METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

Consolidated Financial Statements and

Accountants' Review Report

2017 and the Second season of 2016

(Stock Cod 3224)

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METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

2017 and the second season of 2016

Consolidated Financial Statements and Accountants' Review Report

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ACCOUNTANT'S REVIEW REPOR

(106) Financial Audit Report No. 17000262

Dear MetaTech Corporation Limited Company and Subsidiaries:

Consolidated Balance Sheet of MetaTech Corporation Limited Company and Subsidiaries, for the year of 2017 and June 30, 2016, Consolidated Comprehensive Income Statement, for the year of 2017 and for a period from January 1, 2016 to June 30, 2016, Consolidated Statement of Shareholders Equity and Consolidated Statement of Cash Flows for the year of 2017 and for a period from January 1 to June 30, 2016 have been already audited by the Accountant. The preparation of the financial statements is the responsibility of the management and the responsibility of the Accountant is to issue a report based on the results of the verification.

The Accountants in accordance with the Statements of Auditing Standards No. 36 "Review of Financial Statements" plan and perform verification work. As the implementation of the accountants' only analysis, comparison and inquiries not check in accordance with generally accepted auditing standards, it cannot express check opinions on the whole financial statements.

According to the certified by the accountants, the Company did not find the consolidated financial statements in the first paragraph in violation of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" in all major respects, IAS No.34 "Interim Financial Statements" approved by the Financial Supervisory Commission requires amendment.

PricewaterhouseCoopers Taiwan
Xu Ming Chuan
Accountants

Zhi Bing Jun
Financial Supervisory Commission
Approval of number：
Finance Securities Audit NO.1050029449
Former Ministry of Finance
Securities and Futures Bureau
Approval of number：
(88) Taiwan Finance Securities（6）NO. 16120
August 11, 2017

PricewaterhouseCoopers, *Taiwan PricewaterhouseCoopers, Taiwan*
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MetaTech

METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

June 30, 2017 and December 31, 2016, June 30, 2016

(2017, and June 30, 2016 Only verified, not check in accordance with generally accepted auditing standards) ***Unit: NT $ Thousand***

			June 30, 2017		December 31, 2016		June 30, 2016	
	Assets	**Reference**	**Amounts**	**%**	**Amounts**	**%**	**Amounts**	**%**
	Current Assets							
1100	Cash and Cash Equivalents	6(1) and 8	$ 202.117	26	$ 331,466	41	$ 326,407	34
1110	Financial asset at fair value through profit or loss-Current	6(2)	4,731	1	5,088	1	-	-
1150	Net Notes Receivable		3,672	-	5,496	1	3,355	-
1170	Net Accounts Receivable	6(3)	313,508	40	241,352	30	370,236	38
1200	Other Receivables		3,647	-	2,022	-	2,821	-
1220	Current Income Tax Assets		1	-	14	-	15	-
130X	Inventories	6(4)	119,312	15	106,958	13	135,955	14
1410	Prepayment		1,440	-	3,059	-	7,373	1
1470	Other Current Assets	8	11,976	2	8,372	1	5,973	1
11XX	**Total Current Assets**		660,224	84	703,827	87	852,135	88
	Non-Current Assets							
1600	Property, Plant And Equipment	6(5) and 8	65,311	8	60,868	7	59,961	7
1780	Intangible assets	6(6)	-	-	-	-	20,833	2
1840	Deferred Income Tax Assets	6(15)	24,960	3	20,885	3	10,803	1
1900	Other Non-Current Assets	6(8)(17)	40,228	5	23,287	3	19,713	2
15XX	**Total Non-Current Assets**		130,229	16	105,040	13	111,310	12
1XXX	**Total Assets**		$ 790,453	100	$ 808,867	100	$ 963,445	100

Continued

MetaTech

METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

June 30, 2017 and December 31, 2016, June 30, 2016

Unit: NT $ Thousand

(Only verified, not check in accordance with generally accepted auditing standards)

			June 30, 2015		December 31, 2014		June 30, 2014	
	Assets	Reference	Amounts	%	Amounts	%	Amounts	%
	Liabilities and equity							
	Current Liabilities							
2120	Financial liability at fair value through profit or loss-Current	6(7)	$ -	–	-	–	$ 15	-
2150	Notes Payable		396	-	1,077	-	1,978	-
2170	Accounts Payable		154,262	19	150,223	19	261,478	27
2200	Other Payables		17,657	2	31,455	4	44,225	5
2230	Current Tax Liabilities	6(15)	3,358	-	-	-	2,879	-
2250	Debt reserves - Current	6(9)	4,433	1	4,433	1	-	-
2300	Other Current Assets	6(7)	6,426	1	157,245	19	159,833	17
21XX	**Total Current Liabilities**		186,532	23	344,433	43	470,408	49
	Non-Current Liabilities							
2570	Deferred Income Tax Liabilities	6(15)	4,780	1	2,139	-	4,325	-
2600	Other Non-Current Assets		3	-	3	-	3	-
25XX	**Total Non-Current Liabilities**		4,783	1	2,142	-	4,328	-
2XXX	**Total Liabilities**		191,315	24	346,575	43	474,736	49
	Equity Attributable to the Owners of the Parent Company							
	Capital	6(10)						
3110	Capital - Common Share		439,491	56	400,000	49	400,000	41
3140	Advance receipts for capital stock		669	-	-	-	-	-
	Additional Paid-In Capital	6(7)(11)						
3200	**Additional Paid-In Capital**		234,624	30	126,005	16	126,005	14

	Retained Earnings	6(12)							
3350	Deficit to be offset		(60,550)	(8)	(60,867)	(8)	(41,268)	(4)
	Other Equity							
3400	Other Equity		(15,096)	(2)	(2,846)	-	3,972	-
31XX	**Total Equity Attributable to the Owners of the Parent Company**		599,138	76	462,292	57	488,709	51
3XXX	**Total Equity**		599,138	76	462,292	57	488,709	51
	Significant Commitments and Contingent Liabilities	9						
3X2X	**Total Liabilities and Equity**		$ 790,453	100	$ 808,867	100	$ 963,445	100

The accompanying notes to the consolidated financial statements are one part of the consolidated financial reports, please refer it too.

Chairman: Leaward Hu　　　Manager: David Tang　　　Account Manager: Benny Chou

METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

2017, and From January 1, 2016to June 30, 2016

(Only verified, not check in accordance with generally accepted auditing standards)

Unit: NT $ Thousand

			April 1, 2017 - June 30, 2017		April 1, 2016 - June 30, 2016		January 1, 2017 - June 30, 2017		January 1, 2016 - June 30, 2016	
	Entry	Reference	Amounts	%	Amounts	%	Amounts	%	Amounts	%
4000	**Operating Revenue**	14	$ 385,470	100	$ 491,632	100	$ 722,416	100	$ 1,000,432	100
5000	**Operating Costs**	6(4)(14)	(337,280)	(87)	(463,424)	(94)	(639,845)	(88)	(931,878)	(93)
5950	**Net Gross Profit**		48,190	13	28,208	6	82,571	12	68,554	7
	Operating Expenses	6(8)(14) (18)								
6100	Selling Expenses		(25,293)	(7)	(32,857)	(7)	(50,856)	(7)	(66,953)	(7)
6200	General Expenses		(10,873)	(3)	(14,620)	(3)	(17,935)	(3)	(29,080)	(3)
6300	Research and development costs		(1,861)	-	-	-	(1,861)	-	-	-
6000	**Total Operating Expenses**		(38,027)	(10)	(47,477)	(10)	(70,652)	(10)	(96,033)	(10)
6900	**Operating Gains (Loss)**		10,163	3	(19,269)	(4)	11,919	(2)	(27,479)	(3)
	Non-Operating Income and Expenses									
7010	Other Income		739	-	232	-	1,917	-	671	(1)
7020	Other Gains & Losses	6(13)	101	-	772	-	(8,105)	(1)	(5,965)	-
7050	Financial Costs		(9)	-	(87 0)	-	(669)	-	(1,657)	-
7000	Total Non-Operating Income and Expenses		831	-	134	-	(6,857)	(1)	(6,951)	(1)
7900	**Income Before Tax**		10,994	3	(19,135)	(4)	5,062	1	(34,430)	(4)
7950	Income(Expense) Tax Benefit	6(15)	(3,853)	(1)	(781)	-	(4,745)	(1)	(1,155)	-
8200	**Net Income**		$ 7,141	2	($ 19,916)	(4)	$ 317	-	($ 35,585)	(4)

	Other Comprehensive Income									
	Items that may be subsequently reclassified into profit or loss									
8361	Exchange Differences on Translation of Foreign Financial Statements		$ 1,596	-	($ 273)	-	($ 14,759)	(2)	($ 693)	-
8399	Income Tax Relating to Components of items that may be reclassified	6(15)	(271)	-	(46)	-	2,509	-	118	-
8360	**Total Items that may be subsequently reclassified into profit or loss**		1,325	-	227	-	(12,250)	(2)	(575)	(-)
8300	**Other comprehensive net income**		$ 1,325	-	$ 227	-	($ 12,250)	(2)	($ 575)	-
8500	**Total Net Income (Loss) of Comprehensive Income**		$ 8,466	2	($ 19,689)	(4)	($ 11,933)	(2)	($ 36,160)	(4)
	Net loss attributable to :									
8610	Owners of Parent		$ 7,141	2	($ 19,916)	(4)	$ 317	-	($ 35,585)	(4)
	Consolidated profit or loss attributable to:									
8710	Owners of Parent		$ 8,466	2	($ 19,689)	(4)	($ 11,933)	(2)	($ 36,160)	(4)
	Loss per share	6(16)								
9750	**Profit (Loss) per Share**		($ 0.16)		($ 0.50)		($ 0.01)		($ 0.89)	
9850	**Diluted Profit (Loss) per share**		($ 0.16)		($ 0.50)		($ 0.01)		($ 0.89)	

The accompanying notes to the consolidated financial statements are one part of the consolidated financial reports, please refer it too.

Chairman: Leaward Hu Manager: David Tang Account Manager: Benny Chou

METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

2017 and From January 1, 2016 to June 30, 2016

(Only verified, not check in accordance with generally accepted auditing standards)

Unit: NT $ Thousand

		Equity attributable to owners of parent							
		Capital		Capital Reserved					
	Ref	Capital - Common Share	Advance receipts for capital stock	Capital reserve - Issue Premium	Capital reserve - Stock options	Capital reserve - Expired stock options	Deficit to be offset	Exchange Differences on Translation of Foreign Financial Statements	Total equity
January 1, 2016 - June 30, 2016									
Balance on January 1, 2016		$ 400,000	$ -	$ 120,716	$ 5,205	$ 84	($ 5,683)	$ 4,547	$ 524,869
Consolidated net profit		-	-	-	-	-	(35,858)	-	(35,585)
Other comprehensive net income		-	-	-	-	-	-	(575)	(575)
Balance on June 30, 2016		$ 400,000	$ -	$ 120,716	$ 5,205	$ 84	($ 41,268)	$ 3,972	$ 488,709
January 1, 2017 – June 30, 2017									
Balance on January 1, 2017		$ 400,000	$ -	$ 120,716	$ 5,205	$ 84	($ 60,867)	($ 2,846)	$ 462,292
Convertible bonds convert common	6(7)(10)(19)	39,491	669	113,824	(5,205)	-	-	-	148,779

stock								
Consolidated net profit	-	-	-	-	-	317	-	317
Other comprehensive net income	-	-	-	-	-	-	(12,250)	(12,250)
Balance on June 30, 2017	$ 439,491	$ 669	$ 234,540	$ -	$ 84	($ 60,550)	($ 15,096)	$ 599,138

The accompanying notes to the consolidated financial statements are one part of the consolidated financial reports, please refer it too.

Chairman: Leaward Hu   Manager: David Tang   Account Manager: Benny Chou

METATECH CORPORATION LIMITED COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

2017 and From January 1, 2016 to June 30, 2016

(Only verified, not check in accordance with generally accepted auditing standards)

Unit: NT $ thousand

	Reference	January 1-June 30, 2017		January 1-June 30, 2016	
Cash Flows From Operating Activities					
Current net loss before tax		$	5,062	($	34,430)
Adjustments					
Income Charges (Credits)					
Depreciation	6(5)(14)		2,657		2,271
Amortization expense	6(6)(14)		341		2,777
Allowance (reversal) for doubtful accounts	6(3)	(	3,841)		134
Net profit and loss on financial assets and liabilities measured at fair value through profit or loss	6(2)		357	(	285)
Interest Incomes			7		79
Amortization of corporate bonds payable			662		1,578
Interest Expenses		(	292)	(	201)
Unrealized foreign exchange (interest) losses			4,392		3,176
Changes In Operating Assets And Liabilities					
Net Changes in Operating Assets					
Notes Receivables			1,824		2,647
Accounts Receivable		(	68,311)		94,408
Other receivables		(	537)		3,516
Prepayments			1,619	(	107)
Inventories		(	12,354)		9,146
Other Current Assets		(	3,797)		24
Net defined benefit assets	6(8)	(	14)	(	774)
Net change in liability related to operating activities					
Notes Payable			126	(	120)
Accounts Payable			4,039	(	38,991)
Other Payables		(	13,798)		3,145
Other Current Liabilities			2,702		401

Cash Inflows (Outflows) From Operations		(84,560)	48,394
Interest Charged Incomes		292	201
Interest Paid Expenses		(7)	(79)
Income Tax Paid		(892)	(237)
Net Cash Inflows (Outflows) from Operating Activities		(85,167)	48,279
Cash Flows from Investing Activities			
Decrease in restricted assets		193	3,025
Purchase of Real Estate, Plant and Equipment	6(5)	(7,980)	(1,979)
Decrease(Increase) in refundable deposits		55	(1,296)
Other Non-Current Assets Increase		(17,323)	(1,004)
Net Cash Inflow(Outflows) from Investing Activities		(25,055)	(1,254)
Net Cash Flow from Finance Activates			
Current Borrowing of Short-Term Loans		15,000	-
Current Repayments of Short-Term Loans		(15,000)	-
Net Cash Inflows (Outflows) From Finance activities		-	-
Impact of exchange rate changes on cash		(19,127)	(3,905)
Net Increase In Cash and Cash Equivalents		(129,349)	43,120
Cash and Cash Equivalents at Beginning of Year		331,446	283.287
Cash and Cash Equivalents at &End of Year		$ 202,117	$ 326,407

The accompanying notes to the consolidated financial statements are one part of the consolidated financial reports, please refer it too.

Chairman: Leaward Hu Manager: David Tang Account Manager: Benny Chou

MetaTech Corporation Limited Company and Subsidiaries
Notes to the consolidated financial statements

2017 and the second season of 2016

(Only verified, not check in accordance with generally accepted auditing standards)

Unit: NT $ Thousand
(Except special note)

I. The Company history

MetaTech Corporation Limited Company (Hereinafter referred to as "the Company") and Subsidiaries（ Hereinafter the Company and subsidiaries referred to as "the Group" ）is according to the Company Law of the Republic of China in September 1998 set up, the main business are electronic materials and biomedical related business development and operation of the business. The stock of the Company pursued the approval of the Financial Supervision and Administration Commission to trade over the counter on Taipei Exchange, and was officially listed on June 3, 2004.

II. The date and procedure for the adoption of the financial report

The consolidated financial report was published on May 11, 2018 after it was submitted to the board of directors.

III. New release and revision of standards and interpretation of the application

(A) The impact of the newly issued revised IFRS approved by the Financial Supervisory Commission ("FSC") has been adopted.

The following table summarizes the new issued amendments and amendments to the IFRS guidance and interpretations applicable to the 2017 IFRS:

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Amendments to IFRS No.10, No.12 and IAS No.28 "Individuals in Investment: Application of Consolidation Exceptions"	January 1, 2016
Amendments to IFRS No.11 "Accounting for acquisition of joint operating interests"	January 1, 2016
IFRS No.14 "Controlling Deferred Accounts"	January 1, 2016
Amendments to IAS No.1 "Unveil the initiative"	January 1, 2016
Amendments to IAS No.16 and No. 38 "Clarification of	January 1, 2016

Acceptable Methods of Depreciation and Amortization"	
Amendments to IAS No.16 and No. 41 "Agriculture: Productive Plants"	January 1, 2016
Amendments to IAS No.19 "Defined benefit plans: employee transfers"	January 1, 2014
Amendments to IAS No.27 "Equity method under individual financial statements"	January 1, 2016
Amendments to IAS No.36 "Exposure to recoverable amounts of non-financial assets"	January 1, 2014
Amendments to IAS No.39, "Renewal of Contracts for Derivatives and Continuation of Hedge Accounting"	January 1, 2014
International Financial Reporting Interpretation No. 21 "Public class"	January 1, 2014
Improvements to International Financial Reporting Standards of 2010-2012	January 1, 2014
Improvements to International Financial Reporting Standards of 2011-2013	January 1, 2014
2012-2014 Improvements to IFRSs	January 1, 2016

The Group has assessed that the above criteria and explanations have no material impact on the financial position and results of operations of the Group.

(B) The impact of the newly issued revised IFRSs approved by the FSC has been adopted

The following table lists the new issuance, amendments and amendments to the applicable IFRS guidance and interpretations in 2017:

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Amendments to IFRS No.2, "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS No.4 "Method of applying IFRS No.9 "Financial Instruments" that are IFRS No.4 insurance contracts"	January 1, 2018
IFRS No.9 "Financial Instruments"	January 1, 2018
IFRS No.15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS No.15, " Explanation of IFRS No.15 "Revenue from Customer Contract" "	January 1, 2018
Amendments to IAS No.7 "Unveil the initiative"	January 1, 2017
Amendments to IAS No.12 "Recognition of unrealized	January 1, 2017

losses on deferred tax assets"	
Amendments to IAS No.40 "Conversion of investment real estate"	January 1, 2018
International Financial Reporting Interpretation No. 22 "Foreign currency transactions and prepayment consideration"	January 1, 2018
Annual Improvements to the 2014-2016 Cycle - IFRS No.1, "First-time Adoption of International Financial Reporting Standards"	January 1, 2018
Annual Improvements to the 2014-2016 Cycle - IFRS No.12 "Exposure to the Interests of Other Individuals"	January 1, 2017
Annual Improvements to the 2014-2016 Cycle - IAS No.28, "Investments in Affiliates and Joint Ventures"	January 1, 2018

Except as described below, the Group has assessed that the above criteria and explanations have no material impact on the Group's financial position and financial performance and the amount of such impact is to be disclosed upon completion of the assessment:

1. Amendments to IFRS No.2, "Classification and Measurement of Share-based Payment Transactions"

   This amendment clarifies that the measurement of the fair value of the cash-settled share base payment should be measured on a consistent basis with the fair value of the equity instrument to which the equity delivery share is paid. This amendment also clarifies the accounting treatment of the change of the payment of the basic shares from cash delivery to equity delivery. In addition, the amendment provides the exception that when the employer has the obligation to withhold the tax associated with the employee's payment of the basis of the shares and pay the tax authority; the basic payment of the shares should be dealt with as a whole.

2. IFRS No.9 "Financial Instruments"

   (1) Financial assets Debt instruments are classified as financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets and financial assets measured at amortized cost, based on the business model and contractual cash flow characteristics of the enterprise; Financial assets equity instruments are classified as financial assets at fair value through profit or loss

unless the enterprise makes the irrevocable choice to recognize the fair value of the equity instruments for non-transactional purposes as recognized in other comprehensive income.

(2) Impairment assessments of financial assets and liabilities instruments should adopt the expected loss model and assess whether there is a significant increase in the credit risk of the instrument on each balance sheet date to cover the expected 12-month credit loss or the expected credit loss over its existence (interest income before impairment loss is estimated based on the total carrying amount of the asset); or whether impairment has occurred or not, and the interest income after impairment is estimated based on the net book amount after provision of doubtful debt.

3. IFRS No.15 "Revenue from Contracts with Customers"

IFRS No.15 "Revenue from contracts of customers" replaces IAS No.11 "Construction contracts", IAS No.18 "Revenue" and explanations and interpretations thereon. Revenue as defined in the standard is recognized when the customer obtains control over the good or service and indicates that the customer has control over the good or service when the customer has the ability to use the lead asset and obtain substantially all the remaining benefits of the asset.

The core principle of this standard is that "an enterprise recognizes revenue to describe the transfer of goods or services promised by a customer, the amount of which reflects the consideration to which the expected return of those goods or services is derived".

When companies recognize revenue by core principles, the following five steps are required to determine the timing and amount of revenue recognition:

Step 1：Identify customer contracts.

Step 2：Identify the contractual performance obligations.

Step 3：Decide the transaction price.

Step 4：Apportion the transaction price to the performance obligations in the contract.

Step 5：Recognize (or Follow) income when the enterprise satisfies the performance obligation.

In addition, the standard also includes an integrated set of disclosure requirements that will enable an entity to provide consolidated financial information to users of the financial statements on the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

4. Amendments to IFRS No.15, "Explanation of IFRS No.15 "Revenue from Customer Contract" "

This amendment clarifies how to identify the contractual performance obligations (ie, the commitment to transfer goods or services to customers); How to decide whether the enterprise is the principal (providing goods or services) or the agent (responsible for arranging the provision of goods or services); And the revenue from the determination of the authorization should be recognized at some point or over a period of time.; In addition to the above clarification, the amendment also includes two new simplified requirements to reduce the cost and complexity of the first time the new standard is applied.

5. Amendments to IAS No.7 "Unveil the initiative"

This amendment requires companies to increase their exposure to changes in liabilities related to (from) fund raising activities, including changes from cash and non-cash.

6. Amendments to IAS No.12 "Recognition of unrealized losses on deferred tax assets"

This amendment clarifies the recognition of deferred income tax assets relating to unrealized losses and clarifies some of the general principles of accounting for deferred tax assets. This amendment clarifies that for assets that are reported at fair value, when the carrying amount is less than the tax base, a temporary deductible addition, in assessing whether sufficient taxable income is available for deductible temporary differences, except for the tax laws, all deductible temporary differences should be combined and assessed irrespective of taxable income arising from temporary differences cut back.

(C) Impact of IFRSs issued by the International Accounting Standards Board but not yet approved by the FSC

The following table summarizes the new standards, amendments and amendments to IFRSs issued by the International Accounting Standards Board but not yet included in the IFRSs:

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Amendments to IFRS No.10 and IAS No.28 "Sale or investment of assets by investors and their affiliates or joint ventures"	Waiting for being determined by the International Accounting Standards Board
IFRS No.16 "Leases"	January 1, 2019
IFRS No.17 "Insurance Contracts"	January 1, 2021
International Financial Reporting Interpretation No. 23 "Income Tax Treatment of Uncertainty"	January 1, 2019

Except as described below, the Group has not materially affected the financial position and financial performance of the Group by assessing the above criteria and explanations, and the relevant impact amount should be disclosed upon completion of the assessment:

1. IFRS 16 Leases

   IFRS 16 "Leases" replaces IAS 17 "Leases" and their related interpretations and interpretations. This standard stipulates that the lessee should recognize the right-of-use assets and the lease liabilities (other than the lease of assets shorter than 12 months or of low value subject to the lease term) Lessor accounting treatment is still the same, according to business leasing and financial leasing two types of treatment, only to increase the relevant disclosure.

2. International Financial Reporting Interpretation No. 23 "Income Tax Treatment of Uncertainty"

   This interpretation clarifies that when there is uncertainty about the treatment of income tax, the enterprise should base its interpretation on the determination of taxable income (tax losses), tax basis, unused tax losses, unused income tax credits and tax rates, Income Tax No.12 "recognizes and measures current and deferred tax assets / liabilities.

IV. A summary of significant accounting policies

The principal accounting policies used in the preparation of the consolidated financial statements are explained below. Unless stated, such policies apply uniformly throughout all reporting periods.

(A) Follow the statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS No.34 "Interim Financial Reporting" which the FSC recognized.

(B) The basis of preparation

1. Except for the following important items, the consolidated financial statements have been prepared based on historical cost：

   (1) Financial assets and liabilities measured at fair value through profit or loss at fair value (including derivatives).

   (2) Defined welfare assets recognized as net present value of defined benefit obligations based on the assets of the pension fund.

2. The preparation of the financial statements in conformity with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations ("IFRSs") approved by the FSC requires the use of certain critical accounting estimates, in the process of applying the Group's accounting policies, management also needs to make judgments, items that involve a high degree of judgment or complexity, or involve significant assumptions and estimates of the consolidated financial statements. Please refer to Note 5 for further details.

(C) The basis of merger

1. Merger financial report preparation principles

   (1) The Group includes all its subsidiaries in the consolidated financial statements. Subsidiaries are individuals (including structured individuals) that are controlled by the Group, when the Group is exposed to remuneration derived from participation in the entity or has a right to receive such remuneration, and through the power of the individual to have the ability to influence the remuneration, that’s meaning the Group controls the individual.

   (2) Intra-group transactions, balances and unrealized gains and losses have been eliminated. The accounting policies of subsidiaries have been adjusted are necessary and consistent with the policies adopted by the Group.

   (3) Changes in the shareholding of a subsidiary that do not result in a loss of control (a transaction with a non-controlling interest) are disposed of as an equity transaction and are therefore treated as transactions with the owner. The difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in

equity.

(4) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value and as the fair value of the originally recognized financial asset or the cost of the original recognized investment in a related party or joint venture, between the fair value and the carrying amount The difference is recognized as current profit or loss. For all amounts previously recognized in other comprehensive income or loss relating to the subsidiary, the accounting for the same is treated as if the Group had disposed of the related assets or liabilities directly, that is, if previously recognized as interests or losses in other comprehensive income, For disposal of related assets or liabilities will be reclassified to profit or loss, and then the gains or losses are reclassified from equity to profit or loss when the control over the subsidiaries is lost.

2.Included in the consolidated financial statements of the subsidiaries：

			Percentage of equity held			
Investment Company	**Subsidiaries**	**Business Nature**	**Jun.30, 2017**	**Dec.30, 2016**	**Jun.30, 2016**	**Description**
The Company	MetaTech Investment Holding Co., Ltd.(MetaTech Investment)	Engaged in holding and reinvestment	100	100	100	Note 1
〃	Jianhua Travel Service Co., Ltd.	Engaged in tourism business	100	100	-	Note 2
MetaTech Investment	MTI Holding Co., Ltd.(MTI Holding)	Engaged in holding and reinvestment	100	100	100	Note 1
MTI Holding	MetaTech (S) Pte Ltd. (MetaTech(S))	Electronic materials wholesale and retail	100	100	100	〃
〃	MetaTech Ltd.	Electronic materials wholesale and retail	100	100	100	〃
MetaTech Ltd.	MetaTech (SZ) (MetaTech (SZ))	Electronic materials wholesale and retail	100	100	100	〃

Note 1: In the year of 2017 and on June 30, 2016 were prepared according to the financial reports audited by the Company's auditors over the same period in the consolidated financial statements; On December 31, 2016 according to the Company over the same period by the certified public accountants of the financial statements incorporated in the consolidated financial statements.

Note 2: Since the Company acquired 100% of Jian Hua Travel Co., Ltd. on July 1, 2016, it was incorporated into the consolidated financial statements from the acquisition date.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Subsidiary accounting period different adjustment and treatment: None.
5. Major Limitations: Cash and short-term deposits of $ 15,059 are deposited in China and subject to local foreign exchange controls. (Except for normal dividends)
6. Subsidiaries that have material non-controlling interests to the Group: No.

(D) <u>Foreign Currency Exchange</u>

Entries included in each individual financial report of the Group are measured in the currency of the primary economic environment in which the individual operates (functional currency). The consolidated financial statements are presented using the functional currency "NT $" of the Company as the currency of presentation.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are exchanged into the functional currency using the spot exchange rate on the trading day or measurement date to exchange differences arising on translation of these transactions are recognized as profit or loss for the period.

(2) The balance of foreign currency monetary assets and liabilities shall be evaluated and adjusted according to the spot exchange rate at the balance sheet date. The difference arising from the adjustment shall be recognized as current profit or loss.

(3) The balance of foreign currency non-monetary assets and liabilities is measured at fair value through profit or loss and is adjusted based on the spot exchange rate at the balance sheet date. Exchange differences arising from the adjustment are recognized as profit or loss for the current period; Others are measured at fair value through other comprehensive income, at the spot exchange rate on the balance sheet date, the exchange differences arising from the adjustments are recognized in other comprehensive income; Non-fair value measurement is based on the historical exchange rate of the initial trading day.

(4) All exchange gains and losses are reported "other benefits and losses" in the statement of profit or loss.

2. Conversion of foreign operating agencies

For all group entities with different functional currency and presentation currency, their business results and financial position are translated into the currency of presentation in the following manner:

(1) Assets and liabilities expressed in each of the balance sheets are translated at the closing rates at the balance sheet date;

(2) Revenues and losses expressed in each consolidated statement of profit or loss are translated using the average exchange rates for the period; and

(3) All exchange differences arising on conversion are recognized in other comprehensive income.

(E) <u>The classification criteria for the distinction between current and non-current assets and liabilities</u>

1. Assets meet one of the following conditions, classified as current assets:
   (1) It is expected that the asset will be realized in the normal course of business, or it is intended to be sold or consumed by consumers.
   (2) Mainly for the purpose of trading.
   (3) Expected to be realized within 12 months after the balance sheet date.
   (4) In cash or cash equivalents, except at the balance of 12 months after the balance sheet date, for exchange or for settlement of liabilities.

The Group classifies all the assets that do not meet the above criteria as non-current.

2. A liability that meets one of the following conditions is classified as current liabilities:
   (1) The liquidation is expected in the normal operating cycle.
   (2) Mainly for the purpose of trading.
   (3) Expected to be settled within 12 months after the balance sheet date.
   (4) The liquidation term cannot be unconditionally extended to at least 12 months after the balance sheet date. The terms of a liability may depend on the counterparty's choice of the issuer of an equity instrument to incur liquidation without affecting its classification.

The Group classifies all liabilities that do not meet the above criteria as non-current.

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

1. Financial assets at fair value through profit or loss represent financial assets held for trading or financial assets designated as at fair value through profit or loss when originally recognized. Financial assets, if acquired mainly for the short term, are classified as financial assets held for trading. Derivatives are classified as held for

trading unless the hedge accounting is designated as a hedging item. When one of the following conditions is met, the Group designates the financial assets at fair value through profit or loss as originally recognized:

(1) Mixed (combined) contract； or

(2) Eliminate or significantly reduce the measure or recognized inconsistencies； or

(3) Based on a written risk management or investment strategy, investments based on a fair value basis to manage and assess their performance.

2. The Group's financial assets at fair value through profit or loss that are in line with the trading practices are measured using trading date accounting.

3. Financial assets at fair value through profit or loss are measured at fair value through initial recognition and the related transaction costs are recognized as profit or loss for the period. Continuing to measure the fair value, changes in fair value recognized in the current profit or loss.

(G) Receivables

Amount due from customers for the sale of goods or services provided in the ordinary course of business. The effective interest method is measured at fair value at the time of initial recognition. The subsequent effective interest method is measured at amortized cost less impairment. However, the short-term accounts receivable with no interest payment are not affected by the discount, and the subsequent measurement is based on the original invoice amount.

(H) Impairment of financial assets

1. On each balance sheet date, the Group assesses whether there has been any objective evidence of impairment that shows that one or more financial assets have one or more items (ie "loss items") occurring after their initial recognition and The loss event has a reliable estimate of the estimated future cash flows of a financial asset or a group of financial assets.

2. The policy used by the Group to determine whether there is any objective evidence of impairment is as follows:

(1) Major financial difficulties of the issuer or the debtor;

(2) default, such as the delay or non-payment of interest or principal payments;

(3) The Group gives the debtor impossible to consider concessions due to economic or legal reasons related to the debtor's financial difficulties;

(4) The probability of debtors entering bankruptcy or other financial reorganization will increase dramatically;

(5) The disappearance of the active market of the financial asset due to financial difficulties;

(6) The observable information shows that the estimated future cash flows of a group of financial assets have been measured at a nominal decrease since they were originally placed, although it is not yet certain that the decrease is attributable to a particular financial asset in the group, Such information includes adverse changes in the solvency conditions of the debtors of the group of financial assets or the national or regional economic conditions relating to the default of assets in the group of financial assets.

3. When the Group has assessed that there is objective evidence of impairment and the derogation loss has occurred, the Group will treat it according to the following categories:

Financial assets measured at amortized cost

The difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the original effective interest rate of the financial asset is recognized as impairment loss in the profit or loss for the period. When the amount of the impairment loss decreases after the subsequent period, and the decrease can be objectively linked to the occurrence of the impairment, the previously recognized loss for the loss is, after unrecognized impairment, the post-amortization cost within the limits of the current profit and loss rotation. The amount of the loss on recognition of and impairment of an impairment loss is the carrying amount of the asset adjusted by an allowance account.

(I) <u>Excluding financial assets</u>

When the Group lacks the contractual rights to receive cash flows from a financial asset, the Group will exclude the financial assets.

(J) <u>Business Lease (lessor)</u>

Lease income from operating leases net of any incentives given to the lessee is amortized on the straight-line basis over the period of the lease recognized as current profits and losses.

(K) Inventory

The cost of inventories is measured by the lower of the cost and the net realizable value, and the cost is determined according to the first-in-first-out method. When the comparative cost is lower than the net realizable value, the comparative method is adopted, and the net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the relevant selling expenses.

(L) Property, plant and equipment

1. The immovable property, plant and equipment are accounted for based on the acquisition cost and the relevant interest during capitalization period is capitalized.
2. Subsequent costs only included in the asset's carrying amount or recognized as a separate asset is its possible future economic benefits associated with the item that are likely to flow to the Group and the cost of the item can be measured reliably. The book value of the portion that is reset should be divided by columns. All other maintenance costs are recognized as a current profit or loss when incurred.
3. Subsequent measurement of the cost-recovery model for real estate, plant and equipment depreciates on a straight-line basis over the estimated useful life, excluding depreciation of land. Depreciation is provided separately for the individual components of the property, plant and equipment if the components are material.
4. At the end of each financial year, the Group reviews the residual values, useful lives and depreciation methods of each asset. If the expected value of the salvage value and the useful life are different from previous estimates, or the future economic benefits of the asset Expected changes in consumption patterns have been accounted for as of the change in accounting estimates in IAS No.8, "Changes in accounting policies, accounting estimates and errors" from the date of change. The useful life of each asset is as follows:

Housing and building	50 years
Mechanical equipment	3 ～ 5 years
Transportation equipment	3 ～ 5 years
Office equipment	3 ～ 5 years
Lease improvement	3 ～ 5 years
Other equipment	3 ～ 5 years

(M) Business Lease (Tenant)

Operating lease payments, net of any incentives received from the lessor, are amortized on a straight-line basis over the lease terms as profit or loss for the period.

(N) Intangible assets

1. Expertise

The expertise is the acquisition cost basis, which is amortized over the estimated useful life of 5 years according to the straight-line method.

2. Goodwill

Goodwill is generated by merger and acquisition of corporate mergers.

(O) Impairment of non-financial assets

1. The Group estimates the recoverable amount of assets with signs of impairment as at the balance sheet date. If the recoverable amount is less than its carrying amount, the Group recognizes the impairment loss. Recoverable amount is the fair value of an asset less costs of disposal or its value in use, whichever is higher. In addition to goodwill, when there is no asset impairment loss recognized in previous years, the impairment loss will be reversed, except for the increase of the carrying amount of the asset due to the impairment loss, not exceeding the carrying amount of the asset after deducting depreciation or amortization if no impairment loss has been recognized.
2. Goodwill regularly estimates its recoverable amount. When the recoverable amount is lower than its book value, the impairment loss is recognized. Impairment losses on goodwill are not reversed in subsequent years.
3. Goodwill is allocated to the cash-generating unit for the purpose of impairment testing. This sharing is based on the recognition by the operating department to allocate goodwill to the group of cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that generated goodwill.

(P) Borrowing

Borrowings are measured at fair value, after deducting transaction costs, of the borrowings at fair value through valuation. Any subsequent difference between the consideration (net of transaction costs) and the redemption value is measured as effective interest method over the borrowing costs at amortized cost.

(Q) Accounts payable and notes payable

Accounts payable and notes are obligations that are payable in the normal course of business for goods or services obtained from suppliers. At fair value through original recognition, the effective interest method subsequently measured is based on the cost after amortization. However, the short-term accounts payable without interest payment are insignificant due to the discount, and the subsequent measurement is based on the original invoice amount.

(R) Financial liabilities at fair value through profit or loss

1. Financial liabilities at fair value through profit or loss represent financial liabilities held for trading. Financial liabilities classified as held for trading are primarily repurchased on a short-term basis, and derivatives other than those designated as hedging instruments by hedge accounting.
2. Financial liabilities at fair value through profit or loss are measured at fair values at the time of initial recognition and the related transaction costs are recognized as profit or loss for the period. Continuing to measure the fair value, changes in fair value recognized in the current profit or loss.

(S) Excluding financial liabilities

When the obligations set out in the contract are fulfilled, canceled or expired, the Group depreciates the financial liabilities.

(T) Financial liabilities and equity instruments

The convertible bonds payable by the Group, embedded with the conversion rights (that is, the holder's right to convert into ordinary shares of the Group and convert a fixed amount into a fixed number of shares), Put options and Call options, at the time of initial issuance, the issue price is divided into financial assets, financial liabilities or equity according to the conditions of issuance, which are treated as follows:

1. The Put options and Call options which were embedded in the Group's issuance of convertible bonds should be initially stated at their fair value through "financial assets or liabilities at fair value through profit or loss"; Subsequent to the balance sheet date, according to the current fair value evaluation, the difference recognized as "fair value through profit or loss of financial assets (liabilities) interests or losses”.
2. The master contract of the convertible bond payable is measured at fair value at

initial recognition, the difference between the redemption price recognized as premium on bond payable, as an increase or decrease in corporate bonds payable; Subsequent effective interest method is recognized as profit or loss for the current period on the basis of the amortized cost during the bond circulation period, as an adjustment to "finance cost".

3. The conversion rights embedded in the Group's issue of convertible bonds conformed to the definition of equity, At the time of initial recognition, the amount of the issued share capital, net of the above "financial assets or liabilities at fair value through profit or loss", and the "net corporate bonds payable" then the remaining value is stated in "Capital reserve - share options", the subsequent no longer re-measure.
4. Any transaction costs directly attributable to the issue of the convertible bonds payable are allocated to the components of the liability and equity based on the original carrying amount.
5. When the holder changes, the liability component (Including "corporate bonds payable" and "financial assets or liabilities measured at fair value through profit or loss") of the accounting, according to the classification of the follow-up measurement method to deal with, the book value of "capital surplus - share options" is added as the issue cost of the common shares in exchange for the book value of the components of the liability plus the above.

(U) <u>Debt preparation</u>

A contingent liability arising from a defaulting contract is a present statutory or constructive obligation as a result of past events and is likely to require the release of an economically viable resource to satisfy the obligation, and the amount of the obligation can be recognized reliably when estimated.

The measurement of a liability is measured by the present value of the best estimate of the necessary expenses to settle the obligation on the balance sheet date, the discount rate uses a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the liabilities and the discount is recognized as interest expense. Future operating loss may not be recognized as a liability.

(V) Employee benefits

1.Short-term employee benefits

Short-term employee benefits are measured at the non-discount of expected payments and are recognized as a fee when the related services are rendered.

2. Pensions

(1) Determine the drafting plan

For the purpose of determining the transfer plan, the amount of retirement fund to be appropriated should be recognized as the current cost of the pension based on the basis of the accrual basis. Prepayments Advances are recognized as assets to the extent that cash is repayable or future payments are reduced.

(2) Determine the welfare plan

A. The net obligation under a defined benefit plan is calculated by discounting the future benefits earned by employees in current or past service and dividing the fair value of the plan assets by the present value of the defined benefit obligations at the balance sheet date and the unrecognized Pre-column service costs. The defined net benefit obligation is calculated annually by the actuary using the expected unit benefit method, which is determined by reference to the market yield of high quality corporate bonds at the balance sheet date that is consistent with the currency and period of the defined benefit plan; in the high-quality corporate debt countries with deep markets use the market rate of government bonds (at the balance sheet date).

B. The re-measurement of the defined benefit plan was recognized in other comprehensive income in the period in which it was incurred and expressed as a measure of retained earnings.

C. The related costs of the service costs of the prior period are recognized immediately as profit or loss.

D. Interim pension costs are calculated on the actuarially-determined pension cost rate using the end of the previous financial year, based on the year-begin to the current period. If significant market changes and material curtailments, liquidations or other major one-time items have been made after the end date, adjustments will be made and relevant information disclosed in the light of the aforesaid policies.

3. Leave benefits

Leave benefits are the benefits that are provided to employees on termination of employment prior to the normal retirement date or in the event that they decide to accept the company's welfare offer in return for termination of employment. The Group recognizes the cost of an offer to cease to be able to revoke the leave benefits or recognize the earlier of the relevant restructuring costs. It is not expected that the benefits fully repaid within 12 months after the balance sheet date should be discounted.

4. Employee Bonus and Director and Supervisor's Remuneration

Employees' bonus and director and supervisor's remuneration are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is any discrepancy between the actually allotted amount and the estimated amount of the resolution in the shareholders' meeting, the change shall be dealt with according to the accounting estimation. In addition, the Group calculates the share dividend based on the fair value per share of the first day of the next annual shareholders' meeting of the financial reporting year, taking into account the amount of dividends after the ex-dividend.

(W) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss, except when income tax relating to items included in other comprehensive income or directly in equity is included in other comprehensive income or directly in equity, respectively.
2. Current income tax is based on the country in which the Group operates and generates taxable income, using tax rates that have been enacted or substantively enacted at the balance sheet date. Management regularly assesses the status of income tax returns on the applicable laws applicable to income tax and, where applicable, estimates the income tax liabilities based on tax expected to be paid to tax authorities. Income tax on unallocated income tax is subject to 10% of the income tax, and on the distribution of actual earnings after the distribution of surplus earnings through the shareholders' meeting, the remaining 10% of unallocated income tax expense is recognized in the next year of the earning year.
3. Deferred income tax is recognized using the balance sheet method, using the temporary differences arising on the basis of the tax on assets and liabilities and

their carrying amounts in the consolidated statement of balance sheet. Deferred tax liabilities arising from the goodwill on the initial recognition are not recognized if the deferred income tax arises from the transaction

(Excluding business combinations), and no accounting profits or taxable gains (tax losses) were not fall them at the time of the transaction, they are not recognized. If the temporary differences arising from investing in subsidiaries, the Group can control the timing of the temporary differences and the temporary differences are likely to not be reversed in the foreseeable future, it will not be recognized. Deferred income tax has been enacted at the balance sheet date or has been substantively enacted and is subject to the tax rates (and tax laws) expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred tax assets are probable to be used to offset future taxable income to the extent that they are probable will be tax and revaluation of unquoted and recognized deferred tax assets on each balance sheet date.
5. When there is law enforcement right to recognize the current income tax assets recognized and the amount of liabilities offset each other and is intended to settle on a net basis or realize both assets and liabilities, the current income tax assets and current income tax liabilities When there is statutory execution right to offset current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are taxed by the same taxpayer or the same taxpayers, When the net basis is settled or the assets are simultaneously realized and the liabilities are settled, the deferred income tax assets and liabilities are offset from each other.
6. Income tax expense for the interim period is calculated using the estimated annual average effective tax rate using the pre-tax interest of the interim period and exposes the relevant information in line with the aforementioned policy.

(X) Share capital

Common shares are classified as equity. The incremental cost directly attributable to the issue of new shares or options is net of tax as a charge on items net of income tax.

(Y) Dividend distribution

Dividend distribution to shareholders of the Company is recognized in the financial report when the dividends are distributed in the resolution of the Company's shareholders' meeting. The cash dividends distributed are recognized as liabilities. Dividend distributions are recognized as dividends to be allocated and are reversed on the base date of issue of new shares Common stock and share premium.

(Z) Revenue recognition

The Group sells electronic materials related products and medical beauty products and materials. Revenue is the fair value of the consideration received or receivable from sales of goods by customers outside the normal group in a normal operating activity expressed as net of value-added tax, sales returns, volume discounts and discounts. Sales of goods Recognize revenue when the goods are delivered to the buyer, the sales amount can be measured reliably and there is a good chance that future economic benefits will flow to the business. When the significant risks and rewards related to ownership have been transferred to the customers and the Group neither continues to participate in the management of the goods nor maintain effective control and the customers accept the goods under the sales contracts or there is objective evidence that the entire acceptance conditions are met, Commodity delivery happens.

(ZA) Business merger

1. The Group adopts the acquisition method for business combination. Consolidation consideration based on the fair values of the assets transferred, liabilities incurred or assumed and equity instruments issued, the consideration transferred includes the fair value of any assets and liabilities arising from the contingent consideration. The costs associated with the acquisition are recognized as a fee when incurred. The identifiable assets and liabilities assumed in a business combination are measured at their fair value on the acquisition date. The Group, on the basis of individual acquisition transactions, where the components of the non-controlling interests are presently owned as to their equity interests and their holders are entitled to a share of the net assets of the enterprise as of the liquidation, choose to measure the proportion of the net identifiable assets of the acquire based on the fair value on the acquisition date or the non-controlling interests; All other

components of non-controlling interests are measured at the acquisition date fair value.

2. The fair value of the consideration transferred, the non-controlling interest of the acquired and the previously held equity interest in the acquired exceed the fair value of the identifiable assets acquired and the liabilities assumed and are recognized as goodwill on the acquisition date; If the fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate amount of the consideration transferred, the non-controlling interests of the acquired and the fair value of the previously held interests of the acquired, the difference is recognized in the current period on the acquisition date as profit and loss.

(ZB) Operations

The Group's operating department information is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating department and assessing its performance. The chief operating decision maker identified as the Group is the board of directors.

V. Significant accounting judgments, assumptions and major sources of estimation uncertainty

When preparing the consolidated financial statements, the Group makes significant judgments in adopting the accounting policies and makes significant assumptions and estimates on future events. Judgments and estimates made are continually evaluated and adjusted based on historical experience and other factors. These estimates and assumptions have the risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Please refer to the following statement of the significant accounting judgments, estimates and assumptions that are uncertain:

(A) Significant judgments adopted in accounting policies

Total revenue or net recognition

The Group determines that the Group is the principal or agent of the transaction based on whether the transaction type and its economic substance are exposed to the significant risks and rewards associated with the sales of goods. When judged as the principal of the transaction, revenue is recognized in the sum of the receivables received or received by the customer. If it is determined as the agent of the transaction, the net transaction amount is recognized as commission income.

The Group makes judgments on the total recognized income based on the following characteristics of the Manager:

a. The primary responsibility for providing goods or services

b. Assume inventory risk

c. Have the freedom to price directly or indirectly

d. Assume the customer's credit risk

(B) Critical accounting estimates and assumptions

1. The realization of deferred income tax assets

Deferred income tax assets are recognized only where it is probable that future taxable income will be available against which the temporary differences can be utilized. The assessment of the achievability of deferred tax assets must involve significant accounting judgments and estimates by management that include assumptions about expected future revenue growth and profitability, tax holiday periods, available income tax credits and tax planning. Any changes in the global economic environment, industrial environment and changes in laws and regulations may result in major adjustments to deferred tax assets.

Up to June 30, 2017, the Group recognized deferred tax assets of $ 24,690.

2. Inventory evaluation

As inventories are stated at the lower of cost and net realizable value, the Group must use judgment and estimation to determine the net realizable value of inventories on the balance sheet date. Due to the rapid technological change, the Group assesses the amount of inventories due to normal wear and tear, obsolete obsolescence or non-market value at balance sheet date and reduces the cost of inventories to net realizable value. This stock assessment mainly depends on the product demand in a specific period in the future as the basis for estimation and may result in significant changes.

The carrying amount of inventories of the Group on June 30, 2017 was $ 119,312.

VI. Description of important accounting subjects

(A) Cash and cash equivalents

	June 30, 2017	December 31,2016	June 30, 2016
Stock cash and Revolving funds	$ 528	$ 627	$ 585
Check deposit and demand deposit	204,810	334.253	329,238
Certificate of deposit	8,300	4.800	2,000
	213.638	339.680	331,823
Minus：Allowance for Other Financial Assets - Current	(11.521)	(8.214)	(5,416)
Cash presented to the balance sheet	$ 202.117	$ 331.466	$ 326,407

1. The credit facilities of the financial institutions with which the Group operates are of good quality and the Group has extensive credit facilities with a number of financial institutions and is expected to have a very low probability of default. As at the balance sheet date, the exposure of the maximum exposure to credit risk is the carrying amount of cash.
2. Please refer to Note 8 for the Group's guarantee of cash provided by the Group.

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

Entry	June 30, 2017	December 31, 2016	June 30, 2016
Current entries：			
Financial assets held for trading			
Open-end funds	$ 5,000	$ 5,000	$ -
Evaluation adjustment	(269)	(88)	-
Total	$ 4,731	$ 5,088	$ -

1. The net loss recognized for the financial assets held for trading by the Group for the year of 2017 and from April 1, 2016 to June 30, 2016 and for the year of 2017 and from January 1, 2016 to June 30, 2016 respectively were $55, $0, $357, and $0.
2. The Group has not pledged the financial assets measured at fair value through profit or loss.

(C) Net receivables

	June 30, 2017	December 31, 2016	June 30, 2016
Accounts receivable	$ 313,991	$ 245,793	$ 347,940
Minus：Allowance for bad debts	(483)	(4,441)	(4,704)
	$ 313,508	$ 241,352	$ 370,236

1. The Group's trade receivables that are neither past due nor derogated from conform to the credit standards that are set based on the industry characteristics, operating

scale and profitability of counterparties.

2. The aging analysis of financial assets that are past due but not impaired is as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Within 30 days	$ 40,133	$ 43,930	$ 44,235
31-90 days	3,783	3,094	4,342
	$ 43,916	$ 47,024	$ 48,577

The above is based on the number of days' overdue aging analysis.

3. Group Valuation Decreases Financial Assets Changes Analysis：

(1) Up to June 30, 2017, December 31, 2016, and June 30, 2016, the amount of accounts receivable devalued by the Group were $ 483, $4, 441 and $4,704.

(2) The allowance for bad debts is as follows:

	January to June, 2017	January to June, 2016
January 1	$ 4,441	$ 4,566
Allowance for impairment loss	-	134
Decrease the loss of rotation	(3,841)	-
Offsetting money for cannot be recovered	(113)	-
Foreign exchange adjustments	(4)	4
June 30	$ 483	$ 4,704

4. The Group does not hold any collateral

(D) Inventories

	June 30, 2017		
	Cost	Allow the decline in value loss	Book value
Commodity	$ 130,262	($ 10,950)	$ 119,312
	December 31, 2017		
	Cost	Allow the decline in value loss	Book value
Raw material	$ 212	($ 212)	$ -
Commodity	121,487	(14,529)	106,958
	$ 121,699	($ 14,741)	$ 106,958
	March 31, 2017		
	Cost	Allow the decline in value loss	Book value
Raw material	$ 1,953	($ 1,953)	$ -
Commodity	165,371	(29,416)	135,955
	$ 167,324	($ 15,068)	$ 135,955

The cost of inventories recognized as expense in the current period by the Group：

	April - June, 2017	April - June, 2016
The cost of inventories sold	$ 346,631	$ 302,026
Inventory decline in value and inventory retention losses (gain from price recovery of inventory)	(3,194)	538
Others	-	1
	$ 343,437	$ 302,565

	January - June, 2017	January - June, 2016
The cost of inventories sold	$ 643,127	$ 930,292
Inventory decline in value and inventory retention losses (gain from price recovery of inventory)	(3,356)	1,522
Others	74	64
	$ 639,845	$ 931,878

The Group generated rebound gains as a result of proactive treatment of impairment losses and inventory retention for the period from April 1, 2017 to June 30, 2017 and from January 1, 2017 to June 30, 2017.

(E) Real estate, plant and equipment

	Land	House and Building	Mechanical Equipment	Transportation Equipment	Office Equipment	Lease Improvement	Other Equipment	Total
January 1, 2016								
Costs	$ 17,209	$ 40,313	$ 3,733	$ 821	$ 29,088	$ 12,843	$ 1,626	$ 105,633
Accumulated depreciation	-	(10,075)	(415)	(520)	(26,035)	(7,199)	(521)	(44,765)
	$ 17,209	$ 30,238	$ 3,318	$ 301	$ 3,053	$ 5,644	$ 1,105	$ 60,686
2016								
January 1	$ 17,209	$ 30,238	$ 3,318	$ 301	$ 3,053	$ 5,644	$ 1,105	$ 60,868
Add	-	-	2,838	4,335	-	-	-	7,173
Depreciation expense	-	(395)	(341)	(75)	(575)	(1,120)	(151)	(2,657)
Net exchange difference	-	-	-	(10)	(19)	(44)	-	(73)
June 30	$ 17,209	$ 29,843	$ 5,815	$ 4,551	$ 2,459	$ 4,480	$ 954	$ 65,311
June 30, 2016								
Costs	$ 17,209	$ 40,313	$ 6,571	$ 5,132	$ 28,597	$ 12,609	$ 1,626	$ 112,057
Accumulated depreciation	-	(10,470)	(756)	(581)	(26,138)	(8,129)	(672)	(46,746)

	Land	House and Building	Mechanical Equipment	Transportation Equipment	Office Equipment	Lease Improvement	Other Equipment	Total
	$ 17,209	$ 29,843	$ 5,815	$ 4,551	$ 2,459	$ 4,480	$ 954	$ 65,311
January 1, 2016								
Costs	$ 17,209	$ 40,313	$ -	$ 893	$ 27,985	$ 13,234	$ 688	$ 100,322
Accumulated depreciation	-	(9,285)	-	(396)	(25,773)	(6,000)	(468)	(41,922)
	$ 17,209	$ 30,028	$ -	$ 497	$ 2,212	$ 7,234	$ 220	$ 58,400
2016								
January 1	$ 17,209	$ 30,028	$ -	$ 497	$ 2,212	$ 7,234	$ 220	$ 58,400
Add	-	-	3,733	-	98	-	-	3,831
Depreciation expense	-	(395)	(122)	(85)	(546)	(1,095)	(28)	(2,271)
Net exchange difference	-	-	-	(17)	6	12	-	1
June 30	$ 17,209	$ 30,633	$ 3,611	$ 395	$ 1,770	$ 6,151	$ 192	$ 59,961
June 30, 2016								
Costs	$ 17,209	$ 40,313	$ 3,733	$ 856	$ 27,584	$ 12,357	$ 688	$ 102,740
Accumulated depreciation	-	(9,680)	(122)	(461)	(25,814)	(6,206)	(496)	(42,779)
	$ 17,209	$ 30,633	$ 3,611	$ 395	$ 1,770	$ 6,151	$ 192	$ 59,961

Information on guarantees provided by real estate, plant and equipment is detailed in Note 8.

(F) Intangible assets

	Expertise
January 1, 2017	
Costs	$ 25,000
Other - Price Adjustment (Note)	(18,333)
Accumulated amortization	(6,667)
	$ -
2017	
January 1	$ -
Amortization expense	-
June 30	$ -
June 30, 2017	
Costs	$ 25,000
Other - Price Adjustment (Note)	(18,333)
Accumulated amortization and impairment	(6,667)
	$ -

		Expertise
January 1, 2016		
Costs	$	25,000
Accumulated amortization and impairment	(	1,667)
	$	23,333
2016		
January 1	$	23,333
Amortization expense	(	2,500)
June 30	$	20,833
June 30, 2016	$	25,000
Costs	(	4,167)
Accumulated amortization and impairment	$	20,833

Amortization of intangible assets are as follows:

	April-June, 2017	April-June, 2016
Operating costs	$ -	$ 1,250
	January-June, 2017	**January-June, 2016**
Operating costs	$ -	$ 2,500

Note: The Group re-revised the contract price of the special technology license with the owner of the technology on December 29, 2016.

(G) Corporate bonds payable

	June 30, 2017	December 31, 2015	June 30, 2016
Corporate bonds payable	$ -	$ 150,000	$ 150,000
Minus：Corporate bonds payable discount	-	(1,883)	(3,478)
	-	148,117	146,522
Minus：Execution of sell-back corporate bonds (as listed in "Other current liabilities") due within one year or one business cycle	-	(148,117)	(146,522)
	$ -	$ -	$ -

1. The conditions for the issuance of the domestic second guaranteed convertible bonds are as follows:

(1) The Company approved by the competent authority, solicited and issued the

domestic second guaranteed convertible bonds with a total issuance amount of $ 150,000 thousand and a coupon rate of 0% for a period of 3 years. The circulation period was from July 24, 2014 to July 24, 2017. The convertible corporate bonds are repayable in cash by denomination of bonds upon maturity. The conversion of corporate bonds on July 24, 2014 in Taipei Exchange listed on the transaction.

(2) The holders of the Convertible Bonds, starting from the day after the expiry of one month after the date of issue of the Bonds and up to the ten days before the maturity date, except as required by the Act or the Law to suspend the transfer period, the Company may at any time request the Group to convert into common shares of the Company, the rights and obligations of the common shares converted are the same as those of the common shares previously issued.

(3) The conversion price of the corporate bonds shall be determined in accordance with the pricing model stipulated in the conversion plan. The conversion price at the time of issue is NT $ 39.76. After the conversion price will be adjusted in accordance with the provisions of the swaps pricing models due to the situation in case the anti-dilution provisions of the Company; After the method set on the base date, according to the method of conversion under the pricing model to re-set the conversion price, if the conversion price is higher than the year before the re-issue will not be adjusted. Due to the cash increase of the Company in March 2015, the Company will adjust the conversion price according to the provisions of the issuance and conversion measures.

Therefore, since March 16, 2015 (Cash increase paid-up date), the conversion price has been adjusted from $ 39.76 to $ 37.35.

(4) Bondholders, upon the completion of the issue of the corporate bonds for at least two years, require the Company to repurchase the convertible bonds held by the Company with interest compensation of 2.01%.

(5) When the conversion of corporate bonds issued one month from the next day until the expiry of the 40th day before the issue date, when the closing price of ordinary shares of the Company exceeds 30% of the then conversion price for thirty consecutive business days, or the conversion of corporate bonds issued one month from the next day until the expiry of the 40th day before the issue date, when the outstanding balance of the convertible bonds is less than 10% of the total amount of the common shares, the Company shall at any time thereafter withdraw all of its bonds in cash by denomination.

(6) As required by the conversion method, all the convertible bonds recovered by the Company (including those bought by counter trading centers), repayable or converted will be canceled, all rights and obligations attached to the corporate bonds will also be extinguished and ceased to be issued.

2.Upon the issuance of the second convertible bonds, the Company separated the conversion rights that are the nature of equity from the components of the liabilities according to the provisions of IAS No.32 and set out "Capital surplus - share options" in the amount of $ 5,205 . Continued Due to the holder exercising the conversion right of the corporate bonds, the balance of "capital surplus - share options" as of June 30, 2017 is $ 0. The other embedded call options and put options, which are not closely related to the economic characteristics and risks of the underlying contractual obligations, are segregated in accordance with IAS No. 39 "Financial Instruments: Recognition and Measurement" and accounted for as "Financial liabilities measured at fair value through profit or loss", which had a net amount of $ 0 as of June 30, 2017. After the separation of the main contract debt, the effective interest rate was 2.17746%.

3.Up to June 30, 2017, the conversion of corporate bonds amounting to $ 150,000 has been converted into 4,016 thousand common shares. The amount of "Capital Reserve - Conversion of Corporate Bond Premium" arising from the aforesaid corporate bond conversion transaction amounted to $ 113,824. It was canceled because the convertible corporate bonds of $ 150,000 denominated in full have been converted.

(H) Pensions

1.(1) In accordance with the "Labor Standards Act.", the Company has defined a defined benefit retirement scheme which is applicable to the service years of all regular staff before the implementation of the "Labor Pension Act." on July 1, 2005 continue to apply the Labor Standards Act. Staff follow-up service years. Employees meet the retirement conditions, the payment of pensions is based on the length of service and the average salary of the previous month before retirement, and service years within 15 years (inclusive) for each year to give two bases, over 15 years shall be given one base year for each full year, provided that the cumulative maximum is 45 bases. The Company on a monthly basis 4% of the total payroll to the pension fund, the labor retirement reserve fund supervisory committee of the nominal accounts stored in the Bank of Taiwan, but after the approval of the New Taipei City Government, from March 2009 to March 2017, withdrawing labor retirement reserves. In addition, before the end of each year, the Company estimates the balance of the labor retirement reserve account in the preceding paragraph. If the balance falls short of the estimated retirement benefit for the labor eligible for retirement in the next financial year following the above calculation, the Company will make the shortfall before the end of March of the following year.

(2) The year of 2017 and from April 1, 2016 to June 30, 2016 and the year of 2017 and from January 1, 2016 to June 30, 2016, the Group's pension cost benefits recognized under the above pension scheme were all $ 0.

(3) The Group expects to provide a disbursement of $ 0 to the retirement plan in 2018

2. (1) With effect from July 1, 2005, the Company has established a retirement scheme that provides for the appropriation pursuant to the "Labor Pension Act." and applies to employees of nationality. The Company will choose to apply the part of the labor pension system under the "Labor Pension Act." to pay a monthly pension of 6% of the salary to the employee's personal account of the Bureau of Labor Insurance. The employees' pensions shall be paid according to the pensions of individual employees’ special accounts and cumulative income amount of the monthly pension or a pension to receive.

Employee retirement approach of MetaTech(S) and MetaTech Ltd. is according to the local government relevant laws and regulations to determine the allocation system.

(3)M eta Tec h(S Z) according to the pension insurance system stipulated by the government of the People's Republic of China, monthly pension funds are allocated according to a certain ratio of the local employees' salaries. For the year of 2017 and from January 1, 2016 to June 30, 2016, the provision rates were all 10%. Employees' pensions are managed by the government. MetaTech (SZ) has no further obligations except for monthly donations.

(4) For the year of 2017 and from April 1, 2016 to June 30, 2016 and for the year of 2017 and from January 1, 2016 to June 30, 2016, the pension costs of the Group recognized by the above pension scheme were$1,0 96 , $1 ,48 8, $ 2,164 and $3 ,27 4 respectively.

(I) Debt preparation

	June 30, 2017	December 31, 2016	June 30, 2016
Depreciation of contract liabilities－Current	$ 4,433	$ 4,433	$ -

The Group entered into a sale and purchase agreement with Bo International Co., Ltd., agreeing to purchase the equipment for a total consideration of $ 33,050 by December 31, 2016, if cancel the order, 20% of the non-purchase price should be paid as liquidated damages, and the contract has not been ordered for a price of $ 29,090. Therefore, the Group provided an amount of $ 4,433 as stipulated in the contract.

(J) Share capital

1. Up to June 30, 2017, the Company had a fixed capitalization of $ 1 ,00 0,0 0 0 divided into 100,000 thousand shares (including 15,000 thousand shares subscribed by its employees' warrants) Paid-in capital amounted to $ 440,160 and the number of outstanding shares was 44,016 thousand shares, with a denomination of $ 10. From January 1, 2017 to June 30, 2017 the Company issued 4,016 thousand common shares due to the conversion of the convertible bonds for the capital stock. The common shares were registered for change on a quarterly basis in accordance with relevant laws and regulations, among them, 67 thousand shares are subject to change registration later. Please refer to Note VI (7) for details.The number of shares outstanding at the beginning and the end of the common shares of the Company is adjusted as follows:

Unit: thousand shares

	2017	2016
January 1	40,000	40,000
Corporate bonds convert common shares	4,0016	-
June 30	44,016	40,000

2. The Company decided on December 7, 2015, upon the resolution of the board of directors, to cash increase for issue 10,000 thousand new shares with a nominal value of $10 per share. The issue price per share was $27.65; the capital increase has been approved on March 17, 2016 by the Financial Supervisory Commission

with the approval letter No. 1050004642, and approved by the board of directors on March 22, 2016, and May 5, 2016 as the capital increase date. However, on May 13, 2016, the resolution of the interim board of directors was suspended and the cash replenishment was stopped. The case was canceled on May 19, 2016 by the Financial Supervisory Commission No. 1050020158.

3.On March 24, 2017, the Company, through the resolution of the board of directors, made a capital increase of 14,000 thousand shares with a nominal value of $10 to be issued at a premium of $36 per share. The Company is expected to raise $504,000 thousand.

4. The Company passed the proposed shareholders 'meeting on June 20, 2017 to approve the increase in cash by means of private placement. The purpose of increasing the capital by private placement is to increase the working capital. The number of private shares is 15,000 thousand shares, which is one year from the resolution date of the shareholders' meeting within three times for handling.

(K) Capital reserve

1. According to the Company Law, the over amount of shares issued in excess of par value and capital surplus of gift income, apart from being used to make up for losses, in the absence of any accumulated losses in the company, new shares or cash are issued in proportion to the original shares of the shareholders. In addition, according to the relevant provisions of the Securities and Exchange Act., the above capital reserve capitalization of capital reserve, each of its total number does not exceed 10% of the paid-up capital. When a company is not deficient in surplus reserves to cover its capital losses, it may not supplement it with capital reserve.
2. For details of capital reserve - share options, please refer to Note VI (7).

(L) Retained Earnings

1. In accordance with the Articles of Association of the Company, if there is a surplus in the annual total accounts, the tax shall be first collected to make up for the losses previously made, and the remaining 10% shall be statutory surplus reserves. The remaining balances shall be submitted by the board of directors to the shareholders for resolution on the remaining undistributed earnings of the previous years reserved or assigned; dividend distribution of shareholders, the cash dividend distribution ratio of not less than 30%. The rest is distributed in the form of stock dividends.

2. Statutory surplus reserve shall not be used except for offsetting the company's loss and issuing new shares or cash in proportion to the original shares of the shareholders; however, to the new shares or cash, the public reserve exceeds 25% of the paid-up capital.
3. When the Company distributes the surplus, according to the law, it shall distribute the special surplus reserve for the debit balance of the other equity items on the balance sheet date of the current year, the balance of the other equity items is subsequently reversed, the amount of the reversal shall be included in the distributable surplus.
4. The Company, on June 29, 2016, resolved by shareholders' meeting, to make up for the accumulated loss by the net profit after taxation for the year 2015, so no surplus will be distributed.
5. The Company accumulated losses in 2016 without surplus. The Company made a motion to make up the loss for the year of 2016, which was approved by the shareholders' meeting on June 20, 2017.
6. Please refer to Note VI (14) for details on remuneration (bonus) and remuneration information of directors and supervisors.

(M) Other benefits and losses

	April 1- June 30, 2017		April 1- June 30, 2016	
Net (loss) profit on financial assets and liabilities measured at fair value through profit or loss	($	55)	$	45
Net foreign exchange loss		1,237		814
Miscellaneous expenses	(	1,081)	(	87)
Total	$	101	$	772

	January 1-June 30, 2017		January 1-June 30, 2016	
Net (loss) profit on financial assets and liabilities measured at fair value through profit or loss	($	357)	$	385
Net foreign exchange loss	(	6,667)	(	6,157)
Miscellaneous expenses	(	1,081)	(	93)
Total	($	8,105)	($	5,965)

(N) Employee benefits, depreciation and amortization expenses (all are operating expenses)

	April 1- June 30, 2017	April 1- June 30, 2016
Employee benefits costs		
Salary costs	$ 19,525	$ 24,524
Labor health insurance costs	1,022	997
Pension costs	1,096	1,488
Other costs of employment	551	630
	$ 22,194	$ 27,639
Depreciation expenses - Operating expenses	$ 680	$ 1,178
Depreciation expenses - Operating costs	$ 615	$ -
Amortization expenses - Operating expenses	$ 170	$ 113
Amortization expenses - Operating costs	$ -	$ 1,250

	January 1- June 30, 2017	January 1- June 30, 2016
Employee benefits costs		
Salary costs	$ 37,942	$ 50,127
Labor health insurance costs	2,006	2,508
Pension costs	2,164	3,274
Other costs of employment	1,064	1,557
	$ 43,176	$ 57,466
Depreciation expenses - Operating expenses	$ 2,042	$ 2,271
Depreciation expenses - Operating costs	$ 615	$ -
Amortization expenses - Operating expenses	$ 341	$ 277
Amortization expenses - Operating costs	$ -	$ 2,500

1. According to the Company passed the amendment of the Articles of Association by the board of directors, if the Company's annual accounts make any profit, employees should be remunerated at a rate of 1% to 5%, however, when the company still has accumulated losses, it should reserve the amount of compensation in advance.
2. The Company has accumulated losses for the period June 30, 2017, December 31, 2016 and June 30, 2016, so there is no need to assess the employee bonus and director's remuneration. The employees and director's remuneration information passed by the board of directors of the Company can be found at the "Market Observation Post System".

(Q) Income tax

1. Income tax costs

(1) Income tax costs component:

	April 1- June 30, 2017	April 1- June 30, 2016
Current income tax：		
Income tax arising from current income	$ 1,700	$ 892
Income tax in previous years is overvalued	-	(138)
Total current income tax	1,700	754
Deferred income tax：		
The original generation and rotation of temporary differences	2,153	27
Income tax (benefit) costs	$ 3,853	$ 781

	January 1- June 30, 2017	January 1- June 30, 2016
Current income tax：		
Income tax arising from current income	$ 3.400	$ 1.438
Income tax in previous years is overvalued	-	(138)
Total current income tax	3.400	1.300
Deferred income tax：		
The original generation and rotation of temporary differences	1.345	(145)
Income tax (benefit) costs	$ 4.745	$ 1.155

(2) Income tax related to other comprehensive income:

	April 1- June 30, 2017	April 1- June 30, 2016
Foreign operating agencies conversion difference	($ 271)	($ 46)
	January 1- June 30, 2017	January 1- June 30, 2016
Foreign operating agencies conversion difference	$ 2,509	$ 118

2. The profit-making business of the Company tax revenue tax collection agencies approved by the government to 2015.

3. Up to June 30, 2017, December 31, 2016 and June 30, 2016, the balance of debit balance of shareholders of the Company amounted to $ 39,240. The Company was accumulated losses in both 2016 and 2015 years and therefore no expected deductible tax rate.

(R) Profits (Loss) per share

	April 1- June 30, 2017		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Loss per share (NT $)
Basic profits per share			
Net profits attributable to common shares holders of Parent	$ 7,141	43,980	$ 0.16

	April 1- June 30, 2016		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Loss per share (NT $)
Basic profits per share			
Net profits attributable to common shares holders of Parent	($ 19,916)	40,000	($ 0.15)

	January 1- June 30, 2017		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Loss per share (NT $)
Basic profits per share			
Net profits attributable to common shares holders of Parent	$ 317	42,758	$ 0.01

	January 1- June 30, 2016		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Loss per share (NT $)
Basic profits per share			
Net profits attributable to common shares holders of Parent	($ 35,585)	40,000	($ 0.89)

(R) Business combination

1.On July 1, 2016, the Group expects to acquire 100% equity interests in Jianhua Travel Co., Ltd. with a cash consideration of $ 1,000 plus the net equity interest $40 0 in the acquisition date as the consideration for the acquisition and control of Jianhua Travel Co., Ltd. The company operates domestic and international travel business and the Group expects to strengthen the operation of international medical business after the acquisition.

2. Fair value information on consideration paid for acquisition of Jianhua Travel Co., Ltd., assets acquired and liabilities assumed at the acquisition date is as follows:

	July 1, 2016	
Acquisition of consideration		
Cash	$	1,000
Other payables		400
	$	1,400
Fair value of identifiable assets and liabilities assumed		
Cash		2
Other non-current assets		400
Other current liabilities	(	2)
Total net identifiable assets		400
Goodwill	$	1,000

3. Since the merger of Jianhua Travel Co., Ltd. with the Company on July 1, 2016, the revenue and pretax losses contributed by Jian Hua Travel Co., Ltd. were $ 473 and ($ 178) respectively. If it is assumed that Jianhua Travel Co., Ltd. has been included in the consolidation since January 1, 2016, the Group's operating income and net loss before tax will be respectively $ 1 ,663 ,64 4 and ($68 ,40 6).

(T) Business lease

The Group leases offices and warehouses under operating leases for a period of one to three years. For the year of 2017 and from April 1, 2016 to June 30, 2016 and for the year of 2017 and from January 1, 2016 to June 30, 2016, recognized respectively $ 2, 947, $ 3,364, $ 5,892 and $ 7,262.The total amount of the minimum lease payments to be paid in the future as stipulated in the lease is as follows:

	June 30, 2017		December 31,2016		June 30, 2016	
No more than 1 year	$	6,369	$	8,767	$	12,051
More than 1 year but not more than 5 years		573		2,390		7,121
	$	6,942	$	11,157	$	19,172

(S) Cash flow supplementary information

Not affect the cash flow of fund-raising activities:

1. Only part of the cash paid investment activities：

	January- June, 2017	January- June, 2016
Purchase of real estate, plant and equipment	$ 7.173	$ 146,288
Plus: Notes payable for the purchase of real property, plant and equipment at the beginning of the period	807	-
Minus: Notes payable for the purchase of real property, plant and equipment at the end of the period	-	(1,852)
Current payment of cash	$ 7,980	$ 1,979
Purchase of intangible assets	$ -	$ -
Plus: Intangible assets payable at the beginning of the period	-	20,000
Minus: Intangible assets payable at the end of the period	-	(20,000)
Current payment of cash	$ -	$ -

2. Not affect the cash flow of fund-raising activities:

	January- June, 2017	January- June, 2016
Execution of sell-back corporate bonds (as listed in "Other current liabilities") due within one year or one business cycle	$ -	$ 146,552
Convertible bonds convertible into common shares (including conversion premiums)	$ 148,779	$ -

VII.、Party Trading

(A) The name and relationship of Parties

No.

(B) The major transactions with Parties

No.

(C) The main management salary information

	April 1- June 30, 2017	April 1- June 30, 2016
Salary and other short-term employee benefits	$ 2,883	$ 3,680
After retirement benefits	143	251
Total	$ 3,026	$ 3,931

	January 1- June 30, 2017	January 1- June 30, 2017
Salary and other short-term employee benefits	$ 5,665	$ 8,671
After retirement benefits	281	547
Total	$ 5,946	$ 9,218

VIII. Mortgage (Pledge) of assets

Details of the Group's asset guarantees are as follows:

	Book value			
Names of Assets	June 30, 2017	December 31, 2016	June 30, 2016	Secured use
Other current assets				
- Current account special account	$ 3,221	$ 3,414	$ 3,416	Short-term loan guarantee
- Certificate of deposit	4,800	4,800	2,000	Customs margin guarantee
Real estate, plant and equipment				
- Land	17,209	17,209	17,209	Short-term credit line guarantee
- Houses and buildings	29,843	30,238	30,633	〃
	$ 55,073	$ 55,661	$ 53,258	

IX. Major or unrecognized liabilities of contract promise

(A) Something matters

No.

(B) Commitment matters

1. Up to June 30, 2017, the Company issued a guaranteed ticket of $ 40,000 to suppliers for purchase.
2. Up to June 30, 2017, the Company entered into a purchase contract with a bank loan amount of $ 5,000 as a performance bond.
3. The amount of guarantee paper and endorsement issued by the Company for the borrowings of the subsidiaries on June 30, 2017, December 31, 2016 and June 30, 2016 were $4 5,630 (US $ 1,500 thousand), $48,375(US $ 1,500 thousand) and $48,413 (US $ 1,500 thousand) respectively.
4. The amount of short-term guaranteed borrowings borrowed by the Group's shared financial institutions, all were NT $ 45,000 thousand and US $ 1,500 thousand for June 30, 2017, December 31, 2016 and June 30, 2016; on June 30, 2017 and on December 31, 2016 and on June 30, 2016 to provide NT $ 60,000 thousand promissory note; the amount of guarantee provided beforehand had been used NT $ 5,000 thousand on June 30, 2017, December 31, 2016 and June 30, 2016. Up to August 11, 2017, NT $ 5,000 thousand has been used.
5. Signed but not yet incurred capital expenditures

		June 30, 2017		June 30, 2016
Real estate, plant and equipment	$	35,000	$	-
Intangible assets (Note)		343,750		-
Total	$	378,750	$	-

Note: On December 21, 2016, the Company signed a start-up contract with CellSeed Inc. of Japan for the cooperation in regenerative medicine of cell sheets for the purpose of expanding the Company's research and development of biomedicine and business and promoting the innovative transformation of the company's regenerative medicine.

On January 6, 2017, the Company paid JPY 50,000,000 (equivalent to $ 13,850) in accordance with the activation contract. On March 24, 2017, the board of directors of the Company signed a contract for the contract of renaissance of cell layer regenerative medicine with CellSeed Inc. of Japan. Both parties signed the contract of regenerative medicine cooperation on April 24, 2017. The contract price was JPY 1,250,000,000 (Equivalent to $ 343,750).

X. Major disaster losses

No.

XI. Material subsequent events

NO.

XII. Others

(A)Financial report expression

The Group's capital management objectives are to safeguard the Group's ability to continue operations, maintain the optimal capital structure to reduce capital costs and provide remuneration to shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce its debt.

(B)Financial instruments

1. Fair value information on financial instruments

(1) The Group does not measure the fair value of financial instruments (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, deposits, short-term borrowings, notes payable, accounts payable (including related parties) and other payables and corporate bonds payable) is a fair approximation of fair value. Please also refer to Note 12 (3) for details of the fair value of financial instruments measured at fair value.

(2) Long-term loans (including one-year or one-business-cycle expiration) adopt the

floating interest rate and the fair value is estimated at their book values because the discount value has little effect.

2. Financial Risk Management Policy

(1) The Group's ordinary operations are affected by a number of financial risks, including market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to reduce the potential adverse impact on the Company's financial position and financial performance.

(2) Risk management is performed by the financial department of the Group in accordance with the policies approved by the board of directors. The Group's finance department is responsible for identifying, assessing and circumventing financial risks through its close cooperation with the operating units of the Company. The board of directors has written principles on overall risk management and also provides written policies on specific areas and issues such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investment in the remaining liquidity.

3. The nature and extent of the significant financial risk

(1) Market risk

Currency risk

A. The Group operates across borders and therefore is subject to exchange rate risk in a number of different currencies, mainly the US dollars. The relevant exchange rate risk arises from future business transactions, assets and liabilities already recognized and net investments in foreign operating agencies.

B. The management of the Group has established policies that require each company in the company to manage the exchange rate risk relative to its functional currency.

C. The Group holds investments in certain foreign operating agencies and its net assets are exposed to foreign currency translation risk.

D. The Group's operations involve certain non-functional currencies (The functional currency of the Company is NTD, and the functional currencies of some subsidiaries are HKD and SGD). Therefore, the foreign currency assets and liabilities with the effect of significant exchange rate fluctuations under the influence of exchange rate fluctuations are as follows:

	June 30, 2017			
(Foreign currency: functional currency)	Foreign Currency (thousand)	Exchange rate		Carrying amount (NTD)
Financial assets				
Monetary items				
USD：NTD	$ 3,405	30,42	$	103,580
USD：HKD	6,386	7,808		194,262
USD：SGD	3,028	1,380		92,112
Financial liabilities				
Monetary items				
USD：NTD	1,265	30,42		38,481
USD：HKD	2,999	7,808		91,230
USD：SGD	597	1,380		18,161

	December 31, 2016			
(Foreign currency: functional currency)	Foreign Currency (thousand)	Exchange rate		Carrying amount (NTD)
Financial assets				
Monetary items				
USD：NTD	$ 4,564	32,25	$	147,189
USD：HKD	5,307	7.755		171,151
USD：SGD	2,993	1,447		96,524
Financial liabilities				
Monetary items				
USD：NTD	1,746	32,25		56,309
USD：HKD	2,341	7,755		75,497
USD：SGD	245	1,447		7,901

	June 30, 2016			
(Foreign currency: functional currency)	Foreign Currency (thousand)	Exchange rate		Carrying amount (NTD)
Financial assets				
Monetary items				
USD：NTD	$ 6,831	32,275	$	220,471
USD：HKD	6,055	7,80		195,425
USD：SGD	3,564	1.350		115,028
Financial liabilities				
Monetary items				

USD：NTD	3,676	32,275	118,643
USD：HKD	3,460	7,80	111,672
USD：SGD	567	1.350	18,300

E. The monetary items of the Group have a significant effect on the exchange gains (losses) recognized for the year of 2017, from April 1, 2016 to June 30, 2016, and for the year of 2017, from January 1, 2016 to June 30, 2016, the aggregated amounts were $1,237, $ 814 , ($6, 667) and ($6 ,157) respectively.

F. The foreign currency market risk analysis of the Group due to significant exchange rate fluctuation is as follows:

	January 1 - June 30, 2017		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Change range	Impact on after-tax profit and loss	Impact on other comprehensive income after tax
Financial assets			
Monetary items			
USD：NTD	1%	$ 1,036	$ -
USD：HKD	1%	1,943	-
USD：SGD	1%	921	-
Financial liabilities			
Monetary items			
USD：NTD	1%	385	-
USD：HKD	1%	912	-
USD：SGD	1%	182	-

	January 1 - June 30, 2016		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Change range	Impact on after-tax profit and loss	Impact on other comprehensive income after tax
Financial assets			
Monetary items			
USD：NTD	1%	$ 2,205	$ -
USD：HKD	1%	1,954	-
USD：SGD	1%	1,150	-
Financial liabilities			
Monetary items			
USD：NTD	1%	1,186	-
USD：HKD	1%	1,117	-
USD：SGD	1%	183	-

Price risk

A. As the investments held by the Group are classified as financial assets measured at fair value through profit or loss in the consolidated balance sheet, the Group exposes the price risk of equity instruments. The Group is not exposed to the risk of commodity price risk. In order to manage the price risk of an investment in an equity instrument, the Group diversifies its investment portfolio in a manner that is based on the limits set by the Group.

B. The Group mainly invests in equity instruments in Taiwan and the price of such equity instruments will be affected by the uncertainty of the future value of the investment targets. If the prices of these equity instruments rise or fall by 1% while all other factors remain unchanged, the net profit after taxation for the period from January 1 to June 30, 2017 will be due to the equity instruments measured at fair value through profit or loss Profit or loss will increase or decrease by $ 39.

(2) Credit risk

A. Credit risk is the risk of financial loss to the Group arising from the inability of the customer to perform its contractual obligations. The Company's internally managed credit policies govern the management and credit risk analysis of each of its new customers prior to the payment of the terms of the payment and delivery of the terms and conditions of delivery to the individual operating entities within the Group. The internal risk management department assesses the credit quality of the client by considering its financial position, past experience and other factors. The main credit risk arises from undiscounted accounts receivable and committed transactions.

B. In the year of 2017 and from January 1, 2016 to June 30, 2016, there was no credit limit exceeded. In addition, the debtors of the receivables of the Group have good credit and are mostly domestic electronics manufacturers, so they have not been assessed as having significant credit risk.

C. Aging analysis information overdue but not derogating from financial assets of the Group please refer to Note 6(3) for the explanation of each financial asset.

D. Individual analysis of the Group's derecognized financial assets Please refer to Note 6 for explanation of each financial asset.

E. The Company provided its loan guarantee undertaking in accordance with the "Procedure Governing Endorsements and/or Guarantees", and only for subsidiaries which directly controlled over 50% of the Company. As the creditworthiness of these companies can be fully mastered, they are not required to provide collateral. If all of them fail to perform their obligations, the credit risk that may have occurred is the guaranteed amount.

(3) Liquidity risk

A. The cash flow forecast is implemented by individual operators within the group and is aggregated by the group finance department. The Group's finance department monitors the Group's liquidity requirements forecast to ensure that it has sufficient funds to meet operating needs and maintain sufficient borrowing commitments at any time. These projections take into account the group's debt financing plans and the terms of the debt to be followed, In line with the financial ratios of the internal balance sheet.

B. The following tables represent the Group's non-derivative financial liabilities grouped by their respective maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The amount of contractual cash flows disclosed in the table below represents the undiscounted amount.

Non-derivative financial liabilities:				
June 30, 2017	1 year or less	Within 1 to 2 years	Within 2 to 5 years	5 years or more
Notes payable	$ 396	$ -	$ -	$ -
Accounts payable	154,262	-	-	-
Other payables	17,657	-	-	-
Deposit(as listed in "Other current liabilities")	3	-	-	-
Non-derivative financial liabilities:				
December 31, 2016	1 year or less	Within 1 to 2 years	Within 2 to 5 years	5 years or more
Notes payable	$ 1,077	$ -	$ -	$ -
Accounts payable	150,223	-	-	-
Other payables	31,455	-	-	-
Execution of sell-back corporate bonds (as listed in "Other current liabilities") due within one year or one business cycle	150,000	-	-	-
Deposit(as listed in "Other current liabilities")	3	-	-	-
Non-derivative financial liabilities:				

June 30, 2016	1 year or less	Within 1 to 2 years	Within 2 to 5 years	5 years or more
Notes payable	$ 1,978	$ -	$ -	$ -
Accounts payable	261,478	-	-	-
Other payables	44,225	-	-	-
Execution of sell-back corporate bonds (as listed in "Other current liabilities") due within one year or one business cycle	150,000	-	-	-
Deposit(as listed in "Other current liabilities")	3	-	-	-

1. Please refer to Note 12 (1) 1. for details of the fair value of the Group's financial assets and financial liabilities not measured at fair value.
2. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

   Level 1: Quoted prices (unadjusted) in active markets of the same assets or liabilities that the Company obtains on the measurement date. An active market is a market in which transactions in assets or liabilities of sufficient frequency and quantity occur to provide pricing information on an ongoing basis.

   Level 2: Inputs for the asset or liability, directly or indirectly, are observable except where quoted prices have been included in level 1.

   Level 3: Assets or liabilities cannot be observed input values.
3. The financial instruments measured at fair value of the Group for June 30, 2017, December 31, 2016 and June 30, 2016 based on the nature, characteristics and risks and the fair value hierarchy of the Group classification, related information is as follows:

June 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss				
-Open-end funds	$ 4,731	$ -	$ -	$ 4,731
Liabilities				
Repetitive fair value				
Financial liabilities at fair value through profit or loss				
- Embedded in the option of	$ -	$ -	$ -	$ -

convertible bonds

December 31, 2016	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss				
-Open-end funds	$ 5,088	$ -	$ -	$ 5,088
Liabilities				
Repetitive fair value				
Financial liabilities at fair value through profit or loss				
- Embedded in the option of convertible bonds	$ -	$ -	$ -	$ -

June 30, 2016	Level 1	Level 2	Level 3	Total
Liabilities				
Repetitive fair value				
Financial assets at fair value through profit or loss				
-Open-end funds	$ -	$ -	$ 15	$ 15

4. The methods and assumptions used by the Group to measure fair value are as follows:
   The Group adopts the market quotation as the input value of fair value (ie the first grade). According to the characteristics of the instruments, the quoted price of the open-end fund market is based on the net value.
5. The year of 2017 and from January 1, 2016 to June 30, 2016, there is no transfer between Level 1 and Level 2.
6. The table below shows the changes in Level 3 in 2017 and from January 1, 2016 to June 30, 2016：

	2017	2016
January 1	$ -	($ 300)
Evaluation of profit or loss	-	285
June 30	$ -	($ 15)

7. The Group's evaluation process of categorizing the fair value at the third level is conducted by the accounting department in charge of the independent fair value verification of the financial instrument, using independent source data to bring the evaluation results close to the market state, the data sources are confirmed to be independent, reliable, consistent with other resources and representing the executable price, and the evaluation models are regularly calibrated, retrospectively tested, the input values and data needed for the evaluation models are updated, and others any necessary fair value adjustments to ensure that the evaluation results are reasonable.

8. An analysis of the sensitivity of quantitative information and significant unobservable inputs to the material unobservable inputs of the evaluation model used in the Level 3 fair value measurement is as follows:

	June 30 , 2017 Fair value	Evaluation skill	Significant unobservable inputs	Interval (weighted average)	The relationship between input value and fair value
Derivatives：Option	$ -	binomial model	Volatility	37.67%	The higher the volatility, the higher the fair value.

	December 31 , 2016 Fair value	Evaluation skill	Significant unobservable inputs	Interval (weighted average)	The relationship between input value and fair value
Derivatives：Option	$ -	binomial model	Volatility	36.42%	The higher the volatility, the higher the fair value.

	June 30 , 2016 Fair value	Evaluation skill	Significant unobservable inputs	Interval (weighted average)	The relationship between input value and fair value
Derivatives：Option	$ 15	binomial model	Volatility	49.80%	The higher the volatility, the higher the fair value.

9. The Group, after careful assessment of the evaluation model and evaluation parameters chosen, justifies the measurement of fair value. However, different evaluation models or evaluation parameters may lead to different results of the evaluation. For financial liabilities classified as Level 3, the impact on the current profit or loss or other comprehensive income if the valuation parameters are changed is as follows:

			June 30, 2017			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Change	Favorable changes	Adverse changes	Favorable changes	Adverse changes
Financial liabilities						
Derivatives	1%	±	$ -	$ -	$ -	$ -

			December 31, 2016			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Change	Favorable changes	Adverse changes	Favorable changes	Adverse changes
Financial liabilities						
Derivatives	1%	±	$ -	$ -	$ -	$ -

			June 30, 2016			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Change	Favorable changes	Adverse changes	Favorable changes	Adverse changes
Financial liabilities						
Derivatives	1%	±	$ -	($ 10)	$ -	$ -

XIII. Reference of disclosures

Information about the investees should be disclosed in accordance with the audited financial statements of the investee companies. The following transactions with the subsidiaries are eliminated in the preparation of the consolidated report. The information disclosed below is for reference only.

(A) Information about major transactions

1. Loan to others: Please see Table I for details.
2. Endorsement guarantee for others: Please refer to Table II for details.
3. Securities held at the end of the period (excluding investment subsidiaries): Please refer to Table III for details.
4. Accumulative purchases or sales of the same security amounting to NT $ 300 million or over 20% of paid-up capital: None.
5. Acquisition of real estate amounting to NT $ 300 million or over 20% of paid-up capital: None.
6. Disposal of real estate amounting to NT $ 300 million or over 20% of the paid-up capital: None.
7. To enter into relationships with other people, the sales volume of NT $ 100 million or over 20% of the paid-in capital: None.
8. Receivables from related parties amount to NT $ 100 million or over 20% of the paid up capital: None.

9. Engaged in derivative financial transactions: None.
10. Business relationship between the parent company and its subsidiaries and its subsidiaries and significant transactions and amounts: Please refer to Table IIII for details.

(B) Transfer investment business information

Invested company name, location, etc. Related information（Does not include in Mainland invested companies）：Please refer to Table V for details.

(C) Mainland investment information

1. Invest in the cause of investing in the Mainland Related Information: Please refer to Table VI for details.
2. The significant transactions that occurred in the investee company of the mainland of China directly or indirectly through the third regional undertaking and the reinvestment of capital, its price, terms of payment, and unrealized gain / loss: Please refer to Table VII.

XIIII. Operating Department Information

(A) General information

The management of the Group has identified the departments to be reported based on the information reported by the decision makers in making their decisions. The Group conducts its business from a geographical point of view.

(B) Department information

The reportable departmental information provided by the Group to the chief operating decision maker is as follows:

	April - June, 2017						
			Taiwan				
	Hong Kong and Mainland	Southeast Asia	Electronic	Biomedical	Others	Reversal	Total
Revenue from external customers	$ 182,806	$ 93,490	$ 107,118	$ 1,767	$ 289	$ -	$ 385,470
Inter-departmental income	143	1,306	1,180	-	8	(2,637)	-
Total income	$ 182,949	$ 94,796	$ 108,298	$ 1,767	$ 297	($ 2,637)	$ 10,163
Department profit and loss	$ 14,956	$ 3,146	($ 342)	($ 7,555)	($ 85)	$ 43	($ 10,163)
Depreciation and amortization	$ 102	$ 182	$ 240	$ 941	$ -	$ -	$ 1,465

January-March, 2017							
			Taiwan				
	Hong Kong and Mainland	Southeast Asia	Electronic	Biomedical	Others	Reversal	Total
Revenue from external customers	$ 350,989	$ 161,410	$ 207,678	$ 2,000	$ 339	$ -	$ 722,416
Inter-departmental income	288	3,045	1,595	-	26	(4,954)	-
Total income	$ 351,277	$ 164,455	$ 209,273	$ 2,000	$ 365	($ 4,954)	$ 722,416
Department profit and loss	$ 22,864	$ 4,532	($ 6,143)	($ 9,078)	($ 356)	$ 100	$ 11,919
Depreciation and amortization	$ 262	$ 373	$ 518	$ 1,845	$ -	$ -	$ 2,998

April - June, 2016							
			Taiwan				
	Hong Kong and Mainland	Southeast Asia	Electronic	Biomedical	Others	Reversal	Total
Revenue from external customers	$ 414,721	$ 99,624	$ 482,486	$ 3,601	$ -	$ -	$ 1,000,432
Inter-departmental income	70	5,330	2,298	-	-	(7,698)	-
Total income	$ 414,791	$ 104,954	$ 484,784	$ 3,601	$ -	($ 7,698)	$ 1,000,432
Department profit and loss	$ 4,455	$ 8,395	($ 14,911)	($ 8,628)	$ -	$ -	($ 27,479)
Depreciation and amortization	$ 289	$ 377	$ 499	$ 3,883	$ -	$ -	$ 5,048

The Group does not provide a measure of the total assets and total liabilities of the chief operating decision maker for its operating decisions.

(C) Regulatory information on departmental profit and loss

External revenue reported to the chief operating decision maker is measured consistently with revenue in the income statement.

Profit and loss for the year of 2017 and from January 1, 2016 to June 30, 2016 are as follows:

	April - June, 2017	April - June, 2016
The department should report the undistributed amount of profit or loss	$ 10,163	($ 119,269)
Other income	739	232

Other benefits and losses	101	772
Financial costs	(9)	(870)
Income before tax from continuing operations	$ 10,994	($ 19,135)

	January - June, 2017	January - June, 2016
The department should report the undistributed amount of profit or loss	$ 11,919	($ 27,479)
Other income	1,917	671
Other benefits and losses	(8,105)	(5,965)
Financial costs	(669)	(1,657)
Income before tax from continuing operations	($ 5,062)	($ 34,430)

Table I

MetaTech Ltd. and subsidiaries Loan

January 1, 2017 to June 30, 2017

Unit: NT thousand

(Except special note)

Number (Note 1)	Lending funds company	Loan object	Contacts projects	Relationship	The current balance	Ending balance	Actual moving amount	Interest rate range	The nature of loan funds	Business deal amount	a reason for the need for short-term financing	prepare for the bad debts amount	Collateral Name	Collateral Value	Loans quotas on individual objects	The total limit of loan funds	Note
0	MetaTech Ltd.	Jianhua Travel Service Co., Ltd.	Other receivables	Y	$ 1,000	$ 1,000	$ -	2.0%	a need for short-term financing	$ -	Operating turnover	$ -	-	$ -	$ 119,828	$ 239,655	Note 3
0	MetaTech Ltd.	MetaTech (S) Pte Ltd.	Other receivables	Y	30,420	30,420	-	2.8%	a need for short-term financing	-	Operating turnover	-	-	-	119,828	239,655	Note 3 and Note 5
1	MTI Holding Co., Ltd.	MetaTech Ltd.	Other receivables	Y	31,345	30,420	-	2.5%	a need for short-term financing	-	Operating turnover	-	-	-	275,720	344,650	Note 4 and Note 5
1	MTI Holding Co., Ltd.	MetaTech Ltd.	Other receivables	Y	60,840	60,840	-	2.5%	a need for short-term financing	-	Operating turnover	-	-	-	275,720	344,650	Note 4 and Note 5

Note 1: The description of the number column is as follows:

(1) The issuer is filled 0.

(2) Invested companies by company name from the Arabic numerals 1, starting with the serial number.

Note 2：According to the Company's "Regulations governing loans", the total amount of foreign loans granted to the Company by the Company for business loans should not exceed the sum of the business transactions. The total lending of short-term financing facilities should not exceed the net value of the Company 40% of the total amount of loans to the same object not exceeding 20% of the net value of the company's limit.

Note 3：According to the Company's "Regulations governing loans", the total amount of foreign loans granted to the Company by the Company for business loans should not exceed the sum of the business transactions. The total lending of short-term financing facilities should not exceed the net value of the Company 40% of the total amount of loans to the same object not exceeding 20% of the net value of the company's limit.

Note 4：According to the Subsidiary’s "Regulations governing loans", the total amount of loans to foreign loans by a subsidiary shall not exceed the sum of its business loans due to the sum of its business loans；The total amount of short-term financing loans shall not exceed the net value of various asset lending companies 40 % of the total amount of loans to the same object not exceeding 20% of the net value of subsidiaries. For the related parties whose voting shares are directly or indirectly held by the parent company of 100% or more, the limit of not exceeding 100% of the net value of the subsidiaries. The total amount of loans to the same object shall not exceed 80% of the net value of the subsidiary.

Note 5 ： The current balance and the ending balance are translated into NTD at the period-end exchange rate (1 USD: 30.42 NTD)

MetaTech Ltd. and subsidiaries

Endorsement

January 1, 2017 to June 30, 2017

Unit: NT thousand

Table II

(Except special note)

Number (Note1)	Endorsement guarantor company	Endorsed objects		Endorsement guarantee limit for a single enterprise	The current balance of the highest endorsement guarantee	The end of the endorsement balance	Actual Drawing amount	Endorsed by property guarantee amount	The ratio of the accumulated endorsed guarantee amount to the net value of the latest financial statement	Endorsement ceiling	Subsidiary to the parent company guarantee endorsement	The parent company to Subsidiary guarantee endorsement	To Mainland endorsement guarantee	Note
		Company	Relation											
0	MetaTech Ltd.	MetaTech Ltd.	The third-tier subsidiary	$ 599,138	$ 47,018	$ 45,630	$ -	$ -	7.62	$ 599,138	Y	-	-	Note 2, Note 3, and Note 4

Note 1: The description of the number column is as follows:

(1) The issuer is filled 0.

(2) Invested companies by company name from the Arabic numerals 1, starting with the serial number.

Note 2 ：According to the "Regulations governing endorsement guarantee" of the Company, the Company's endorsed guarantee for single enterprise is limited to 60% of the net value of the Company.

Note 3：According to the "Regulations governing endorsement guarantee" of the Company, the total amount of external endorsement guarantees of the Company shall not exceed 80% of the net value of the Company.

Note 4 ： The balance of the end-of-period guarantee is converted into NTD at the period-end exchange rate (1 USD: 30.42 NTD).

MetaTech Ltd. and subsidiaries

Shares held at the end of the period (excluding investment subsidiaries, affiliates and joint-venture control)

January 1, 2017 to June 30, 2017

Unit: NT thousand

Table III

(Except special note)

Holding company	Type and name of shares	Open relationship with issuers of shares	Accounting subjects	End of period				Note
				Number of units	Book amount	Shareholding ratio	Fair value	
MetaTech Ltd.	Open Fund - Kemin Jacques selected diversified fund E earnings stocks	Not applicable	Financial assets at fair value through profit or loss - current	1,545	$ 4,731	-	$ 4,731	-

MetaTech Ltd. and subsidiaries

Business relationships and significant transactions between the parent company and its subsidiaries and its subsidiaries

January 1, 2017 to June 30, 2017

Unit: NT thousand

(Except special note)

Table IV

Number	Trader's name	Transaction object	Relationship with Trader	Transaction situation			
				Subject	Amount	Transaction terms	The combined total revenue or total assets ratio
0	MetaTech Ltd.	MetaTech Ltd.	1	Sales revenue	304	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	〃	〃	1	Accounts receivable	211	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	〃	〃	1	Other receivables	26	Advance payment, the end of 90 days	-
0	〃	MetaTech (S) Pte Ltd.	1	Sales revenue	1,291	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	〃	〃	1	Accounts receivable	356	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	〃	〃	1	Other receivables	19	Advance payment, the end of 90 days	
0	〃	Jianhua Travel Service Co., Ltd.	1	Rental income	100	According to the amount agreed by both parties	
2	MetaTech (S) Pte Ltd.	MetaTech Ltd.	2	Sales revenue	1,989	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	〃	MetaTech Ltd.	3	Sales revenue	1,056	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	〃	〃	3	Accounts receivable	219	According to the two sides agreed gross margin, payment conditions is open account 90 days	-

3	MetaTech Ltd.	MetaTech Ltd.	2	Other receivables	244	Advance payment, the end of 90 days	
3	〃	MetaTech (S) Pte Ltd.	3	Sales revenue	288	According to the two sides agreed gross margin, payment conditions is open account 90 days	
3	〃	MetaTech (SZ)	3	Sales revenue	45,659	According to the two sides agreed gross margin, payment conditions is open account 90 days	6%-
3	〃	〃	3	Accounts receivable	43,782	According to the two sides agreed gross margin, payment conditions is open account 90 days	6%
4	Jianhua Travel Service Co., Ltd.	MetaTech Ltd.	2	Labor income	26	The same general conditions of service, with the collection and general customers	-
4	〃	〃	2	Refundable deposits	30	According to the two sides agreed lease deposit	-

Note 1: Information about the business dealings between the parent company and the subsidiaries should be separately indicated in the numbered columns, with the numbers as follows:

Note 2: There are three types of relationship with the trader, indicating the type (if the parent company or subsidiary between the same transaction, you do not need to repeat.) Such as: the parent company transactions in subsidiaries, if the parent company has been exposed, The subsidiary part does not need to be disclosed repeatedly; the transaction of the subsidiary company to the subsidiary company, if one of its subsidiary companies has been disclosed, the other subsidiary company need not repeatedly disclose):

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiaries.

Note 3: The calculation of transaction amount represents the combined total revenue or total assets ratio, in the case of assets and liabilities item, the ending balance is calculated as the total consolidated assets; In the case of a profit or loss item, the cumulative amount in the period is calculated as the total consolidated revenue.

Note 4: Sales prices and receiving conditions and the general conditions of the transaction, the average customer collection period of 30 ~ 120 days.

MetaTech Ltd. and subsidiaries

Invested company name, location and other relevant information (not including mainland invested companies)

January 1, 2017 to June 30, 2017

Unit: NT thousand

Table V **(Except special note)**

Investment company name	**Name of invested company**	**Location**	**The main business**	**Original investment amount**		**Held at the end**			**Invested company current profit and loss**	**Investment profit and loss recognized in this period**	**Note**
				At the end of the period	**At the end of last period**	**Number of shares**	**ratio**	**Carrying amount**			
MetaTech Ltd.	MetaTech Investment Holding Co., Ltd.	British Virgin Islands	Engaged in holding and transfer of investment business	$ 333,065	$ 333,065	10,000,000	100	$ 344,650	$ 20,585	$ 20,585	The subsidiary
MetaTech Ltd.	Jianhua Travel Service Co., Ltd.	Taiwan	Engaged in tourism business	1,400	1,400	600	100	876	(346)	(346)	The subsidiary
MetaTech Investment Holding Co., Ltd.	MTI Holding Co., Ltd.	Samoa	Engaged in holding and transfer of investment business	333,065	333,065	10,000,000	100	344,650	20,585	20,585	The second-tier subsidiary
MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd.	Singapore	Electronic materials wholesale and retail	82,259	82,259	3,800,000	100	116,390	606	606	The third-tier subsidiary
MTI Holding Co., Ltd.	MetaTech Ltd.	Hong Kong	Electronic materials wholesale and retail	199,170	199,170	46,000,000	100	163,932	19,928	19,928	The third-tier subsidiary

MetaTech

MetaTech Ltd. and subsidiaries

Mainland Investment Information - Basic Information

January 1, 2017 to June 30, 2017

Unit: NT thousand

(Except special note)

Table VI

Name of invested company in Mainland China	The main business	Paid-in capital	Investment method	At the beginning of this period, the cumulative investment amount was remitted from Taiwan	In the current period, the amount of investment is remitted or withdrawn		At the end of the period, the cumulative investment amount was remitted from Taiwan	Invested company current profit and loss	The proportion of shareholding directly or indirectly invested by the Company	Current investment income recognized	The Carring amount of the end of investment	As of the current period, the investment income has been repatriated	Note
					remitted	withdrawn							
MetaTech (SZ)	Electronic materials wholesale and retail	$79,827	Invest in mainland companies by investing in existing companies in the third region	$79,827	$ -	$ -	$79,827	$ 2,720	100	$ 2,720	$ 11,044	$ -	Note 1 and Note 3

Company name	At the end of the current period, the total amount of investment remitted from Taiwan to the Mainland	Ministry of Economic Affairs Investment Commission approved the investment amount	According to the provisions of the Investment Commission approved by the Ministry of Economic Affairs to invest in the Mainland (Note 3)
MetaTech Ltd.	$ 79,827	$ 80,740	$ 359,483

Note 1: In cash, the subsidiary of the third region, Meta TechInvestment Holding Co., Ltd., was reinvested by its Sub-subsidiary, Meta TechLtd. The above cases were approved by the Investment Commission.

Note 2: Investment profit or loss is recognized in the investment company through the same period the parent company of the Taiwan certified public accountants financial statements recognized investment gains and losses.

Note 3: Paid-in capital and investment amount are translated into NT at the period-end exchange rate (1 USD: 30.42 NTD).

Note 4: According to Ministry of Economic Affairs on August 29, 2008, Economic Commission 09704604680, the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" was released and the cumulative investment made by investors in the Mainland, the upper limit is 60% of its net or consolidated net value, whichever is greater.

MetaTech Ltd. and subsidiaries

Mainland Investment Information - Significant transactions that occurred directly or indirectly with third-party businesses and investee companies investing in the Mainland

January 1, 2017 to June 30, 2017

Unit: NT thousand

Table VII

(Except special note)

Name of invested company in Mainland China	Sales Purchase		Property transactions		Accounts receivable (payable)		Endorsement of bills or provision of collateral		Financial intermediation				Others
	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	The highest balance	Ending balance	Interest rate range	Current interest	
MetaTech (SZ)	$ 45,659	6%	$ -	-	$ 43,782	6%	$ -	-	$ -	$ -	-	$ -	-