ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
SEPTEMBER 30, 2018 AND 2017

For the convenience of readers and for information purpose only, the auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2018, DECEMBER 31, 2017 AND SEPTEMBER 30, 2017

(Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2018 and 2017 are reviewed, not audited)

	ASSETS Notes		September 30, 2 AMOUNT	2018 %	December 31, 2 AMOUNT	2017 %	September 30, 2 AMOUNT	<u>017</u>
	Current assets		 		 		 	
1100	Cash and cash equivalents	6(1)	\$ 212,775	8	\$ 255,339	9	\$ 260,392	10
1150	Notes receivable, net	6(2)	22,281	1	15,841	1	12,185	-
1170	Accounts receivable, net	6(2)	584,519	21	575,399	21	474,683	18
1180	Accounts receivable due from	7						
	related parties, net		9,983	-	9,927	-	9,899	-
1200	Other receivables		6,544	-	3,616	-	2,247	-
130X	Inventories,net	6(3)	1,002,441	36	876,855	32	834,280	32
1410	Prepayments		39,930	1	41,466	2	45,250	2
1470	Total other current assets	6(1) and 8	 194		 194		 194	
11XX	Total current assets		 1,878,667	67	 1,778,637	65	1,639,130	62
	Non-current assets							
1600	Property, plant and equipment	6(4) and 8	835,451	30	868,528	31	883,281	34
1780	Intangible assets		44,876	1	45,238	2	46,011	2
1840	Deferred income tax assets	6(18)	36,139	1	31,762	1	32,724	1
1900	Other non-current assets	6(5) and 8	 27,702	1	25,151	1	23,363	1
15XX	Total non-current assets		944,168	33	 970,679	35	 985,379	38
1XXX	Total assets		\$ 2,822,835	100	\$ 2,749,316	100	\$ 2,624,509	100

(Continued)

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS SEPTEMBER 30, 2018, DECEMBER 31, 2017 AND SEPTEMBER 30, 2017 (Expressed in thousands of New Taiwan dollars)

(The consolidated balance sheets as of September 30, 2018 and 2017 are reviewed, not audited)

				eptember 30, 2			December 31, 2		September 30, 2	
	LIABILITIES AND EQUITY	Notes		AMOUNT	<u>%</u>		AMOUNT	<u>%</u>	AMOUNT	%
	Current liabilities									
2100	Short-term borrowings	6(6)	\$	361,575	13	\$	255,000	9	\$ 220,000	9
2130	Current contract liabilities	6(13)		223,340	8		-	-	-	-
2150	Notes payable			5,891	-		850	-	1,313	-
2170	Accounts payable			432,420	15		465,630	17	471,333	18
2200	Other payables	6(7)		111,568	4		127,259	5	112,194	4
2230	Current income tax liabilities	6(18)		22,322	1		14,316	-	9,029	-
2250	Provisions for liabilities - current	6(8)		35,703	1		45,791	2	45,988	2
2300	Other current liabilities	12(5)		13,518	1		171,639	6	136,502	5
21XX	Total current liabilities			1,206,337	43		1,080,485	39	996,359	38
	Non-current liabilities									
2570	Deferred income tax liabilities	6(18)		82,145	3		76,392	3	75,149	3
2640	Net defined benefit liability,	6(9)								
	non-current			21,793			21,793	1	22,030	1
25XX	Total non-current liabilities			103,938	3		98,185	4	97,179	4
2XXX	Total liabilities			1,310,275	46		1,178,670	43	1,093,538	42
	Equity attributable to owners of									
	parent									
	Share capital	6(10)								
3110	Common stock			450,000	16		450,000	17	450,000	17
	Capital surplus	6(11)								
3200	Capital surplus			734,378	26		774,878	28	774,878	30
	Retained earnings	6(12)								
3310	Legal reserve			202,294	7		194,334	7	194,334	7
3320	Special reserve			29,535	1		-	-	-	_
3350	Unappropriated retained earnings			123,917	4		171,415	6	131,866	5
	Other equity interest									
3400	Other equity interest		(38,531)	(1)	(29,535)	(1)	(29,162)(1
31XX	Total equity attributable to		`	<u> </u>	`	`		`	,	·——
	owners of parent			1,501,593	53		1,561,092	57	1,521,916	58
36XX	Non-controlling interests		-	10,967		_	9,554			
3XXX	Total equity			1,512,560	54				1,530,971	
	Significant commitments and	7 and 9		1,312,300			1,370,010		1,550,571	
	contingent liabilities	, and								
	Significant events after the balance	11								
	sheet date									
3X2X	Total liabilities and equity		¢	1 911 025	100	ф	2 740 216	100	¢ 2.624.500	100
$J\Lambda L\Lambda$	total natinues and equity		Ф	2,822,835	100	Ф	2,749,316	100	\$ 2,624,509	100

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

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES_
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017
(Expressed in thousands of New Taiwan dollars, for earnings per share amount)
(UNAUDITED)

				For the three n	onths	ended	d September 3	0.		For the nine n	onths e	nded	September 3	0.
				2018			2017		_	2018			2017	-,
	Items	Notes	A	MOUNT	%	Al	MOUNT	%	1	AMOUNT	%	Al	MOUNT	%
4000	Sales revenue	6(13) and 7	\$	622,755	100	\$	589,955	100	\$	1,898,206	100	\$ 1	,755,967	100
5000	Operating costs	6(3)(16)(17)	(477,630) (77)	(446,275) (<u>75</u>)	(1,430,120) (<u>75</u>)	(1	,358,356) (<u>77</u>)
5950	Gross profit from operations			145,125	23		143,680	25		468,086	25		397,611	23
	Operating expenses	6(16)(17) and 7												
6100	Selling expenses	,	(59,196) (9)	(53,478) (9)	(189,459) (10)	(154,755) (9)
6200	General and administrative expenses		(29,893) (5)	(28,536) (5)	(89,974) (5)	(81,274) (5)
6300	Research and development expenses		(38,598)(6)	(34,383) (6)	(114,773) (6)	(106,334)(6)
6450	Expected credit gain			396	-		-	-		2,084	-		-	-
6000	Total operating expenses		(127,291)(20)	(116,397) (20)	$(_$	392,122) (21)		342,363) (20)
6900	Net operating income			17,834	3		27,283	5		75,964	4		55,248	3
	Non-operating income and expenses												_	
7010	Other income	6(14)		2,697	1		1,752	-		11,883	1		5,043	-
7020	Other gains and losses	6(15)		2,474	-	(696)	-		5,809	-	(9,851)	-
7050	Finance costs		(461)		(523)		(1,192)		(1,682)	
7000	Total non-operating income and expenses			4,710	1		533			16,500	1	(6,490)	<u>-</u>
7900	Profit before income tax			22,544	4		27,816	5		92,464	5		48,758	3
7950	Income tax expense	6(18)	(6,026) (<u>1</u>)	(2,516) (1)	(28,732) (<u>2</u>)	(8,029) (<u>1</u>)
8200	Profit for the period		\$	16,518	3	\$	25,300	4	\$	63,732	3	\$	40,729	2
	Other comprehensive income													
	Components of other													
	comprehensive income (loss) that will be reclassified to profit													
	or loss													
8361	Financial statements													
	translation differences of		/ fr	10 201) (2)	ф	7.556	1	/ ft	11 5(1)		c dr	10 550) /	1)
8399	foreign operations Income tax relating to the	6(18)	(\$	18,301) (3)	\$	7,556	1	(\$	11,561)	-	()	19,559)(1)
0399	components of other	0(16)												
	comprehensive income			3,589	_	(1,244)	_		2,243	_		3,307	_
8360	Components of other		_	3,307		`—	1,211)			2,213			3,307	
	comprehensive income													
	(loss) that will be													
	reclassified to profit or loss		(14,712)(3)		6,312	1	(9,318)		(16,252) (1)
8500	Total comprehensive income		\$	1,806		\$	31,612	5	\$	54,414	3	\$	24,477	1
	Profit attributable to:													
8610	Owners of the parent		\$	16,165	3	\$	24,979	4	\$	61,997	3	\$	40,258	2
8620	Non-controlling interest			353			321			1,735			471	
			\$	16,518	3	\$	25,300	4	\$	63,732	3	\$	40,729	2
	Comprehensive income													
	attributable to:													
8710	Owners of the parent		\$	1,808	-	\$	31,052	5	\$	53,001	3	\$	24,053	1
8720	Non-controlling interest		(2)		Φ.	560		ф.	1,413		ф.	424	
			\$	1,806		\$	31,612	5	\$	54,414	3	\$	24,477	1
	Earnings per share (in dollars)													
9750	Basic earnings per share	6(19)	\$		0.36	\$		0.55	\$		1.38	\$		0.89
9850	Diluted earnings per share	6(19)	\$		0.35	\$		0.55	\$		1.37	\$		0.89
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ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

(Expressed in thousands of New Taiwan dollars) (UNAUDITED)

					Equity attr	ibutal	ble to owner	rs of th	ne parent						
							ained Earnir								
	Notes	Common stock	addit	al surplus, ional paid- capital	Legal reserve	Spe	ecial reserve		appropriated ined earnings	st tr diff	rinancial atements anslation rerences of foreign perations	Total	Non-cor		Total equity
2017															
Balance at January 1, 2017		\$ 450,000	\$	819,878	\$ 184,180	\$	_	\$	191,762	(\$	12,957)	\$1,632,863	\$	8,631	\$1,641,494
Profit for the period			· ·	<u>-</u>		<u> </u>		<u> </u>	40,258	`-		40,258	'	471	40,729
Other comprehensive loss for the period		_		_	_		_		-	(16,205)	(16,205)	(47)	(16,252)
Total comprehensive income (loss)									40,258	(16,205)	24,053	\ <u></u>	424	24,477
Appropriation and distribution of 2016 earnings:	6(12)					_			10,230	\ <u> </u>	10,203			121	21,177
Legal reserve	0(12)	_		_	10,154		_	(10,154)		_	_		_	_
Cash dividends to shareholders		_		_	-		_	(90,000)		_	(90,000)		_	(90,000)
Cash dividends paid by additional paid-in capital	6(11)	_	(45,000)	_		_	(-		_	(45,000)		_	(45,000)
Balance at September 30, 2017	0(11)	\$ 450,000	\$	774,878	\$ 194,334	\$		\$	131,866	(\$	29,162)	\$1,521,916	\$	9,055	\$1,530,971
		φ +30,000	Ψ	774,070	<u>Ψ 174,334</u>	Ψ		Ψ	131,000	(ψ	27,102	φ1,321,710	Ψ	7,033	φ1,330,771
2018 Balance at January 1, 2018		¢ 450 000	ď	771 070	¢ 104 224	ď		¢	171 /15	(\$	20 525 \	¢1 561 000	\$	0.554	¢ 1 570 646
•		\$ 450,000	Ф	774,878	\$ 194,334	ф	<u>-</u>	ф	171,415	(3	29,535)	\$1,561,092	Ф	9,554	\$1,570,646
Profit for the period		-		-	-		-		61,997	,	-	61,997	,	1,735	63,732
Other comprehensive income for the period		-		<u>-</u>		_		_	-	(8,996)	(8,996)	(322)	(9,318)
Total comprehensive income (loss)									61,997	(8,996)	53,001		1,413	54,414
Appropriation and distribution of 2017 earnings:	6(12)														
Legal reserve		-		-	7,960		-	(7,960)		-	-		-	-
Special reserve		-		-	-		29,535	(29,535)		-	-		-	-
Cash dividends to shareholders		-		-	-		-	(72,000)		-	(72,000)		-	(72,000)
Cash dividends paid by additional paid-in capital	6(11)		(40,500)		_				_		(40,500)		<u>-</u>	(40,500_)
Balance at September 30, 2018		\$ 450,000	\$	734,378	\$ 202,294	\$	29,535	\$	123,917	(\$	38,531)	\$1,501,593	\$	10,967	\$1,512,560

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

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017 (Expressed in thousands of New Taiwan dollars)

(UNAUDITED)

	Notes		2018		2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$	92,464	\$	48,758
Adjustments		*	,	4	,,,,
Adjustments to reconcile profit (loss)					
Depreciation expense	6(4)(16)		43,693		44,058
Amortisation expense (including amortisation charges	6(16)		,		,
on long-term prepaid rent)			7,457		6,865
Expected credit gain/Provision for bad debts		(2,084)		3,391
Financial costs			1,192		1,682
Interest income	6(14)	(962)	(924)
Loss (gain) on disposal of property, plant and equipment	6(4)(15)		410	(175)
Unrealised foreign exchange loss (gain)			1,333	(63)
Changes in operating assets and liabilities					
Changes in operating assets					
Notes receivable, net		(6,440)	(7,290)
Accounts receivable		(7,560)		30,878
Accounts receivable due from related parties, net		(56)		4,165
Other receivables		(2,601)		4,056
Inventories		(125,586)		106,581
Prepayments			1,536	(19,919)
Changes in operating liabilities					
Current contract liabilities			223,340		-
Notes payable			5,041	(5,188)
Accounts payable		(33,210)	(55,028)
Other payables		(15,727)	(7,267)
Provisions for liabilities - current		(10,088)		6,275
Other current liabilities		(158,121)	(49,005)
Defined benefit liability				(4)
Cash inflow generated from operations			14,031		111,846
Interest received			635		1,025
Interest paid		(1,156)	(4,961)
Income tax paid		(17,107)	(25,125)
Net cash flows (used in) from operating activities		(3,597)		82,785

(Continued)

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

(Expressed in thousands of New Taiwan dollars) (UNAUDITED)

	Notes		2018		2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	6(4)	(\$	16,411)	(\$	11,252)
Proceeds from disposal of property, plant and equipment	6(4)		-		6,247
Acquisition of intangible assets		(1,853)	(6,042)
Increase in deposit		(992)	(291)
Increase in other non-current assets		(6,197)	(3,911)
Net cash flows used in investing activities		(25,453)	(15,249)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in short-term borrowings			1,033,920		1,650,000
Repayment of short-term borrowings		(927,345)	(1,670,000)
Cash dividends paid	6(12)	(72,000)	(90,000)
Cash dividends paid by additional paid-in capital	6(11)	(40,500)	(45,000)
Net cash flows used in financing activities		(5,925)	(155,000)
Effect of exchange rate changes on cash and cash equivalents	1	(7,589)	(7,605)
Net decrease in cash and cash equivalents		(42,564)	(95,069)
Cash and cash equivalents at beginning of period			255,339		355,461
Cash and cash equivalents at end of period		\$	212,775	\$	260,392

Loans to others

For the nine-month period ended September 30, 2018

Table 1

Expressed in thousands of NTD (Except as otherwise indicated)

No	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2018	Balance at September 30, 2018	Actual amount drawn	Interest rate	Nature of	Amount of transactions with the borrower	Reason for short- term financing	Allowance for doubtful accounts	Collateral Item Valu	a single	Ceiling on total loans granted	Footnote
0	The Company	Ablerex-	Other recivables	Y	\$24, 420 (USD 800 thousand)	\$ 24,420 (USD 800 thousand)	\$ -	0.00%	Short-term financing		Turnover of operation		None \$	- \$ 300,319		Note 1 Note 4
1	Ablerex- USA	Ablerex- IT	Other recivables	Y	9,138 (USD 300 thousand)	7,631 (USD 250 thousand)	7,631 (USD 250 thousand)	1 65%	Short-term financing	-	Turnover of operation	1	None	- 300,319	600,637	Note 1 Note 3 Note 6
2	Ablerex- HK	Ablerex- SZ	Inter- company transactions	Y	91,575 (USD 3,000 thousand)	91,575 (USD 3,000 thousand)	61,050 (USD 2,000 thousand)	3 20%	Short-term financing	-	Turnover of operation	-	None	- 300,319	600,637	Note 1 Note 2 Note 5

- Note 1: In accordance with the Company's "Procedures for Provision of Loans", limit on total loans to others is 40% of the Company's net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year on the year of financing. Limit on loans to a single party with short-term financing is 20% of the Company's net assets; but limit on total loans to subsidiaries is 40% of the parent company's current net assets. Furthermore, for the foreign companies which the Group holds 100% of the voting rights directly or indirectly, limit on loans is not restricted.
- Note 2: In accordance with the Ablerex-HK's "Procedures for Provision of Loans", limit on total loans to others is 40% of the parent company's net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year. Limit on loans to a single party with short-term financing is 20% of the parent company's net assets; but limit on total loans to subsidiaries is 40% of the parent company's current net assets. Furthermore, for the foreign companies which the Group holds 100% of the voting rights directly or indirectly, limit on loans is not restricted. The deadline of each loan is 1 year from the lending day.
- Note 3: In accordance with the Ablerex-USA's "Procedures for Provision of Loans", limit on total loans to others is 40% of the parent company's net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year. Limit on loans to a single party with short-term financing is 20% of the parent company's net assets. Each loan matures within one year after it is lent except for financing among entities who directly or indirectly own 100% voting right of the Company's parent company.
- Note 4: The maximum credit to be drawn as approved by the Board of Directors was USD 800 thousand. The period-end available credit balance was USD 800 thousand. The actual amount drawn was USD 0 thousand.
- Note 5: The maximum credit to be drawn as approved by the Board of Directors was USD 3,000 thousand. The period-end available credit balance was USD 3,000 thousand. The actual amount drawn was USD 2,000 thousand.
- Note 6: The maximum credit to be drawn as approved by the Board of Directors was USD 300 thousand. The period-end available credit balance was USD 250 thousand. The actual amount drawn was USD 250 thousand.

Provision of endorsements and guarantees to others

For the nine-month period ended September 30, 2018

Table 2

Expressed in thousands of NTD (Except as otherwise indicated)

									Ratio of					
		Party bei	· ·						accumulated					
		endorsed/gua	ranteed		Maximum				endorsement/					
				Limit on	outstanding	Outstanding			guarantee		Provision of	Provision of	Provision of	
				endorsements/	endorsement/	endorsement/		Amount of	amount to net	Ceiling on	endorsements/	endorsements/	endorsements/	
			Relationship	guarantees	guarantee	guarantee		endorsements/	asset value of	total amount of	guarantees by	guarantees by	guarantees to	
			with the	provided for a	amount as of	amount at		guarantees	the endorser/	endorsements/	parent	subsidiary to	the party in	
	Endorser/		endorser/	single party	September 30,	September 30,	Actual amount	secured with	guarantor	guarantees	company to	parent	Mainland	
Number	guarantor	Company name	guarantor	(Note 3)	2018	2018	drawn down	collateral	company	provided	subsidiary	company	China	Footnote
0	The Company	Ablerex-HK	Subsidiary	\$ 750,797	\$ 274,725	\$ 228,938	\$ 91,575	\$ -	15%	\$ 750,797	Y	N	N	Note 1 Note 2

Note1: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on the Company endorsements/guarantees to others is 50% of the Company's net assets. Limit on the Company's endorsements/guarantees to a single party is 20% of the Company's net assets, and limit on endorsements/guarantees for companies with business relations is the higher value of purchases or sales during current year.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Transactions made with Ablerex-HK is higher than 50% of the Company's net assets, which is over the limit on the Company endorsements/guarantees to others.

Thus, the limit on the Company endorsements/guarantees to Ablerex-HK is 50% of the Company's net assets.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2018

Table 3

Expressed in thousands of NTD (Except as otherwise indicated)

				Transactior	1		terms comp	in transaction pared to third insactions	N	Votes/accounts recei	vable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)	Footnote
The Company	Ablerex-SG	Subsidiary	(Sales)	(\$ 112,889)	(6%)	Note 3	Note 3	Note 3	\$	44,054	7%	-
Ablerex-SG	The Company	Parent Company	Purchases	USD 3,806 thousand	90%	Note 3	Note 3	Note 3	(USD	1,444 thousand)	(97%)	-
The Company	Ablerex-HK	Subsidiary	Purchases	\$ 854,893	74%	Note 1	Note 1	Note 1	(\$	222,749)	(62%)	-
Ablerex-HK	The Company	Parent Company	(Sales)	(USD 28,577 thousand)	(90%)	Note 1	Note 1	Note 1	USD	7,297 thousand	72%	-
Ablerex-HK	Ablerex-SZ	An indirectly-owned Subsidiary	Purchases	USD 28,577 thousand	90%	Note 2	Note 2	Note 2	(USD	6,255 thousand)	(90%)	-
Ablerex-HK	Ablerex-SZ	An indirectly-owned Subsidiary	(Sales)	(USD 3,187 thousand)	(10%)	Note 3	Note 3	Note 3	USD	506 thousand	5%	-
Ablerex-SZ	Ablerex-HK	Subsidiary	(Sales)	(RMB 185,454 thousand)	(88%)	Note 2	Note 2	Note 2	RMB	43,039 thousand	83%	-
Ablerex-SZ	Ablerex-BJ	An indirectly-owned Subsidiary	(Sales)	(RMB 20,465 thousand)	(10%)	Note 3	Note 3	Note 3	RMB	8,083 thousand	16%	-
Ablerex-BJ	Ablerex-SZ	An indirectly-owned Subsidiary	Purchases	RMB 20,465 thousand	84%	Note 3	Note 3	Note 3	(RMB	8,083 thousand)	(92%)	-

Note 1: The transaction price is commensurate with the purchase price from Ablerex-SZ; the receivable (payable) policy is Net 60 days E.O.M.

Note 2: The transaction price is the Ablerex-SZ production cost plus an agreed gross margin; the receivable (payable) policy is Net 60 days E.O.M.

Note 3: Transaction price are determined according to the agreements between the parties; the receivable (payable) policy is Net 120 days E.O.M.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

September 30, 2018

Table 4

Expressed in thousands of NTD (Except as otherwise indicated)

		Relationship	Balance a	as at September 30,		Overdue re	eceivables	Amount collected subsequent to the	Allowance for
Creditor	Counterparty	with the counterparty		2018	Turnover rate	Amount	Action taken	balance sheet date	doubtful accounts
Ablerex-HK	The Company	Subsidiary	USD	7,297 thousand	5.13	-	-	USD 3,051 thousnad	\$ -
Ablerex-SZ	Ablerex-HK	Affiliate	RMB	43,039 thousand	5.36	-	-	RMB 20,593 thousnad	-

Significant inter-company transactions during the reporting periods For the nine-month period ended September 30, 2018

Table 5
Individual transactions not exceeding \$10,000 and their corresponding transactions are not disclosed.

Expressed in thousands of NTD (Except as otherwise indicated)

						Transaction	
Number (Note 1)		Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Ablerex-HK	1	Sales	\$ 88,731	Note 8	5%
	, , ,	Ablerex-HK	1	Purchases	854,893	Note 4	45%
		Ablerex-HK	1	Account Payable	222,749		8%
		Ablerex-HK	1	Other Receivable	20,042		1%
		Ablerex-USA	1	Sales	47,912	Note 5	3%
		Ablerex-SG	1	Sales	112,889	Note 6	6%
		Ablerex-SG	1	Account Receivable	44,054		2%
		Ablerex-IT	1	Sales	77,060	Note 6	4%
		Ablerex-IT	1	Account Receivable	43,560		2%
1	Ablerex-HK	Ablerex-SZ	3	Purchases	854,893	Note 4	45%
		Ablerex-SZ	3	Sales	95,355	Note 8	5%
		Ablerex-SZ	3	Account Receivable	15,444		1%
		Ablerex-SZ	3	Account Payable	190,922		7%
		Ablerex-SZ	3	Other Receivable	61,032	Note 9	2%
		Ablerex-SZ	3	Other Receivable	11,374		0%
2	Ablerex-SZ	Ablerex-BJ	3	Sales	94,017	Note 7	5%
		Ablerex-BJ	3	Account Receivable	35,858		1%
		Ablerex-BJ	3	Account Payable	11,537		0%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.
- Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.
- Note 4: Ablerex-HK conducted purchases from Ablerex-SZ, whereby the prices were based on Ablerex-SZ's production costs. The purchases were then resold to Ablerex with a zero contribution margin; the term for receivables and payables is Net 60 days E.O.M.
- Note 5: Commensurate with general sale terms; the term for receivables is Net 120 days E.O.M.
- Note 6: Transaction prices are determined according to the agreements between the parties; the credit term is Net 120 days E.O.M.
- Note 7: Transaction prices are determined according to the agreements between the parties; the credit term is coherent with general customers.
- Note 8: Ablerex-HK conducts purchases from Ablerex, whereby the prices were determined according to the agreements between the parties. The purchases were then sold to Ablerex-SZ with a zero contribution margin; the credit term is coherent with general customers.
- Note 9: Ablerex-HK lent money to Ablerex-SZ, of which \$61,032 calculated interest against agreed interest rate 3.2% per annum and the rest was for business demand.

Information on investees

For the nine-month period ended September 30, 2018

Table 6

Expressed in thousands of NTD (Except as otherwise indicated)

				Initial invest	ment amount	Shares he	eld as at September	30, 2018	Net profit (loss) of the investee for	Investment income(loss) recognised by the	
				Balance	Balance				the nine-month	Company for the nine-	
				as at September 30,	as at December 31,				period ended	month period ended	
Investor	Investee	Location	Main business activities	2018	2017	Number of shares	Ownership (%)	Book value	September 30, 2018	September 30, 2018	Footnote
The Company	Ablerex-Samoa	Samoa	Holding company	\$ 217,445	\$ 217,445	6,635,000	100	\$ 501,487	(\$ 33,873)	(\$ 33,214)	Subsidiary
The Company	Joint	BVI	Providing management service	104	104	3,000	100	76	(38)	(38)	Subsidiary
The Company	Ablerex-USA	U.S.	Sales of uninterruptible power supply, solar energy products, and related systems	8,303	8,303	250,000	100	52,405	2,124	2,125	Subsidiary
The Company	Ablerex-HK	Hong Kong	Sales of uninterruptible power supply, solar energy products, and related systems	43	43	10,000	100	30,135	456	456	Subsidiary
The Company	Ablerex-SG	Singapore	Sales of uninterruptible power supply, solar energy products, and related systems	48,008	48,008	2,140,763	100	81,479	4,738	2,756	Subsidiary
The Company	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100	6,432	4,439	3,277	Subsidiary
The Company	Ablerex-JP	Japan	Sales of uninterruptible power supply, solar energy products, and related systems	9,253	9,253	3,000	100	2,153	(2,301)	(2,657)	Subsidiary
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100	504,776	(33,839)	-	Second-tier subsidiary
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power supply, solar energy products, and related systems	4,674	4,674	100,000	100	6,432	4,439	-	Second-tier subsidiary
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power supply, solar energy products, and related systems	256	256	280,000	70	704	197	-	Second-tier subsidiary

Note: The Company recognised investment income comprising of downstream and upstream transactions.

Information on investments in Mainland China

For the nine-month period ended September 30, 2018

Table 7

Expressed in thousands of NTD (Except as otherwise indicated)

				Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted Mainland Amount rer to Taiwan for t period ended \$ 20	d China/ mitted back he nine-month September 30, 18	Accumulated amount of remittance from Taiwan to Mainland China	Net income of investee as of	Ownership held by the Company	Investment income (loss) recognised by the Company for the nine-	Book value of investments in Mainland China	Accumulated amount of investment income remitted back to Taiwan as of	
Investee in Mainland China	Main business activities	Paid-in capital	Investment method	as of January 1, 2018	Remitted to Mainland China		as of September 30, 2018	September 30, 2018	,	month period ended September 30, 2018	as of September 30, 2018	September 30, 2018	Footnote
Ablerex-SZ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	\$ 166,667	Note 1	\$ 16,667		\$ -	,	(\$ 40,484)	·		,		-
Ablerex-BJ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	44,360	Note 1	35,867	-	-	35,867	8,379	80	6,703	42,660	-	-

		Investment	Ceiling on		
	Accumulated amount	amount approved	investments in		
	of remittance from	by the Investment			
	Taiwan to Mainland	Commission of the			
	China	Ministry of			
	as of September 30,	Economic Affairs	Commission of		
Company name	2018	(MOEA)	MOEA		
ABLEREX					
ELECTRONICS	\$ 202,553	\$ 202,553	\$ 900,956		
CO., LTD.					

Note 1: Invested in cash through the third region's subsidiary, Ablerex-Samoa which invested in Ablerex-Overseas and then reinvested in Ablerex-BJ. The investments were approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: Excluding the presentation and disclosures of Ablerex-SZ concurrently reviewed by the Certified Public Accountant, the above-listed related parties disclosed below are presentations and disclosures on investees that were not concurrently reviewed by the Certified Public Accountant. For consolidated reporting purposes, all individuals disclosed below have eliminated all inter-group transactions.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the nine-month period ended September 30, 2018

Table 8

(1) Selling amount and percentage and related receivables' percentage and balance at September 30, 2018:

For the nine-month period ended September 30, 2018							
Company name	General ledger amount		Amount	%	Footnote		
Ablerex-SZ	Sales	\$	95,355	6%	Resold to Ablerex-SZ through Ablerex-HK		

(2) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service:

		For the ni	ne-month period ended	d September 30, 2018	_		
Company name	General ledger amount	Amount		%	Footnote		
					The Company purchased the critical raw materials of \$36,592 on		
Ablerex-SZ	Miscellaneous income				behalf of Ablerex-SZ, and collected revenue through Ablerex-HK's		
		\$	1,871	30 %	transshipment.		
	Deduction from				Provide management service to Ablerex-SZ and collectd payment		
Ablerex-SZ	management fee	\$	7,135	16 %	through Joint.		
			September 30,	2018	_		
Company name	General ledger amount	Amount		%	Footnote		
Ablerex-HK	Other receivables	\$	11,374	54 %	=		