MetaTech Company Limited

Individual Financial Statements and Accountants' Review Report

2018 Annual and 2017 Annual

(Stock Code 3224)

Address:
14-3F, No. 75, Section 1, Xin Tai Fifth Road Xizhi District, New Taipei City
Telephone: (02)2698-3466

MetaTech Company Limited

Individual Financial Statements and Report of Independent Accountants

2018 Annual and 2017 Annual

Contents

MetaTech Company Limited

Individual Financial Statements and Report of Independent Accountants

2018 Annual and 2017 Annual

Contents

pwc PricewaterhouseCoopers Taiwan

Accountants' Review Report

(108) Financial Audit Report No. 18004202

Dear MetaTech Company Limited:

Opinion

Individual Balance Sheet of Metatech Company Limited, for the year of 2018 and December 31, 2017, Individual Comprehensive Income Statement, Individual Statement of Shareholders Equity and Individual Statement of Cash Flows for the year of 2018 and for a period from January 1 to December 31, 2017 have been already audited by the Accountant.

In the opinion of the accountant, the Individual financial statements in the first paragraph are prepared in all material respects in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", which are sufficient to express the financial situation of Metatech Company Limited for the year of 2018 and December 31, 2017 and cash flows and the financial performance for the year of 2018 and for the period from January 1, 2017 to December 31, 2017.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Ce1iified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of Metatech Company Limited in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the " Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtait1ed is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon; we do not provide a separate opinion on these matters.

The key audit matters for the 2018 annual individual financial statements of Metatech Company Limited are as follows:

Distribution warehouse sale revenue due to the appropriateness

Description

The accounting policies for the recognition of revenue are detailed in Note IV (28) of the financial statements.
The significant judgments adopted in the accounting policies for revenue recognition are detailed in Note V (1) to the financial statements. For the description of the operating income accounting subjects, please refer to Note VI (15) of the individual financial statements.
Metatech Company Limited sales model is divided into factory direct shipments and shipping warehouse two types. According to the IFRS 15 "Revenue from Contracts with Customers" approved by the Financial Supervisory Commission, assets are transferred when the client obtains control over the asset, and the company recognizes the sales revenue when the promised goods are transferred to the customer to meet the performance obligation. Since the delivery warehouse is located in Shanghai, the picker has obtained control over the asset when picking up the goods, but the asset transfer point is not fixed, and the management hierarchy relies on the statement prepared by the custodian of the shipment warehouse in accordance with the inventory movement as the basis for recognition income. Since the processing, recording and maintenance of report information involve manual work, it is easy to cause the income recognition time to be inappropriate or the inventory custody entity does not match the quantity on account book and the transaction amount before and after the end of the financial statements has a significant impact on the individual financial statements. Therefore, the accountant listed the appropriateness of the closing of the sales revenue of the warehouse as one of the important audit matters for the year.

In response to the checking procedure

The accountant's procedures for the appropriateness of the closing of the sales revenue of the warehouse are summarized as follows:

1 . According to the understanding of the company's operations and the nature of the industry, assess the shipping warehouse sales revenue recognized rationality of the policies and procedures and found to comply with the applicable financial reporting framework.

2 . To understand the process of receipt, management and delivery of the warehouse, and to evaluate and test the related internal controls, including checking the name, quantity and amount of items in the statements prepared by the custodian of the warehouse, checking the delivery schedule and the sales vouchers are consistent with the information and confirm that the revenue from inventory movements has been recorded in the appropriate period.

3 . For the period before and after the balance sheet sales of goods warehouse for a period of time the implementation of the closing of the transaction test, including check the delivery warehouse custodian detailed statement of the goods and inventory changes in the name, quantity and sales revenue amount, and confirm that it has been recorded in the appropriate period.

4 . Delivery warehouse for the implementation of the number of sentinel inquiry, and check to the system and the amount of inventory.

Realization of deferred income tax assets

Description

For the accounting policies of income tax, please refer to Note IV (25) of the financial statements for details. For the accounting estimates and assumptions of income tax, please refer to Note V (2) of the consolidated financial statements: For an explanation of income tax accounting items, please refer to Note VI (18) to the consolidated financial statements.

Deferred income tax assets of Metatech Company Limited as of December 31, 2018 amounted to $ 42,943 thousand. In assessing the achievability of deferred income tax assets, whether the management proposes to generate sufficient taxable income for future operating plans, including assumptions such as expected future market demand, economic conditions, income growth rate and cost estimates, the decision of the above assumptions often involves the subjective judgment of the management and is highly uncertain, therefore, the accountant has listed the achievable nature of the deferred income tax assets as one of the important audit matters for the current year.

In response to the checking procedure

The accountants' response procedures for the realization of the deferred tax assets are as follows:

1. To understand the operation and nature of the company so as to evaluate the reasonableness of management's future operation plan, including assessing the operation planning process and reviewing the operation plan in line with the management's approval.

2. Ask the management plan of operation plan and evaluate its intention and ability to execute.

3. Review the revenue, cost and expense growth assumptions used by management in future operations and compare with historic results, economic and industry forecasts to assess the reasonableness of estimating the future taxable income.

4. Evaluating the management's sensitivity analysis using alternative assumptions such as net profit-to-fulfillment ratios and confirming that management has properly dealt with the effect of uncertainty about the estimation uncertainty of future realizable taxable income.

Valuation of the allowance for impairment losses on inventories

Description

Please refer to Note IV (11) of the Individual Financial Statements for the accounting policy of the stock valuation. For details of the accounting estimates and assumptions of the stock valuation, please refer to Note V (2) of the Individual Financial Statements.
Please refer to Note VI (3) of the individual financial statements for the explanation of the accounting subjects for the loss of provision for inventories.

The inventory and allowance for impairment losses of Metatech Company Limited as of December 31, 2018 were $ 33,971 thousand and $ 1,479 thousand, respectively.
MetaTech Corporation Limited Company is semiconductor components distribution agents to sales of niche products mainly by the type of consumer products, communications products and connectors for the bulk. Because of a small number of diversified products, but also face fierce market price competition and a shorter life cycle, so the risk of falling inventories loss or obsolescence is higher.
The evaluation of the inventory of MetaTech Corporation Limited Company is based on the lower of the cost and the net realizable value. Due to the management's assessment of the allowance for impairment losses on inventories, including the identification of obsolete stocks and the net realizable value of decisions, often involving subjective judgments and therefore highly uncertain of the estimates, considering that the stock of MetaTech Corporation Limited Company and the loss on its contribution to the impairment have a significant impact on the individual financial statements, the accountant listed the assessment of the loss on provision for inventory decline as one of the

<u>In response to the checking procedure</u>

The accountants' response to the procedures for the assessment of the loss on impairment of inventories depreciated is as follows:

1. Based on an understanding of the nature of operations and industry, evaluate the reasonableness of the policies and procedures used in assessing the impairment loss on inventories.

2. Understand the warehouse management process, review its annual inventory plan and participate in the annual inventory count to assess management separation and control the effectiveness of obsolete stocks.

3. Verify that the management level is used to individually evaluate the inventory used for obsolescence. The correctness of the information in the report includes confirmation that the inventory movements fall within the appropriate age range.

4. Review the appropriateness of the basis for estimating the net realizable value of inventories, substantiate supporting documents such as product sales or purchase vouchers, and re-calculate and evaluate the reasonableness of management's decision to allow for the impairment loss.

Management and governance unit of the individual financial statements of the responsibility

The responsibility of the management is based on the individual financial statements expressed in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the IFRSs, IASs, Interpretations and Explanations issued by the Financial Supervisory Commission, and maintain the necessary internal control in connection with the preparation of the individual financial statements to ensure that the individual financial statements do not contain any material misstatement due to fraud or error.

In the preparation of the individual financial statements, the responsibilities of the management also include assessing the ability of Metatech Company Limited to continue operations, exposing the relevant issues and adopting the basis of continuing operations, unless the management intends to liquidate or discontinue the operation of the three subsidiaries and subsidiaries or have no other options than those practicable except for the liquidation or suspension of business.

The governance unit (including the audit committee) of Metatech Company Limited has the

Accountants check the financial statements of the responsibility

The purpose of the auditor's review of the individual financial statements is to obtain reasonable assurance as to whether the individual financial statements are entirely subject to material misstatement of fraud or error and to issue a verification report.

Reasonable conviction is highly conclusive, but verification conducted in accordance with the generally accepted auditing standards of the Republic of China does not guarantee that it will be able to detect major misrepresentation of the individual financial statements. Inaccurate expressions may result from mistakes or fraud. It is considered material if the individual amounts or aggregated amounts that are not properly expressed can reasonably be expected to affect the economic decisions made by the users of the individual financial statements.

The certified public accountants in accordance with the generally accepted auditing standards for checking, the use of professional judgment and maintain professional suspicion. The accountant also performs the following tasks:

1. To identify and assess the significant unrealistic presentation of the individual financial statements as a result of fraud or error; to design and implement appropriate responses to the assessed risks; and to obtain sufficient and appropriate evidence of verification as a basis for verifying the opinion. Because fraud may involve collusion, falsification, intentional omissions, misrepresentation, or excessive internal controls, the risk of not detecting a major misrepresentation due to fraud is higher than that resulting from the wrongdoer.

2. Obtain necessary understanding of the internal controls related to auditing and checking to design appropriate review procedures at the time, but the purpose is not to express an opinion on the effectiveness of the internal control of Metatech Company Limited.

3. Assess the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made.

4. Based on the evidence obtained from the examination, it is concluded that there is material uncertainty regarding the appropriateness of the management to adopt the basis for continuing operations and the events or circumstances that may give rise to significant doubts as to the ability of Metatech Company Limited to continue as a going concern. In the opinion of the Accountants, there is a serious uncertainty about the events or circumstances, the audit report should remind the users of the individual financial statements to pay attention to the relevant disclosures in the individual financial statements or to correct the audit opinions if the disclosures are not appropriate. The Accountants' conclusion is based on the evidence of the fragrance obtained at the date of the audit report. However, future events or circumstances may

5. Assess the overall presentation, structure and content of the individual financial statements (including the related notes), and whether the individual financial statements are appropriate to represent the relevant transactions and events.

6. Obtain sufficient and appropriate verification evidence for the financial information of the individuals in the group to express an opinion on the individual financial statements. The accountant is responsible for the guidance, supervision and execution of the Company's check of the case, and is responsible for forming the Company's check opinion.

The communication between the accountant and the governing unit includes the planned scope and timing of the audit, as well as major audit findings including the significant absence of internal controls identified in the audit.
The accountants also provided the governing units with the statements concerning the independence of the ROC Certified Public Accountants, who are affiliated with the accounting firm and who are subject to independence. They also communicated with the governing unit all the relationships that may be considered to affect the independence of the accountants, and other matters (including related protective measures).

The accountants decided to check the key issues of 2018 Individual Financial Statements of Metatech Company Limited from the matters communicated with the governing unit.
This accountant clarifies these matters in the audit report, unless the law does not allow public disclosure of certain matters, or in rare cases, the accountant decides not to communicate certain issues in the audit report because it can reasonably be expected to negatively affect this communication. The impact is greater than the enhanced public interest.

PricewaterhouseCoopers Taiwan

Xu Ming Chuan
Accountants
Zhi Bing Jun

Former Executive Yuan Financial
Supervisory Commission Securities and Futures Bureau
Approval of number：
Finance Securities (6) NO.1050029449
Former Ministry of Finance Securities Commission
Approval of number：
(88) Taiwan Finance Securities（6）NO. 16120
March 26, 2019

PricewaterhouseCoopers, Taiwan PricewaterhouseCoopers, Taiwan

27F, 333, Keelung Road, Sec. 1, Xinyi Dist., Taipei City 11012, Taiwan / 27F, 333, Keelung Road, Sec. 1,

Xinyi Dist., Taipei City 11012, Taiwan

T: +886 (2) 27296666, F:+ 886 (2) 27576371, www.pwc.com/tw

MetaTech Company Limited
Individual Balance Sheet
2018 and December 31, 2017

Unit: NT $ thousand

	Assets	Reference	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 278,446	23	$ 34,445	5
1150	Notes Receivable	6(2)	1,427	-	2,861	-
1170	Net Accounts Receivable	6(2)	96,265	8	85,056	13
1180	Accounts Receivable - Net related parties	7	182	-	349	-
1200	Other Receivables		2,430	-	12,867	2
1210	Accounts Receivable - related parties	7	8,095	1	3,531	1
1220	Current Income Tax Assets		22	-	-	-
130X	Inventories	6(3)	32,492	3	30,488	5
1410	Prepayment		4,556	-	2,355	-
1470	Other Current Assets	6(1)&8	10,460	1	7,954	1
11XX	**Total Current Assets**		434,375	36	179,906	27
	Non-Current Assets					
1550	Investment in equity method	6(4)	375,399	31	351,442	53
1600	Property, Plant And Equipment	6(5),7&8	175,887	15	82,886	12
1780	Intangible assets	6(7)	136,975	11	13,860	2
1840	Deferred Income Tax Assets	6(18)	42,943	4	30,209	4
1900	Other Non-Current Assets	6(6)(9)	40,614	3	10,421	2
15XX	**Total Non-Current Assets**		771,818	64	488,818	73
1XXX	**Total Assets**		$ 1,206,193	100	668,724	100

(Continued)

MetaTech Company Limited
Individual Balance Sheet
2018 and December 31, 2017

Unit: NT $ thousand

	Liabilities and equity	Reference	December 31, 2018 Amount	%	December 31, 2017 Amount	%
	Current Liabilities					
2100	Short-Term Debt	6(15)	$ 20,000	2	$ -	-
2130	Contract liability-Current		$ 156	-	$ -	-
2150	Notes Payable		1,377	-	-	-
2170	Accounts Payable		70,475	6	48,925	7
2180	Accounts Payable-related parties	7	415	-	648	-
2200	Other Payables		25,158	2	7,745	1
2220	Other Payables-related parties	7	124	-	622	-
2250	Debt reserves - Current	6(10)	$ 4,433	-	$ 4,433	1
2300	Debt reserves - Current		430	-	288	-
21XX	**Total Current Liabilities**		122,568	10	62,661	9
	Non-Current Liabilities					
2570	Deferred Income Tax Liabilities	6(18)	10,736	1	6,515	1
2600	Other Non-Current Assets		30	-	33	-
25XX	**Total Non-Current Liabilities**		10,766	1	6,548	1
2XXX	**Total Liabilities**		133,334	11	69,209	10
	Capital	6(12)				
3110	Capital - Common Share		580,160	48	440,160	66
	Additional Paid-In Capital	6(13)				
3200	Additional Paid-In Capital		618,263	51	234,624	35
	Retained Earnings	6(14)				
3350	Deficit to be offset					
	Other Equity		(114,567)	(9)	(55,630)	(8)
3400	Other Equity		(10,997)	(1)	(19,639)	(3)
3XXX	**Total Equity**		1,072,859	89	599,515	90
	Significant Commitments and Contingent Liabilities	9				
	Material Subsequent Events	11				
3X2X	**Total Liabilities and Equity**		$ 1,206,193	100	$ 668,724	100

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

Chairman: Hu Li San　　Manager: Tang Hong De　　Account Manager: Zhan Zhi Cong

MetaTech

MetaTech Company Limited
Individual Comprehensive Income Statement
2018, and from January 1, 2017 to December 31, 2017

Unit: NT $ thousand
(Except for (earnings) loss NT $ per share)

	Entry	Reference	2018 Amount	2018 %	2017 Amount	2017 %
4000	**Operating Revenue**	6(15)(20)	$ 428,024	100	$ 407,625	100
5000	**Operating Costs**	6(3)&7	(382,030)	(89)	(360,563)	(89)
5950	**Net Gross Profit**		45,994	11	47,062	11
	Operating Expenses	6(17)(20)				
6100	Selling Expenses		(53,942)	(13)	(48,604)	(12)
6200	General Expenses		(52,087)	(12)	(17,763)	(4)
6300	Research and Development Expenses		(38,143)	(9)	(4,427)	(1)
6450	Expected credit impairment loss (or gain)	12(2)	1,645	-	-	-
6000	**Total Operating Expenses**		(142,527)	(34)	(70,794)	(17)
6900	**Operating Income**		(96,533)	(23)	(23,732)	(6)
	Non-Operating Income and Expenses					
7010	Other Income		10,380	2	2,705	1
7020	Other Gains & Losses	6(16)	7,103	2	(6,196)	(2)
7050	Financial Costs		(44)	(-)	(729)	-
7070	Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method		11,915	3	31,629	8
7000	**Total Non-Operating Income and Expenses**		29,354	7	27,409	7
7900	**Income Before Tax**		(67,179)	(16)	3,677	1
7950	Income(Expense) Tax Benefit	6(18)	9,435	2	1,512	-
8200	**Net Income**		($ 57,744)	(14)	$ 5,189	1
	Other Comprehensive Income					
	Items that may be subsequently reclassified into profit or loss					
8311	Re-measured of defined benefit plan	6(9)	($ 1,671)	-	$ 52	-
8349	Income tax related to non-reclassified items	6(18)	478	-	(4)	-
8310	**Total non-reclassified items**		(1,193)	-	48	-
	Items that may be subsequently re-classified into profit or loss					
8361	Exchange Differences on Translation of Foreign Financial Statements		10,042	2	(20,233)	(5)
8399	Income Tax Relating to Components of items that may be reclassified	6(18)	(1,402)	-	3,440	1
8360	**Total Items that may be subsequently reclassified into profit or loss**		8,642	2	(16,793)	(4)
8300	**Net Income (Loss) Of Other Comprehensive Income after Tax**		$ 7,449	-	($ 16,745)	(4)
8500	**Total Net Income (Loss) of Comprehensive Income**		($ 50,295)	(12)	($ 11,556)	(3)
	Net loss attributable to :	6(19)				
9750	**Total Primary Profit (Loss) per Share**		($ 1.01)		$ 0.12	
	Diluted Profit (Loss) per share	6(19)				
9850	**Total diluted Profit (Loss) per share**		($ 1.01)		$ 0.12	

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

Chairman: Hu Li San　　Manager: Tang Hong De　　Account Manager: Zhan Zhi Cong

MetaTech

MetaTech Company Limited
Individual Statement of Shareholders Equity
2018 and from January 1, 2017 to December 31, 2017

Unit: NT $ thousand

	Reference	Equity attributable to owners of parent							
			Capital reserve						
	Reference	Common Stock	Issue Premium	Employee Stock Option	Stock Option	Expired Stock Option	Deficit to be Offset	Exchange Differences on Translation of Foreign Financial Statements	Total equity
2017									
Balance on January 1, 2017		$ 400,000	$ 120,716	$ -	$ 5,205	$ 84	($ 400,000)	($ 400,000)	$ 462,292
Net profit		-	-	-	-	-	5,189	-	5,189
Other comprehensive net income		-	-	-	-	-	48	(16,793)	(16,745)
Total Comprehensive Income		-	-	-	-	-	5,237	(16,793)	(11,556)
Convertible Corporate Bonds Convert to Common Stocks	6(8)(12)	40,160	113,824	-	(5,205)	-	-	-	148,779
Balance on December 31, 2017		$ 440,160	$ 234,540	$ -	$ -	$ 84	($ 55,630)	($ 19,639)	$ 599,515
2018									
Balance on January 1, 2018		$ 440,160	$ 234,540	$ -	$ -	$ 84	($ 55,630)	($ 19,639)	$ 599,515
Net loss		-	-	-	-	-	(57,744)	-	(57,744)
Other Comprehensive Net Income		-	-	-	-	-	(1,193)	8,642	7,449
Total Comprehensive Income		-	-	-	-	-	(58,937)	8,642	(50,295)
Capital Increased by Cash	6(12)	140,000	364,000	-	-	-	-	-	504,000
Compensation Payable of Share-Based Payment	6(11)	-	2,665	16,974	-	-	-	-	19,639
Balance on December 31, 2018		$ 580,160	$ 601,205	$ 16,974	$ -	$ 84	$ 114,567	($ 10,997)	$ 1,072,859

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

Chairman: Hu Li San Manager: Tang Hong De Account Manager: Zhan Zhi Cong

MetaTech

MetaTech Company Limited
Individual Statement of Cash Flows
2018 and from January 1, 2017 to December 31, 2017

Unit: NT $ thousand

	Reference	from January 1, to December 31, 2018	from January 1, to December 31, 2017
Cash Flows From Operating Activities			
Individual net (loss) profit before tax		($ 67,179)	$ 3,677
Adjustments			
Income Charges (Credits)			
Depreciation Expense	6(5)(17)	5,842	4,798
Amortization Expense	6(17)	552	589
Allowance for Bad Debts Accounts (Turn to Income)	6(2)&12(4)	(1,645)	(2,503)
Net profit on financial assets and liabilities measured at fair value through profit or loss	6(16)&12(4)	-	308
Interest Expense		44	67
Amortization of corporate bonds payable		-	662
Interest Income		(489)	(280)
Share of Profit or Loss of Associates Accounted for Using Equity Method		(11,915)	(31,629)
Compensation Payable of stock-based payment	6(11)	19,639	-
Loss on disposal of Real Estate, Plant and Equipment	6(5)	24	-
Unrealized exchange gains and losses		(2,811)	4,438
Net Changes in Operating Assets			
Changes in Operating Assets			
Financial asset or liability held for trading		-	4,780
Notes Receivable		1,434	1,329
Accounts Receivable		(9,564)	14,377
Accounts Receivable-Related parties		167	298
Other Receivables		10,437	(12,104)
Other Receivables-Related parties		(4,564)	(3,496)
Inventory		(2,004)	4,768
Prepayments	6(10)	(2,201)	(1,113)
Other Current Assets		(398)	1
Net defined benefit assets		(47)	(61)
Net change in liability related to operating activities			
Contract liability		72	-
Notes Payable		1,377	-
Accounts Payable		21,550	(15,355)
Accounts Payable - related parties		(233)	(620)
Other Payables		12,176	(1,385)
Other Payables- related parties		(498)	(683)
Other Current Liabilities		226	(304)
Other Non-Current Liabilities		3	30
Cash Inflows (Outflows) From Operations		(30,011)	(29,411)
Interest Charged Incomes		489	280
Interest Paid Expenses		(44)	(67)
Income Tax Refund		-	14
Income Tax Paid		(22)	-
Net Cash Inflows (Outflows) from Operating Activities		(29,588)	(29,184)

MetaTech

MetaTech Company Limited
Individual Statement of Cash Flows
2018 and from January 1, 2017 to December 31, 2017

Unit: NT $ thousand

	Reference	from January 1, to December 31, 2018	from January 1, to December 31, 2017
Cash Flows from Investing Activities			
Increase (Decrease) in restricted assets		(2,108)	260
Purchase of Real Estate, Plant and Equipment	6(5)	(93,630)	(29,311)
Decrease (Increase) In Refundable Deposits	6(5)	(232)	11,129
Other non-current assets increase (decrease)		(32,137)	(1,709)
Purchase of intangible assets		(123,115)	(13,860)
Investments accounted for using equity method		(2,000)	-
Cash flows from investing activities		(253,222)	(33,491)
Net Cash Flow from Finance Activates			
Current Borrowing of Short-Term Loans		40,000	65,000
Current Repayments of Short-Term Loans		(20,000)	(65,000)
Cash increase		504,000	-
Net Cash Inflows (Outflows) From Finance activities		524,000	-
Effect of Exchange Rate Changes for cash and cash equivalents		2,811	(4,438)
Net Increase In Cash and Cash Equivalents		244,001	(67,113)
Cash and Cash Equivalents at Beginning of Year	6(1)	34,445	101,558
Cash and Cash Equivalents at End of Year	6(1)	$ 278,446	$ 34,445

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

Chairman: Hu Li San　　　Manager: Tang Hong De　　　Account Manager: Zhan Zhi Cong

MetaTech Company Limited
Notes to the consolidated financial statements
2018 annual and 2017 annual

Unit: NT $ thousand
(Except special note)

I. The Company history

Metatech Company Limited (Hereinafter referred to as "the Company") is according to the Company Law of the Republic of China in September 1998 set up, the main business are electronic materials, materials wholesale and retail business, and development and operation of the biomedical business such as 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 individual financial report was published on March 26, 2019 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 2018 IFRS:

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Amendments to IFRS 2, "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Method of applying IFRS 9" Financial Instruments "to IFRS 4 insurance contracts	January 1, 2018
IFRS 9 Financial Instruments	January 1, 2018
IFRS No.15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Explanations of IFRS 15 Revenues from Customer Contracts"	January 1, 2018
Amendments to IAS No.7 "Uncovering Plans"	January 1, 2017
Amendments to IAS No.12 "Recognition of unrealized losses on deferred tax assets"	January 1, 2017
Amendments to IAS 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 1, "First-time Adoption of International Financial Reporting Standards"	January 1, 2018

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Annual Improvements to the 2014-2016 Cycle - IFRS 12 Exposure to the Interests of Other Individuals	January 1, 2017
Annual Improvements to the 2014-2016 Cycle - IAS 28, Investments in Affiliates and Joint Ventures	January 1, 2018

Except as described below, the Company has not materially affected the financial position and financial performance of the Group after assessing the above criteria and interpretations:

1 . IFRS 9 Financial Instruments

(1) Financial assets Debt instruments are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and measured at amortized cost, based on the entity's business model and contractual cash flow characteristics financial assets. Financial assets Equity instruments are classified as financial assets at fair value through profit or loss unless the entity makes the irrevocable choice to recognize the fair value of the equity instruments for non-transactional purposes as other comprehensive income.

(2) Impairment assessment of financial assets Debt instruments should adopt expected credit loss model and assess whether the credit risk of the instrument increases significantly on each balance sheet date, so as to apply 12-month expected credit loss or expected credit during its existence loss (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. Accounts receivable (excluding material financial components) should be set aside for loss on the basis of the expected credit losses for the period.

(3) The amendment of general hedge accounting makes the accounting treatment more consistent with the risk management policy of the enterprise.
The components of the open non-financial project and the project group can be used as safe-haven projects, remove the 80%~125% high effective threshold for hedging, and the new hedge ratio of hedged items and hedging instruments can be rebalanced while the risk management objectives of the company remain unchanged.

(4) The Company's International Financial Reporting Standard No. 9 (hereinafter referred to as “IFRS 9”) adopts the non-reprogramming of the previous financial statements (hereinafter referred to as “corrected traceability”), which affects the impact of January 1, 2018, please refer to Note 12 (4) for details.

2 . International Financial Reporting Standard 15 "Revenue of Customer Contracts" and related amendments

When the Company first applied the International Financial Reporting Standard No. 15 (hereinafter referred to as "IFRS 15"), it chose not to rewrite the previous financial statements and adopt the revised retrospective transitional approach, and the income-related advance receipts for other current liabilities listed on January 1, 2018 are selected and reclassified to contractual liabilities-flowing items according to their nature, the impacts are summarized as follows:

(1) Expression of related liabilities of customer contracts

Due to the application of the relevant provisions of IFRS 15, the Group revised some of the accounting subjects expressed in the balance sheet as follows:

According to IFRS 15, the contractual liabilities relating to the sales revenue contract were expressed as other current liabilities on the balance sheet during the reporting period, with a balance of $84 on January 1, 2018.

(2) Please refer to Note VII (5) for the impact of the initial application of IFRS 15.

(B) <u>The impact of the newly released and revised international financial reporting standards recognized by the FSC has not been adopted</u>

The following table summarizes the new issued amendments and amendments to the IFRS guidance and interpretations applicable to the 2019 IFRS:

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Amendment to International Financial Reporting Standard No. 9 "Advance Repayment Characteristics with Negative Compensation"	January 1, 2019
IFRS No.16 Leases	January 1, 2019
Amendments to IAS 19 "Amendment, Reduction or Settlement of Plans"	January 1, 2019
Amendments to IAS 28 "Long-term interests in affiliated companies and joint ventures"	January 1, 2019
International Financial Report Interpretation No. 23 "Understanding Income Tax Treatment"	January 1, 2019
Annual improvement of the 2015-2017 cycle	January 1, 2019

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

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 (Except for the lease term of less than 12 months or the lease of assets with low value); lessor accounting treatment is still the same, according to business leasing and financial leasing two types of treatment, only to increase the relevant disclosure.

The Company will treat the lessee's lease contract in accordance with International Financial Reporting Standard No. 16, except that it does not rewrite the previous financial statements (hereinafter referred to as “corrected traceability”), and for January 1, 2019, the right to use assets and lease liabilities may each be increased by $53,434.

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

The following table sets out the criteria and explanations for the new release, amendment and revision of the International Financial Reporting Standards that have been published by the International Accounting Standards Board but not yet included in the FSC:

New release / amendment / amendment guidelines and explanations	The effective date of the release of the International Accounting Standards Board
Amendments to IAS 1 and IAS 8 "Exposure Initiative - Definition of Materiality"	January 1, 2020
Amendment to International Financial Reporting Standard No. 3 "Definition of Business"	January 1, 2020
Amendments to International Financial Reporting Standard 10 and IAS 28 “The sale or investment of assets between investors and their affiliates or joint ventures”	Waiting for being determined by the International Accounting Standards Board
International Financial Reporting Standard No. 17 "Insurance Contracts"	January 1, 2021

The Company's assessment of the above criteria and interpretations has no material impact on the Company's financial position and financial performance.

IV.A summary of significant accounting policies

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

(A) Follow the statement

The individual financial statements have been prepared in accordance with the IFRSs, IASs, Interpretations and Interpretations (IFRSs) issued by the FSC in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(B) The basis of preparation

1 . Except for the following important items, the individual 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 Company’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 individual financial statements. Please refer to Note 5 for further details.

3 . The Company applied IFRS 9 and IFRS 15 for the first time on January 1, 2018. It uses the revised retrospective to recognize the conversion difference as a retained surplus or other equity on January 1, 2018, and the financial statements and notes for 2017 have not been reorganized. 2017 annual is based on International Accounting Standards No. 39 (hereinafter referred to as "IAS 39"), International Accounting Standards No. 11 (hereinafter referred to as "IAS 11"), and International Accounting Standards No. 18 (hereinafter referred to as "IAS 18"), and the relevant explanations and explanations for the preparation of the announcement, the major accounting policies adopted and the description of the important accounting items, please refer to Note VII (4) and (5).

(C) Foreign Currency Exchange

Entries included in each individual financial report of the Company are measured in the currency of the primary economic environment in which the individual operates (functional currency). The individual 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

A. Assets and liabilities expressed in each of the balance sheets are translated at the closing rates at the balance sheet date;

B. Revenues and losses expressed in each individual statement of profit or loss are translated using the average exchange rates for the period; and

C. All exchange differences arising on conversion are recognized in other comprehensive income.

(D) <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) 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 Company 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 Company classifies all liabilities that do not meet the above criteria as non-current.

(E) <u>Cash Equivalents</u>

Cash equivalents are short-term, highly liquid investment that can be converted into fixed cash at any time with little risk of changes in value. The certificate of deposits is classified as approximate cash in accordance with the foregoing definition and is held for the purpose of meeting short-term cash commitments in operation.

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

1 . Financial assets that are not measured at amortized cost or measured at fair value through other comprehensive gain or loss.

2 . The Company's financial assets measured at fair value through profit or loss in accordance with the usual transactions are accounted for on the trade date.

3 . The Company's original transaction costs are measured at fair value through profit or loss, and subsequent gains and losses are recognized in profit or loss.

(G) Accounts receivable and notes receivable

1 . It refers to the accounts and bills that have been unconditionally charged for the right to exchange the value of the consideration due to the transfer of goods or services.

2 . Short-term accounts receivable and notes that are unpaid interest, the effect of discounting is not large, the company is measured by the original invoice amount.

(H) Impairment of financial assets

After accounting for all reasonable and verifiable information (including forward-looking), the financial assets measured at amortized cost and the accounts receivable with significant financial components are measured at each balance sheet date, for those who have not significantly increased the credit risk since the original recognition, the Company measures the allowance loss based on the 12-month expected credit loss amount; for those who have significantly increased the credit risk since the original recognition, the allowance loss is measured by the amount of credit loss expected during the existence period; for the accounts receivable that do not contain the significant financial component, the allowance loss is measured by the expected amount of credit loss during the duration.

(I) Excluding financial assets

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

(J) Operating lease (lessor)

Lease income from operating leases, net of any incentives given to the lessee, and amortization on a straight-line basis over the period of the lease is recognized in profit or loss.

(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) Equity method investment / subsidiary

1 . Subsidiaries refer to individuals (including structured individuals) controlled by the company, and when the company is exposed to rewards or remuneration for changes in the participation of the company, they enjoy rights, when the power of the individual is capable of affecting such remuneration, the company controls the individual.

2 . The unrealized profits and losses generated by the company and its subsidiaries have been sold. The accounting policies of the subsidiaries have been adjusted as necessary, consistent with the policies adopted by the company.

3 . The profits and losses of the company after the acquisition of the company's subsidiaries are recognized as current profits and losses, and other comprehensive income and losses after acquisition are recognized as other comprehensive profit and loss. If the loss share recognized by the company's subsidiary company equals or exceeds the equity in the subsidiary, the company continues to recognize the loss in proportion to the shareholding.

4 . Changes in the shareholdings of a subsidiary that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, that is, as transactions with the owner. The difference between the amount of adjustment of non-controlling equity and the fair value of the consideration paid or received is directly recognized as equity.

5 . When the company loses control of the subsidiary company, the remaining investment in the former company is revalued at the fair value, and is used as the fair value of the original recognized financial asset or originally recognized as the cost of the related enterprise or joint venture, the difference between the fair value and the carrying amount is recognized as the current profit or loss. For all funds previously recognized in other comprehensive profits and losses related to the company, the accounting process and the company have the same basis for directly disposing of assets or liabilities, in other words, the profit or loss previously recognized as other comprehensive profit or loss will be reclassified to profit or loss when the relevant assets or liabilities are disposed of. When the control over the subsidiary is lost, the interest or loss is reclassified from equity to profit or loss.

6 . According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the current profits and losses and other comprehensive gains and losses of the individual financial statements shall be the same as the share of the owners of the parent company in the current financial statements prepared in the merger basis and other comprehensive income, the owner's equity of the individual financial report should be the same as the equity attributable to the owner of the parent in the financial report prepared under the consolidation basis.

(M) 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 Company 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 ending date of each financial year, the Company 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

(N) Leases (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.

(O) Intangible assets

1 . Expertise
The expertise is the acquisition cost basis, which is amortized over the estimated useful life of 10 years according to the straight-line method.

2 . Goodwill
Goodwill is a result of mergers and acquisitions.

(P) Impairment of non-financial assets

1. The Company 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 Company recognizes the impairment loss. Recoverable amount is the fair value of an asset less costs of sale 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 and the intangible assets that are not yet available for use are regularly estimated for their recoverable amount. When the recoverable amount is lower than its book value, the impairment loss is recognized. The impairment loss of goodwill impairment will not be reversed in subsequent years.

3. Goodwill is allocated to the cash-generating unit for the purpose of impairment testing. This apportionment is based on the identification of the operating department and the distribution of goodwill to a group of cash-generating units or cash-generating units that are expected to benefit from the business combination that generates goodwill.

(Q) Borrowing

It refers to short-term payments from banks. The Company measures its fair value less transaction cost when it is originally recognized, and any subsequent difference between the price and the redemption value after deducting the transaction cost, the effective interest method is used to recognize the interest expense in profit or loss during the circulation period according to the amortization procedure.

(R) Accounts payable and notes payable

1. Refers to the debts incurred as a result of the purchase of the goods and the notes payable due to business and non-business.

2. Short-term accounts payable and notes that are unpaid interest, the effect of discounting is not large, the company is measured by the original invoice amount.

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

1. The main purpose of the occurrence is to buy back in the near future, and financial liabilities held for trading, except for derivatives that are designated as hedging instruments by hedge accounting.

2. The Company is measured at fair value at the time of original recognition, and the related transaction costs are recognized in profit or loss and subsequently measured at fair value through profit or loss.

(T) Convertible Bonds payable

The convertible bonds payable by the Company, embedded with the conversion rights (that is, the holder's right to convert into ordinary shares of the Company 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 Company’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 Company’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) Excluding financial liabilities

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

(V) Debt preparation

The liability provision generated by the Company is subject to current statutory or definitive obligations due to past events. It is highly probable that an economically beneficial resource will be required to settle the obligation and the amount of the obligation can be recognized reliably. The measure of debt preparation is measured at the best present value of the estimated expenses required to settle the obligation on the balance sheet date. The discount rate is based on the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liabilities, amortization is recognized as interest expense. Future operating loss may not be recognized as a liability.

(W) 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 actuarial gains and losses of the defined benefit plan was recognized in other comprehensive income in the period in which it was incurred and expressed in retained earnings.

   C. Costs related to prior period service costs are recognized as profit or loss immediately.

3 . Leave benefits

Severance benefits are the benefits that are provided to employees on termination of employment prior to the normal retirement date or in the event that the employee decides to accept a company's welfare offer in return for the termination of the employment. The Company recognizes an offer that no longer has the effect of canceling a termination benefit or recognizes 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' dividends 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.

The other remuneration of share-issuing employee, the basis for calculating is the number of shares for the day before the resolution of the board of directors closing price.

(X) Employee shares basic payment

The equity-based payment agreement for delivery of the equity is measured at the fair value of the goods given and equity on the date of provision, and is recognized as compensation for the period of acquisition and is relatively adjusted for equity. The fair value of the equity goods should reflect the vested and non-vested conditions of market prices. The recognition of remuneration costs is adjusted as the number of awards that are expected to be in compliance with conditions of service and non-marketable conditions of acquisition until the final recognition is based on the recognition of the number of vested interests.

(Y) 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 Company 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 individual 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 Company 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.

(Z) <u>Share capital</u>

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.

(ZA) <u>Dividend distribution</u>

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.

(ZB) <u>Revenue recognition</u>

1 . Sales of goods

(1) The Company sells electronic materials and equipment, and the sales revenue is recognized when the control of the product is transferred to the customer, and the company has no outstanding performance obligations that may affect the customer's acceptance of the product. The delivery of the goods occurs when the product is shipped to a designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product under a sales contract, or if there is objective evidence that all acceptance criteria have been met.

(2) Accounts receivable are recognized when the goods are delivered to the customer. Since the company has unconditional rights to the contract price from that point on time, it is only necessary to pass the time to collect the consideration from the customer.

2 . Getting customer contract costs

The incremental costs incurred by the Company in obtaining customer contracts are expected to be recoverable, but the relevant contract period is shorter than the following year, so these costs are recognized as expenses when incurred.

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

When preparing the individual financial statements, the Company 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 elaborate on the following:

(A) Significant judgments adopted in accounting policies

Total revenue or net recognition

The Company's commitment to the nature of the customer's commitment based on the type of transaction and its economic substance is the performance obligation of the specific goods or services provided by itself (ie, the company is the main manager) or the performance obligation of the other party to provide such goods or services (ie, the company is an agent). When the Company controls the goods or services before transferring certain goods or services to the customer, the Group is the chief manager and recognizes the total amount of the considerations that are expected to be obtained for the transfer of the specific goods or services. If the company does not control the goods or services before the transfer of the specific goods or services to the customer, the company is the agent, which is arranging for the other party to provide specific goods or services to the client, and any fees or commissions that the arrangement is entitled to are recognized as income.

The Company determines the control of the goods or services before the transfer of specific goods or services to the customer based on the following indicators:

a . Have primary responsibility for completing the commitment to provide specific goods or services.

b . Take inventory risks before the transfer of specific goods or services to the customer or after the transfer of control.

c . Have the discretion to set a price for a particular good or service.

(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 December 31, 2018, the Company recognized deferred tax assets of $ 42,943.

2 . Inventory evaluation
As inventories are stated at the lower of cost and net realizable value, the Company 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 Company 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 Company as at December 31, 2018 was $ 32,492.

VI. Description of important accounting subjects

(A) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Stock cash and Revolving funds	$ 50	$ 50
Check deposit and demand deposit	283,658	35,549
Certificate of deposit	4,800	6,800
	288,508	42,399
Minus：Allowance for Other Financial Assets - Current	(10,062)	(7,954)
Cash presented to the balance sheet	$ 278,446	$ 34,445

1 . The credit facilities of the financial institutions with which the Company operates are of good quality and the Company has extensive credit facilities with a number of financial institutions and is expected to have a very low probability of default.

2 . Please refer to Note 8 for the Company’s guarantee of cash and cash equivalents provided by the Company.

(B) Notes receivable and accounts receivable

	December 31, 2018	December 31, 2017
Notes receivable	$ 1,427	$ 2,861
Accounts receivable	$ 96,265	$ 86,701
Minus：Allowance for bad debts	-	(1,645)
	$ 96,265	$ 85,056

1 . The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2018		December 31, 2017	
	Accounts Receivable	Notes Receivable	Accounts Receivable	Notes Receivable
Not overdue	$ 93,170	$ 1,427	$ 77,595	$ 2,861
Within 30 days	391	-	3,459	-
31-90 days	2,704	-	4,129	-
91 days or more	-	-	1,518	-
	$ 96,265	$ 1,427	$ 86,701	$ 2,861

The above is based on the numbers of day overdue aging analysis.

2 . The maximum amount of the maximum risk of the credit risk of the Company's bills receivable in 2018 and 31 December 2017 is $1,427 and $2,861, respectively, regardless of the collateral or other credit enhancements held; the maximum risk of credit risk on behalf of the Company's accounts receivable in 2018 and 31 December 2017 was $96,265 and $85,056 respectively.

3 . The Company does not hold any collateral.

4 . Please refer to Note VII (2) for the credit risk information of related accounts receivable and notes receivable.

(C) Inventories

	December 31, 2018		
	Cost	Allow the decline in value loss	Book value
Commodity	$ 33,971	($ 1,479)	$ 32,492

	December 31, 2017		
	Cost	Allow the decline in value loss	Book value
Commodity	$ 35,397	($ 4,909)	$ 30,488

Relevant inventory loss recognized in current period:

	2018	2017
The cost of inventories sold	$ 385,460	$ 364,970
Inventory decline in value and inventory retention losses (gain from price recovery of inventory)	(3,430)	(4,407)
	$ 757,695	$ 360,563

In 2018 and 2017, the Company actively recovered the price loss and slow moving inventory, which resulted in a rebound.

(D) Investment in equity method

	December 31, 2018	December 31, 2017
MetaTech Investment Holding Co. Ltd	$ 372,617	$ 350,645
Jianhua Travel Service Co., Ltd.	2,782	797
	$ 375,399	$ 351,442

For details of the subsidiaries of the Company, please refer to Note IV (3) to the Company's 2018 annual consolidated financial report.

(E) Real estate, plant and equipment

	Land	House & Building	Mechanical Equipment	Transportation Equipment	Office Equipment	Lease Improvement	Other Equipment	Construction in progress (Note)	Total
January 1, 2018									
Costs	$ 17,209	$ 40,313	$ 7,771	$ 4,517	$ 18,121	$ 7,187	$ 1,626	$ 19,413	$ 116,157
Accumulated depreciation	–	(10,866)	(1,337)	(376)	(15,707)	(4,163)	(822)	–	(33,271)
	$ 17,209	$ 29,447	$ 6,434	$ 4,141	$ 2,414	$ 3,024	$ 804	$ 53,524	$ 82,886
2018									
January 1	$ 17,209	$ 29,447	$ 6,434	$ 4,141	$ 2,414	$ 3,024	$ 804	$ 19,413	$ 82,886
Add	–	–	6,242	936	1,765	–	–	89,924	98,867
Disposition	–	–	–	–	(24)	–	–	–	(24)
Depreciation Expense	–	(790)	(1,416)	(774)	(744)	(1,817)	(301)	–	(5,842)
December 31	$ 17,209	$ 28,657	$ 11,260	$ 4,303	$ 3,411	$ 1,207	$ 503	$ 109,337	$ 175,887
December 31, 2018									
Costs	$ 17,209	$ 40,313	$ 14,013	$ 5,453	$ 19,697	$ 7,187	$ 1,626	$ 109,337	$ 214,835
Accumulated depreciation	–	(11,656)	(2,753)	(1,150)	(16,286)	(5,980)	(1,123)	–	(38,948)
	$ 17,209	$ 28,657	$ 11,260	$ 4,303	$ 3,411	$ 1,207	$ 503	$ 109,337	$ 175,887

	Land	House & Building	Mechanical Equipment	Transportation Equipment	Office Equipment	Lease Improvement	Other Equipment	Construction in progress (Note)	Total
January 1, 2017									
Costs	$ 17,209	$ 40,313	$ 3,733	$ -	$ 17,857	$ 7,187	$ 1,626	$ -	$ 87,925
Accumulated depreciation	-	(10,075)	(415)	-	(15,368)	(2,366)	(521)	-	(28,745)
	$ 17,209	$ 30,238	$ 3,318	$ -	$ 2,489	$ 4,821	$ 1,105	$ -	$ 59,180
2017									
January 1	$ 17,209	$ 30,238	$ 3,318	$ -	$ 2,489	$ 4,821	$ 1,105	$ -	$ 59,180
Add	-	-	4,038	4,517	536	-	-	19,413	28,504
Depreciation Expense	-	(791)	(922)	(376)	(611)	(1,797)	(301)	-	(4,798)
December 31	$ 17,209	$ 29,447	$ 6,434	$ 4,141	$ 2,414	$ 3,024	$ 804	$ 19,413	$ 82,886
December 31, 2017									
Costs	$ 17,209	$ 40,313	$ 7,771	$ 4,517	$ 18,121	$ 7,187	$ 1,626	$ 19,413	$ 116,157
Accumulated depreciation	-	(10,866)	(1,337)	(376)	(15,707)	(4,163)	(822)	-	(33,271)
	$ 17,209	$ 29,447	$ 6,434	$ 4,141	$ 2,414	$ 3,024	$ 804	$ 19,413	$ 82,886

Information on guarantees provided by real estate, plant and equipment is detailed in Note 8; for capital expenditures in which the real estate, plant and equipment have been contracted but not yet incurred, please refer to Note IX (2) 5 for details.

(F) Other non-current assets

	2018	2017
Prepayment	$ 31,788	$ -
Refundable deposits	4,936	4,704
Others	3,890	5,717
	$ 40,614	$ 10,421

The prepayment is mainly for the payment of machinery and equipment prepaid by the company for the establishment of the laboratory.

(G) Intangible assets

	Expertise (Note2&3)
January 1, 2018	
Costs	$ 13,860
Accumulated amortization	-
	$ 13,860
2018	
January 1,	$ 13,860
Add-from getting individually	123,115
Amortization expense	-
December 31	$ 136,975

		Expertise (Note2&3)
December 31, 2018		
Costs	$	136,975
Accumulated amortization		-
	$	136,975

		Expertise
January 1, 2017		
Costs	$	25,000
Others-Price Adjustment (Note 1)	(	18,333)
Accumulated amortization	(	6,667)
	$	-
2017		
January 1,	$	-
Add - from a individual acquisition (Note2,3)		13,860
Amortization expense		-
December 31	$	13,860
December 31, 2017		
Costs	$	38,860
Others-Price Adjustment (Note 1)	(	18,333)
Accumulated amortization	(	6,667)
	$	13,860

Note 1: The Company re-revised the contract price of the special technology license with the owner of the technology on December 29, 2016.

Note 2: The Company's expertise has not yet reached the usable status, so it is not intended to be amortized. After the availability status is reached, the number of years of durability is assessed and amortized on a straight line basis. In accordance with IAS 36, the intangible assets that have not yet reached the usable status are compared at least annually for the recoverable amount of the intangible asset and its carrying amount to test whether it is derogated.

Note 3: For capital expenditures in which intangible assets have been contracted but have not yet occurred, please refer to Note IX (2) 5 for details.

(H) Corporate bonds payable

1. The Company's corporate bonds payable have been converted into ordinary shares before maturity, so the balances for both 2018 and December 31, 2017 are 0.

2. The Company approved by the competent authority, solicited and issued the domestic second guaranteed convertible bonds with a total issuance amount of $ 15,000 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.

3 . 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 "Financial Instruments: Expression" and set out "Capital surplus - share options" in the amount of $ 5,205 . 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". The holders were fully converted to common stock of 4,016 thousand shares by July 24, 2017. Therefore, the above-mentioned “capital reserve – stock options” and “financial liabilities measured at fair value through profit or loss” have all been reversed, so the balances are all 0.

4 . The amount of “capital reserve – conversion corporate bond premium” generated by the Company due to the aforementioned corporate bond conversion transaction was $113,824. Since the company's convertible corporate debt of $150,000 has been fully converted, it will be cancelled.

(I) 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 1 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 2% 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 2016, 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

(2) The amounts recognized in the balance sheet are as follows：

	December 31,2018	December 31,2017
Present value of defined benefit obligation	$ 7,474	$ 5,498
Project assets fair value	(9,072)	(8,720)
Net defined benefit assets	($ 1,598)	($ 3,222)

(3) Net change in defined benefit assets is as follows:

2018	Present value of defined benefit obligation	Project assets fair value	Net defined benefit assets
Balance on January 1	$ 5,498	($ 8,720)	($ 3,222)
Interest expense (income)	83	(130)	(47)
	5,581	(8,850)	(3,269)
Re-measured the number:			
Plan asset remuneration (Excluding the amount included in interest income or expense)	-	(222)	(222)
Impact of changes in financial assumptions	328	-	328
Experience adjustment	1,565	-	1,565
	1,893	(222)	1,671
Balance on December 31	$ 7,474	($ 9,072)	($ 1,598)

2017	Present value of defined benefit obligation	Project assets fair value	Net defined benefit assets
Balance on January 1	$ 5,512	($ 8,621)	($ 3,109)
Interest expense (income)	83	(130)	(47)
	5,595	(8,751)	(3,156)
Re-measured the number:			
Plan asset remuneration (Excluding the amount included in interest income or expense)	-	45	45
Impact of changes in financial assumptions	-	-	-
Experience adjustment	(97)	-	(97)
	(97)	45	(52)
Provision of retirement fund	-	(14)	(14)
Balance on December 31	$ 5,498	($ 8,720)	($ 1,598)

(4) The assets of the Company's defined benefit retirement plan are determined by the Bank of Taiwan within the proportion and the amount of the entrusted operation projects under the annual investment and utilization plan of the Fund. According to Article 6 of the Regulations for Revenues, Expenditures Safeguard and Utilization of the Labor Retirement Fund (That is financial institutions at home and abroad, domestic and overseas listed OTC or PE equity securities, and securitization of domestic and foreign real estate investments) entrusted management, and related use cases are supervised by the Labor Pension fund Supervisory Committee. The use of the fund shall not be less than the minimum return calculated on the basis of a two-year time deposit rate of the local bank. If there are deficiencies, it will be supplemented by the State Treasury after being approved by the competent authority. As the Company is not entitled to participate in the operation and management of the Fund, the fair value classification of plan assets cannot be disclosed in accordance with paragraph 142 of IAS No.19. 2018 and December 31, 2017 constitute the fair value of the total assets of the fund; please refer to the government's annual reports on the employment of labor pension funds.

(5) The actuarial assumptions on pensions are summarized below：

	2018	2017
Discount Rate	1.25%	1.50%
Future salary increase rate	2.25%	2.00%

The hypothesis of future mortality is based on the improved statistics and empirical estimates of the Taiwan annuity life table.
The present value of the defined benefit obligation affected by the changes in the major actuarial assumptions used is analyzed as follows:

	Discount Rate		Future salary increase rate	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
December 31, 2018				
The impact of determining the present value of welfare obligations	($ 166)	$ 172	$ 702	($ 639)
December 31, 2017				
The impact of determining the present value of welfare obligations	($ 136)	$ 140	$ 578	($ 521)

The above sensitivity analysis is based on the analysis of the effects of changes in a single assumption based on other assumptions. Many hypothetical changes in practice may be linked. The sensitivity analysis is consistent with the method used to calculate net pension liabilities on the balance sheet. The methods and assumptions used in the preparation of the sensitivity analysis are the same as those in the previous period.

(6) The estimated grant payment of the Company to the retirement plan in 2019 is $ 0.

(7) Up to December 31, 2018, the weighted average duration of the retirement plan was 10.3 years.

(8) The maturity analysis of pension payment is as follows:

2 - 5 years	$	4,822
5 years or more		911
	$	5,733

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.

(2) For the year of 2018 and 2017, the pension costs of the Company recognized by the above pension scheme were $3,186 and $2,384.

(J) Debt preparation – Current

	2018	2017
Balance on December 31	($ 4,433)	($ 4,433)

The Company had signed a sale and purchase contract with TBMS International Corporation, and agreed to purchase the equipment which cost $ 33,050 before December 31, 2016, if canceled the order, the Company should pay 20% of no-purchase price as a penalty for breach of contract, and the amount without being ordered yet in the contract was $29,090, the Company had appropriated a debt preparation amount of $4,433 in accordance with the contract. Up to March 26, 2019, both parties were still negotiating the compensation amount.

(K) Employee shares basic payment

1 . For the year of 2018, the Company's share-based payment agreement is as follows：

Type of agreement	Give date	Quantity of Giving	Contract period	Acquired conditions
Cash increase reserve employee subscription	Feb.9, 2015	329 thousand shares	NA	Immediately get
Employee stock purchase plan	Apr.2, 2018	2,280 thousand shares	6 years	2~5 years of service
Employee stock purchase plan	May.14, 2018	1,297 thousand shares	6 years	2~5 years of service
Employee stock purchase plan	Nov.15, 2018	423 thousand shares	6 years	2~5 years of service

2 . The details of the above share-based payment agreements are as follows:

	2018		2017	
	Quantity of employee stock options	Weighted Average Exercise Price (NT$)	Quantity of employee stock options	Weighted Average Exercise Price (NT$)
Number of stock options outstanding during the beginning of the period / January 1	-	$ -	-	$ -
Current stock options issued	4329000	56.66	-	-
Current stock options exercised	(329000)	36.00	-	-
Number of stock options outstanding during the ending of the period / December 31	4000000	58.36	-	-
Number of stock options for exercising during the ending of the period / December 31.	-	-	-	-

3 . The weighted average exercise price of the 2018 annual exercise of the stock options on the exercise date is $46.90. There are no stock options exercised in 2017.

4 . On December 31, 2018, the stock options outstanding, the exercise price range was $55.00 to $59.20, and the weighted average remaining contract period was 5.36 years. There were no stock options outstanding in 2017.

5 . The share-based payment transaction given by the Company on the give date is based on the Black-Scholes option evaluation model to estimate the fair value of the option to subscribe, and the relevant information is as follows:

Type of agreement	Give date	Share price	Performance price	Expected volatility	Expected duration	Expected dividend	Risk-free rate	Fair value per unit
Cash capital increase retains employee purchase	2017.1.2	$44.10	$36.00	27.39% (Note 1)	2018.1.2 ~ 2018.1.10	—	0.28%	$8.10
Employee stock purchase plan	2018.4.2	$58.50	$58.50	44.54 ~ 46.90% (Note 2)	4~5.5 years	—	0.64 ~ 0.76%	20.61 ~ 24.70
Employee stock purchase plan	2018.5.14	$59.20	$59.20	44.25 ~ 47.03% (Note 2)	4~5.5 years	—	0.67 ~ 0.76%	20.76 ~ 25.07
Employee stock purchase plan	2018.11.15	$55.00	$55.00	40.56 ~ 48.61% (Note 2)	4~5.5 years	—	0.73 ~ 0.83%	17.88 ~ 24.44

Note1 The expected volatility is based on the return of the give date, and the average of the annualized standard deviation of the return rate from July 3, 2017 to January 2, 2018 is

Note2 Refer to the expected duration of the period, the annual standard deviation of the historical daily return rate of Metatech Co., Ltd. (code: 3224).

1 . For the year of 2018, the Company's share-based payment agreement is as follows：

	2018	2017
Equity settled	$ 19,639	$ -

(L) Share capital

1 . Up to December 31, 2018, the Company had a fixed capitalization of $ 1,000,000 divided into 100,000 thousand shares (including 15,000 thousand shares subscribed by its employees' warrants) Paid-in capital amounted to $ 580,160 and the number of outstanding shares was 580,160 thousand shares, with a denomination of $ 10. The shares of the Company in issue have all been received.

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

	2018	2017
January 1	44,016	40,000
Corporate debt conversion to common stocl	-	4,016
Cash increase	14,000	-
December 31	58,016	44,016

2 . On March 24, 2017, the Company made cash replenishment with the resolution of the Board of Directors to issue 14,000 thousand shares of new shares at a price of $10 per share, and expected to raise $504,000 thousand. The issue price per share was $ 36. The capital increase was completed on October 13, 2017 by Financial Supervisory Commission No. 1060036940, and approved by the Board of Directors on December 11, 2017 with the capital increase date of January 16, 2018, and completed the change registration.

3 . On December 11, 2017, the Company issued employee stock options through the Board of Directors, issuing a total of 4,000 units, and each unit of the Company recognized 1,000 shares of the Company's common stock which were approved by Letter No. 1060051040 issued by the Financial Supervisory Commission on January 8, 2018.

(M) 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 - stock options and employee stock options please refer to Note VI (8) and (11).

(N) 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; Employee dividend is one ten thousandth, 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 at the balance sheet date. When the balance of the debit balance of other equity items turns back, the amount of the rotation shall be included Available for distribution of

4 . The Company's 2017 and 2016 are cumulative losses, and no surplus can be distributed. The loss appropriation proposal for 2017 and 2016 will be resolved by the shareholders' meeting on June 25, 2018 and June 20, 2017.

5 . For details of employee compensation and remuneration of directors and supervisors, please refer to Note VI (17).

(O) Operating income

		2018
Revenue from customer contracts	$	425,333
Others		2,691
Total	$	428,024

1 . Segmentation of customer contract revenue
The company's revenue is derived from the provision of goods and services that are gradually transferred over time and transferred at a certain point in time. The income can be divided into the following departments:

	2018					
	Electronic department		Biomedical department		Total	
Departmental income	$	425,333	$	2,691	$	428,024
Time for recognizing the income						
Income recognized at a certain point in time	$	425,333	$	1,444	$	426,777
Income recognized over time generally		-		1,247		1,247
	$	18,026	$	18,026	$	18,026

2 . Contract liability

The Company recognizes the contract liability related to customer contract revenue as follows:

	December 31, 2018
Contract liability	
Advance Loan	$ 156

(1) Significant changes in contract liability
No such situation.

(2) Initial contract liability recognized income in the current period

	2018
Revenue recognized in the current period of balance of contract liability	
Advance Loan	$ 62

(P) Other benefits and losses

	2018	2017
Net loss on financial liabilities measured at fair value through profit or loss	$ -	($ 308)
Net foreign currency exchange (loss) benefits	7,127	(5,131)
Disposed the interests of fixed assets	(24)	-
Compensation for losses		(757)
Total	$ 7,103	($ 6,196)

(Q) Employee benefits, depreciation and amortization expenses

	2018	2017
Employee benefits costs		
Salary costs	$ 68,972	$ 37,159
Labor health insurance costs	5,322	3,972
Pension costs	3,139	2,337
Director's remuneration	1,945	1,410
Other costs of employment	3,360	2,187
	$ 82,738	$ 47,065
Depreciation expense - Operating expenses	$ 2,930	$ 2,677
Depreciation expense - Operating costs	$ 2,912	$ 2,121
Amortization expense - Operating expenses	$ 552	$ 589

1 . According to the revised Articles of Association of the Company, if the Company's annual accounts are profitable, the remuneration of employees should be provided from 1% to 5%. However, when the Company still has accumulated losses, it should reserve the amount of compensation in advance.

2 . The Company was a cumulative loss for the year of 2018 and December 31, 2017, and therefore no employee remuneration and director's remuneration were included. Information about employee and remuneration of directors and supervisors approved by the board of directors of the Company and shareholders' meetings can be obtained from the "Market Observation Post System".

3 . The number of employees of the Company for 2018 and December 31, 2017 was 90 and 69 persons respectively, of which 9 and 7 directors were not concurrent as employees.

(R) Income tax

1 . Income tax (benefit) costs

(1) Income tax (benefit) costs component:

	2018	2017
Current income tax：		
Income tax arising from current income	$ -	$ -
Deferred income tax：		
The original generation & rotation of temporary difference	(5,912)	(1,512)
Impact of tax rate changes	(3,523)	-
Income tax (benefit) costs	($ 9,435)	($ 1,512)

(2) Income tax related to other comprehensive income:

	2018	2017
Foreign operating agencies conversion difference	($ 2,008)	$ 3,440
Determine the re-measurement of the benefit obligation	428	(4)
Impact of tax rate changes	658	-
	($ 2,075)	$ 3,436

2 . Relationship between income tax expense and accounting profit

	2018	2017
Income tax before income tax at statutory tax rate	($ 2,980)	$ 625
According to the tax law should be removed from the cost	3	(4)
Deferred income tax assets can be realized assessment of changes	7,521	(2,133)
Income tax impacts of tax law amendments	(3,523)	-
Income tax expenses	($ 9,435)	($ 1,512)

3 . The amount of each deferred income tax asset or liability arising from temporary differences and tax losses is as follows:

	2018			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net profit	December 31
Temporary differences：				
- Deferred tax assets:				
Allowance for loss of inventory decline	$ 835	($ 538)	$ -	$ 297
No vacation bonus	215	25	-	240
Foreign operating agencies exchange differences	3,447	-	(1,400)	2,047
Re-measurement of the benefit plan	283	-	478	761
Tax losses	24,440	13845	-	38,285
Onerous contract losses finance tax difference	989	175	-	1,164
Others	-	149	-	149
Subtotal	30,209	13656	(922)	42,943
- Deferred income tax liabilities:				
Long-term foreign equity investment interests	(6,436)	(3522)	-	(9,958)
Unrealized exchange of benefits	81	(670)	-	(589)
Pension tax difference	(160)	(29)	-	(189)
Subtotal	(6,515)	(4221)	-	(10,736)
Total	$ 23,694	$ 9435	($ 922)	$ 32,207

	2017			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net profit	December 31
Temporary differences：				
- Deferred tax assets:				
Allowance for loss of inventory decline	$ 1,585	($ 750)	$ -	$ 835
No vacation bonus	215	-	-	215
Foreign operating agencies exchange differences	7	-	3,440	3,447
Re-measurement of the benefit plan	287	-	(4)	283
Tax losses	17,108	7332	-	24,440
Onerous contract losses finance tax difference	989	-	-	989
Others	694	(694)	-	-
Subtotal	20,885	5888	3,436	30,209
- Deferred income tax liabilities:				
Long-term foreign equity investment interests	(987)	(5449)	-	(6,436)
Unrealized exchange of benefits	(97)	97	-	-
Financial liabilities evaluate benefits	(895)	976	-	81
Pension tax difference	(160)	-	-	(160)
Subtotal	(2,139)	(4376)	-	(6,515)
Total	$ 18,746	$ 1512	$ 3,436	$ 23,694

4 . The profit-making business of the Company tax revenue tax collection agencies approved by the government to 2016.

5 . The Company has not yet used the tax losses of the effective period and unrecognized deferred tax assets related amounts as follows:

December 31, 2018				
Occurrence of the year	The number of declarations / approved	Have not arrived the amount	Not recognize deferred Income tax assets amount	Last deduction year
2008	Approved number	$ 35,455	$ 35,455	2018
2009	Approved number	41,776	41,776	2019
2010	Approved number	18,341	18,341	2020
2011	Approved number	14,982	14,982	2021
2012	Approved number	17,232	5,170	2022
2013	Approved number	15,876	4,763	2023
2014	Approved number	12,959	3,888	2024
2015	Approved number	21,087	6,326	2025
2016	Approved number	42,849	12,855	2026
2017	Declared number	28,478	-	2027
2018	Estimated number	85,947	-	2028
		$ 334,982	$ 143,556	

December 31, 2017

Occurrence of the year	The number of declarations / approved	Have not arrived the amount	Not recognize deferred Income tax assets amount	Last deduction year
2008	Approved number	$ 35,455	$ 35,455	2018
2009	Approved number	41,776	41,776	2019
2010	Approved number	18,341	5,502	2020
2011	Approved number	14,982	4,495	2021
2012	Approved number	17,232	5,170	2022
2013	Approved number	15,876	4,763	2023
2014	Approved number	12,959	3,888	2024
2015	Approved number	21,087	6,326	2025
2016	Approved number	42,849	-	2026
2017	Declared number	28,478	-	2027
		$ 334,982	$ 143,556	

6 . The amendment to the Taiwan Income Tax Law came into effect on February 7, 2018. The tax rate for the profit-making business income tax has been increased from 17% to 20%. This amendment has been applied since 2018. The Company has assessed the related income tax implications for this tax rate change.

(S) Profits (Loss) per share

	2018		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Loss per share (NT$)
Basic loss per share			
Net loss attributable to ordinary shareholders of parent company for the period	($ 57,744)	57,441	($ 1)

	2017		
	After-tax amount	Weighted average number of shares outstanding (thousand shares)	Loss per share (NT$)
Basic profits per share			
Net profit attributable to ordinary shareholders of parent company for the period	$ 5,189	43,392	$ 0.12

In 2018, due to the anti-dilutive effect of convertible corporate bonds issued by the company, it was not included in the calculation of diluted earnings per share.

In 2017, due to the anti-dilutive effect of convertible corporate bonds issued by the company, it was not included in the calculation of diluted earnings per share.

(T) Business lease

The Company leases offices and warehouses under operating leases for a period of 1 to 10 years. The year of 2018 and 2017 recognized respectively $3,942 and $1,548 for the current period. The total amount of the minimum lease payments to be paid in the future as stipulated in the lease is as follows:

	December 31, 2018	December 31, 2017
No more than 1 year	$ 8,690	$ 3,555
More than 1 year but not more than 5 years	21,073	6,222
Over 5 years	24,713	-
	$ 54,476	$ 9,777

(U) Cash flow supplementary information

1．Only part of the cash paid for investment activities:

	2018	2017
Purchase of real estate, plant and equipment	$ 98,867	$ 28,504
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	(5,237)	-
The current payment of cash	$ 54,476	$ 29,311

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

	December 31, 2018	December 31, 2017
Convertible corporate bonds into common stock (including conversion discount)	$ -	$ 148,779

VII. Party Trading

(A) The name and relationship of related parties

Relationship name	Relationship with the Company
MetaTech Investment Holding Co., Ltd.	The subsidiary of the Company
Jianhua Travel Agency Co., Ltd.	The subsidiary of the Company
MTI Holding Co., Ltd.	The grand company of the Company
MetaTech (S) Pte Ltd.	The great-grand company of the Company
MetaTech Ltd.	The great-grand company of the Company
MetaTech Trading (Shenzhen) Co., Ltd.	The subsidiary of MetaTech Ltd.
An Xing Biotechnology Co., Ltd.	Other related parties

(B) Significant transactions with related parties

1 . Operating income

	2018	2017
Merchandising：		
Subsidiary	$ 2,939	$ 3,126

The transaction price of the Company's purchase to the related party is calculated according to the agreed gross margin between the parties. The Company's payment terms for general suppliers are about 30 to 90 days for the month.

2 . Purchase

	2014	2013
Product purchase:		
Subsidiary	$ 5,676	$ 3,398
Labor purchase:		
Subsidiary	173	71
	$ 5,849	$ 3,469

The transaction price of the company's purchases to related parties is based on the gross profit value agreed upon by both parties. The Company's payment terms for general suppliers are approximately 30 to 90 days before the end of the month.

3 . Related parties accounts receivable

	December 31, 2018	December 31, 2017
Subsidiary	$ 182	$ 349

Accounts receivables were mainly derived from sales transactions, which were unsecured and coupon receivable and no provision for liabilities was made.

4 . Other receivables

	December 31, 2018	December 31, 2017
Subsidiary	$ 8,095	$ 3,531

It is mainly the management service fee and the loan from the subsidiary and the subsidiary company.
The Company provides subsidiary management services, which are negotiated by both parties and collect management fee income according to the agreed period.
The revenues received in 2018 and 2017 are $15,781 and $11,624, respectively, and

5 . Related parties accounts payable

	December 31, 2018	December 31, 2017
Subsidiary	$ 415	$ 648

6 . Property transaction

Obtained real estate, plant and equipment

	2018	2017
Subsidiary	$ -	$ 1,200

7 . Related Parties of Loan

Loan to the related parties

	2018		
	End of period Financing balance	Interest rate range	End of period Interest payable balance
Subsidiary	$ -	-	$ -

	2017		
	End of period Financing balance	Interest rate range	End of period Interest payable balance
Subsidiary	$ 1000.00	2.00%	$ 2

8 . Other payables

	December 31, 2018	December 31, 2017
Subsidiary	$ 124	$ 622

Those were subsidiaries due to freight and other payables.

9 . The situation of endorsement

The details of the endorsed guarantees provided by the Company for the issuance of guarantee bills for the loans of the related parties are as follows:

Be endorsed to ensure that the object		December 31, 2018
Subsidiary	$	25,358 (USD 500 thousand and NTD 10,000 thousand)

Be endorsed to ensure that the object		December 31, 2017
Subsidiary	$	14,880 (USD 500 thousand)

10 . Others

The amount of short-term guaranteed borrowings shared by the Company and MetaTech Ltd., a great-grandchild of the Company, was NT $ 45,000 thousand and US $ 1,500 thousand for the year of 2018 and December 31, 2017 respectively. For the year of 2018 and December 31, 2017, NT $ 60,000 thousand will be offered to banks as guarantee. The amount of pre-open guarantee has been used NT $ 15,000 thousand, and NT $ 5,000 thousand respectively for the year of 2018 and December 31, 2017.

(C) The main management salary information

		2018		2017
Salary and other short-term employee benefits	$	12,789	$	9,776
After retirement benefits		324		303
Share-based payment		1,146		-
Total	$	14,259	$	10,079

VIII. Mortgage (Pledge) of assets

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

	Book value		
Names of Assets	December 31, 2018	December 31, 2017	Secured use
Other current assets			
- Current account special account	$ 5,262	$ 3,154	Short-term loan guarantee
- Certificate of deposit	4,800	4,800	Customs & Credit Card Acquirers Performance Bond Guarantee
Real estate, plant and equipment			
- Land	17,209	17,209	Long-term short-term credit line guarantee
- Houses and buildings	28,657	29,447	"
	$ 55,928	$ 54,610	

IX. Major or unrecognized liabilities of contract promise

(A) Contingencies

None

(B) Contingencies

1 . Up to December 31, 2018, the Company issued a guaranteed ticket of $ 10,000 to suppliers for

2 . Significant contingent liabilities relating to related parties and unconfirmed contractual commitments please refer to Notes VII (2) 9 and 10 for details.

3 . Up to December 31, 2018, the Company had a bank guarantee of $ 5,000 as performance bond for the purchase contract.

4 . Up to December 31, 2018, the company provided a promissory note of $10,000 as a guarantee for obtaining the Industry Upgrade and Innovation Platform Coaching Program of Ministry of Economics, and a bank loan amount of $10,000 as a performance bond.

5 . Capital expenditures that have been contracted but have not yet occurred

	December 31, 2018	December 31, 2017
Real estate, plant and equipment	$ 8,800	$ 80,988
Intangible assets (Note)	162,533	277,410
Total	$ 171,333	$ 358,398

Note: The Company promotes the innovation and transformation of the Company's regenerative medicine by expanding the development of biomedical research and development. On December 21, 2016, the Company signed a start-up contract for cell layer regenerative medical cooperation with CellSeed Inc. of Japan, and the price of this contract is JPY 50,000,000. On March 24, 2017, the board of directors of the company signed a contract for cooperation with CellSeed Inc. of Japan to sign the regenerative medicine for cell layer reconstitution. On April 24, 2017, the two parties officially signed a contract for regenerative medicine cooperation, and the contract price is JPY 1,250,000,000. Up to December 31, 2018, the Company has paid JPY 715,770,551 in accordance with the contractual payment schedule.

X. Major disaster losses

None.

XI. Material subsequent events

On August 7, 2018, the Company was expected by the board of directors to issue the third domestic guaranteed convertible corporate bond with a maximum cap of $151,500. On December 14, 2018, the Company has taken the FSC No. 1070345294 approved to raise and issue the third domestic guaranteed convertible corporate bonds. The total issuance is $150,000, the coupon rate is 0%, and the issuance period is 3 years. The period is from January 9, 2019 to January 9, 2022. When the Conversion corporate bond expires, it is repaid in cash at the denomination of the bond. The conversion company bonds were listed on the Securities and Futures Trading Center of the

XII. Others

(A) Financial report expression

The Company’s capital management objectives are to safeguard the Company’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 Company may issue new shares or sell assets to reduce its debt.

(B) Financial instruments

1 . Types of financial instruments

	December 31, 2018		December 31, 2017	
Financial assets				
Financial assets measured by amortized cost/Accounts Receivable				
Cash and Cash Equivalents	$	278,446	$	34,445
Notes Receivable		1,427		2,861
Accounts Receivable		96,447		85,405
Other Receivables		10,525		16,398
Refundable Deposits Listed in "Other Non-current Assets"		4,936		4,704
Other financial assets Listed in "Other Current Assets"		10,062		7,954
	$	401,843	$	151,767
Financial liabilities				
Financial liabilities measured by amortized cost				
Short-term Loan	$	20,000	$	-
Notes Payable		1,377		-
Other Payables		70,890		49,573
Guarantee Deposits Received Listed in "Other Non-current Liabilities "		25,282		8,367
		30		33
	$	401,843	$	57,973

2 . Risk Management Policy

(1) The Company’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.

(2) Risk management is performed by the financial department of the Company in accordance with the policies approved by the board of directors. The Company’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 Company is a multinational operation and therefore is subject to exchange rate risk arising from transactions that are different from the Company's functional currency, mainly in US dollars. The relevant exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

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

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

D. The Company's operations involve certain non-functional currencies (The functional currency of the Company is NTD). 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:

	December 31, 2018		
(Foreign currency: functional currency)	Foreign Currency (thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
USD：NTD	$ 3,258	30.715	$ 100,069
JPY：NTD	$ 267,823	0.2782	$ 74,508
Financial liabilities			
Monetary items			
USD：NTD	1,703	30.715	52,308

	December 31, 2017		
(Foreign currency: functional currency)	Foreign Currency (thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
USD：NTD	$ 3,153	29.760	$ 93,833
Financial liabilities			
Monetary items			
USD：NTD	1,337	29.760	39,789

E. The aggregate of all exchange profits recognized for 2018 and 2017 of the monetary items of the Company that have a significant effect due to exchange rate fluctuations was $ 7,127 and ($ 5,131), respectively.

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

	2018		
	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%	$ 1,001	$ -
JPY：NTD	1%	475	$ -
Financial liabilities			
Monetary items			
USD：NTD	1%	523	-

	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%	$ 938	$ -
Financial liabilities			
Monetary items			
USD：NTD	1%	398	-

(2) Credit risk

A. The credit risk of the Company's customers unable to meet due to contractual obligations and the risk of financial loss to the Company,
it is mainly attributable to the fact that the counterparty is unable to pay off the accounts receivable, notes receivable and financial assets contractual cash flows measured at amortized cost.

B. The Company establishes the management of credit risk from the perspective of the Company. For transactions of banks and financial institutions, with more than just a set of investment grade, then they can be admitted to trading partners. In accordance with the internal credit policy, all operating units within the company are required to conduct management and credit risk analysis for each of their new customers before setting the terms and conditions for payment and delivery. The internal risk control system assesses the credit quality of customers by considering their financial status, past experience and other factors. The individual risk limits are established by the management based on internal or external ratings and regularly monitor the use of credit lines. The main credit risk arises from the credit risk of wholesale and retail customers and includes unreceived receivables.

C. The Company uses IFRS 9 to provide the following presumptions as a basis for determining whether there is a significant increase in the credit risk of financial instruments since the original recognition:
When the contract amount is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk has been significantly increased since the original recognition of the financial assets.

D. The Company uses IFRS 9 to provide a premise that when the contract payment is overdue for more than 90 days in accordance with the agreed payment terms, it is deemed to have been breached.

E. The indicators used by the Company to determine the debt instrument investment as credit impairment are as follows:
   (A) The issuer has significant financial difficulties or is likely to enter bankruptcy or other financial restructuring;
   (B) The issuer defers or does not pay interest or principal;
   (C) Unfavorable changes in the national or regional economic situation associated with the issuer's default.

F. The Company will group the customer's accounts receivable according to the characteristics of the customer's rating, and use the simplified method to estimate the expected credit loss based on the loss rate method.

G. After the recourse process, the Company reversed the amount of the financial assets that could not reasonably be expected to be recovered, but the Company will continue to pursue the legal procedures for recourse to protect the rights of the claims. The Company did not write off on December 31, 2018 and still has claims for recourse activities.

H. The Company refers to the Taiwan Institute of Economic Research's prosperous observation report for future forward-looking considerations, and the loss rate established by the history of specific periods and current information is adjusted to estimate the allowance for accounts receivable. The expected credit loss rate of the Company's outstanding overdue receivables is not significant on December 31, 2018.

I. The amount of the allowance for the accounts receivable of the Company that was simplified was not significant and was not recognized in 2018.

	2018
Jaunuary 1	$ 1,645
Gain on reversal of impairment loss	(1,645)
December 31	$ -

J. For credit risk information in 2017, please refer to Note VII (4) for details

(3) Liquidity risk

A. The cash flow forecast is implemented by each operating unit within the group and is aggregated by the group finance department. The Company's finance department monitors the Company'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 Company'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:

December 31, 2018	1 year or less	Within 1 to 2 years	Within 2 to 5 years	5 years or more
Short- term debt	$ 20,000	$ -	$ -	$ -
Notes payable	1,377	-	-	-
Accounts payable	70,890	-	-	-
Other payables	25,282	-	-	-
Guarantee Deposits Received (Listed in "Other Non-current Liabilities ")	30	-	-	-

Non-derivative financial liabilities:

December 31, 2017	1 year or less	Within 1 to 2 years	Within 2 to 5 years	5 years or more
Accounts payable	$ 49,573	$ -	$ -	$ -
Other payables	8,367	-	-	-
Guarantee Deposits Received (Listed in "Other Non-current Liabilities ")	33	-	-	-

(C) Fair value information

1. The levels of the appraisal 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 for the same assets or liabilities available to the Company at 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: The observable inputs for the asset or liability, directly or indirectly, except where quoted prices include Level 1.

Level 3: Cannot observe inputs to assets or liabilities.

2. The balance of the financial instruments measured by the fair value of the Company for 2018 and December 31, 2017 is $0, so there is no disclosure of relevant fair value information.

3. The methods and assumptions used by the Company to measure the fair value are as follows: The Company adopts the market quotation as the input value of fair value (i.e. the Level 1). According to the characteristics of the instruments, the quoted price of the open-end fund market is based on the net value.

4 . There is no transfer between Level 1 and Level 2 in 2018 and 2017.

5 . There is no transfer from and to the Level 3 in 2018 and 2017.

6 . The fair value of the Company is classified into the third level of the evaluation process by the accounting department is responsible for the financial instruments independent fair value verification, using independent source data to bring the evaluation results close to the market state, confirming that the data sources are independent, reliable, in line with other resources and representing the executable prices, and regularly calibrating the evaluation model for back-testing, update the input values and data required for the evaluation model and any other necessary fair value adjustments to ensure that the evaluation results are reasonable.

(D) Impact of the initial application of International Financial Reporting Standard No. 9 and the 2017 annual application of IAS 39 information

1 . The major accounting policies adopted in 2017 are as follows:

(1) Financial assets measured at fair value through profit or loss

A. Financial assets measured at fair value through profit or loss is financial assets held for trading. Financial assets, if acquired primarily for short-term sale, are classified as holding financial assets for trading. Derivatives are classified as holding financial assets for trading, except that hedge accounting is designated as a safe subject.

B. The Company's financial assets measured at fair value through profit or loss in accordance with the trading conventions are accounted for on the trade date.

C. When the original recognition is measured at fair value, the related transaction costs are recognized as current gains and losses. Subsequent changes in fair value are measured at fair value through profit or loss.

(2) Accounts Receivable

It is the amount due from customers in the normal course of business for the sale of goods or services. As measured at fair value at the time of original recognition, subsequent effective interest method is measured at amortized cost less deductible. However, the short-term accounts receivable that are unpaid interest rates are not affected by the discount, and are subsequently measured by the original invoice amount.

(3) Financial asset impairment

A. On each balance sheet date, the Company assesses whether there is any objective evidence of impairment, which indicates that one or more items (i.e. “loss items”) occurred after the original recognition of a certain or a group of financial assets, and the loss has a reliable estimate of the estimated future cash flows of a financial asset or group of financial assets.

B. The Company's policy to determine whether there is objective evidence of impairment loss is as follows:

(A) Significant financial difficulties of the issuer or debtor;

(B) Break a contract, such as delay or non-payment of interest or principal payments;

(C) The Company gives the debtor a concession that was impossible to consider due to economic or legal reasons related to the financial difficulties of the debtor;

(D) The possibility that the debtor will enter bankruptcy or other financial restructuring is greatly increased;

(E) The active market of the financial assets disappeared due to financial difficulties;

(F) Observable information shows that the estimated future cash flows of a group of financial assets are measurably reduced after the original recognition of the assets, although the reduction is not yet recognized as belonging to a particular financial asset in the group, such information includes adverse changes in the debtor's repayment status of the group of financial assets, or a national or regional economic situation related to the default of assets in the group of financial assets;

C. The Company has assessed that when there is objective evidence of impairment and that impairment losses have occurred, the following categories are treated:
Financial assets measured by 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 in profit or loss. When the amount of the impairment loss decreases in the subsequent period, and the reduction can be objectively linked to the occurrence of the impairment loss, the previously recognized impairment loss is reversed in the current profit and loss within the limit of the amortized cost of the reversal on the reversal date. The amount of recognition and reversal loss is adjusted by the allowance account to adjust the carrying amount of the asset.

2 . The description of the important accounting items as of December 31, 2017 is as follows:

(1) The balance of the financial assets measured by the Company at fair value through profit or loss on December 31, 2017 was $0.

(2) The financial assets held by the Company for trading have a net loss of $308 in 2017.

3 . The credit risk information as of December 31, 2017 is as follows:

(1) Credit risk is the risk of financial loss caused by the Company's inability to perform its contractual obligations. The Company is required to conduct management and credit risk analysis for each of its new customers before the terms and conditions of the payment and delivery are set out in accordance with the internal credit policy. The internal risk control system assesses the credit quality of customers by considering their financial status, past experience and other factors. The major credit risk arises from cash and deposits placed with banks and financial institutions, as well as from unreceived receivables and committed transactions.

(2) As of December 31, 2017, there was no credit limit. In addition, the creditors of the Company's receivables have good credit and are mostly domestic electronics manufacturers. Therefore, there is no significant credit risk after assessment.

(3) The accounts receivable of the Company that are not overdue and not derogated are in accordance with the credit standards stipulated by the industry characteristics, business scale and profitability of the trading objects.

(4) The ageing analysis of financial assets that have been past due but not derogated is as follows:

	December 31, 2017
Within 30 days	$ 540
31-90 days	1,622
More than 91 days	-
	$ 2,162

The above is an age analysis based on the number of overdue days.

(5) Analysis of changes in financial assets that have been depreciated by the group assessment:

A. Up to December 31, 2017, the amount of receivables deducted by the Company was $1,645

B. The allowance for bad debt changes is as follows:

	2017
Jaunuary 1	$ 4,344
Gain on reversal of impairment loss	(2,503)
Amount that was written off due to uncollectible	(196)
December 31	$ 1,645

4 . The initial application of International Financial Reporting Standard No. 9 has no material impact on the Company's financial position and financial performance on January 1, 2018.

(E) Impact of the initial application of International Financial Reporting Standard No. 15 and the 2017 annual application information of IAS 11 and IAS 18

1 . The revenues used in 2017 are recognized as follows:

The company sells electronic materials and equipment. Revenue is the fair value of the consideration received or receivable for sales of goods to customers outside the company during normal business activities, which is deducted from the net amount of business tax, sales return, quantity discount and discount. Commodity sales are delivered to the buyer, the amount of goods sold can be reliably measured, and future economic benefits are likely to be recognized when they flow into the enterprise. When the significant risks and rewards related to ownership have been transferred to the customer, the Company does not continue to participate in the management and does not maintain effective control and the customer accepts the goods according to the sales contract or when there is objective evidence that all acceptance terms have been met, the goods are delivered.

2 . The income recognized by the Company in the above accounting policies in 2017 is as follows:

	2017
Sales revenue	$ 401,638
Others	5,987
Total	$ 407,625

3 . The Company applies the relevant provisions of IAS 18 in 2017 and recognizes the advance payment related to the income contract during the past reporting period, and the other current liabilities are presented on the balance sheet. The balance as of December 31, 2017 is as follows:

	December 31, 2017
Advance Payment	$ 84

4 . If the Company continues to apply the above accounting policies in 2018, the number of impacts on the Balance Sheet single-line items in the current period and the explanations are as follows, and there is no significant impact on the current consolidated income statement:

	December 31, 2018		
Items of Balance sheet	Adopted the balance recognized by IFRS 15	Adopted the balance recognized in the original accounting policy	Number of impacts of changes in accounting policies
Contract liability	$ 156	$ -	$ 156
Other current liabilities	-	(156)	(156)

Note: According to IFRS 15, the contract liability recognized in the contract is expressed on the balance sheet as advance payment (listed for other current liabilities) in the

XIII. Reference of disclosures

(A) Major information related transactions

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 individual report. The information disclosed below is for reference only.

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): None.
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:
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 III 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 IV for details.

(C) Mainland investment information

1 . Invest in the cause of investing in the Mainland Related Information: Please refer to Table V for

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 III.

XIIII. Operating Department Information

Not applicable

MetaTech Company Limited
Cash and cash equivalents
December 31, 2018

List Ⅰ　　　　　　　　　　　　　　　　　　　　　　　　　　　Unit: NTD thousand

Entry	Summary	Amount	Note
Cash in stock		$ 50	
Demand deposits			
— Taiwan currency deposits		184951	
— Foreign currency deposits	USD 784,633.06 exchange rate 1：30.715	24100	
	EUR 65.54 exchange rate 1：35.2	2	
	JPY 267,823,446 exchange rate 1：0.2782	74508	
	RMB 2,350.04 exchange rate 1：4.472	11	
Check Deposit		86	
Certificate of deposits		4800	
		288508	
Minus: List to "Other Current Asse		(10062)	
		$ 36737	

(The following blank)

MetaTech

MetaTech Company Limited
Net Accounts receivable list
December 31, 2018

List II

Unit: NTD thousand

Customers Name	Amount	Note
Non-related parties		
A	$ 32,293	
C	6,456	
D	7,424	
Others	50,092	Each customer balance did not exceed the balance of this subject 5%
	96,265	
Minus: allowance bad debt	-	
	$ 96,265	

(The following blank)

MetaTech Company Limited
Inventory List
December 31, 2018

List III

Unit: NTD thousand

Entry	Amount: Cost	Amount: Price	Note
Commodity	$ 33,971	$ 32,492	The net realizable value is the market price
Minus: Allowance for detention inventories and loss of value	(1,479)		
	$ 32,492		

(The following blank)

MetaTech Campany Limited

List of changes in long-term equity investments adopting equity method

From January 1, 2018 to December 31, 2018

List IV

Unit: NT $ thousand

Name	Balance at the beginning of period		Current period increase (Note)		Current period decrease		Balance at the end of period			Net equity		Provide a guarantee or pledge
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding ratio	Amount	Price(NTD)	Total Pirce	
MetaTech Investment Holding Co., Ltd.	10,000,000	$350,645	-	$21,972	-	$ -	10,000,000	100%	$372,617	$37.26	$372,617	No
Jianhua Travel Agency Co.,	600	$797	200	$2,000	-	($ 15)	800	100%	$2,782	$3,478	$2,782	No

Note: Includes recognition of investment interests and cumulative conversion adjustments.

(The following blank)

MetaTech

MetaTech Company Limited
Accounts Payable list
December 31, 2018

List V

Unit: NTD thousand

Supplier name	Amount		Note
A	$	68,142	
Others		2,333	Each manufacturers balance did not exceed the amount of 5%
	$	70,475	

(The following blank)

MetaTech

MetaTech Company Limited
Operating income list
From January 1, 2018 to December 31, 2018

List VI

Unit: NTD thousand

Entry	Amount	Note
Connector	$ 362,778	
Consumer products category	12,426	
Communication products category	49,359	
Other	1,444	
	426,007	
Less: sales returned and discount	(674)	
Net sales revenue	425,333	
Labor income	2,691	
Net operating income	$ 428,024	

(The following blank)

MetaTech

MetaTech Company Limited

Operating cost list

From January 1, 2018 to December 31, 2018

List VII

Unit: NTD thousand

Entry	Amount	Note
Initial Inventory	$ 35,397	
Plus: Purchases of raw material	377,930	
Minus: Ending Inventory	(33,971)	
Converted into sample expenses	(75)	
Purchase and Sales cost	379,281	
Expenses are converted into operating costs	6,179	
Inventory rebound benefit	(3,430)	
Total operating costs	$ 382,030	

(The following blank)

MetaTech

MetaTech Company Limited
Operating expenses list
From January 1, 2018 to December 31, 2018

List VIII

Unit: NTD thousand

Project	Marketing costs	Management and General Services costs	Research and development expenses	Total
1. Payroll expenses	$ 30390	$ 36158	$ 4369	$ 70917
2. Entrusting Research Costs	-	-	11389	11389
3. Labor costs	3451	1498	6418	11367
4. Training Expenses	40	124	6436	6600
5. Insurance premiums	2511	2269	810	5590
6. Communication Fees	1353	3812	100	5265
7. Renting Expenses	1170	466	2306	3942
8. Delivery Costs	3531	3	84	3618
9. Other (Note)	11496	7757	6231	25484
	$ 53942	$ 52087	$ 38143	$ 144172

Note: Each individual project does not exceed the balance of this subject 5%

MetaTech Company Limited
Loan
January 1, 2018 to December 31, 2018

Table I

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		Loans quotas on individual objects	The total limit of loan funds	Note
													Name	Value			
0	MetaTech Co., Ltd.	Jianhua Travel Agency Co., Ltd.	Other receivables	Y	$2,000	$2,000	$ -	1.8	a need for short-term financing	$ -		$ -	-	$ -	214,572	429,144	Note3
0	MetaTech Co., Ltd.	MetaTech (S) Pte Ltd.	Other receivables	Y	$29,950	-	-	2.80%	a need for short-term financing	-	Operating turnover	-	-	-	214,572	429,144	Note3 & Note4
1	MTI Holding Co., Ltd.	MetaTech Co., Ltd.	Other receivables	Y	$61,910	61,430	-	3.70%	a need for short-term financing	-	Operating turnover	-	-	-	74,523	149,047	Note4 、 Note5
1	MTI Holding Co., Ltd.	MetaTech Ltd.	Other receivables	Y	$30,955	30,715	-	3.05%	a need for short-term financing	-	Operating turnover	-	-	-	298,094	372,617	Note4 & Note5
1	MTI Holding Co., Ltd.	MetaTech (S) Pte Ltd.	Other receivables	Y	$30,715	15,358	-	3.94%	a need for short-term financing	-	Operating turnover	-	-	-	298,094	372,617	Note4 、 Note5

MetaTech Company Limited
Loan
January 1, 2018 to December 31, 2018

Table I

Unit: NT thousand

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: 30.715 NTD)

MetaTech Company Limited
Endorsement
January 1, 2018 to December 31, 2018

Table II

Unit: NT thousand
(Except special note)

Number (Note 1)	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	Actual Drawing amount	Endorsed by property guarantee amount	Actual Drawing amount	Note
		Company	Relation											
	MetaTech Co., Ltd.	MetaTech Ltd.	The third-tier subsidiary	$536,430	$15,478	$15,358	$ -	$ -	1.43	$1,072,859	Y	-	-	Note2、Note3 & Note4
	MetaTech Co., Ltd.	MetaTech (SZ)	The third-tier subsidiary	$536,430	$10,000	$10,000	-	-	0.93	$1,072,859	Y	-	Y	Note2、Note3

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: 30.715 NTD).

MetaTech Company Limited

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

January 1, 2018 to December 31, 2018

Table III

Unit: NT thousand
(Except special note)

Number	Trader's name	Transaction object	Relationship with Trader (Note 2)	Transaction situation			
				Subject	Amount	Transaction terms	The combined total revenue or total assets ratio
0	MetaTech Co., Ltd.	MetaTech Ltd.	1	Sales revenue	$ 1324	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	"	"	1	Other receivables	8,025	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	"	MetaTech (S) Pte Ltd.	1	Sales revenue	1,615	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	"	"	1	Accounts receivable	182	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
0	"	"	1	Other receivables	70	Advance payment, the end of 90 days	-
0	"	Jianhua Travel Agency Co., Ltd.	1	Rental income	57	Calculated according to the amount agreed by both parties	-
1	MetaTech (S) Pte Ltd.	MetaTech Co., Ltd.	2	Sales revenue	1,659	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
1	"	MetaTech Ltd.	3	Sales revenue	1,226	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
1	"	"	3	Accounts receivable	210	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	MetaTech Ltd.	MetaTech Co., Ltd.	2	Sales revenue	4,017	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	"	"	2	Accounts receivable	415	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	MetaTech Ltd.	MetaTech Co., Ltd.	2	Other receivables	57	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	"	MetaTech (S) Pte Ltd.	3	Sales revenue	1,380	According to the two sides agreed gross margin, payment conditions is open account 90 days	-

MetaTech Company Limited

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

January 1, 2018 to September 30, 2018

Table III

Unit: NT thousand
(Except special note)

Number	Trader's name	Transaction object	Relationship with Trader (Note 2)	Transaction situation			
				Subject	Amount	Transaction terms	The combined total revenue or total assets ratio
2	MetaTech Ltd.	MetaTech (SZ)	3	Sales revenue	66,601	According to the two sides agreed gross margin, payment conditions is open account 90 days	5%
2	"	"	3	Accounts receivable	6,464	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
2	"	〃	3	Other payables	6,456	According to the two sides agreed gross margin, payment conditions is open account 90 days	-
3	Jianhua Travel Agency Co., Ltd.	MetaTech Co., Ltd.	2	Labor Income	173	The same as the conditions of general labor service, and the collection of payment is the same as the general customers	-
3	"	"	2	Refundable Deposits	30	According to the agreed renting deposit in security	-
3	"	"	2	Other receivables	67	Advance payment, the end of 30 days	-

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 individual assets; In the case of a profit or loss item, the cumulative amount in the period is calculated as the total individual 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 Company Limited

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

January 1, 2018 to December 31, 2018

Table IV

Unit: NT thousand (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 Co., 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	372,617	$11,930	$11,930	The subsidiary
MetaTech Co., Ltd.	Jianhua Travel Agency Co., Ltd.	Taiwan	Engaged in tourism business	3,400	1,400	800	100	2,782	(15)	(15)	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	372,617	11,930	11,930	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	118,930	217	217	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	188,433	11,527	11,527	The third-tier subsidiary

MetaTech Company Limited
Mainland Investment Information - Basic Information
January 1, 2018 to December 31, 2018

Table V

Unit: NT thousand
(Except special note)

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	$80,533	Invest in mainland companies by investing in existing companies in the third region	$80,533	$ -	$ -	$80,533	$2,515	100	$2,515	$20,435	$ -	Note1 、 Note2 & Note3

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 Co., Ltd.	$80,533	$81,454	$643,715

Note 1: In cash, the subsidiary of the third region, M e t a T e c h I n v e s t m e n t H o l d i n g C o., L t d., was reinvested by its Sub-subsidiary, M e t a T e c h L t d. The above cases were approved by the Investment Commission.

Note 2: Paid-in capital and investment amount are translated into NT at the period-end exchange rate (1 USD: 30.715 NTD).

Note 3: 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 individual net value, whichever is greater.