Stock Code：3152

ADVANCED CERAMIC X CORPORATION

Financial Statements and
Independent Auditors' Review Report
For the Six Months Ended June 30, 2018 and 2017

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Notes to Readers

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

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Independent Accountants' Review Report

To the Board of Directors of Advanced Ceramic X Corporation:

Introduction

We have reviewed the accompanying balance sheets of the Advanced Ceramic X Corporation of June 30, 2018 and 2017, and the related statements of comprehensive income for the three and six months ended June 30, 2018 and 2017, and the related changes in equity and cash flows for the six months ended June 30, 2018 and 2017, and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards NO. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of June 30, 2018 and 2017, and of its financial performance for the three and six months ended June 30, 2018 and 2017, and of its cash flows for the six months ended June 30, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

Reviewed only, not audited in accordance with generally accepted auditing standards as of June 31, 2018 and 2017

Advanced Ceramic X Corporation

Balance Sheets

June 30, 2018, December 31, 2017 and June 30, 2017

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2018		December 31, 2017		June 30, 2017	
		Reviewed		Audited		Reviewed	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets：						
1100	Cash and Cash Equivalents (Note 6(a))	$ 2,686,600	65	2,284,322	61	2,571,916	62
1170	Notes and Accounts Receivable, Net (Note 6(b))	232,546	6	210,688	6	266,569	7
1180	Receivables from Related Parties (Note 6(b) and 7)	129,866	3	134,756	4	168,855	4
1310	Inventories (Note 6(c))	136,071	3	109,337	3	114,525	3
1476	Other Financial Assets - Current (Note 8)	2,541	-	2,556	-	2,499	-
1479	Other Current Assets	19,010	-	16,187	-	16,264	-
		3,206,634	77	2,757,846	74	3,140,628	76
	Noncurrent Assets：						
1600	Property, Plant and Equipment (Note 6(d) and 8)	941,224	23	990,408	26	997,285	24
1780	Intangible Assets (Note 6(e))	917	-	1,167	-	1,450	-
1840	Deferred Income Tax Assets	9,860	-	9,860	-	5,513	-
1980	Other Financial Assets - Noncurrent	501	-	501	-	460	-
1995	Other Noncurrent Assets-Other	54	-	-	-	-	-
		952,556	23	1,001,936	26	1,004,708	24
	Total Assets	**$ 4,159,190**	**100**	**3,759,782**	**100**	**4,145,336**	**100**

		June 30, 2018		December 31, 2017		June 30, 2017	
		Reviewed		Audited		Reviewed	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities：						
2170	Accounts Payable	$ 54,866	2	43,237	1	50,022	1
2201	Salary and Bonus Payable	166,088	4	139,474	4	177,716	5
2213	Payables to Contractors and Equipment	1,918	-	13,387	-	19,057	-
2216	Cash Dividends Payable	752,277	18	-	-	724,670	17
2230	Income Tax Payable	90,189	2	90,858	2	84,809	2
2399	Other Current Liabilities (Note 6(f) and 7)	155,452	4	137,656	4	169,465	5
		1,220,790	30	424,612	11	1,225,739	30
	Noncurrent Liabilities：						
2640	Net Defined Benefit Liabilities - Noncurrent (Note 6(g))	-	-	251	-	513	-
2600	Other Liabilities	8,582	-	7,301	-	6,055	-
		8,582	-	7,552	-	6,568	-
	Total Liabilities	1,229,372	30	432,164	11	1,232,307	30
	Equity (Note 6(i))：						
3100	Capital Stock	690,162	16	690,162	19	690,162	16
3200	Capital Surplus	573,532	14	573,532	15	573,532	14
3300	Retained Earnings	1,666,124	40	2,063,924	55	1,649,335	40
	Total Equity	2,929,818	70	3,327,618	89	2,913,029	70
	Total Liabilities and Equity	**$ 4,159,190**	**100**	**3,759,782**	**100**	**4,145,336**	**100**

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation

Statements of Comprehensive Income

For the Three and Six Months Ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Three months ended June 30				Six months ended June 30			
		2018		2017		2018		2017	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	**Net Sales Revenue** (Note 6(o)(p) and 7)	$ 457,038	100	503,145	100	847,309	100	992,247	100
5000	**Operating Costs** (Note 6(c)(k) and 7)	174,348	38	181,693	36	326,006	38	363,498	37
	Gross Profit	282,690	62	321,452	64	521,303	62	628,749	63
	Operating Expenses (Note 6(k) and 7)：								
6100	Selling and Distribution Expenses	8,808	2	8,934	2	14,934	2	15,385	1
6200	General and Administrative Expenses	19,268	4	20,721	4	36,822	4	39,173	4
6300	Research and Development Expenses	25,985	6	25,556	5	48,417	6	49,511	5
		54,061	12	55,211	11	100,173	12	104,069	10
	Profit from Operations	228,629	50	266,241	53	421,130	50	524,680	53
	Non-Operating Income and Expenses：								
7101	Interest Income	4,224	1	4,068	1	8,444	1	7,387	1
7190	Other Income (Expense)	-	-	(143)	-	176	-	227	-
7230	Foreign Exchange Gain (Loss), Net	24,699	5	9,110	2	13,251	2	(20,236)	(2)
7610	Gain on Disposal of Property, Plant and Equipment, Net	95	-	185	-	95	-	185	-
		29,018	6	13,220	3	21,966	3	(12,437)	(1)
7900	**Profit Before Income Tax**	257,647	56	279,461	56	443,096	53	512,243	52
7950	**Income Tax Expense** (Note 6(h))	51,529	11	48,708	10	88,619	11	88,281	9
	Profit for the period	206,118	45	230,753	46	354,477	42	423,962	43
8300	**Other Comprehensive Income, net of tax**	-	-	-	-	-	-	-	-
8500	**Total Comprehensive Income**	**$ 206,118**	**45**	**230,753**	**46**	**354,477**	**42**	**423,962**	**43**
	Earnings Per Share (Expressed in Dollars) (Note 6(j))								
9750	Basic Earnings Per Share	**$ 2.99**		**3.34**		**5.14**		**6.14**	
9850	Diluted Earnings Per Share	**$ 2.98**		**3.34**		**5.13**		**6.13**	

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			
	Common Stock	**Capital Surplus**	**Legal Reserve**	**Undistributed Earnings**	**Total**	**Total Equity**
Balance as of January 1, 2017	$ 690,162	573,532	475,888	1,474,155	1,950,043	3,213,737
Profit for the Six Months Ended June 30, 2017	-	-	-	423,962	423,962	423,962
Other Comprehensive Income for the Six Months Ended June 30, 2017	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2017	-	-	-	423,962	423,962	423,962
Appropriation and Distribution of 2016 Earnings：						
Legal Reserve	-	-	80,667	(80,667)	-	-
Cash Dividends	-	-	-	(724,670)	(724,670)	(724,670)
Balance as of June 30, 2017	**$ 690,162**	**573,532**	**556,555**	**1,092,780**	**1,649,335**	**2,913,029**
Balance as of January 1, 2018	$ 690,162	573,532	556,555	1,507,369	2,063,924	3,327,618
Profit for the Six Months Ended June 30, 2018	-	-	-	354,477	354,477	354,477
Other Comprehensive Income for the Six Months Ended June 30, 2018	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2018	-	-	-	354,477	354,477	354,477
Appropriation and Distribution of 2017 Earnings：						
Legal Reserve	-	-	83,859	(83,859)	-	-
Cash Dividends	-	-	-	(752,277)	(752,277)	(752,277)
Balance as of June 30, 2018	**$ 690,162**	**573,532**	**640,414**	**1,025,710**	**1,666,124**	**2,929,818**

See accompanying notes to the financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

Advanced Ceramic X Corporation

Statements of Cash Flows

For the Six Months Ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Six months ended June 30	
	2018	**2017**
Cash Flows from Operating Activities：		
Income Before Income Tax	$ 443,096	512,243
Adjustments for：		
Depreciation	70,970	66,069
Amortization	250	350
Provision of Expected Credit Losses (Bad Debt)	172	855
Interest Income	(8,444)	(7,387)
Gain on Disposal of Property, Plant and Equipment, Net	(95)	(185)
Provision for Inventory Obsolescence and Devaluation Loss	4,000	12,000
Total Adjustments to Reconcile Profit	66,853	71,702
Changes in Operating Assets and Liabilities：		
Notes and Accounts Receivable	(22,079)	(14,503)
Receivables from Related Parties	4,939	(71,001)
Inventories	(30,734)	(16,080)
Other Operating Current Assets	(2,823)	62
Accounts Payable	11,629	(4,701)
Net Defined Benefit Liabilities-Noncurrent	(305)	(295)
Other Liabilities-Noncurrent	1,281	1,245
Other Operating Current Liabilities	44,410	72,951
Total Net Changes in Operating Assets and Liabilities	6,318	(32,322)
Cash Generated from Operations	516,267	551,623
Interest Received	8,459	7,343
Income Taxes Paid	(89,288)	(89,669)
Net Cash Generated by Operating Activities	435,438	469,297
Cash Flows from Investing Activities：		
Acquisition of Property, Plant and Equipment	(33,255)	(254,241)
Proceeds from Disposal of Property, Plant and Equipment	95	185
Decrease in Other Financial Assets	-	916
Net Cash Used in Investing Activities	(33,160)	(253,140)
Net Increase in Cash and Cash Equivalents	402,278	216,157
Cash and Cash Equivalents at the Beginning of Period	2,284,322	2,355,759
Cash and Cash Equivalents at the End of Period	**$ 2,686,600**	**2,571,916**

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Notes to Financial Statements
June 30, 2018 and 2017

(Expressed in thousands of New Taiwan dollars unless otherwise indicated)

(1) Company history

Advanced Ceramic X Corporation ("the Company") was incorporated in April 15, 1998 as a company limited by shares and registered under the Company Act of the Republic of China (R.O.C.). The address of the Company's registered office is No.16, Tzu Chiang Road, Hsinchu Industrial Park, Hsinchu County, Taiwan. The major business activities of the Company are the design, manufacture and sale of RF Front-End devices and modules for applications in wireless communication.

(2) The authorization of financial statements

These financial statements were authorized for issuance by the Board of Directors of the Company on August 7, 2018.

(3) Application of new standards, amendments and interpretations

(a) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, ROC ("FSC")

In preparing the accompanying financial statements, the Company has adopted the following International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), and Interpretations that have been issued by the International Accounting Standards Board ("IASB") (collectively, "IFRSs") and endorsed by the FSC with effective date from January 1, 2018.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IAS 7 "Statement of Cash Flows - Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
Annual Improvements to IFRSs 2014 – 2016 Cycle:	
Amendment to IFRS 12	January 1, 2017
Amendment to IFRS 1 and Amendment to IAS 28	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Except for the following items, the Company believes that the adoption of the above IFRSs would not have any material impact on its financial statements. The extent and impact of signification changes are as follows:

1. IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the existing revenue recognition guidance, including IAS 18 "Revenue" and IAS 11 "Construction Contracts". The Company applies this standard retrospectively with the cumulative effect, it need not restate those contracts, but instead, continues to apply IAS 11, IAS 18 and the related Interpretations for comparative reporting period. The Company recognizes the cumulative effect upon the initially application of this Standard as an adjustment to the opening balance of retained earnings on January 1, 2018.

The Company uses the practical expedients for completed contracts, which means it need not restate those contracts that have been completed on January 1, 2018. Please refer to Note 4(e) for an explanation of accounting policies. The following are the nature and impacts on changing of accounting policies:

Sales of goods
For the sale of products, revenue was recognized when the goods are shipped, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership transfer. Revenue is recognized at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods. Under IFRS 15, revenue will be recognized when a customer obtains control of the goods.

The adoption of IFRS 15 did not have any a significant impact on its financial statements.

2. IFRS 9 “Financial Instruments”

IFRS 9 replaces IAS 39 “Financial Instruments: Recognition and Measurement” which contains classification and measurement of financial instruments, impairment and hedge accounting.

As a result of the adoption of IFRS 9, the Company adopted the consequential amendments to IAS 1 “Presentation of Financial Statements” which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company’s approach was to include the impairment of trade receivables in operating expenses. Additionally, the Company adopted the consequential amendments to IFRS 7 “Financial Instruments: Disclosures” that are applied to disclosures about 2018 but generally have not been applied to comparative information.

The significant changes in accounting policies due to the application of IFRS 9 are as follows:

(i) Classification of financial assets and financial liabilities
IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. Please refer to Note 4(d) for an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9.

The adoption of IFRS 9 did not have any a significant impact on its accounting policies on financial liabilities.

(ii) Impairment of financial assets
IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than they are under IAS 39 – please refer to Note 4(d).

(iii) Transition

The adoption of IFRS 9 have been applied retrospectively, except as described below,

- Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognized in retained earnings and other equity interest as on January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If an investment in a debt security had low credit risk at the date of initial application of IFRS9, then the Company assumed that the credit risk on its asset will not increase significantly since its initial recognition.

(iv) Classification of financial assets on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as of January 1, 2018. (There is no change in both categories and carrying value of financial liabilities.)

	IAS39		IFRS9	
	Measurement categories	**Carrying Amount**	**Measurement categories**	**Carrying Amount**
Financial Assets				
Cash and Equivalents	Loans and receivables	2,284,322	Amortized cost	2,284,322
Notes and Accounts Receivable, Net	Loans and receivables	345,444	Amortized cost	345,444
Other Financial Assets - Current	Loans and receivables	2,556	Amortized cost	2,556
Other Financial Assets - Noncurrent	Loans and receivables	501	Amortized cost	501

3. Amendments to IAS 7 "Disclosure Initiative"

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

As of June 30, 2018, the Company were not any liabilities from financing activities.

4. Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"

The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value.

The adoption of IAS 12 did not have any a significant impact on its financial statements.

(b) The impact of the IFRS endorsed by FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019 in accordance with Ruling No.1070324857 issued by the FSC on July 17, 2018:

New, Revised or Amended Standards and Interpretations	**Effective date per IASB**
IFRS 16 “Leases”	January 1, 2019
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019
Amendments to IFRS 9 “Prepayment features with negative compensation”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019
Amendments to IAS 28 “Long-term interests in associates and joint ventures”	January 1, 2019
Annual Improvements to IFRSs 2015 – 2017 Cycle	January 1, 2019

The Company believes that the adoption of the above IFRSs would not have any material impact on its financial statement.

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date, following are the IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	**Effective date per IASB**
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Subject to IASB’s announcement
IFRS 17 “Insurance Contracts”	January 1, 2021

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the above mentioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

(4) Summary of significant accounting policies

(a) Statement of compliance

The financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language financial statements, the Chinese version shall prevail.

The accompanying financial statements have been prepared in accordance with the revised Regulation Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China (hereinafter referred to the Regulations) and the guideline of IAS 34 "Interim Financial Reporting", as endorsed and issued into effect by the FSC. The financial statements do not present all the disclosures required for a complete set of annual financial statements prepared under the IFRSs endorsed by the FSC with effective dates.

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the interim financial statements is the same as those in the financial statements for the year ended December 31, 2017. For the related information, please refer note 4 of the financial statements for the year ended December 31, 2017.

(b) Income taxes

Income tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting."

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by management. It is charged to profit or loss a income tax expense.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases are measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and recognized directly in equity or other comprehensive income as tax expense.

(c) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Financial instruments (policy applicable from January 1, 2018)

1. Financial assets

The Company financial assets into the following categories: financial assets measured at amortized cost. Only when the business model for managing financial assets is changed shall all affected financial assets be reclassified.

(i) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are recognized initially at fair value, plus any directly attributable transaction costs. Subsequently, these assets are measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and recognition (reversal) of impairment losses are recognized in profit or loss.

(ii) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and receivables, and other financial assets, etc.)

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Loss allowance for accounts receivable is always measure at an amount equal to lifetime expected credit loss.

When determining whether the credit risk on a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant. This includes both qualitative and quantitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it more than 120 days past due. In the circumstance that a financial asset is more than 180 days past due or the borrower is unlikely to pay its credit obligations to the Company in full, the Company considers financial asset to be in default.

At each reporting date, the Company assesses whether financial assets measured at amortized cost are credit-impaired. Loss allowances for financial assets are deducted from the gross carrying amount of the assets. The recognition or reversal of the loss allowance is recognized in profit or loss.

(iii) De-recognition of financial assets

The Company derecognizes financial assets when the contractual rights of the cash inflow from the asset are terminated, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets to another entity.

(e) Revenue from contracts with customers (policy applicable from January 1, 2018)

Revenue is measured based on the consideration that the Company expects to be entitled in the transfer of goods. The Company recognizes revenue when it satisfies a performance obligation by transferring control of good to a customer. The transfer of control refers to the product has been delivered to and accepted by the customer without remaining performance obligations from the Company. Delivery occurs when a product is shipped to the specified location and the risk of loss over the product has been transferred to the customer, as well as when the product is accepted by the customer according to the terms of sales contract, or when the Company has objective evidence that all the acceptance conditions are satisfied.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the financial statements in conformity with Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and approved by FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the financial statements for the year ended December 31, 2017. For the related information, please refer to note 5 of the financial statements for the year ended December 31, 2017.

(6) Explanation of significant accounts

Except for the following disclosure, the significant account disclosure in the financial statements for the six months ended June 30, 2018, which compare with the financial statements for the year ended December 31, 2017, was not changed significantly. For the related information, please refer to note 6 of the financial statements for the year ended December 31, 2017.

(a) Cash and cash equivalents

	June 30, 2018	December 31, 2017	June 30, 2017
Cash	$ 50	50	50
Cash in bank	76,616	95,858	52,783
Time deposits	2,609,934	2,188,414	2,519,083
	$ 2,686,600	2,284,322	2,571,916

Please refer to note 6(l) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(b) Notes and accounts receivable, net (including related parties)

	June 30, 2018	December 31, 2017	June 30, 2017
Notes receivable	$ 1,659	862	1,541
Accounts receivable	364,414	348,071	438,281
Less: Allowance for impairment	(3,661)	(3,489)	(4,398)
	$ 362,412	345,444	435,424
Notes and accounts receivable, net	$ 232,546	210,688	266,569
Accounts receivable due from related parties, net	$ 129,866	134,756	168,855

The Company applies the simplified approach to provide for its loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables on June 30, 2018. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and days past due, as well as incorporate forward looking information. The loss allowance provision as of June 30, 2018 was determined as follows:

	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	$ 356,161	1%~2%	3,562
Past due less than 30 days	3,247	1%~2%	32
Past due 31~120 days	6,665	1%~2%	67
	$ 366,073		3,661

As of December 31 and June 30, 2017, the Company applies incurred loss model to consider the loss allowance provision of accounts receivable. As of December 31 and June 30, 2017, the aging analysis of accounts receivable, which were past due but not impaired, were as follows:

	December 31, 2017	June 30, 2017
Past due less than 30 days	$ 3,529	1,755
Past due 31~120 days	566	631
	$ 4,095	2,386

The movements of allowance for doubtful accounts were as follows:

	Six months ended June 30, 2018	Six months ended June 30, 2017	
		Individually assessed impairment	Collectively assessed impairment
Beginning balance_ IAS39	3,489	-	3,543
Adjustments for applying new standards	-	-	-
Provision of impairment loss	172	-	855
Ending balance	$ 3,661	-	4,398

As of June 30, 2018, December 31, 2017 and June 30, 2017, the notes and accounts receivable were not pledged as collateral.

(c) Inventories

	June 30, 2018	December 31, 2017	June 30, 2017
Raw materials and supplies	$ 34,604	24,049	29,960
Work in process	71,023	56,151	57,079
Finished goods	30,444	29,137	27,486
	$ 136,071	109,337	114,525

For the three months and the six months ended June 30, 2018 and 2017, the amounts of inventories that were charged to cost of sales were $171,348, $175,493, $322,006 and $351,498, respectively, and the net of provisions that charged to cost of sales for inventories written down to net realizable value amounted to $3,000, $6,200 $4,000 and $12,000 for the three months and the six ended June 30, 2018 and 2017, respectively.
As of June 30, 2018, December 31, 2017 and June 30, 2017, the inventories were not pledged as collateral.

(d) Property, plant and equipment
The cost, depreciation, and impairment of the property, plant and equipment of the Company for the six months ended June 30, 2018 and 2017, were as follows:

	Land	Building and construction	Machinery and equipment	Office & Other equipment	Construction in progress & Testing equipment	Total
Cost:						
Balance on January 1, 2018	$ 248,651	359,639	1,914,472	153,763	68,965	2,745,490
Additions	-	-	6,082	872	14,832	21,786
Reclassifications	-	-	48,964	430	(49,394)	-
Disposals	-	-	-	(1,164)	-	(1,164)
Balance on June 30, 2018	$ 248,651	359,639	1,969,518	153,901	34,403	2,766,112

		Land	Building and construction	Machinery and equipment	Office & Other equipment	Construction in progress & Testing equipment	Total
Balance on January 1, 2017	$	248,651	359,639	1,688,534	133,858	22,147	2,452,829
Additions		-	-	12,119	15,384	243,298	270,801
Reclassifications		-	-	29,513	874	(30,387)	-
Disposals		-	-	(16,872)	(4,923)	-	(21,795)
Balance on June 30, 2017	$	248,651	359,639	1,713,294	145,193	235,058	2,701,835
Depreciation:							
Balance on January 1, 2018	$	-	226,053	1,408,857	120,172	-	1,755,082
Depreciation		-	6,199	59,379	5,392	-	70,970
Disposals		-	-	-	(1,164)	-	(1,164)
Balance on June 30, 2018	$	-	232,252	1,468,236	124,400	-	1,824,888
Balance on January 1, 2017	$	-	213,656	1,330,048	116,572	-	1,660,276
Depreciation		-	6,199	56,263	3,607	-	66,069
Disposals		-	-	(16,872)	(4,923)	-	(21,795)
Balance on June 30, 2017	$	-	219,855	1,369,439	115,256	-	1,704,550
Carrying amounts							
Balance on January 1, 2018	$	248,651	133,586	505,615	33,591	68,965	990,408
Balance on June 30, 2018	$	248,651	127,387	501,282	29,501	34,403	941,224
Balance on January 1, 2017	$	248,651	145,983	358,486	17,286	22,147	792,553
Balance on June 30, 2017	$	248,651	139,784	343,855	29,937	235,058	997,285

As of June 30, 2018, December 31, 2017 and June 30, 2017, the property, plant and equipment of the Company had been pledged as collateral for short-term borrowings; please refer to note 8.

(e) Intangible assets

		Royalty
Carrying amount：		
Balance on January 1, 2018	$	1,167
Balance on June 30, 2018	$	917
Balance on January 1, 2017	$	1,800
Balance on June 30, 2017	$	1,450

For the six months ended June 30, 2018 and 2017, there were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets. Please refer to note 12(a) for details on impairment and to note 6(e) of the financial statements for the year ended December 31, 2017 for other related information.

As of June 30, 2018, December 31 and June 30, 2017, the intangible assets were not pledged as collateral.

(f) Other current liabilities

	June 30, 2018	December 31, 2017	June 30, 2017
Accrued expenses	$ 114,064	110,398	135,331
Directors' remuneration payable	23,045	16,263	23,693
Other	18,343	10,995	10,441
	$ 155,452	137,656	169,465

The above accrued expenses included material consumption, insurance, and water and electricity expense.

(g) Employee benefits

Defined benefit plans

The management believes that there was no material market volatility, material reimbursement and settlement, or other material one-time events. As a result, the pension cost in the accompanying interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2017 and 2016.

Please refer to note 12(a) for employee pension costs or expenses under defined benefit plans and defined contribution plans.

(h) Income tax

1. According to the amendments to the "Income Tax Act" enacted by the office of the President of the Republic of China (Taiwan) on February 7, 2018, an increase in the corporate income tax rate from 17% to 20% is applicable upon filing the corporate income tax return commencing FY 2018. The Company spread the effect of the change amounting in the tax rate by an adjustment to the estimated annual effective income tax rate.

2. Income tax expense

	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Income tax expense	$ 51,529	48,708	88,619	88,281

3. As of June 30, 2018, the tax authorities have completed the examination of income tax returns of the Company through 2016.

(i) Capital and other equity

There were no significant changes in capital and reserves for the six months ended June 30, 2018 and 2017. Please refer to note 6(i) of the financial statements for the year ended December 31, 2017, for other related information.

1. Retained earnings

In consideration of the revision of the Company Act in May 2015, the stockholders' meeting resolved the amendment of Articles of Incorporation on June 29, 2016.

According to the amendment of Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(i) Payment of taxes.
(ii) Making up loss for preceding years.
(iii) Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached paid-up capital.
(iv) Appropriating or reversing special reserve by government officials or other regulations.

(v) The remaining, plus the previous year's unappropriated earnings, shall be distributed according to the distribution plan proposed by the Board of Directors according to the dividend policy and submitted to the stockholders' meeting for approval.

The Company conducts business to operate in its growth phase, the dividend policy shall be determined pursuant to factors such as the investment environment, capital requirements, domestic and overseas competitive environment and capital budget, as well as stockholders' interest, dividend balance and long-term financial plan. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year. The cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year.

2. Earnings distribution

On June 19, 2018, the Company's shareholders' meetings resolved to distribute the 2017 earnings. On June 13, 2017, the shareholders' meetings resolved to distribute the 2016 earnings. These earnings were distributed as dividends as follows:

	2017	2016
Dividends distributed to ordinary shareholders		
Amount per share (dollars)		
Cash dividends	$ 10.90	10.50

The aforementioned appropriations of earnings for 2017 and 2016 were consistent with the resolutions of the meeting of the Board of Directors.

The related information mentioned above can be found on websites such as the Market Observation Post System.

(j) Earnings per share (EPS)

For the six months ended June 30, 2018 and 2017, the Company's earnings per share were calculated as follows:

	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Basic EPS：				
Net profit belonging to common shareholders	$ 206,118	230,753	354,477	423,962
Weighted average common stock outstanding (in thousands)	69,016	69,016	69,016	69,016
Basic EPS	$ 2.99	3.34	5.14	6.14
Diluted EPS：				
Net profit belonging to common shareholders	$ 206,118	230,753	354,477	423,962
Weighted average common stock outstanding (in thousands) (basic)	69,016	69,016	69,016	69,016
Employee compensation	89	73	138	127
Weighted average common stock outstanding plus the effect of potentially dilutive common stock (in thousands) (diluted)	69,105	69,089	69,154	69,143
Diluted EPS	$ 2.98	3.34	5.13	6.13

(k) Remuneration of employees and directors

According to the Company Articles of Incorporation, the Company should distribute remuneration to employees and directors not less than 5% and not more than 1.5% of annual profits, respectively, after offsetting accumulated deficits, if any. The aforementioned profit is the net profit before income tax excluding the remuneration to employees and directors for each period. Only employees, including employees of affiliate companies that meet certain conditions are subject to the abovementioned remuneration which to be distributed in stock or cash.

For the three months and the six months ended June 30, 2018 and 2017, the Company estimated the remuneration to employees amounting to $13,111, $14,736, $22,577 and $27,055, respectively, and remuneration to directors amounting to $3,939, $4,412, $6,782 and $8,101, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were included in the operating costs or operating expenses of the six months ended June 30, 2018 and 2017. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimated and recognized in profit or loss in the following year.

Remuneration to employees for 2017 and 2016 in the amounts of $54,210 and $51,973, respectively, and remuneration to director for 2017 and 2016 in the amounts of $16,263 and $15,592, respectively, in cash for payment have been approved in the meeting of board of directors. The aforementioned approved amounts are the same as the amounts charged against earnings of 2017 and 2016.The information about the Company’s remuneration to employees and directors is available at the Market Observation Post System website.

(l) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Company’s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(m) of the financial statement for the year ended December 31, 2017.

1. Credit risk

The major customers of the Company are centralized in the electronics industry. As of June 30, 2018, December 31, 2017 and June 30, 2017, the Company's account receivables were both concentrated on 5 customers, whose accounts represented 63%, 56% and 66% of the account receivables, respectively.

As of June 30, 2018, December 31, 2017 and June 30, 2017, the Company's cash in bank and time deposits were both concentrated on one financial institution, whose accounts represented 72%, 78% and 68% of the cash and cash equivalents, respectively. Thus, credit risk is significantly centralized. To reduce cash risk, the Company evaluates financial institutions' financial positions and credit rating periodically, after the assessment, management does not expect significant losses.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments impact.

		Carrying amount (Contractual cash flows)	Within 6 month
June 30, 2018			
Non-derivative financial liabilities			
Accounts Payable	$	54,866	54,866
Payables to Contractors and Equipment		1,918	1,918
Cash Dividends Payable		752,277	752,277
	$	809,061	809,061
December 31, 2017			
Non-derivative financial liabilities			
Accounts Payable	$	43,237	43,237
Payables to Contractors and Equipment		13,387	13,387
	$	56,624	56,624
June 30, 2017			
Non-derivative financial liabilities			
Accounts Payable	$	50,022	50,022
Payables to Contractors and Equipment		19,057	19,057
Cash Dividends Payable		724,670	724,670
	$	793,749	793,749

The Company did not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3. Currency risk

(i) The Company's significant exposure to foreign currency risk was as follows:

	June 30, 2018			December 31, 2017			June 30, 2017		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD	$ 13,223	30.410	402,111	23,471	29.71	697,323	26,469	30.37	803,864
JPY	221,149	0.2734	60,462	327,824	0.2622	85,955	151,802	0.2696	40,926
Financial liabilities									
Monetary items									
USD	460	30.510	14,035	324	29.81	9,658	697	30.47	21,238
JPY	37,886	0.2774	10,510	24,306	0.2662	6,470	36,376	0.2736	9,952

(ii) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payable that are denominated in foreign currency. Depreciation or appreciation of the NTD by 1% against USD and JPY at June 30, 2018 and 2017,while all other variables were remained constant, would have increased (decreased) the net profit after tax by \$3,504and \$6,753, respectively. The analysis is performed on the same basis for both periods.

(iii) Gains or losses on monetary item

Since the Company has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the six months ended June 30, 2018 and 2017, foreign exchange gain (loss), including realized and unrealized portions, amounted to \$13,251 and (\$20,236), respectively.

4. Interest rate risk

Please refer to the attached note for the liquidity risk and the Company's interest rate exposure to its financial liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivatives and non-derivatives financial instruments on the reporting date. For variable rate instrument, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Company's internal management reported the increases/decreases in the interest rates and the exposure to changes in interest rates of 1% is considered by management to be a reasonable change of interest rate.

The Company's exposure to Interest rate risk arises from the bank deposit interest rates change. If the interest rate had increased (decreased) by 1%, the Company's net profit after tax would have increased (decreased) by \$10,754 and \$10,682 for the six months ended June 30, 2018 and 2017, all other variable factors that remain constant.

5. Fair value and carrying amount

The carrying amounts of the Company's non-derivative financial instruments-current, including financial assets at amortized cost (loans and receivables), such as cash and cash equivalents, notes and receivables (including related parties), and other current financial assets, and financial liabilities at amortized cost, such as short-term borrowings, were considered to approximate their fair value due to their short-term nature.

(m) Financial risk management

There were no significant change in the Company's financial risk management and policies as disclosed in Note 6(n) of the financial statements for the year ended December 31, 2017.

(n) Capital management

The objectives and policies of capital management of the Company have been applied consistently with those described in the financial statements for the year ended December 31, 2017. Also, there were no significant changes in the Company's capital management information as disclosed in the financial statements for the year ended December 31, 2017. Refer to note 6(o) of the financial statements for the year ended December 31, 2017, for the relevant information.

(o) Revenue from contracts with customers

	Three months ended June 30, 2018	Six months ended June 30, 2018
Primary geographic markets:		
China	$ 189,725	362,730
United States	138,063	248,119
Taiwan	79,683	150,461
Other	49,567	85,999
	$ 457,038	**847,309**
Main Product		
RF Front-End devices and modules	**$ 457,038**	**847,309**

Refer to note 6(p) for net revenue for the six months ended June 30, 2017.

(p) Revenue

	Three months ended June 30, 2018	Six months ended June 30, 2018
Sale of goods	**$ 503,145**	**992,247**

Refer to note 6(o) for the disaggregation of revenue for the six months ended June 30, 2018.

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with the Company during the periods covered in the financial statements.

Names of the related parties	Relationships
Johanson Technology Inc. (JOHANSON)	The Company’s director
Scientific Components Corporation (doing business as Mini-Circuits(MINI-CKT))	The Company’s director

(b) Significant transactions with related parties

1. Operating revenue

The amounts of significant sales transactions between the Company and related parties were as follow:

	Three months ended June 30		Six months ended June 30	
	2018	**2017**	**2018**	**2017**
Key management personnel－JOHANSON	$ 104,817	129,298	186,181	243,796
Key management personnel－MINI-CKT	32,198	27,402	60,737	55,309
	$ 137,015	**156,700**	**246,918**	**299,105**

2. Receivables from related parties

At the reporting date, the balance of accounts receivable resulting from the sales were as follows:

Categories	Account	June 30, 2018	December 31, 2017	June 30, 2017
Key management personnel －JOHANSON	Receivables from related parties	$ 110,552	96,350	145,261
	Bad Debt Provision	(1,106)	(963)	(1,453)
Key management personnel －MINI-CKT	Receivables from related parties	20,626	39,767	25,299
	Bad Debt Provision	(206)	(398)	(252)
		$ 129,866	134,756	168,855

The selling price and collection terms of sales to related parties were determined in the economic environment and market competition, and were not significantly different from those with third-party customers.

3. Other

	Amount				Other current liabilities		
	Three months ended June 30		Six months ended June 30				
	2018	2017	2018	2017	June 30, 2018	December 31, 2017	June 30, 2017
Other payables - related parties	$ 1,195	1,222	2,250	2,313	341	363	661

(c) Transactions with key management personnel

The key management personnel compensation was comprised as below:

	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Short-term employee benefits	$ 26,962	29,326	47,476	54,454
Post-employment benefits	64	64	128	128
	$ 27,026	29,390	47,604	54,582

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledge assets	Pledged to secure	June 30, 2018	December 31, 2017	June 30, 2017
Refundable deposits (Other Financial Assets-Current)	Customs duty guarantee	$ 2,000	2,000	2,000
Land (Property, Plant and Equipment)	Short-term borrowings	168,944	168,944	168,944
		$ 170,944	170,944	170,944

(9) Commitments and contingencies:

(a) As of June 30, 2018, December 31, 2017 and June 30, 2017, the outstanding letters of credit for the Company's purchases of raw materials, machinery and equipment amounted to $4,363, $3,210 and $15,004, respectively.

(b) As of June 30, 2018, December 31, 2017 and June 30, 2017, the Company purchased machinery and equipment and the unpaid amount was $762,583, $707,927 and $44,697, respectively.

(c) Bank guarantees of the Company's purchases of raw materials, machinery and equipment amounted to $2,000, as of June 30, 2018.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

(a) The nature of employee benefits, depreciation and amortization expenses, categorized by function, was as followings:

	Three months ended June 30, 2018			**Three months ended June 30, 2017**		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefits						
Salaries	28,707	28,251	56,958	31,459	29,103	60,562
Labor and health insurance	2,440	1,605	4,045	2,613	1,595	4,208
Pension	956	792	1,748	1,038	742	1,780
Others	4,768	1,084	5,852	5,248	1,103	6,351
Depreciation	32,686	3,407	36,093	30,489	2,785	33,274
Amortization	-	125	125	-	175	175

	Six months ended June 30, 2018			**Six months ended June 30, 2017**		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefits						
Salaries	54,873	52,280	107,153	61,646	55,428	117,074
Labor and health insurance	4,911	3,205	8,116	5,304	3,196	8,500
Pension	1,914	1,583	3,497	2,129	1,489	3,618
Others	8,558	2,020	10,578	9,865	2,135	12,000
Depreciation	64,167	6,803	70,970	60,921	5,148	66,069
Amortization	-	250	250	-	350	350

(b) Seasonality of operations:
The operations are not affected by seasonal factors or cyclical factors.

(13) Other disclosures:

(a) Information on significant transactions:

1. Loans to other parties: None
2. Guarantees and endorsements for other parties: None
3. Securities held as of June 30, 2018 (excluding investment in subsidiaries, associates and joint ventures): None
4. Individual securities acquired or disposed off with accumulated amount exceeding the lower of NTD$300 million or 20% of the capital stock: None
5. Acquisition of individual real estate with amount exceeding the lower of NTD$300 million or 20% of the capital stock: None
6. Disposal of individual real estate with amount exceeding the lower of NTD$300 million or 20% of the capital stock: None
7. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	JOHANSON	Legal director	(Sales)	186,181	22%	60 days	Note1	Note1	110,552	30%	

Note1: Please refer Note 7(b)

8. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of capital stock:

Name of related party	Counter-party	Nature of relationship	Balance of receivables from related party	Turnover rate	Overdue amount		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
The Company	JOHANSON	Legal director	110,552	3.60	8,515		32,097	1,106

9. Trading in derivative instruments: None

(b) Information on investments: None

(c) Information on investment in Mainland China: None

(14) Segment information:

The profit or loss, assets and liabilities of the operation segment were consistent with the related accounts shown in the balance sheet and comprehensive income statement of the Company.