GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016

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

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To Gallant Precision Machining Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Gallant Precision Machining Co., Ltd. and its subsidiaries as of June 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three month periods ended June 30, 2017 and 2016, and for the six month periods ended June 30, 2017 and 2016, and of changes in equity and of cash flows for the six month periods ended June 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except for the matters described in the next paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements" in the Republic of China. A review consists primarily of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As discussed in Note 4(3) and 6(8), the accompanying consolidated financial statements included certain non-significant subsidiaries and investments accounted for using the equity method whose amounts and information disclosed in note 13 were based on unreviewed financial statements for the same period as that of the Company. These subsidiaries' total assets amounting to $886,073 thousand and $909,587 thousand, constituting 15% and 17% of total consolidated assets as of June 30, 2017 and 2016, respectively, total liabilities amounting to $93,308 thousand and $119,585 thousand, constituting 3% and 4% of total consolidated liabilities as of June 30, 2017 and 2016, respectively, and total comprehensive income (loss) amounting to ($9,576) thousand, ($19,628) thousand, ($73,457) thousand, and ($41,534) thousand, constituting (21%), (10%), (297%) and (18%) of consolidated comprehensive income (loss) for the three month periods ended June 30, 2017 and 2016, and for the six month periods ended June 30, 2017 and 2016, respectively. The investments accounted for using equity method amounting to $115,098 thousand and $260,700 thousand as of June 30, 2017 and 2016, respectively, and related share of the profit or loss amounting to ($74,511) thousand and ($12,293) thousand, constituting (300%) and (5%) of total consolidated comprehensive income (loss) for the six month periods end June 30, 2017 and 2016, respectively.

Based on our review, except for the effect on the financial statements and related disclosures of such adjustments, if any, as might have been determined to be necessary had the financial statements of these non-significant consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as explained in the preceding paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above in order for them to be in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan
August 10, 2017

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2017 and 2016 are reviewed, not audited)

	Assets	Notes	June 30, 2017 AMOUNT	%	December 31, 2016 AMOUNT	%	June 30, 2016 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 911,785	15	$ 910,191	15	$ 841,383	15
1110	Financial assets at fair value through profit or loss - current	6(2)	122,075	2	383,125	6	275,081	5
1147	Investments in debt instrument without active markets	6(3)	965,082	16	1,013,293	16	759,792	14
1150	Notes receivable, net		15,938	-	54,554	1	15,891	-
1170	Accounts receivable, net	6(4)	1,475,880	25	1,633,982	26	1,796,934	33
1180	Accounts receivable - related parties	7	190	-	293	-	1,405	-
1200	Other receivables		10,396	-	14,262	-	9,854	-
1210	Other receivables - related parties	7	-	-	-	-	6,973	-
130X	Inventories, net	6(5)	1,379,083	23	1,187,872	19	690,465	13
1410	Prepayments		59,171	1	43,084	1	43,425	1
1470	Other current assets	8	41,365	1	32,109	-	74,529	1
11XX	**Current Assets**		4,980,965	83	5,272,765	84	4,515,732	82
	Non-current assets							
1523	Available-for-sale financial assets - non-current	6(6)	14,179	-	19,702	-	13,369	-
1543	Financial assets carried at cost - non-current	6(7)	66,419	1	66,419	1	66,419	1
1550	Investments accounted for using equity method	6(8)	115,098	2	189,608	3	260,700	5
1600	Property, plant and equipment, net	6(9) and 8	629,792	10	478,669	8	489,503	9
1780	Intangible assets, net		108,711	2	122,286	2	35,583	1
1840	Deferred income tax assets		95,368	2	64,503	1	74,056	1
1900	Other non-current assets	8	24,674	-	36,262	1	48,841	1
15XX	**Non-current assets**		1,054,241	17	977,449	16	988,471	18
1XXX	**Total assets**		$ 6,035,206	100	$ 6,250,214	100	$ 5,504,203	100

(Continued)

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of June 30, 2017 and 2016 are reviewed, not audited)

	Liabilities and Equity	Notes	June 30, 2017 AMOUNT	%	December 31, 2016 AMOUNT	%	June 30, 2016 AMOUNT	%
	Current liabilities							
2100	Short-term loans	6(10)	$ 781,738	13	$ 542,153	9	$ 536,091	10
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	-	-	769	-
2170	Accounts payable	6(11)	1,432,833	24	1,514,273	24	973,209	18
2200	Other payables	6(12)	618,439	10	394,050	6	468,434	8
2230	Current income tax liabilities		53,560	1	33,343	1	80,343	1
2250	Provisions for liabilities - current		152,452	3	195,510	3	236,206	4
2300	Other current liabilities	6(13)	150,988	2	528,962	8	152,394	3
21XX	**Current Liabilities**		3,190,010	53	3,208,291	51	2,447,446	44
	Non-current liabilities							
2540	Long-term loans	6(13)	402,328	7	310,256	5	294,177	5
2570	Deferred income tax liabilities		39,843	1	36,326	1	34,010	1
2600	Other non-current liabilities	6(14)	84,691	1	87,958	1	89,392	2
25XX	**Non-current liabilities**		526,862	9	434,540	7	417,579	8
2XXX	**Total Liabilities**		3,716,872	62	3,642,831	58	2,865,025	52
	Equity attributable to owners of parent company							
	Share capital	6(16)						
3110	Share capital - common stock		1,651,361	27	1,651,361	26	1,651,361	30
	Capital surplus	6(17)						
3200	Capital surplus		176,096	3	242,949	4	242,949	5
	Retained earnings	6(18)(26)						
3310	Legal reserve		66,921	1	40,850	1	40,850	1
3320	Special reserve		178,169	3	132,987	2	132,987	2
3350	Unappropriated retained earnings		52,419	1	305,550	5	290,569	5
	Other equity interest	6(19)						
3400	Other equity interest		(81,607)	(1)	(45,182)	(1)	(4,326)	-
31XX	**Equity attributable to owners of the parent company**		2,043,359	34	2,328,515	37	2,354,390	43
36XX	**Non-controlling interest**		274,975	4	278,868	5	284,788	5
3XXX	**Total equity**		2,318,334	38	2,607,383	42	2,639,178	48
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 6,035,206	100	$ 6,250,214	100	$ 5,504,203	100

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

	Items	Notes	For the three-month periods ended June 30 2017 AMOUNT	%	2016 AMOUNT	%	For the Six-month periods ended June 30 2017 AMOUNT	%	2016 AMOUNT	%
4000	**Operating revenue**	6(20)	$ 1,138,593	100	$ 1,326,785	100	$ 2,377,871	100	$ 1,933,814	100
5000	**Operating costs**	6(5)(24)(25)	(796,678)	(70)	(901,328)	(68)	(1,739,844)	(73)	(1,312,287)	(68)
5900	**Net operating margin**		341,915	30	425,457	32	638,027	27	621,527	32
	Operating expenses	6(24)(25)								
6100	Selling expenses		(80,325)	(7)	(43,634)	(3)	(140,481)	(6)	(93,414)	(5)
6200	General and administrative expenses		(67,138)	(6)	(101,106)	(8)	(135,757)	(5)	(155,861)	(8)
6300	Research and development expenses		(93,171)	(8)	(41,827)	(3)	(165,868)	(7)	(89,151)	(4)
6000	**Total operating expenses**		(240,634)	(21)	(186,567)	(14)	(442,106)	(18)	(338,426)	(17)
6900	**Operating profit**		101,281	9	238,890	18	195,921	9	283,101	15
	Non-operating income and expenses									
7010	Other income	6(21) and 7	16,926	1	69,890	5	37,588	1	83,159	4
7020	Other gains and losses	6(22)	(3,599)	-	4,269	1	(45,514)	(2)	(380)	-
7050	Finance costs	6(23)	(4,217)	-	(3,114)	-	(7,707)	-	(5,806)	-
7060	Share of profit of associates and joint ventures accounted for under equity method		(50,834)	(5)	(9,316)	(1)	(74,511)	(3)	(12,293)	(1)
7000	**Total non-operating income and expenses**		(41,724)	(4)	61,729	5	(90,144)	(4)	64,680	3
7900	**Profit before tax**		59,557	5	300,619	23	105,777	5	347,781	18
7950	Income tax expense	6(26)	(30,253)	(2)	(64,051)	(5)	(39,152)	(2)	(69,955)	(4)
8200	**Profit for the period**		$ 29,304	3	$ 236,568	18	$ 66,625	3	$ 277,826	14
	Other comprehensive income for the period									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Cumulative translation differences of foreign operations		$ 21,438	2	($ 45,208)	(4)	($ 36,350)	(2)	($ 37,855)	(2)
8362	Unrealized (loss) gain on valuation of available-for-sale financial assets		(4,865)	(1)	(3,343)	-	(5,476)	-	(5,658)	-
8360	**Summary of Components of other comprehensive income that will be reclassified to profit or loss**		16,573	1	(48,551)	(4)	(41,826)	(2)	(43,513)	(2)
8300	**Other comprehensive income (loss) for the Period**		$ 16,573	1	($ 48,551)	(4)	($ 41,826)	(2)	($ 43,513)	(2)
8500	**Total comprehensive income for the period**		$ 45,877	4	$ 188,017	14	$ 24,799	1	$ 234,313	12
	Profit attributable to:									
8610	Equity holders of the parent company		$ 18,375	2	$ 209,266	16	$ 49,313	2	$ 243,721	12
8620	Non-controlling interest		10,929	1	27,302	2	17,312	1	34,105	2
	Profit for the period		$ 29,304	3	$ 236,568	18	$ 66,625	3	$ 277,826	14
	Total comprehensive income attributable to:									
8710	Equity holders of the parent company		$ 31,447	3	$ 169,508	13	$ 12,888	-	$ 205,934	11
8720	Non-controlling interest		14,430	1	18,509	1	11,911	1	28,379	1
	Total comprehensive income for the period		$ 45,877	4	$ 188,017	14	$ 24,799	1	$ 234,313	12
	Earnings per share (In dollars)	6(27)								
9750	**Basic earnings per share**		$	0.11	$	1.27	$	0.30	$	1.48
	Earnings per share (In dollars)	6(27)								
9850	**Diluted earnings per share (In dollars)**		$	0.11	$	1.25	$	0.30	$	1.45

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent									
				Retained Earnings			Other Equity Interest				
	Notes	Share capital-common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
For the six-month period ended June 30, 2016											
Balance at January 1, 2016		$1,651,361	$ 275,976	$ 20,859	$ 132,987	$ 200,820	$ 46,982	($ 13,521)	$2,315,464	$ 252,259	$2,567,723
Distribution of 2015 earnings:											
Legal reserve		-	-	19,991	-	(19,991)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(132,109)	-	-	(132,109)	-	(132,109)
Capital reserve-distribute cash	6(17)	-	(33,027)	-	-	-	-	-	(33,027)	-	(33,027)
Profit for the period		-	-	-	-	243,721	-	-	243,721	34,105	277,826
Other comprehensive income for the period	6(19)	-	-	-	-	-	(32,129)	(5,658)	(37,787)	(5,726)	(43,513)
From share of changes in equities of subsidiaries	6(28)	-	-	-	-	(1,872)	-	-	(1,872)	-	(1,872)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	4,150	4,150
Balance at June 30, 2016		$1,651,361	$ 242,949	$ 40,850	$ 132,987	$ 290,569	$ 14,853	($ 19,179)	$2,354,390	$ 284,788	$2,639,178
For the six-month period ended June 30, 2017											
Balance at January 1, 2017		$1,651,361	$ 242,949	$ 40,850	$ 132,987	$ 305,550	($ 32,398)	($ 12,784)	$2,328,515	$ 278,868	$2,607,383
Distribution of 2016 earnings:											
Legal reserve		-	-	26,071	-	(26,071)	-	-	-	-	-
Special reserve		-	-	-	45,182	(45,182)	-	-	-	-	-
Cash dividends	6(18)	-	-	-	-	(231,191)	-	-	(231,191)	-	(231,191)
Capital reserve-distribute cash	6(17)	-	(66,055)	-	-	-	-	-	(66,055)	-	(66,055)
Profit for the period		-	-	-	-	49,313	-	-	49,313	17,312	66,625
Other comprehensive income for the period	6(19)	-	-	-	-	-	(30,887)	(5,538)	(36,425)	(5,401)	(41,826)
Difference between the price for acquisition of subsidiaries and carrying amount		-	(798)	-	-	-	-	-	(798)	(3,035)	(3,833)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(12,769)	(12,769)
Balance at June 30, 2017		$1,651,361	$ 176,096	$ 66,921	$ 178,169	$ 52,419	($ 63,285)	($ 18,322)	$2,043,359	$ 274,975	$2,318,334

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent auditors dated August 10, 2017.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	For the six-month periods ended June 30 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 105,777	$ 347,781
Adjustments			
Income and expenses having no effect on cash flow			
Gain on financial assets or liabilities at fair value through profit or loss, net	6(22)	(1,191)	(4,025)
Gain on disposal of financial assets	6(22)	(298)	-
Provision for doubtful accounts	6(4)	65,011	29,846
Depreciation	6(9)(24)	18,691	14,534
Amortization	6(24)	14,415	5,968
Interest income	6(21)	(7,225)	(8,084)
Interest expense	6(23)	7,707	5,806
Loss on disposal of property, plant and equipment, net	6(21)(22)	26	84
Share of profit of associates and joint ventures accounted for using equity method		74,511	12,293
Compensation cost of employee share options	6(15)	-	114
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		262,241	(219,979)
Notes receivable		37,953	13,192
Accounts receivable		87,663	(198,045)
Accounts receivable - related parties		(3,762)	(804)
Other receivables		1,928	(548)
Other receivables - related parties		-	44,314
Inventories		(193,800)	(100,753)
Prepayments		(16,318)	(12,420)
Other current assets		(9,572)	1,944
Other non-current assets		(11)	(10,047)
Net changes in liabilities relating to operating activities			
Accounts payable		(78,214)	111,641
Other payables		(106,758)	(20,773)
Provisions for liabilities		(42,523)	35,702
Unearned receipts		(379,656)	24,548
Other current liabilities		2,495	7,547
Accrued pension liabilities		(2,479)	(2,654)
Other non-current liabilities		-	(876)
Cash generated from operations		(163,389)	76,306
Interest received		9,163	13,433
Interest paid		(7,131)	(5,479)
Income tax paid		(45,604)	(51,303)
Net cash (used in) provided by operating activities		(206,961)	32,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of bond investments without active markets		27,924	76,040
Proceeds from disposal of available-for-sale financial assets		345	-
Acquisition of property, plant and equipment	6(30)	(156,451)	(11,320)
Proceeds from disposal of property, plant and equipment		314	1,711
Acquisition of intangible assets		(1,787)	(2,775)
Refundable deposits paid		(3,248)	(352)
Decrease in other financial assets	8	3,243	13,257
Net cash (used in) provided by investing activities		(129,660)	76,561
CASH FLOWS FROM FINANCING ACTIVITY			
Proceeds from short-term loans		1,277,404	865,847
Repayment of short-term loans		(1,037,819)	(685,746)
Proceeds from long-term loan		106,000	-
Repayment of long-term loans		(14,523)	(13,805)
Guarantee deposits refunded		(23)	(68)
Proceeds from transaction with non-controlling interests	6(28)	(3,833)	-
Proceeds from transaction with non-controlling interests	6(28)	-	30,875
Increase in non-controlling interests		17,944	-
Net cash provided by financing activities		345,150	197,103
Effect of fluctuations in exchange rate		(6,935)	(19,950)
Net increase in cash and cash equivalents		1,594	286,671
Cash and cash equivalents at beginning of period	6(1)	910,191	554,712
Cash and cash equivalents at end of period	6(1)	$ 911,785	$ 841,383

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

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2017 AND 2016
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

1. HISTORY AND ORGANIZATION

Gallant Precision Machining Co., Ltd. (the “Company”).

The Company was incorporated on December 22, 1978. The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the design, manufacture and sale of molds and machinery, metal parts and mold parts, stamping parts and die-cast parts, and automated manufacturing systems and their unit equipment, as well as the management and investment in the relevant business.

The Company’s stock was listed on the Taipei Exchange (formerly named GreTai Securities Market), effective from February, 1998.

The Company merged with Syntran Co., Ltd (the “Syntran Company”) on August 3, 2007 (merger effective date). The Company was a surviving company and Syntran Company was a dissolved company. Syntran Company was incorporated in November 1994, mainly engaged in the research, development, manufacture and sale of DWDM automatic optical testing machines, DWDM module packaging machines, digital safety monitoring systems and nano functional powder and films.

The special shareholders' meeting of the Company resolved to spin-off its semiconductor business on December 15, 2010 and the GreTai Securities Market approved the spin-off and the Company’s stock listed on January 13, 2011. The Company transferred its semiconductor business and related investment to the Company's subsidiary – Gallant Micro. Machining Co., Ltd. on the spin-off effective day March 1, 2011. The equity interest in Gallant Micro. Machining Co., Ltd. held by the Company as of June 30, 2017 was 66.88%.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 10, 2017.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2017 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14,'Regulatory deferral accounts'	January 1, 2016
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The above standards and interpretations have no significant impact to the Group's financial condition and operating result based on the Group's assessment.

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

New standards, interpretations and amendments endorsed by FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Classification and measurement of share-based payment transactions (amendments to IFRS 2)	January 1, 2018
IFRS 4'Insurance contracts' (amendments to IFRS 4)	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Clarifications to IFRS 15, 'Revenue from contracts with customers' (amendments to IFRS 15)	January 1, 2018
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Transfers of investment property (amendments to IAS 40)	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018

Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 1, 'First-time adoption of international financial reporting	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Except for the followings, the above standards and interpretations have no significant impact to the Group's financial condition and operating result based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 9, 'Financial instruments'

(a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

(b) The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance).

B. IFRS 15, 'Revenue from contracts with customers'

IFRS 15, 'revenue from contracts with customers' replaces IAS 11 'Construction Contracts', IAS 18 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step1: Identify contracts with customer

Step 2: Identify separate performance obligations in the contract(s)
Step 3: Determine the transaction price
Step 4: Allocate the transaction price.
Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

C. Amendments to IFRS 15, ‘Clarifications to IFRS 15 Revenue from Contracts with Customers‘

The amendments clarify how to identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract; determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and determine whether the revenue from granting a licence should be recognised at a point in time or over time. In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.

(3) <u>IFRSs issued by IASB but not yet endorsed by the FSC</u>

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC effective as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
IFRS 16, 'Leases'	January 1, 2019
IFRS 17, 'Insurance Contracts'	January 1, 2021
IFRS 23, 'Uncertainty over Income Tax Treatments'	January 1, 2019

Except for the followings, the above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

A. IFRS 16, ‘Leases’

IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognize a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2016, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed by the FSC.

B. Please refer to the Group's consolidated financial statements for the year ended December 31, 2016.

(2) Basis of preparation

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

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2016.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of subsidiary	Main Business Activities	Percentage of Ownership			Note
			June 30, 2017	December 31, 2016	June 30, 2016	
Gallant Precision Machining Co., Ltd.	Gallant Micro. Machining Co., Ltd.	Manufacturing and selling of semiconductor related equipment and parts	66.88	66.88	66.88	
Gallant Precision Machining Co., Ltd.	Gallant-Rapid Corporation Ltd. (the “GRC”)	Investing in Gallant Precision Industries (Suzhou) Co., Ltd.	100	100	100	note
Gallant Precision Machining Co., Ltd.	Gallant Precision Machinery (BVI)Ltd. (the “GPM(BVI)”)	Investing in Gallant Precision Machinery (Xiamen) Co., Ltd.	100	100	100	note
Gallant Precision Machining Co., Ltd.	APEX-I International Co., Ltd.	Marketing and selling of process equipment of LCD and related parts.	100	94.12	94.12	note
Gallant Precision Machining Co., Ltd.	Chun-Zhun Enterprise Corporation Ltd. (the “CZE”)	Investing in Gallant Technology (Shenzhen) Co., Ltd.	100	100	100	note
Gallant Micro. Machining Co., Ltd.	King Mechatronics Co., Ltd. (the”KMC”)	Investing in Gallant Micro. Machining (Suzhou) Co., Ltd.	100	100	100	
Gallant Micro. Machining Co., Ltd.	Gallant Micro Machining (Malaysia) Sdn. Bhd. (the”GMMM”）	Engaged in the import and export and trading business of semiconductor machines and related parts	100	100	100	note
GRC	Gallant Precision Industries (Suzhou) Co., Ltd.	Manufacturing of optoelectronic products equipment, mechanical equipment and related parts	100	100	100	note
KMC	Investing in Gallant Micro. Machining (Suzhou) Co., Ltd.	Manufacturing and selling of precision mold and related parts	100	100	100	
GPM(BVI)	Gallant Precision Machinery (Xiamen) Co., Ltd.	Manufacturing of optoelectronic products equipment, mechanical equipment and related parts	100	100	100	note
CZE	Gallant Technology (Shenzhen) Co., Ltd.	Manufacturing of medical and mechanical related equipment	100	100	100	note
Gallant Precision Industries (Suzhou) Co., Ltd.	Gallant International Trading Co., Ltd.	Engaged in selling of mechatronics equipment	100	100	100	note
Gallant Precision Industries (Suzhou) Co., Ltd.	Gallant Precision Intelligence Technology Co.,Ltd.	Manufacturing of optoelectronic products equipment, mechanical equipment and related parts	60	0	0	note
Gallant International Trading Co., Ltd.	Suzhou Jianmeifu Optical Co., Ltd.	Engaged in wholesale and retail of contact lenses and related care products	100	100	100	note

Note: The financial statements of the entity as of and for the six months ended June 30, 2017 and 2016 were not reviewed by the independent auditors as the entity did not meet the definition of significant subsidiary.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of June 30, 2017, December 31, 2016 and June 30, 2016, the non-controlling interest amounted to $274,976, $278,868 and $284,788, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest					
		June 30, 2017		December 31, 2016		June 30, 2016	
Name of subsidiary	Principal place of business	Amount	Ownership(%)	Amount	Ownership(%)	Amount	Ownership(%)
Gallant Micro. Machining Co., Ltd.	Taiwan	$ 253,419	33.12	$ 275,034	33.12	$ 281,591	33.12

Summarized financial information of the subsidiaries:

Balance sheets

	Gallant Micro. Machining Co., Ltd. and its subsidiaries		
	June 30, 2017	December 31, 2016	June 30, 2016
Current assets	$ 1,154,294	$ 1,120,513	$ 1,265,663
Non-current assets	262,179	112,029	120,617
Current liabilities	(475,475)	(335,800)	(502,054)
Non-current liabilities	(175,843)	(66,326)	(34,011)
Total net assets	$ 765,155	$ 830,416	$ 850,215

Statements of comprehensive income

	Gallant Micro. Machining Co., Ltd. and its subsidiaries	
	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Revenue	$ 257,932	$ 330,449
Profit before income tax	$ 28,620	$ 115,438
Income tax expense	(6,487)	(27,178)
Profit for the period from continuing operations	22,133	88,260
Loss from discontinued operations	-	-
Profit for the period	22,133	88,260
Other comprehensive income, net of tax	10,396	(28,852)
Total comprehensive income for the period	$ 32,529	$ 59,408
Comprehensive income attributable to non-controlling interest	$ 10,770	$ 18,831
Dividends paid to non-contronlling interest	$ 29,809	$ 28,708

	Gallant Micro. Machining Co., Ltd. and its subsidiaries	
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Revenue	$ 515,058	$ 545,492
Profit before income tax	$ 55,697	$ 146,789
Income tax expense	(14,463)	(35,329)
Profit for the period from continuing operations	41,234	111,460
Loss from discontinued operations	-	-
Profit for the period	41,234	111,460
Other comprehensive income, net of tax	(16,484)	(18,812)
Total comprehensive income for the period	$ 24,750	$ 92,648
Comprehensive income attributable to non-controlling interest	$ 8,194	$ 28,986
Dividends paid to non-contronlling interest	$ 29,809	$ 28,708

Statements of cash flows

	Gallant Micro. Machining Co., Ltd. and its subsidiaries	
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Net cash provided by (used in) operating activities	$ 103,588	$ 84,113
Net cash provided by (used in) investing activities	(201,575)	2,809
Net cash provided by (used in) financing activities	136,000	50,000
Effect of exchange rates on cash and cash equivalents	(10,478)	(18,812)
Increase (decrease) in cash and cash equivalents	27,535	118,110
Cash and cash equivalents, beginning of period	348,077	273,934
Cash and cash equivalents, end of period	$ 375,612	$ 392,044

(4) Employee benefits

Pensions

Defined contribution plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation 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. And, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

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

There have been no significant change as of June 30, 2017. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2016

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2017	December 31, 2016	June 30, 2016
Cash on hand and revolving funds	$ 566	$ 578	$ 15,221
Checking accounts	26	26	26
Demand deposits	911,193	894,637	822,908
Time deposits	-	14,950	3,228
Total	$ 911,785	$ 910,191	$ 841,383

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Cash and cash equivalents pledged to Customs and others as collateral, and were classified as other financial assets in Note 8.

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

Items	June 30, 2017	December 31, 2016	June 30, 2016
Current items:			
Financial assets held for trading			
Beneficiary certificates	$ 120,511	$ 382,347	$ 269,377
Valuation adjustment of financial assets held for trading	1,564	778	5,704
	$ 122,075	$ 383,125	$ 275,081
Current items:			
Financial liabilities held for trading			
Non-hedging derivative instruments-forward foreign exchange contracts	$ -	$ -	($ 1,291)
Valuation adjustment of financial liabilities held for trading	-	-	522
	$ -	$ -	($ 769)

A. The Group recognized net gain of $680, $772, $1,191 and $3,496 on financial assets and liabilities designated as at fair value through profit or loss for the three-month periods end 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

B. The non-hedging derivative instruments transaction and contract information are as follows:

	June 30, 2017		June 30, 2016	
Derivative instruments	Contract amount (notional principal) (in thousands)	Contract period	Contract amount (notional principal) (in thousands)	Contract period
Current items:				
forward foreign exchange contracts	-	-	USD $1,000	2015.11.6-2016.7.7
forward foreign exchange contracts	-	-	USD $1,000	2015.11.6-2016.9.8
forward foreign exchange contracts	-	-	USD $1,000	2015.11.6-2016.11.8

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of operating activities. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

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

(3) Investments in debt instrument without active markets

Items	June 30, 2017	December 31, 2016	June 30, 2016
Current items:			
Time deposits	$ 965,082	$ 1,013,293	$ 759,792

A. The Group listed time deposits for 3 to 9 months in this item.

B. The Group transacts with financial institutions with high credit quality.

C. As of June 30, 2017, December 31, 2016 and June 30, 2016, the Group has no investments in debt instrument without active markets pledged to others.

(4) Accounts receivable

	June 30, 2017	December 31, 2016	June 30, 2016
Accounts receivable	$ 1,693,386	$ 1,787,677	$ 1,937,758
Less: allowance for bad debts	(217,506)	(153,695)	(140,824)
	$ 1,475,880	$ 1,633,982	$ 1,796,934

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

	June 30, 2017	December 31, 2016	June 30, 2016
Group 1	$ 18,594	$ 20,610	$ 427,404
Group 2	714,780	995,760	862,658
Group 3	497,386	291,924	314,963
	$ 1,230,760	$ 1,308,294	$ 1,605,025

Group 1: New customers (less than 6 months from the first transaction).

Group 2: Existing customers (more than 6 months from the first transaction) which were listed companies.

Group 3: Existing customers (more than 6 months from the first transaction) which were private companies.

B. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Up to 30 days	$ 94,493	$ 76,380	$ 61,174
31 to 90 days	47,279	92,757	45,989
91 to 180 days	51,730	96,247	33,323
Over 181 days	51,618	60,304	51,423
	$ 245,120	$ 325,688	$ 191,909

The above ageing analysis was based on past due date.

C. Movement analysis of financial assets that were impaired is as follows:

(a) As of June 30, 2017, December 31, 2016 and June 30, 2016, the Group's accounts receivable that were impaired amounted to $217,506, $153,695 and $140,824, respectively.

(b) Movements the provision for impairment of accounts receivable are as follows:

	2017		
	Individual provision	Group provision	Total
At January 1	$ 829	$ 152,866	$ 153,695
Provision (Reversal) for impairment	82	64,929	65,011
Effect of foreign exchange	-	(1,200)	(1,200)
At June 30	$ 911	$ 216,595	$ 217,506

	2016		
	Individual provision	Group provision	Total
At January 1	$ 2,434	$ 109,908	$ 112,342
Provision (Reversal) for impairment	(1,559)	31,405	29,846
Effect of foreign exchange	-	(1,364)	(1,364)
At June 30	$ 875	$ 139,949	$ 140,824

D. The Group does not hold any collateral as security.

(5) Inventories

	June 30, 2017		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 109,685	($ 13,674)	$ 96,011
Work in process	674,193	(44,447)	629,746
Finished goods	659,757	(14,530)	645,227
Inventory in transit	8,099	-	8,099
Total	$ 1,451,734	($ 72,651)	$ 1,379,083

	December 31, 2016		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 59,393	($ 15,393)	$ 44,000
Work in process	479,574	(32,989)	446,585
Finished goods	713,198	(25,397)	687,801
Inventory in transit	9,486	-	9,486
Total	$ 1,261,651	($ 73,779)	$ 1,187,872

	June 30, 2016		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 8,386	($ 288)	$ 8,098
Raw materials	78,465	(17,049)	61,416
Work in process	367,783	(40,790)	326,993
Finished goods	335,678	(49,182)	286,496
Inventory in transit	7,462	-	7,462
Total	$ 797,774	($ 107,309)	$ 690,465

The cost of inventories recognized as expense for the period:

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Cost of goods sold	$ 800,845	$ 889,027
Loss on (Gain on reversal of) decline in market value	(4,167)	12,301
	$ 796,678	$ 901,328

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Cost of goods sold	$ 1,740,658	$ 1,291,588
Loss on (Gain on reversal of) decline in market value	(814)	20,699
	$ 1,739,844	$ 1,312,287

The Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold because of disposal and sold inventory.

(6) Available-for-sale financial assets

	June 30, 2017	December 31, 2016	June 30, 2016
Non-current items:			
Listed stocks	$ -	$ 123	$ 123
Emerging stocks	30,046	30,046	30,046
Non-listed and emerging stocks	7,487	7,487	7,487
Subtotal	37,533	37,656	37,656
Valuation adjustment	(18,322)	(12,846)	(19,179)
Accumulated impairment	(5,032)	(5,108)	(5,108)
Total	$ 14,179	$ 19,702	$ 13,369

The Group recognized ($4,865), ($3,343), ($5,476) and ($5,658) in other comprehensive income for fair value change and reclassified $0 from equity to profit or loss for the three month periods ended June 30, 2017 and 2016, and for the six month periods ended June 30, 2017 and 2016, respectively.

(7) Financial assets measured at cost

	June 30, 2017	December 31, 2016	June 30, 2016
Non-current items:			
Phoenix & Corporation (Note)	$ 29,988	$ 29,988	$ 29,988
Power Ever Enterprises Limited	36,431	36,431	36,431
Total	$ 66,419	$ 66,419	$ 66,419

Note: Phoenix Pioneer Technology Co., Ltd. has conducted equity restructuring in 2016. The shares of Phoenix Pioneer Technology Co. Ltd. owned by the Company were exchanged for the shares of Phoenix & Corporation.

According to the Group’s intention, its investment in above corporation stocks should be classified as ‘available-for-sale financial assets’. However, as the above corporation stocks are not traded in active market, and no sufficient industry information of companies similar to the above companies or no financial information of the above companies can be obtained, the fair value of the investment in above corporation stocks cannot be measured reliably. The Group classified those stocks as ‘financial assets measured at cost’.

(8) Investments accounted for using equity method

	June 30, 2017	December 31, 2016	June 30, 2016
Associates			
Sunengine Co., Ltd.	$ 115,098	$ 189,608	$ 231,000
Hitachi Zosen GPM Technology （Suzhou） Co.,Ltd.	-	-	14,451
Shaoxing PushKang Biotechnology Co., Ltd.	-	-	15,249
	$ 115,098	$ 189,608	$ 260,700

A. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio June 30, 2017	Shareholding ratio December 31, 2016	Shareholding ratio June 30, 2016	Nature of relationship	Methods of measurement
Sunengine Co., Ltd. (NOTE)	TAIWAN	37.84%	37.84%	37.84%	Business strategy	Equity method
Hitachi Zosen GPM Technology(Suzhou) Co., Ltd.	CHINA	30.00%	30.00%	30.00%	Business strategy	Equity method
Shaoxing PushKang Biotechnology Co., Ltd.	CHINA	-	-	30.02%	Business strategy	Equity method

(b) The summarized financial information of the associates that are material to the Group is as below:

Balance sheet

	Sunengine Co., Ltd.		
	June 30, 2017	December 31, 2016	June 30, 2016
Current assets	$ 125,818	$ 221,961	$ 381,453
Non-current assets	262,931	431,602	518,851
Current liabilities	(82,697)	(103,312)	(233,634)
Non-current liabilities	(23,864)	(71,153)	(78,186)
Total net assets	$ 282,188	$ 479,098	$ 588,484
Share in associate's net assets	$ 106,780	$ 181,290	$ 222,682
Goodwill	8,318	8,318	8,318
Carrying amount of the associate	$ 115,098	$ 189,608	$ 231,000

	Hitachi Zosen GPM Technology（Suzhou）Co., Ltd.		
	June 30, 2017	December 31, 2016	June 30, 2016
Current assets	$ 34,381	$ 48,434	$ 137,290
Non-current assets	319	547	2,288
Current liabilities	(1,039)	(10,180)	(91,555)
Non-current liabilities	-	-	-
Total net assets	$ 33,661	$ 38,801	$ 48,023
Share in associate's net assets	$ 10,098	$ 11,640	$ 14,451
Goodwill	-	-	-
Carrying amount of the associate	$ 10,098	$ 11,640	$ 14,451

	Shaoxing PushKang Biotechnology Co., Ltd.		
	June 30, 2017	December 31, 2016	June 30, 2016
Current assets	$ -	$ -	$ 3,748
Non-current assets	-	-	30,026
Current liabilities	-	-	(8,257)
Non-current liabilities	-	-	(11,099)
Total net assets	$ -	$ -	$ 14,418
Share in associate's net assets	$ -	$ -	$ 4,328
Goodwill	-	-	10,921
Carrying amount of the associate	$ -	$ -	$ 15,249

Statement of comprehensive income

	Sunengine Co., Ltd.	
	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Revenue	$ 132,043	$ 278,659
Profit for the period from continuing operations	($ 133,878)	($ 13,080)
Profit or loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income	($ 133,878)	($ 13,080)
Dividends received from associates	$ -	$ -

	Sunengine Co., Ltd.	
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Revenue	$ 269,715	$ 557,643
Profit for the period from continuing operations	($ 196,910)	($ 9,942)
Profit or loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income	($ 196,910)	($ 9,942)
Dividends received from associates	$ -	$ -

	Hitachi Zosen GPM Technology（Suzhou）Co., Ltd.	
	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Revenue	$ 4,386	($ 2)
Profit for the period from continuing operations	($ 1,744)	($ 7,629)
Profit or loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income	($ 1,744)	($ 7,629)
Dividends received from associates	$ -	$ -

	Hitachi Zosen GPM Technology（Suzhou）Co., Ltd.	
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Revenue	$ 4,386	$ 250
Profit for the period from continuing operations	($ 5,463)	($ 13,819)
Profit or loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income	($ 5,463)	($ 13,819)
Dividends received from associates	$ -	$ -

	Shaoxing Pushkang Biotechnology Co., Ltd.	
	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Revenue	$ -	$ -
Profit for the period from continuing operations	$ -	($ 6,772)
Profit or loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ -	($ 6,772)
Dividends received from associates	$ -	$ -

	Shaoxing Pushkang Biotechnology Co., Ltd.	
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Revenue	$ -	$ -
Profit for the period from continuing operations	$ -	($ 16,231)
Profit or loss for the period from discontinued operations	-	-
Other comprehensive income, net of tax	-	-
Total comprehensive income	$ -	($ 16,231)
Dividends received from associates	$ -	$ -

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results: None.

B. The Group disposed of the investment on Shaoxing Pushkang Biotechnology Co., Ltd. for the year ended December 31, 2016.

(9) Property, plant and equipment

	Buildings	Machinery and equipment	Office equipment	Lease assets	Others	Construction in progress and equipment under installation	Total
At January 1, 2017							
Cost	$ 429,223	$ 113,337	$ 16,912	$ 116,753	$ 48,377	$ -	$ 724,602
Accumulated depreciation and impairment	(104,205)	(84,811)	(10,509)	(23,172)	(23,236)	-	(245,933)
	$ 325,018	$ 28,526	$ 6,403	$ 93,581	$ 25,141	$ -	$ 478,669
2017							
Opening net book amount as at January 1	$ 325,018	$ 28,526	$ 6,403	$ 93,581	$ 25,141	$ -	$ 478,669
Additions	-	319	4,073	-	5,692	149,920	160,004
Disposals	-	-	(58)	-	(282)	-	(340)
Reclassifications	-	-	-	-	11,207	-	11,207
Depreciation charge	(4,469)	(2,531)	(1,060)	(1,209)	(9,422)	-	(18,691)
Net exchange differences	(21)	(745)	(96)	-	(195)	-	(1,057)
Closing net book amount as at June 30	$ 320,528	$ 25,569	$ 9,262	$ 92,372	$ 32,141	$ 149,920	$ 629,792
June 30, 2017							
Cost	$ 429,196	$ 106,384	$ 20,567	$ 116,753	$ 62,921	$ 149,920	$ 885,741
Accumulated depreciation and impairment	(108,668)	(80,815)	(11,305)	(24,381)	(30,780)	-	(255,949)
	$ 320,528	$ 25,569	$ 9,262	$ 92,372	$ 32,141	$ 149,920	$ 629,792

	Buildings	Machinery and equipment	Office equipment	Lease assets	Others	Total
At January 1, 2016						
Cost	$ 430,424	$ 123,855	$ 26,556	$ 116,753	$ 73,071	$ 770,659
Accumulated depreciation and impairment	(96,368)	(86,490)	(20,077)	(20,755)	(48,822)	(272,512)
	$ 334,056	$ 37,365	$ 6,479	$ 95,998	$ 24,249	$ 498,147
2016						
Opening net book amount as at January 1	$ 334,056	$ 37,365	$ 6,479	$ 95,998	$ 24,249	$ 498,147
Additions	-	-	1,321	-	7,565	8,886
Disposals	-	-	(38)	-	(1,757)	(1,795)
Depreciation charge	(4,480)	(3,531)	(1,284)	(1,208)	(4,031)	(14,534)
Net exchange differences	66	(916)	(98)	-	(253)	(1,201)
Closing net book amount as at June 30	$ 329,642	$ 32,918	$ 6,380	$ 94,790	$ 25,773	$ 489,503
June 30, 2016						
Cost	$ 429,420	$ 120,552	$ 18,623	$ 116,753	$ 47,433	$ 732,781
Accumulated depreciation and impairment	(99,778)	(87,634)	(12,243)	(21,963)	(21,660)	(243,278)
	$ 329,642	$ 32,918	$ 6,380	$ 94,790	$ 25,773	$ 489,503

A. Amount of borrowing costs capitalized as part of property, plant and equipment were $0 for the three-month periods ended June 30, 2017 and 2016 and for the six-month periods ended June 30, 2017 and 2016, respectively.

B. The significant components of buildings include main plants improvement and structure, which are depreciated over 10 and 50 years.

C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(10) Short-term borrowings

Type of borrowings	June 30, 2017	Interest rate range	Collateral
Unsecured Banking Loan	$ 781,738	0.85%~2.28%	None

Type of borrowings	December 31, 2016	Interest rate range	Collateral
Unsecured Banking Loan	$ 542,153	1.12%~2.35%	None

Type of borrowings	June 30, 2016	Interest rate range	Collateral
Unsecured Banking Loan	$ 536,091	0.95%~1.96%	None

(11) Accounts payable

	June 30, 2017	December 31, 2016	June 30, 2016
Accounts payable	$ 1,137,206	$ 1,089,138	$ 684,789
Estimated accounts payable	295,627	425,135	288,420
	$ 1,432,833	$ 1,514,273	$ 973,209

(12) Other payables

	June 30, 2017	December 31, 2016	June 30, 2016
Accrued salaries	$ 126,667	$ 216,308	$ 91,730
Accrued employees' bonuses and directors' remuneration	97,426	77,721	126,118
Payables on equipment	7,720	1,803	259
Dividends payables	327,054	-	193,844
Others	59,572	98,218	56,483
	$ 618,439	$ 394,050	$ 468,434

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2017
Mortgage borrowings - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from July 31, 2008 to July 31, 2023; interest is repayable monthly and principal is repayable through August, 2010 to July, 2023.	1.22%	Note A	$ 38,806
Unsecured borrowing - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from July 31, 2008 to July 31, 2023; interest is repayable monthly and principal is repayable through August, 2010 to July, 2023.	1.32%	None	10,349
Unsecured borrowing - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from January 25, 2017 to January 25, 2019; interest is repayable monthly and principal is repayable in January 2019.	1.90%	None	20,000
Mortgage borrowings - CTBC Bank Co., Ltd.	Borrowing period is from September 15, 2014 to September 15, 2019; interest is repayable monthly and principal is repayable through December, 2014 to September, 2019.	1.38%	Note A、Note B	245,000
Unsecured borrowings - E.SUN Bank	Borrowing period is from July 25, 2016 to July 25, 2018; interest is repayable monthly and principal is repayable in July, 2018.	1.60%	None	20,000

Unsecured borrowings - Taishin International Bank.	Borrowing period is from August 26, 2016 to August 26, 2018; interest is repayable monthly and principal is repayable in August 2018.	2.02%	None	10,000
Unsecured borrowings - E.SUN Bank	Borrowing period is from July 25, 2017 to June 14, 2032; interest is repayable monthly and principal is repayable in June, 2032.	1.45%	NoneA	86,000
				430,155
Less: current portion				(27,827)
				$ 402,328

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2016
Mortgage borrowings - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from July 31, 2008 to July 31, 2023; interest is repayable monthly and principal is repayable through August, 2010 to July, 2023.	1.22%	Note A	$ 42,379
Unsecured borrowings - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from July 31, 2008 to July 31, 2023; interest is repayable monthly and principal is repayable through August, 2010 to July, 2023.	1.32%	None	11,299
Mortgage borrowings - CTBC Bank Co., Ltd.	Borrowing period is from September 15, 2014 to September 15, 2019; interest is repayable monthly and principal is repayable through December, 2014 to September, 2019.	1.40%	Note A、Note B	255,000
Unsecured borrowings - E.SUN Bank	Borrowing period is from July 25, 2016 to July 25, 2018; interest is repayable monthly and principal is repayable in July, 2018.	1.55%	None	20,000
Unsecured borrowings - Taishin International Bank.	Borrowing period is from August 26, 2016 to August 26, 2018; interest is repayable monthly and principal is repayable in August 2018.	2.02%	None	10,000
				338,678
Less: current portion				(28,422)
				$ 310,256

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral		June 30, 2016
Mortgage borrowings - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from July 31, 2008 to July 31, 2023; interest is repayable monthly and principal is repayable through August, 2010 to July, 2023.	1.34%	Note A	$	44,907
Unsecured borrowings - Cathay United Commercial Bank Co., Ltd.	Borrowing period is from July 31, 2008 to July 31, 2023; interest is repayable monthly and principal is repayable through August, 2010 to July, 2023.	1.44%	None		11,971
Mortgage borrowings -CTBC Bank Co., Ltd.	Borrowing period is from September 15, 2014 to September 15, 2019; interest is repayable monthly and principal is repayable through December, 2014 to September, 2019.	1.35%	Note A、Note B		265,000
					321,878
Less: current portion					(27,701)
				$	294,177

Note A: Details of long-term borrowings pledged as collateral are provided in Note 8.

Note B:(a) In order to repay the existing financial liabilities and enrich the medium-term working capital, the Company entered into a comprehensive credit contract amounting to $720 million with China Trust Commercial Bank on September 3, 2014. The Company also applied for a drawdown of $300,000 from the credit line granted by China Trust Commercial Bank in September 2014.

(b) According to the notice of credit between the Company and China Trust Commercial Bank, the financial ratios in the Company's annual and semi-annual consolidated financial statements should be maintained as follows:

i . Current ratio: the ratio of current assets divided by current liabilities shall be maintained above 120% (inclusive).

ii . Gearing ratio: the ratio of total liabilities divided by tangible net worth shall not be more than 120%.

iii. Financial gearing ratio: the total of short-term borrowings, corporate bonds due within one year, mid and long-term borrowings due within one year and long-term borrowings, divided by the tangible net worth shall not exceed 60%.

iv. Net tangible net worth: the shareholders' equity after deducting intangible assets shall not be less than NT$2,200,000 (inclusive).

B. The Group has the following undrawn borrowing facilities:

	June 30, 2017		December 31, 2016		June 30, 2016	
Floating rate:						
Expiring within one year	$	1,133,294	$	1,236,924	$	1,227,530
Expiring beyond one year		70,845		56,321		143,122
	$	1,204,139	$	1,293,245	$	1,370,652

The facilities expiring within one year are annual facilities subject to review at various dates during 2017. The other facilities have been arranged to help finance the proposed machine manufacturing and R&D business activities of the Group. The information about the Group’s liquidity risk is provided in Note 12.

(14) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contributes monthly an amount equal to 7% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method, to the labors expected to be qualified for retirement next year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(b) For the aforementioned pension plan, the Group recognized pension costs of $416, $405, $832 and $809 for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2018 are $8,070.

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

(b) Gallant Precision Industries (Suzhou) Co., Ltd., Gallant Micro. Machining (Suzhou) Co., Ltd., Gallant Precision Machinery（Xiamen）Co., Ltd., Gallant Technology (Shenzhen) Co., Ltd., Gallant International Trading Co., Ltd. and Suzhou Jianmeifu Optical Co., Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC.) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage was 10% to 20%. Other than the monthly contributions, the Group has no further obligations.

C. Gallant-Rapid Corpration Ltd., Gallant Micro Machining (Malaysia) Sdn. Bhd., Ltd., Quality Products and Services (Thailand) Co., Ltd., King Mechatronics Co., Ltd., Chun-Zhun Enterprise Corpration Ltd., Gallant Precision Machinery (BVI) Ltd. did not have a pension plan.

D. The pension costs under defined contribution pension plans of the Group for the three-month periods ended June 30, 2017 and 2016, and for the six-month periods ended June 30, 2017 and 2016, were $9,051, $11,404, $17,571 and $22,256, respectively.

(15) Share-based payment

A. For the six month period ended June 30, 2017 and 2016, the Group's share-based payment arrangements were as follows (The employee stock options plan was issued by Gallant Micro. Machining Co., Ltd.):

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Employee stock options plan for the year ended December 31, 2016	March 22, 2016	950	1 year	Note

Note: 100% of the stock options rights were vested since grant date. The right will be expired if the stock options were not exercised after contract period.

The above share-based payment arrangements are settled by equity.

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

For the six month ended June 30, 2017: None.

	2016	
	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding opening balance at January 1	-	$ -
Options granted	950	32.5
Options exercised	(950)	32.5
Options outstanding at June 30	-	-
Options exercisable at June 30	-	-

C. The expiry date and exercise price of stock options outstanding at balance sheet date are: None.

D. The fair value of stock options granted on grant date is measured using the Binomial option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	price volatility	option life (Year)	Expected dividends yield rate	Risk - free interest rate	Fair value per unit (in dollars)
Employee stock options plan for the year ended December 31, 2016	March 22, 2016	25.10 (in dollars)	32.5 (in dollars)	39.92% (NOTE)	0.172 (years)	50%	0.67%	0.12 (in dollars)

E. Expenses incurred on share-based payment transactions are shown below:

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Equity-settled	$ -	$ 114

(16) Share capital

As of June 30, 2017, the Company's authorized capital was $2,500,000, consisting of 250,000 thousand shares of ordinary stock, and the paid-in capital was $1,651,361 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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

Unit: shares in thousands

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
At January 1/ At June 30	165,136	165,136

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Details of Capital surplus:

	Share premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Net change in equity of associates	Employee stock option	Total
At January 1, 2017	$ 193,222	$ 31,399	$ 1,879	$ 12,003	$ 4,446	$ 242,949
Capital reserve - distribute cash	(66,055)	-	-	-	-	(66,055)
Difference between the price for acquisition of subsidiaries and carrying amount	-	-	(798)	-	-	(798)
At June 30, 2017	$ 127,167	$ 31,399	$ 1,081	$ 12,003	$ 4,446	$ 176,096

	Share premium	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Net change in equity of associates	Employee stock option	Total
At January 1, 2016	$ 226,249	$ 31,399	$ 1,879	$ 12,003	$ 4,446	$ 275,976
Capital reserve - distribute cash	(33,027)	-	-	-	-	(33,027)
At June 30, 2016	$ 193,222	$ 31,399	$ 1,879	$ 12,003	$ 4,446	$ 242,949

(18) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve and set aside a special reserve in accordance with applicable legal and regulatory requirement. Distributing the remaining amount plus prior year's retained earnings in the following order, but the ratios of the distribution of the aforementioned retained earnings and the cash dividend distribution shall be proposed by the Board of Directors based on the actual profit and capital situation of the current year, and proposed to the shareholders' meeting for resolution:

The ratio of cash dividend shall not be less than 10% of the shareholders' dividend.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land. As of the date of transition, the Company recognized $132,987 special reserve.

D. The Company recognized dividends distributed to owners amounting to $132,109 ($0.8 (in dollars) per share) and $57,797 ($0.35 (in dollars) per share) for the years ended December 31, 2016 and 2015, respectively. On June 16, 2017, the shareholders' meeting resolved that total dividends for the distribution of earning for the year of 2016 was $231,191 with $1.4 (in dollars) per share and appropriated $45,182 thousands as special reserve. Information about the distribution of earning of the Company resolved by the meeting of resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

E. The shareholders' meeting resolved that capital surplus used to distribute cash was $66,055($0.4 (in dollars) per share) and $33,027 ($0.2 (in dollars) per share), on June 16, 2017 and June 27, 2016, respectively.

F. For the information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration please refer to Note 6(25).

(19) Other equity items

	For the six-month period ended June 30, 2017		
	Available-for-sale investment	Currency translation	Total
At January 1	($ 12,784)	($ 32,398)	($ 45,182)
Revaluation – gross	(5,538)	-	(5,538)
Currency translation differences:–group	-	(30,887)	(30,887)
At June 30	($ 18,322)	($ 63,285)	($ 81,607)

	For the six-month period ended June 30, 2016		
	Available-for-sale investment	Currency translation	Total
At January 1	($ 13,521)	$ 46,982	$ 33,461
Revaluation – gross	(5,658)	-	(5,658)
Currency translation differences:–group	-	(32,129)	(32,129)
At June 30	($ 19,179)	$ 14,853	($ 4,326)

(20) Operating revenue

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Sales revenue	$ 1,074,825	$ 1,275,871
Technology service revenue	63,768	50,914
Total	$ 1,138,593	$ 1,326,785

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Sales revenue	$ 2,286,043	$ 1,841,038
Technology service revenue	91,828	92,776
Total	$ 2,377,871	$ 1,933,814

(21) Other income

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Interest income	$ 3,854	$ 4,134
Rental revenue	6,336	6,019
Government grants revenue	5,419	57,590
Others	1,317	2,147
Total	$ 16,926	$ 69,890

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Interest income	$ 7,225	$ 8,084
Rental revenue	12,351	12,111
Government grants revenue	14,383	60,817
Others	3,629	2,147
Total	$ 37,588	$ 83,159

(22) Other gains and losses

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	$ 680	$ 1,301
Net currency exchange gains(losses)	(4,451)	2,476
Gains on disposal of property, plant and equipment	(5)	(84)
Gains on disposal of investments	298	-
Others	(121)	576
Total	($ 3,599)	$ 4,269

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Net gains (losses) on financial assets and liabilities at fair value through profit or loss	$ 1,191	$ 4,025
Net currency exchange gains(losses)	(46,839)	(4,238)
Gains on disposal of property, plant and equipment	(26)	(84)
Gains on disposal of investments	298	-
Others	(138)	(83)
Total	($ 45,514)	($ 380)

(23) Finance costs

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Interest expense	$ 4,217	$ 3,114

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Interest expense	$ 7,707	$ 5,806

(24) Expenses by nature

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Employee benefit expense	$ 190,651	$ 217,459
Depreciation charges on property, plant and equipment	12,086	6,788
Amortization charges on intangible assets	7,141	3,480
	$ 209,878	$ 227,727

	For the six-month period ended June 30, 2017		For the six-month period ended June 30, 2016	
Employee benefit expense	$	379,716	$	378,103
Depreciation charges on property, plant and equipment		18,691		14,534
Amortization charges on intangible assets		14,415		5,968
	$	412,822	$	398,605

(25) Employee benefit expense

	For the three-month period ended June 30, 2017		For the three-month period ended June 30, 2016	
Wages and salaries	$	160,757	$	187,948
Labour and health insurance fees		12,984		10,166
Pension costs		9,467		11,809
Other personnel expenses		7,443		7,536
	$	190,651	$	217,459

	For the six-month period ended June 30, 2017		For the six-month period ended June 30, 2016	
Wages and salaries	$	318,484	$	319,934
Labour and health insurance fees		28,055		21,422
Pension costs		18,403		23,065
Other personnel expenses		14,774		13,682
	$	379,716	$	378,103

A. Under the Company's Articles of Incorporation, the Company shall distribute not less than 1% and not more than 12% of its annual profit as the employee compensation, and not more than 3% of its annual profit as the director remuneration. However, if the Company has an accumulated deficit, then it should be offset first.

Employee remuneration could be paid by cash or shares, and entitled to receive the cash or shares may include the employees of subsidiaries of the Company meeting certain specific requirements.

The term "profit" used in the first paragraph refers to the profit before tax before deducting the employee compensation and director remuneration. The distribution of employee compensation and director remuneration shall be in a board meeting that registers two-thirds of directors in attendance, and the resolution must receive support from half of participating members. The resolution should be reported to the shareholders at shareholders' meeting.

B. For the three-month periods ended June 30, 2017 and 2016 and for the six-month periods ended June 30, 2017 and 2016, employees' remuneration was accrued at $3,943, $27,648, $8,169 and $31,293, respectively; directors' remuneration was accrued at $789, $8,294, $1,634 and $9,388, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 10% and 3% of profit for the six-month period ended June 30, 2016. On March 17, 2017, the amount of the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $40,665 and $8,133, respectively.

Employees’ compensation and directors’ and supervisors’ remuneration of 2016 as resolved by the meeting of Board of Directors were in agreement with those amounts recognized in the 2016 financial statements.

Information about employees’ compensation and directors' and supervisors’ remuneration of the Company as resolved by the Board of Directors and resolved by the stockholders will be posted in the “Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Current tax:		
Current tax on profits for the period	$ 39,562	$ 59,322
Tax on undistributed surplus earnings	1,963	6,536
Prior year income tax (over) underestimate	1,319	8,945
Total current tax	42,844	74,803
Deferred tax:		
Origination and reversal of temporary differences	(12,591)	(10,752)
Total deferred tax	(12,591)	(10,752)
Income tax expense	$ 30,253	$ 64,051

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Current tax:		
Current tax on profits for the period	$ 65,874	$ 67,511
Tax on undistributed surplus earnings	1,963	6,536
Prior year income tax (over) underestimate	1,320	10,434
Total current tax	69,157	84,481
Deferred tax:		
Origination and reversal of temporary differences	(30,005)	(14,526)
Total deferred tax	(30,005)	(14,526)
Income tax expense	$ 39,152	$ 69,955

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows: None.

B. The Company’s income tax returns through 2014 have been assessed and approved by the Tax Authority.

C. Unappropriated retained earnings:

	June 30, 2017	December 31, 2016	June 30, 2016
Earnings generated in and after 1998	$ 52,419	$ 305,550	$ 290,569

D. As of June 30, 2017, December 31, 2016 and June 30, 2016, the balance of the imputation tax credit account was $64,435, $30,698 and $23,029, respectively. The creditable tax rate was 11.47% for 2015 and was estimated to be 10.05% for 2016.

(27) Earnings per share

	For the three-month period ended June 30, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 18,375	165,136	$ 0.11
Assumed conversion of all dilutive potential ordinary shares - Employees' bonus	-	478	
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 18,375	165,614	$ 0.11

	For the three-month period ended June 30, 2016		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 209,266	165,136	$ 1.27
Assumed conversion of all dilutive potential ordinary shares - Employees' bonus	-	1,755	
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 209,266	166,891	$ 1.25

	For the six-month period ended June 30, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 49,313	165,136	$ 0.30
Assumed conversion of all dilutive potential ordinary shares - Employees' bonus	-	1,083	
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 49,313	166,219	$ 0.30

	For the six-month period ended June 30, 2016		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 243,721	165,136	$ 1.48
Assumed conversion of all dilutive potential ordinary shares - Employees' bonus	-	2,704	
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 243,721	167,840	$ 1.45

(28) Transactions with non-controlling interest

A. The Group did not acquire share increase raised by a subsidiary proportionally to its interest to the subsidiary

Subsidiary Gallant Micro. Machining Co., Ltd. of the Group increased capital by issuing new shares due to exercise of employees stock options on May 20, 2016. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased 2.57% interest of shares. The transaction increased non-controlling interest by $32,372 and decreased the equity attributable to owners of parent by $1,383. The effect of changes in interests in Gallant Micro. Machining Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2016 is shown below:

	For the six-month period ended June 30, 2016
Cash	$ 30,875
Increase in the carrying amount of non-controlling interest	(32,372)
Capital surplus (compensation cost of employees stock options)	114
Capital surplus - recognition of changes in ownership interest in subsidiaries (unappropriated retained earnings)	($ 1,383)

B. Acquisition of additional equity interest in a subsidiary

On May 12, 2017, the Group acquired additional 5.88% shares of its subsidiary—APEX-I Internation Co., Ltd. at total cash consideration of $3,833. The carrying amount of non-controlling interest in APEX-I Internation Co., Ltd. was $3,035 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by $3,035 and a decrease in the equity attributable to owners of the parent by ($798). The effect of changes in interests in APEX-I Internation Co., Ltd. on the equity attributable to owners of the parent for the six-month period ended June 30, 2017 is shown below:

	For the six-month period ended June 30, 2017
Carrying amount of non-controlling interest acquired	$ 3,035
Consideration paid to non-controlling interest	(3,833)
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	($ 798)

(29) Operating leases

A. The Group leases Central Taiwan Science Park plant and Hsinchu Science Park office assets to others under non-cancellable operating lease agreements. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Not later than one year	$ 17,871	$ 11,616	$ 21,326
Later than one year but not later than five years	59,845	-	2,919
Later than five years	4,987	-	-
	$ 82,703	$ 11,616	$ 24,245

B. The Group leases in plant assets under non-cancellable operating lease agreements. The lease terms are between 2013 and 2024 years. The Group recognized rental expenses of $6,744, $5,718, $12,030 and $11,315 for the three-month periods ended June 30, 2017 and 2016 and for the six-month periods ended June 30, 2017 and 2016, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Not later than one year	$ 17,719	$ 20,030	$ 19,146
Later than one year but not later than five years	50,691	42,627	47,351
Later than five years	43,921	44,509	20,329
	$ 112,331	$ 107,166	$ 86,826

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Purchase of property, plant and equipment	$ 160,004	$ 8,886
Add: opening balance of payable on equipment	1,803	2,693
Less: ending balance of payable on equipment	(5,356)	(259)
Cash paid during the period	$ 156,451	$ 11,320

B. Financing activities with cash flow effects

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Cash dividend distribution	$ 327,054	$ 193,844
Less: ending balance of payable on other	(327,054)	(193,844)
Cash dividend paid	$ -	$ -

7. RELATED-PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names of related parties	Relationship with the Company
Hitachi Zosen GPM Technology（Suzhou）Co.,Ltd.	Investment accounted for using equity method
Sunengine Co., Ltd.	Investment accounted for using equity method

(2) Significant related party transactions

A. Operating revenue:

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Sales of goods:		
Associates	$ 287	$ 1,337

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Sales of goods:		
Associates	$ 579	$ 1,561

The transactions of the Company and its subsidiaries with related parties and non-related parties are subject to the terms and conditions agreed upon by both parties. The receivables to the related parties are due 90 days after the date of shipment, made on a monthly basis.

B. Receivables from related parties:

	June 30, 2017	December 31, 2016	June 30, 2016
Accounts receivable:			
Associates	$ 190	$ 293	$ 1,405

C. Loans to /from related parties:

(a) Loans to related parties:

i. Outstanding balance:

	June 30, 2017	December 31, 2016	June 30, 2016
Associates	$ -	$ -	$ 6,973

ii. Interest income

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Associates	$ -	$ 387
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Associates	$ -	$ 607

The loans to associates are repayable monthly over 1 years and carry interest at 2% and 2% per annum for the years ended December 31, 2017 and 2016, respectively.

(3) Key management compensation

	For the three-month period ended June 30, 2017	For the three-month period ended June 30, 2016
Payroll and Salaries and other short-term employee benefits	$ 5,012	$ 5,119
Post-employment benefits	263	357
Total	$ 5,275	$ 5,476
	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Payroll and Salaries and other short-term employee benefits	$ 20,504	$ 17,951
Post-employment benefits	518	717
Total	$ 21,022	$ 18,668

8. PLEDGED ASSETS

The Group’s assets pledged as collateral are as follows:

	Book value			
Pledged asset	June 30, 2017	December 31, 2016	June 30, 2016	Purpose
Deposits account(other current assets)	$ 29,323	$ 17,519	$ 66,059	Exercise guarantee for construction
Deposits account(other non-current assets)	16,095	19,338	29,930	Exercise guarantee for construction and customs deposit
Property, plant and equipment	411,553	417,214	422,876	Long-term borrowings
Construction in progress and equipment under installation	149,920	-	-	Long-term borrowings
	$ 606,891	$ 454,071	$ 518,865	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingent liabilities

As of June 31, 2017, December 31, 2016 and June 30, 2016, the bank open a guarantee letter for the Company due to business tender and guarantee for construction amounting to $102,047, $113,174 and $78,654, respectively.

(2) Unrecognized contract commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

None.

B. Operating lease commitments: please refer to note 6(29).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

No significant change was made during the six-month period ended June 30, 2017. For more information, please refer to the Group’s consolidated financial statements for the year ended December 31, 2016.

(2) Financial instruments

A. Fair value information of financial instruments

No significant change was made during the six-month period ended June 30, 2017. For more information, please refer to the Group’s consolidated financial statements for the year ended December 31, 2016.

B. Financial risk management policies

No significant change was made during the six-month period ended June 30, 2017. For more information, please refer to the Group’s consolidated financial statements for the year ended December 31, 2016.

C. Significant financial risks and degrees of financial risks

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2016, except for the items explained below:

(a) Market risk

Foreign exchange risk

i . The Group’s businesses involve some non-functional currency operations (the Company’s and certain subsidiaries’ functional currency: NTD; other certain subsidiaries’ functional currency: RMB and MYR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2017		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 59,563	30.42	$ 1,811,912
JPY:NTD	65,200	0.2716	17,708
RMB:NTD	15,297	4.486	68,620
SGD:NTD	228	22.1	5,028
EUR:NTD	56	34.72	1,943
USD: RMB	10,057	6.7811	305,937
Non-monetary items: None			
Financial liability			
Monetary items			
USD:NTD	$ 123,321	30.42	$ 3,751,421
JPY:NTD	673,689	0.2716	182,974
RMB:NTD	10,903	4.486	48,913
EUR:NTD	555	34.72	19,273
USD: RMB	65	6.7811	1,971
Non-monetary items: None			

	December 31, 2016		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 37,731	32.25	$ 1,216,837
JPY:NTD	119,798	0.2756	33,016
RMB:NTD	36,665	4.617	169,283
SGD:NTD	1,120	22.29	24,965
EUR:NTD	32	33.9	1,069
USD: RMB	6,137	6.9851	197,907
Investments accounted for using equity method			
RMB:NTD	2,538	4.617	11,718
Non-monetary items: None			
Financial liability			
Monetary items			
USD:NTD	$ 20,479	32.25	$ 660,442
JPY:NTD	170,666	0.2756	47,036
RMB:NTD	1,076	4.617	4,969
EUR:NTD	39	33.9	1,321
USD: RMB	515	6.9851	16,615
Non-monetary items: None			

	June 30, 2016				
		Foreign currency amount (In thousands)	Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	42,456	32.275	$	1,370,281
JPY:NTD		167,373	0.3143		52,605
RMB:NTD		5,581	4.845		27,040
SGD:NTD		955	23.91		22,837
EUR:NTD		46	36.40		1,664
USD: RMB		5,909	6.6615		190,700
Investments accounted for using equity method					
RMB:NTD		6,130	4.845		29,700
Non-monetary items: None					
Financial liability					
Monetary items					
USD:NTD	$	22,767	32.275	$	734,798
JPY:NTD		86,167	0.3143		27,082
RMB:NTD		983	4.845		4,762
EUR:NTD		107	36.40		3,893
USD: RMB		565	6.6615		18,235
Non-monetary items: None					

ii . The unrealized exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended June 30, 2017 and 2016 and for the six-month periods ended June 30, 2017 and 2016, amounted ($4,451), $2,476, ($46,839) and ($4,238), respectively.

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	For the six-month period ended June 30, 2017		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 18,119	$ -
JPY:NTD	1%	177	-
RMB:NTD	1%	686	-
SGD:NTD	1%	50	-
EUR:NTD	1%	19	-
USD: RMB	1%	3,059	-
Financial liability			
Monetary items			
USD:NTD	1%	($ 37,514)	$ -
JPY:NTD	1%	(1,830)	-
RMB:NTD	1%	(489)	-
EUR:NTD	1%	(193)	-
USD: RMB	1%	(20)	-

	For the six-month period ended June 30, 2016		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 13,703	$ -
JPY:NTD	1%	526	-
RMB:NTD	1%	270	-
SGD:NTD	1%	228	-
EUR:NTD	1%	17	
USD: RMB	1%	1,907	-
Investments accounted for using equity method			
RMB:NTD	1%	-	297
Financial liability			
Monetary items			
USD:NTD	1%	($ 7,348)	$ -
JPY:NTD	1%	(271)	-
RMB:NTD	1%	(48)	-
EUR:NTD	1%	(39)	-
USD: RMB	1%	(182)	-

Price risk

i .The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii . The Group's investments in financial assets at fair value through profit or loss mainly were mutual fund. The prices of financial instruments would change due to the change of the future value of investment companies. If the prices of these financial instruments had increased/decreased by 1% with all other variables held constant, post-tax profit for the six -month periods ended June 30, 2017 and 2016 would have increased/decreased by $1,221 and $2,751, respectively.

iii. The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the six-month periods ended June 30, 2017 and 2016 would have increased/decreased by $142 and $134, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the periods ended June 30, 2017 and 2016, the Group's borrowings at variable rate were denominated in the NTD, USD. If the interest rate had increased/decreased by 1%, the amount of cash flow out for the six-month periods ended June 30, 2017 and 2016 would have increased/decreased by $8,686 and $4,561, respectively.

(b) Liquidity risk

i . Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, beneficiary certificates and No active market of debt securities investment (Later than three mouth but not later than one years of deposit account) , choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at June 30, 2017, December 31, 2016 and June 30, 2016, the Group held money market position of $1,998,350, $2,291,055 and $1,857,781, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

June 30, 2017	Less than 3 months	3 months and 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 404,200	$ 377,538	$ -	$ -	$ -
Accounts payable	655,054	397,206	-	380,573	-
Other payables	527,662	89,863	914	-	-
Long-term borrowings (including current portion)	8,494	25,343	89,061	252,291	75,012

Non-derivative financial liabilities:

December 31, 2016	Less than 3 months	3 months and 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 416,378	$ 125,775	$ -	$ -	$ -
Accounts payable	531,408	562,701	-	420,164	-
Other payables	300,591	93,459	-	-	-
Long-term borrowings (including current portion)	8,987	23,879	62,389	242,262	13,290

Non-derivative financial liabilities:

June 30, 2016	Less than 3 months	3 months and 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 324,742	$ 211,349	$ -	$ -	$ -
Accounts payable	234,479	495,163	-	243,567	-
Other payables	384,842	83,592	-	-	-
Long-term borrowings (including current portion)	8,009	23,896	31,634	253,803	17,558

Derivative financial liabilities:

June 30, 2017	Less than 3 months	3 months and 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial liabilities at fair value through profit or loss	$ -	$ -	$ -	$ -	$ -

Derivative financial liabilities:

December 31, 2016	Less than 3 months	3 months and 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial liabilities at fair value through profit or loss	$ -	$ -	$ -	$ -	$ -

Derivative financial liabilities:

June 30, 2016	Less than 3 months	3 months and 1year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial liabilities at fair value through profit or loss	$ 304	$ 465	$ -	$ -	$ -

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2) A.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, is included in Level 1

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and investment property is included in Level 3.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at June 30, 2017, December 31, 2016 and June 30, 2016 is as follows:

June 30, 2017	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit				
Beneficiary certificates	$ 122,075	$ -	$ -	$ 122,075
Available-for-sale financial assets				
Equity securities	-	12,785	1,394	14,179
Total	$ 122,075	$ 12,785	$ 1,394	$ 136,254
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through loss				
Options	$ -	$ -	$ -	$ -

December 31, 2016	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit				
Beneficiary certificates	$ 383,125	$ -	$ -	$ 383,125
Available-for-sale financial assets				
Equity securities	47	18,261	1,394	19,702
Total	$ 383,172	$ 18,261	$ 1,394	$ 402,827
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through loss				
Options	$ -	$ -	$ -	$ -

June 30, 2016	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit				
Beneficiary certificates	$ 275,081	$ -	$ -	$ 275,081
Available-for-sale financial assets				
Equity securities	47	10,867	2,455	13,369
Total	$ 275,128	$ 10,867	$ 2,455	$ 288,450
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through loss				
Options	$ -	$ 769	$ -	$ 769

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Closed-end fund	Open-end fund
Market quoted price	Closing price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.

(e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(f) The Group takes into account adjustments for credit risks to measure the fair value of financial instruments to reflect credit risk of the counterparty and the Group’s credit quality.

E. For the June 30, 2017 and June 30, 2016, there was no transfer into or out from Level 3.

F. For the six month periods ended June 30, 2017 and 2016, there was no transfer into or out from the financial instruments movement of Level 3.

G. For the six month periods ended June 30, 2017 and 2016, there was no transfer into or out from Level 3.

H. Finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	June 30, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative equity instrument:					
Unlisted shares	$ 1,013	Market comparable companies	Price to book ratio multiple	1.20~1.22	The higher the multiple , the higher the fair value

	December 31, 2016	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative equity instrument:					
Unlisted shares	$ 1,394	Market comparable companies	Price to book ratio multiple	1.17~1.19	The higher the multiple , the higher the fair value

	June 30, 2016	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative equity instrument:					
Unlisted shares	$ 2,335	Market comparable companies	Price to book ratio multiple	1.25~1.27	The higher the multiple , the higher the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

			June 30, 2017			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 11	($ 9)

			December 31, 2016			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 14	($ 13)

			June 30, 2016			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 23	($ 23)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

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

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

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

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

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

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

There is no material change in the Group’s segment, classified basis and measurement of segment information.

(2) Information about segment

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Six month ended June 30, 2017

	Gallant Precision Machining Co., Ltd	Gallant-Rapid Corporation Ltd.	Gallant Micro. Machining Co., Ltd.	Gallant Precision Machinery (BVI)Ltd.	Chun-Zhun Enterprise Corpration (BVI)Ltd.	APEX-I International Co., Ltd.	elimination	Amount
Revenue from external customers	$ 1,816,739	$ 25,790	$ 515,058	$ -	$ -	$ 20,284	$ -	$ 2,377,871
Inter-segment revenue	$ 19,984	$ 105,353	$ -	$ -	$ -	$ -	($ 125,337)	$ -
Segment income	$ 61,230	($ 59,451)	$ 95,799	$ 2,943	($ 235)	$ 1,260	$ 4,231	$ 105,777
Total segment assets	$ 5,132,227	$ 424,913	$ 1,416,473	$ 376,412	$ 14,122	$ 75,124	($ 1,404,065)	$ 6,035,206

Six month ended June 30, 2016

	Gallant Precision Machining Co., Ltd	Gallant-Rapid Corporation Ltd.	Gallant Micro. Machining Co., Ltd.	Gallant Precision Machinery (BVI)Ltd.	Chun-Zhun Enterprise Corpration (BVI)Ltd.	APEX-I International Co., Ltd.	elimination	Amount
Revenue from external customers	$ 1,324,060	$ 47,044	$ 545,340	$ -	$ -	$ 17,370	$ -	$ 1,933,814
Inter-segment revenue	$ 10,421	$ 72,490	$ -	$ -	$ -	$ -	($ 82,911)	$ -
Segment income	$ 278,347	($ 17,732)	$ 146,789	$ 3,404	($ 238)	($ 10,327)	($ 52,462)	$ 347,781
Total segment assets	$ 4,633,127	$ 372,925	$ 1,386,280	$ 400,343	$ 15,304	$ 76,616	($ 1,380,392)	$ 5,504,203

(3) Reconciliation for segment income (loss)

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the six-month periods ended June 30, 2017 and 2016 is provided as follows:

	For the six-month period ended June 30, 2017	For the six-month period ended June 30, 2016
Reportable segments income/(loss)	$ 101,546	$ 400,243
Other	4,231	(52,462)
Income/(loss) before tax from continuing operations	$ 105,777	$ 347,781

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements.

A reconciliation of assets of reportable segment and total assets is as follow:

	June 30, 2017	June 30, 2016
Assets of reportable segments	$ 7,439,271	$ 6,884,595
Elimination of intersegment assets	(1,404,065)	(1,380,392)
Total assets	$ 6,035,206	$ 5,504,203

Table 1

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party(Note1)	Maximum Balance for the Period Party(Note2)	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Footnote
		Name	Nature of Relationship											
0	Gallant Precision Machining Co., Ltd.	APEX-I International Co., Ltd.	Subsidiary	$ 408,672	$ 261,448	$ 261,448	$ -	$ -	12.80	$ 1,021,680	Y	N	N	

Note1: Total endorsement/ guarantee amount limits shall not exceed 50% of the net worth of the Company. The total endorsement/ guarantee amount to a company shall not exceed 20% of the net worth of the Company.

Note2: Limits on endorsement/ guarantee amount is based on the amount of the endorsement/ guarantee contract or notes were signed between guaranteed party and financial institutions.

Table 2

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD(NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the company	Financial Statement Account	June 30, 2016				Footnote
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Gallant Precision Machining Co., Ltd.	Power Fund-class A	-	Financial assets at fair value through profit-current	422,903	$ 32,035	-	$ 32,224	
Gallant Precision Machining Co., Ltd.	Union Money Market	-	Financial assets at fair value through profit or loss-current	3,055,394	40,039	-	40,039	
Gallant Precision Machining Co., Ltd.	Jihsun Monetary Market Fund	-	Financial assets at fair value through profit-current	3,402,171	50,001	-	50,001	
Gallant Precision Machining Co., Ltd.	Unicon Optical Co., Ltd.	-	Available-for-sale financial assets	1,071,657	12,785	0.98	12,785	
Gallant-Rapid Corpration Ltd.	Phoenix & Corporation	-	Financial assets carried at cost-noncurrent	669,375	29,988	1.02	-	
King Mechatronics Co., Ltd.	POWER EVER ENTFRPRISES LIMITED	-	Financial assets carried at cost-noncurrent	624,726	36,431	10.00	-	
APEX-I International Co., Ltd.	Shinyu Light Co., Ltd.	-	Available-for-sale financial assets	286,891	1,394	3.82	1,013	

Table 3

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets(Note 3)
0	Gallant Precision Machining Co., Ltd	Gallant Precision Industries (Suzhou) Co., Ltd.	1	Purchases	$ 34,166	subject to the terms and conditions agreed upon by both parties	1.44
0	Gallant Precision Machining Co., Ltd	Gallant Precision Industries (Suzhou) Co., Ltd.	1	Accounts payable	27,714	subject to the terms and conditions agreed upon by both parties	0.46
0	Gallant Precision Machining Co., Ltd	Gallant Precision Intelligence Technology Co., Ltd.	1	Purchases	60,976	subject to the terms and conditions agreed upon by both parties	2.56
0	Gallant Precision Machining Co., Ltd	Gallant Precision Intelligence Technology Co., Ltd.	1	Accounts payable	22,276	subject to the terms and conditions agreed upon by both parties	0.37
1	Gallant Micro. Machining Co., Ltd.	King Mechatronics Co., Ltd.	3	Purchases	23,257	subject to the terms and conditions agreed upon by both parties	0.98
1	Gallant Micro. Machining Co., Ltd.	Gallant Micro. Machining (Suzhou) Co., Ltd.	3	Accounts receivable	12,020	subject to the terms and conditions agreed upon by both parties	0.20
2	King Mechatronics Co., Ltd.	Gallant Micro. Machining (Suzhou) Co., Ltd.	3	Accounts payable	54,466	subject to the terms and conditions agreed upon by both parties	0.90
2	King Mechatronics Co., Ltd.	Gallant Micro. Machining (Suzhou) Co., Ltd.	3	Purchases	36,950	subject to the terms and conditions agreed upon by both parties	1.55

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.
(1) Number 0 represents the Company.
(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:
(1) The Company to the consolidated subsidiaries.
(2) The consolidated subsidiaries to the Company.
(3) The consolidated subsidiaries to another consolidated subsidiaries.

Note3: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note4: The information only disclosing for the amount of transactions are more than $10,000 and counter parties shall not disclose.

Table 4

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount June 30, 2017	Original Investment Amount December 31, 2016	Balance as of June 30, 2017 Shares	Balance as of June 30, 2017 Percentage of Ownership	Balance as of June 30, 2017 Carrying Value	Net Income (Losses) of the Investee	Share of Profits/ Losses of Investee	Footnote
Gallant Precision Machining Co., Ltd.	Gallant-Rapid Corpration Ltd.	British Virgin Islands	Investing in Gallant Precision Industries (Suzhou) Co., Ltd.	$ 487,570	$ 487,570	14,560,000	100.00	$ 283,572	($ 75,678)	($ 75,678)	
Gallant Precision Machining Co., Ltd.	Gallant Precision Machinery (BVI)Ltd.	British Virgin Islands	Investment Gallant Precision Machinery（Xiamen）Co., Ltd.	660,506	660,506	20,289,000	100.00	373,760	2,943	2,943	
Gallant Precision Machining Co., Ltd.	APEX-I International Co., Ltd.	Taiwan	Marketing and selling of process equipment of LCD and related parts.	46,657	42,824	6,600,000	100.00	66,310	1,103	1,060	
Gallant Precision Machining Co., Ltd.	Chun-Zhun Enterprise Corpration Ltd.	British Virgin Islands	Investing in Gallant Technology (Shenzhen) Co., Ltd. and Chun-Zhun Precision Machining (Guang Zhou Nan Sha) Corporation	125,671	125,671	3,576,000	100.00	12,567	(234)	(234)	
Gallant Precision Machining Co., Ltd.	Sunengine Co., Ltd.	Taiwan	Manufacturing and selling of battery and energy technology services business	366,877	366,877	22,748,958	37.84	115,098	(196,910)	(74,511)	
Gallant Precision Machining Co., Ltd.	Gallant Micro. Machining Co., Ltd.	Taiwan	Manufacturing and selling of semiconductor related equipment and parts	420,218	420,218	17,200,750	66.88	511,735	41,234	27,577	
Gallant Micro. Machining Co., Ltd.	King Mechatronics Co. , Ltd.	British Virgin Islands	Investment Gallant Micro. Machining (Suzhou) Co., Ltd.	393,508	393,508	2,780,645	100.00	619,707	20,286	-	
Gallant Micro. Machining Co., Ltd.	Gallant Micro Machining(Malaysia) Sdn. Bhd.	Malaysia	Engaged in the import and export and trading business of semiconductor substrate machines and related parts	3,992	3,992	500,000	100.00	2,765	(85)	-	

Note: Original investment amount has translated to New Taiwan Dollars at the closing exchange rate.

Table 5

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

					Investment Flows								
Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Outflow	Inflow	Accumulated Outflow of Investment from Taiwan as of June 30, 2017	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of June 30, 2017	Accumulated Inward Remittance of Earnings as of June 30, 2017	Footnote
Gallant Precision Industries (Suzhou) Co., Ltd.	Manufacturing of optoelectronic products equipment, mechanical equipment and related parts	$ 283,514	2	$ 250,691	$ -	$ -	$ 250,691	($ 45,793)	100.00	($ 45,793)	$ 245,291	$ -	Note3- 2.C
Gallant Precision Machinery （Xiamen）Co., Ltd.	Manufacturing of optoelectronic products equipment, mechanical equipment and related parts	581,022	2	581,022	-	-	581,022	2,975	100.00	2,975	374,821	-	Note3- 2.C
Gallant Technology (Shenzhen) Co., Ltd.	Manufacturing of medical and mechanical related equipment	63,456	2	63,456	-	-	63,456	(217)	100.00	(217)	12,279	-	Note3- 2.C
CHUN-ZHUN Precision Machining(Guang Zhou Nan Sha)Corporation	-	-	2	49,493	-	-	49,493	-	-	-	-	-	Note3- 2.C
Suzhou Top Creation Machines Co.,Ltd.	PCB / FPC Wet Process Equipments	167,310	3	36,656	-	-	36,656	-	10.00	-	36,431	-	Note3- 2.C
Gallant Micro. Machining (Suzhou) Co., Ltd.	Manufacturing and selling of precision mold and related parts	138,411	2	244,668	-	-	244,668	19,901	66.88	13,310	585,311	-	Note3- 2.B
Hitachi Zosen GPM Technology （Suzhou）Co., Ltd.	Manufacturing and selling of kinds of film forming system, filling and packaging system and related services.	170,468	3	-	-	-	-	(5,463)	30.00	-	-	-	Note3- 2.C
Gallant International Trading Co., Ltd.	Engaged in selling of mechanical equipment	13,458	3	-	-	-	-	(3,622)	100.00	(3,622)	12,369	-	Note3- 2.C
Suzhou Jianmeifu Optical Co., Ltd.	Engaged in wholesale and retail of contact lenses and related care products	17,944	3	-	-	-	-	(2,187)	100.00	(2,187)	6,101	-	Note3- 2.C
Gallant Precision Intelligence Technology Co., Ltd.	Manufacturing of optoelectronic products equipment, mechanical equipment and related parts	44,860	3	-	-	-	-	9,031	60.00	5,419	32,354	-	Note3- 2.C

Investee Company	Accumulated Investment in Mainland China as of June 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Gallant Precision Machining Co., Ltd.	$ 944,662	$ 1,108,444	$ 1,226,015
Gallant Precision Machining Co., Ltd.	$ 281,324	$ 281,324	$ 459,093

Note1: The amounts of paid-in capital and accumulated beginning and ending balance have translated to New Taiwan Dollars at the closing exchange rate.

Note2: There are three methods of investment as follows

(1) Directly invest in Mainland China.

(2) Indirectly invest in Mainland China.

A. Through investing in an existing company in the third area, which then invested in investee in Mainland China: Invest through Gallant-Rapid Corporation Ltd. and then invest in Mainland China.

B. Through investing in an existing company in the third area, which then invested in investee in Mainland China: Invest through Gallant Precision Machinery (BVI) Ltd. and then invest in Mainland China.

C. Through investing in an existing company in the third area, which then invested in investee in Mainland China: Invest through Chun-Zhun Enterprise Corporation Ltd. and then invest in Mainland China.

D. Through investing in an existing company in the third area, which then invested in investee in Mainland China: Invest through King Mechatronics Co., Ltd. and then invest in Mainland China.

(3) Others.

Note3: Share of Profits/Losses recognized for the year ended December, 2015:

(1) No investment income (loss) recognition.

(2) There are three basis for investment income (loss) recognition.

A. The basis for investment income (loss) recognition is from the financial statements which were based on the audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B. The basis for investment income (loss) recognition is from the financial statements which were based on the audited and attested by R.O.C. parent company's CPA.

C. Others (The basis for investment income (loss) recognition is from the non-audited financial statements prepared by the investees.

Table 6

GALLANT PRECISION MACHINING CO., LTD AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA(SIGNIFICANT TRANSACTIONS CONDUCTED WITH INVESTEES IN MAINLAND CHINA DIRECTLY OR INDIRECTLY THROUGH OTHER COMPANIES IN THE THIRD AREAS)

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

	Sales		Purchases		Procurment service revenue	Provision of Endorsements/ Guarantees or Collaterals		Financing				
Investee Company	Amount	%	Amount	%	Amount	Ending Balance	Purpose	Maximum balance	Ending Balance	Interest Rate	Interest expense	Other
Gallant Precision Industries (Suzhou) Co., Ltd.	$ -	-	$ 34,166	1.44	$ 9,950	-	-	-	-	-	-	-
Gallant Precision Intelligence Technology Co., Ltd.	-	-	60,976	2.56	-	-	-	-	-	-	-	-