
5. F207200 Retail sale of Chemistry Raw Material
6. F113050 Wholesale of Computing and Business Machinery Equipment
7. F213030 Retail sale of Computing and Business Machinery Equipment
8. F119010 Wholesale of Electronic Materials
9. F219010 Retail Sale of Electronic Materials
10. F207060 Retail Sale of Virulence Chemical Materials
11. F107060 Wholesale of Virulence Chemical Substance
12. F207990 Retail Sale of Other Chemical Products
13. F113070 Wholesale of Telecom Instruments
14. F213060 Retail Sale of Telecom Instruments
15. F114030 Wholesale of Motor Vehicle Parts and Supplies
16. F214030 Retail Sale of Motor Vehicle Parts and Supplies
17. F213080 Retail Sale of Machinery and Equipment
18. F113020 Wholesale of Household Appliance
19. F213010 Retail Sale of Household Appliance
20. F110010 Wholesale of Clocks and Watches
21. F210010 Retail Sale of Watches and Clocks
22. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
23. F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
24. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
25. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
26. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
27. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles

28. F102170 Wholesale of Food and Grocery
29. F203010 Retail sale of Food and Grocery
30. F108040 Wholesale of Cosmetics
31. F208040 Retail Sale of Cosmetics
32. F201010 Retail sale of Agricultural Products
33. EZ99990 Other Construction
34. IG03010 Energy Technical Services
35. CE01010 Precision Instruments Manufacturing
36. CB01010 Machinery and Equipment Manufacturing
37. F113010 Wholesale of Machinery
38. F113030 Wholesale of Precision Instruments
39. E602011 Frozen and Air-conditioning Engineering
40. I301010 Software Design Services
41. J101040 Waste Disposing
42. E599010 Pipe Lines Construction
43. E603010 Cables Construction
44. E603040 Fire Fighting Equipments Construction
45. E603050 Cybernation Equipments Construction
46. E603090 Illumination Equipments Construction
47. E603100 Electric Welding Construction
48. E604010 Machinery Installation Construction
49. E801030 Interior Light Rigid Frame Construction
50. EZ05010 Apparatus Installation Construction
51. F107990 Wholesale of Other Chemical Products
52. E502010 Fuel Pipe Construction
53. E603020 Elevator Construction
54. E605010 Computing Equipments Installation Construction
55. E701010 Telecommunications Construction
56. EZ02010 Derrick Construction
57. EZ06010 Traffic Labels Construction
58. EZ07010 Drilling Construction
59. F401010 International Trade
60. G801010 Warehousing and Storage
61. H701050 Public Works Construction and Investment
62. I103060 Management Consulting Services
63. JD01010 Industry and Commerce Credit Bureau Services
64. IF01010 Fire Fighting Equipments Overhauling
65. IZ06010 Cargoes Packaging
66. IZ12010 Manpower Services
67. J101030 Waste Clearing

68. J101050 Sanitary and Pollution Controlling Services
69. J101060 Wastewater (Sewage) Treatment
70. J101070 Radwaste Disposing Service
71. E501011 Water Pipe Construction
72. E601010 Electric Appliance Construction
73. E103101 Environmental Protection Construction
74. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
75. E103071 Underground Utilities Project Construction
76. H701010 Residence and Buildings Lease Construction and Development
77. H701020 Industrial Factory Buildings Lease Construction and Development
78. H701040 Specialized Field Construction and Development
79. H701060 New County and Community Construction and Investment
80. H701070 Land Levy and Delimit
81. H701080 Reconstruction within the renewal area
82. H701090 Renovation, or maintenance within the renewal area
83. CB01990 Other Machinery Manufacturing Not Elsewhere Classified
84. E603080 Traffic Signals Construction
85. E903010 Eroding and Rusting Construction
86. EZ09010 Static Electricity Protecting and Clearing Construction
87. E402010 Ballast and Mud Construction on Sea
88. E401010 Dredge Engineering
89. E503011 User's Drainage Facility Installation Contractor of Sewer System
90. CF01011 Medical Materials and Equipment Manufacturing
91. F108031 Wholesale of Drugs, Medical Goods
92. F208031 Retail sale of Medical Equipments
93. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company has its headquarter established in Taipei City and may set up branch offices inside the country whenever the Board of Directors deem necessary.

Article 4 The Company shall make public announcement according to Article 28 of the Company Act.

Article 4-1 The Company may provide endorsement and guarantee and act as a guarantor

Article 4-2 The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding forty percent of the amount of its own paid-up capital as provided in Article 13 of the Company Act.

CHAPTER 2 SHARES

Article 5 The total capital stock of the Company is in the amount of NT\$2,500,000,000, divided into 250,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments. A total of NT\$98,000,000 among the above total capital stock, which equals to 9,800,000 shares, should reserved for issuing employee stock options from time to time upon the resolutions of Board of Directors.

Article 6 Deleted.

Article 7 The Company's share certificates shall be in registered form, shall be affixed with the signatures / personal seals of three or more directors of the Company, and shall be duly certified / authenticated according to law before issuance.

The shares of the Company may be made without physical certificates. Nevertheless, the stock of the Company shall be registered with Taiwan Depository and Clearing Corporation.

Article 8 The transfer of share certificates shall be carried out in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.

CHAPTER 3 SHAREHOLDERS' MEETING

Article 9 Shareholders' meeting shall be of two kinds: (1) Regular meetings, to be held at least once every year and within six months after close of each fiscal year; (2) Special meetings, to be held whenever necessary and according to law.

Article 10 Shareholder who is unable to attend shareholders' meeting for any cause may appoint a proxy to attend the meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy and affixed with the signatures / personal seals.

Article 11 A shareholder shall have one voting power in respect of each share in his/her/its possession except in the circumstances set forth in Item 3 of Article 157 and Paragraph 2 of Article 179, where the shares shall have no voting power or have such power limited.

Article 12 A resolution at the meeting of shareholders shall be adopted only by a majority of the shareholders present who represent half of the total number of its outstanding shares by the company, unless otherwise provided for by law.

CHAPTER 4 DIRECTORS AND SUPERVISORS

Article 13 The Company has 5 to 9 directors, whose term of office shall be 3 years and are eligible for re-election. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates as the Company has adopted the candidates nomination system. The quota of directors stated in preceding Paragraph shall include no less than three independent directors. Independent directors' professional qualifications, shareholdings and concurrent serving restrictions, recognition of independence, nomination and election methods, and other governing rules shall be carried out in accordance with the Company Act and relevant regulations.

Article 13-1 The Company has established an audit committee, which is constituted by the entire number of independent directors.

The power and authority of audit committee, rules governing the proceedings of meetings and other governing rules shall be carried in accordance with Securities and Exchange Act, Company Act, other relevant regulations and Articles of Incorporation.

Article 14 The Board of Directors is constituted by directors. The directors shall, with the concurrence of a majority of the directors present who represent two-thirds or more of all the directors, elect from among them a chairman. The chairman shall represent the Company externally

Article 15 In case the chairman of the board of directors is on leave or absent or cannot exercise his / her power and authority for any cause, his / her proxy shall be appointed in accordance with Article 208 of the Company Act.

Article 16 Chairman's remuneration shall not exceed the doubled amount of general manager's remuneration and shall be determined by the Board of Directors upon the deliberation of remuneration committee.

Director who takes a position at the functional committee under the Board of Directors concurrently shall have his/her income from professional practice paid according to the number of meetings held by the functional committee. The said fees shall be determined by the Board of Directors according to the standard generally adhered by other firms of the same trade.

Article 16-1 The notice of Board of Directors meetings may be delivered by methods like fax and e-mail. Each director shall attend the meeting of the board of directors in person. In case a director is unable to attend the meeting for any cause and appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

CHAPTER 5 MANAGEMENT

Article 17 The Company has one general manager, whose appointment, discharge and remuneration shall be carried out in accordance with Article 29 of the Company Act.

CHAPTER 6 ACCOUNTING

Article 18 The Board of Directors shall prepare and submit below statements and books at the end of each fiscal year:

1. Business report
2. Financial statements
3. Earnings distribution or offsetting of deficit relevant books and statements, which shall be submitted to regular shareholders' meeting and request for ratification

Article 19 Deleted

Article 20 If there is any surplus profit of the year, the Company shall firstly pay directors' remuneration, which shall not exceed 3%. Then 1% to 15% of the remaining amount shall then be paid as employees' remuneration. However, if the Company has any left-over deficit, the amount to make up the deficit shall be reserved in advance.

Upon closing of accounts, if there is surplus profit, the Company shall firstly pay the business income tax, make up the losses for preceding years and then set aside a legal reserve and special capital reserve of 10% of the net profit. Then the remaining profit shall be added with the remaining profit of precedent year. The Board of Directors shall draft a surplus distribution proposal, in which will be submitted to shareholders' meeting to decide whether to distribute or reserve the surplus profit.

However, if cumulative legal reserve already reached the total amount of the Company's capital, shall not be limited by the regulation

Article 20-1 To respond to the development of the overall environment and industry's growth drivers, the Company's objective is to firstly satisfy the demand of future development and to maintain a sound financial structure. Therefore, the Company distributes no more than 50% of its total dividend of the year.

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 21 Other unspecified matters of the Company's Articles of Incorporation shall be carried in accordance with the Company Act and other relevant regulations.

Article 22 The Articles of Incorporation was established on December 22, 1988. The 1st amendment was made on February 2, 1990. The 2nd amendment was made on June 29, 1991. The 3rd amendment was made on June 20, 1992. The 4th amendment was made on November 11, 1992. The 5th amendment was made on June 21, 1994. The 6th amendment was made on July 20, 1995. The 7th amendment was made on October 9, 1996. The 8th amendment was made on June 6, 1998. The 9th amendment was made on July 31, 2000. The 10th amendment was made on October 13, 2000. The 11th amendment was made on April 26, 2001. The 12th amendment was made on October 22, 2001. The 13th amendment was made on May 22, 2002. The 14th amendment was made on May 22, 2002. The 15th amendment was made on June 6, 2003. The 16th amendment was made on June 11, 2004. The 17th amendment was made on June 14, 2005. The 18th amendment was made on June 9, 2006. The 19th amendment was made on April 10, 2007. The 20th amendment was made on June 15, 2007. The 21st amendment was made on June 19, 2009. The 22nd amendment was made on June 17, 2010. The 23rd amendment was made on June 10, 2011. The 24th amendment was made on June 12, 2012. The 25th amendment was made on June 12, 2014. The 26th amendment was made on May 28, 2015. The 27th amendment was made on May 31, 2016.

Marketch International Corp.
Chairman: Margaret Kao

【Appendix 2: Rules of Shareholders' Meeting】

Marketch International Corp. Rules of Shareholders' Meeting

Passed by the Shareholders' Meeting on June 15, 2007

1. The Company's shareholders' meeting (hereinafter shortened as "the Meeting") shall be conducted in accordance with these Rules and Procedures, unless otherwise provided for by law.
2. The Company shall provide an attendance list bearing the signatures of shareholders present at the meeting, or the shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.
The attendance and votes of the Meeting shall be counted based on the shares. The shares represented by shareholders attending the Meeting shall be calculated according to the attendance list or submitted attendance cards.
3. The term "shareholder" in these Rules and Procedures refers to the shareholder in person or proxy appointed by the shareholder.
4. The Meeting shall be held at the headquarters of the Company or at any other appropriate place that is convenient for shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
5. For a shareholders' meeting convened by the Board of Directors, the chairman of the meeting shall be the chairman of the Board of Directors. If the chairman of the Board of Directors is on leave or absent or cannot exercise his / her power and authority for any cause, he / she shall designate one of the directors to act on his / her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors. For a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.
6. The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least one year.
8. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act of the Republic of China..
If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.
9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.
The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. However, in the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may

designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman or continue the Meeting in the same or other place after the Meeting is adjourned.

10. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.
11. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder
12. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond
14. The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.
15. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
16. During the Meeting, the chairman may, at his discretion, set time for intermission.
17. Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman during the voting.
The Company's shareholders shall be entitled to one vote per share of stock, except those whose shares have no voting power or have such power limited according to Article 157 and Section 2 of Article 179 of the Company Act.
18. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
19. The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.
20. Other unspecified matters in these Rules and Procedures shall be carried in accordance with the Company Act and other relevant regulations.
21. These Rules and Procedures shall be effective from the date it is approved by the shareholders' meeting. The Board of Directors is also authorized to make amendments depending on actual situations.

【Appendix 3: Shareholdings of Directors and Supervisors】

Marketch International Corp. Shareholdings of Directors

1. The Company's actual paid-in capital is NT\$1,782,616,040 with 178,261,604 issued shares and share types.
2. The company has elected three independent directors, all directors other than the independent directors shall collectively hold at least 10,695,696 common shares. As the company has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.
3. Until the book closure date for the 2018 shareholders' meeting, the status of shareholdings of individual and all directors and supervisors are shown below:

Shareholder Account	Job Title	Name	Appointment Date	No. of Shares at the Time of Appointment			Until April 01, 2018 (Note)	
				Appointment Term	No. of Shares	Holding Percentage	No. of Shares	Holding Percentage
4	Director	Ji Shuan Investment Co. representative: Kao Hsin-Ming	May 31, 2016	3 years	19,005,795	11.51%	19,005,795	10.66%
4	Director	Ji Shuan Investment Co. representative: Chuang Yen-Shan	May 31, 2016	3 years	19,005,795	11.51%	19,005,795	10.66%
12	Director	Yi Wei Investment Co. representative: Lin Yue-Yeh	May 31, 2016	3 years	12,647,112	7.66%	12,647,112	7.09%
22	Director	Ma Kuo-Peng	May 31, 2016	3 years	1,674,422	1.01%	1,458,422	0.82%
—	Director	Cheng Jin-Chuan	May 31, 2016	3 years	-	-	-	-
—	Director	Hsiao Ming-Chih	May 31, 2016	3 years	-	-	-	-
—	Independent Director	Wu Chung-Pao	May 31, 2016	3 years	-	-	-	-
8007	Independent Director	Lu Zong-Jenn	May 31, 2016	3 years	365,286	0.22%	347,286	0.19%
—	Independent Director	Lin Hsiao-Ming	May 31, 2016	3 years	-	-	-	-
Total number of shares held by all directors					33,692,615	20.40%	33,458,615	18.76%

Note: Refers to the number of shares stated in shareholder register until the book closure date for the 2018 shareholders' meeting (April 01, 2018).

4. The total shares held by the Company's directors and supervisors already reached the statutory standard.

【Appendix 4: The Impact of Stock Dividend Issuance proposed in this Annual General Meeting of Shareholders on the Company's Business Performance, Earnings Per Share, and Return on Shareholders' Investment】

As the Company's shareholders' meeting in 2018 does not have any proposal regarding the stock dividend distribution, it makes no effect upon the Company's business performance, earnings per share and return on shareholders' investment.

【Appendix 5: Information on Employees' Compensation and Directors' Remuneration

Information on Employees' Compensation and Directors' Remuneration

The distribution of employee compensation and director remuneration of 2017 is passed by the 7th Board of Directors at the 22nd meeting on February 24, 2018.

1. The amount of any employee compensation and director compensation distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

- (1) Proposed employee compensation and director remuneration:

The distribution of employee compensation amounted NT\$89,000,000 and director remuneration amounted NT\$10,430,532

Unit: NT\$

Items / Amount	Proposed Distribution Amount
Employees' Compensation– in Cash	89,000,000
Employees' Compensation– in Stocks	0
Remuneration of Directors	10,430,532

- (2) If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

Above proposed amount of employees' compensation and directors' remuneration is consistent with the figure estimated in 2017 Financial Statement (NT\$89,000,000 for employees' compensation and NT\$10,430,532 for directors' remuneration).

2. The amount of any employees' compensation distributed in stocks as a percentage of the sum of the current after-tax net income and total employees' compensation in individual financial statement:

Not applicable as the employees' compensation passed by the Board of Directors this year does not involve stock distribution relevant matters.

Additional Information

Processing of proposals submitted by this shareholders' meeting:

- Explanations:
1. According to Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal be limited to not more than three hundred (300) words
 2. Shareholders may submit proposals regarding the 2018 regular shareholders' meeting to the Company from March 23, 2018 to April 02, 2018. The information is already announced on a market observation post system.
 3. The Company has not received any proposal from the shareholders.

***Thank you for coming to Annual Meeting of Shareholders!
We welcome any comments or suggestions!***