

NOVA TECHNOLOGY CORP.



2018 Annual General Shareholders' Meeting Minutes

Time: 9:00a.m on Monday, 28 May, 2018

Location: 2F, No.76, Sec.2, Jiafeng S. Rd., Zhubei City, Hsinchu County 30272, Taiwan
(Zenfar APEC business center)

Total outstanding Novatech shares : 33,928,000 shares

Total shares represented by shareholders present in person or by proxy : 22,889,067
shares (813,116 shares were voted electronically)

Percentage of shares held by shareholders present in person or by proxy : 67.46%

Chairman : Liang, Chin-Li (Acter Co., Ltd Representative) **Recorder** : Li, Ya-Ping

Attendee : Hsu, Chung-Cheng, Director (Acter Co., Ltd Representative)

Wu, Bi-Hui, Director (Acter Co., Ltd Representative)

Yang, Sheng-Yung, Independent Director (Member of Audit Committee and
Remuneration Committee)

Chi, Chih-Yi, Independent Director (Member of Audit Committee and
Remuneration Committee)

Li, Cheng, Independent Director (Member of Audit Committee and
Remuneration Committee)

Attending as Delegates : Huang, Hai-Ning, CPA

Yang, Hui-Chi, Attorney

Ou, Chun-Yen, CFO

1. Call the Meeting to Order : The aggregate shareholders of shareholders present
in person or by proxy constituted a quorum. The chairman called the meeting
to order.

2. Chairperson Remarks: (omitted)

3. Report items:

Report No. 1 : To report the distribution of 2017 employee and director compensation.
(Proposed by the Board of Directors)

Explanation : The Board of Directors of Company passed the resolution on February 9, 2018, in accordance with Article 19 of Regulations of the Company, the Company determined that the distribution of employees and directors' compensation in 2017 is as follows:

Item	Distribution ratio	Amount	Payment method
Employees' Remuneration	4%	NTD23,431,090	Full cash payment
Directors' Remuneration	3%	NTD17,573,318	

Report No. 2 : 2017 Business Report. (Proposed by the Board of Directors)

Explanation : For the company's 2017 business reports and financial related statements, please refer to [Annex 1 and Annex 2].

Report No. 3 : Audit Committee's Review Report of 2017 Financial Statements. (Proposed by the Board of Directors)

Explanation : The 2017 Audit Committee's Review Report, please refer to [Annex 3].

Report No. 4 : To report the amendment of "Rules of Procedure for Board of Directors Meeting."

Explanation : In order to comply with the amendments to the relevant laws, it is proposed to revise some of the provisions of the "Rules of Procedure for Board of Directors Meeting ", please refer to [Annex 4] for amendments.

4. Proposals

Proposal No. 1 : Adoption of the 2017 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanation :

- (1) Nova technology Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of change in equity, and statement of cash flows, were audited by independent auditors, Huang, Hai-Ning CPA and Chang, Tzu-Hsin CPA of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board held on Feb. 22, 2018 and examined by the Audit Committee of Novatech Company.
- (2) The 2017 Business Report, independent auditors' report, and the above-mentioned Financial Statements, please refer to (Annex 1 and Annex 2).

Voting Results : Sharers represented at the time of voting : 22,889,067 votes

Type	Votes in favor	Votes against	Votes invalid	Votes abstained
votes casted by correspondence	22,062,232	0	0	13,719
votes casted electronically	808,010	1,074	0	4,032
Total	22,870,242	1,074	0	17,751

Shares voted for the proposal represented 99.92% of the total represented shares present at the time of voting.

Resolution: The above proposal be and hereby was apporved as proposed.

Proposal No. 2 : Adoption of the Proposal for Distribution of 2017 Profits.(Proposed by the Board of Directors)

Explanation :

- (1) Please refer to the 2017 Profit Distribution Table as follows:

**NOVA TECHNOLOGY CORP.
PROFIT DISTRIBUTION TABLE
Year 2017**

Unit: NTD

Beginning retained earnings	217,332,417
Less:Defined benefit plans	5,527,000
Add: net profit after tax	447,475,167
Distributable net profit	659,280,584
Less: 10% Legal reserve appropriated (2017)	44,747,517
Add:Turnaround special reserve appropriated	6,828,342
Distribution items:	

Cash Dividend to shareholders (10 per share)	339,280,000
Unappropriated retained earnings	282,081,409

- (2) When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.
- (3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to determine the ex-dividend date and other relevant issues.

Voting Results : Sharers represented at the time of voting : 22,889,067 votes

Type	Votes in favor	Votes against	Votes invalid	Votes abstained
votes casted by correspondence	22,062,232	0	0	13,719
votes casted electronically	808,010	1,074	0	4,032
Total	22,870,242	1,074	0	17,751

Shares voted for the proposal represented 99.92% of the total represented shares present at the time of voting.

Resolution: The above proposal be and hereby was apporved as proposed.

5. Discussion

Proposal No. 1 : Discussion on the proposal to amend “Procedure for Acquisition or Disposal of Assets.” (Proposed by the Board of Directors)

Explanation : In order to meet the needs of the company's operations, the company hereby proposes to amend “Procedure for Acquisition or Disposal of Assets.” . Please refer to [Annex 5] for details.

Voting Results : Sharers represented at the time of voting : 22,889,067 votes

Type	Votes in favor	Votes against	Votes invalid	Votes abstained
votes casted by correspondence	22,062,232	0	0	13,719
votes casted electronically	801,896	5,074	0	6,146
Total	22,864,128	5,074	0	19,865

Shares voted for the proposal represented 99.89% of the total represented shares present at the time of voting.

Resolution: The above proposal be and hereby was apporved as proposed.

Proposal No. 2 : Discussion on the proposal to amend “Regulations Governing Remuneration Paid to Directors.”

Explanation : In order to implement corporate governance and to provide reasonable rules for the remuneration of the directors of the Company, it is proposed to revise some provisions of the “Regulations Governing Remuneration Paid to Directors”. Please refer to [Appendix 6]for details.

Voting Results : Sharers represented at the time of voting : 22,889,067 votes

Type	Votes in favor	Votes against	Votes invalid	Votes abstained
votes casted by correspondence	22,062,232	0	0	13,719
votes casted electronically	804,896	2,074	0	6,146
Total	22,867,128	2,074	0	19,865

Shares voted for the proposal represented 99.90% of the total represented shares present at the time of voting.

Resolution: The above proposal be and hereby was apporved as proposed.

6. Extempore motion

7. Adjournment

Chairman : Liang, Chin-Li



Recorder: Li, Ya-Ping



[Annex 1] Business Reports

NOVA TECHNOLOGY CORP.

2017 Business Reports

I. 2017 Business results

1. Business plan implementation results:

Nova Technology Corp. has been working for many years and has a good reputation and stable customer base in the high-tech industry. The consolidated operating income for the year 2017 reached 3,342 million, which represents a growth of 26% compared with 2,651 million in the year 2016, due to the increase in gross profit margin in year 2017, the gross profit of the combined operations of this year reached 997 million, which represents a growth of 70% over the year 2016. The consolidated operating profit of year 2017 was a result of an increase in operating margins and an appropriately controlled cost of 676 million, an increase of 104% compared with 331 million in 2016. In terms of profit, the combined net profit after tax of 2017 was 447 million, which was a 69% increase from 264 million in fiscal year 2016.

Unit: In thousands of New Taiwan Dollars, %

Item	2017	%
Operating revenue	3,342,542	100%
Operating cost	2,345,098	70%
Gross profit	997,444	30%
Operating expenses	321,542	10%
Operating income	675,902	20%
Non-operating income and expenses	(79,191)	(2%)
Income before income taxes	596,711	18%

2. State of budget implementation : This item is not applicable since Acter has not disclosed any financial forecasts.

3. Financial structure and profitability:

Item		2017
Financial structure	Ratio of liabilities to assets (%)	62.96
	Ratio of long-term capital to fixed assets (%)	2292.20
Solvency	Current ratio (%)	160.67
	Quick ratio (%)	93.09
Profitability	Return on total assets (%)	10.13
	Return on stockholders' equity (%)	29.22
	Operating income as a percentage of paid-in capital (%)	199.22
	Pre-tax income as a percentage of paid-in capital (%)	175.88
	Profit ratio (%)	13.39
	Earnings per share (NTD)	15.07

4. Technology and R&D Overview:

This company mainly provides high-tech industrial water, gas and chemical process supply

systems, including system design, machine equipment manufacturing and sales, equipment and piping construction installation and testing. The development of high-tech industrial process systems involves the application of chemicals/gas characteristics, process validation, overall system evaluation and design, machine mechanism design, on-site pipeline planning and design, instrument and control hardware, software integration development, and raw material properties. Evaluation of selection, processing methods, safety specification assessment, etc. needs to have a lot of expertise to carry out project design, equipment manufacturing and engineering work, the core technology of this company lies in overall system integration, providing customers with a safe and stable process supply system. R & D has a number of patents, accumulated years of actual performance, main semiconductor and panel manufacturers in Taiwan and China are mostly our customers.

This company actively establishes the basic research and design management project process, and continues to develop high-tech factory process equipment design and manufacturing methods. In addition, systems and equipment for environmental protection such as recycling, waste reduction, and regeneration after manufacturing have also continued to work closely with international companies to jointly develop suitable localized equipment. Another plan is to develop the water resources processing business, and cooperate with international partners to introduce zero-emission waste water system, in-water recovery system and seawater desalination system, actively carries out research on the use of water resources.

II . 2018 business plan summary

1. Business policy

- (1) Implement corporate governance and deepen corporate culture.
- (2) Continuing existing customers in mainland China and Southeast Asia, and developing new customers to improve operational efficiency.
- (3) Strengthen cooperation with international partners and deepen the professional and technical capabilities of green energy and water resources engineering.

2. Expected sales quantity and its basis

In recent years, Chinese government has promoted the localization policy of supply chain, and more and more international semiconductor manufacturers set up factories in China to grasp the potential business opportunities in Chinese market, according to CSIA's estimation, local semiconductor market share in China (It also includes the amount of foreign manufacturers making in China, It will increase 23% in 2006, and an estimated 60% growth this year. Chinese government also established China IC Industry Investment Fund to raise RMB138.7 billion, and actively launched a 15-year (2014~2029) investment plan, according to SEMI report, the total amount of semiconductor equipment and materials in China from 2004 to 2014 was more than US\$70 billion, and it is estimated that in 2018 China's fab-related equipment spending may exceed US\$63 billion, and it will remain at this level in the next few years. Due to this company's deep cultivation of Chinese market for many years, its regional sales accounted for more than half, and it is expected that this company's operating performance for the year of 2018 should have an opportunity to increase under the drive of Chinese government to promote high-tech industry development policies.

3. Future development strategy

High-tech process supply systems are mainly used in semiconductor, optoelectronics, and other high-investment industries, where safety and quality requirements establish a threshold for competition. The technology and demand of high-tech industries are changing with each passing day, which can adapt to the changes in the market and expand the development space of the business, so that they can survive and grow rapidly under the elimination mechanism of market. In the situation where the competition between domestic and foreign peers has become more

intense, technological capabilities, scale economies, efficiency enhancement, and integration services are the winning factors. In view of this, the company continued to carry out research and development of related products, sought cooperation between domestic and foreign advanced products and manufacturers, and constantly self-improvement, in response to market demand and future development.

Due to climate and environmental changes, water shortages are spreading throughout the world. The World Meteorological Organization predicts that one billion people will face drinking water crisis in the global coastal areas in 2050. This company has cooperated with international water resources professional companies to develop water resources related system equipment and engineering, to provide customers with the best solutions and services, and to fulfill the responsibilities of global citizens.

4. The impact of competitive environment, regulatory environment and overall operating environment

(1) Competition situation

In the situation where the competition between domestic and foreign peers has become more intense, technological capabilities, economies of scale, efficiency enhancement, and integration services are the winning factors, the establishment of corporate physique and the implementation of professional technology are the only ways to expand the space for career development and create vitality. In current industry competition pattern, we can quickly grasp the source of raw materials and provide customers with faster and more advanced products and services, which are important factors in whether we can take the leading position in the industry. In view of this, this company continued to carry out research and development of related products, and sought cooperation between domestic and foreign advanced products and manufacturers, and constantly self-improvement, in response to market demand and future development.

(2) Regulatory environment

This company regularly reviews changes in laws and regulations and complies with the requirements of the competent authorities and upholds the philosophy of decent management. As a whole, changes in the regulatory environment will have no major impact on this company.

(3) Overall business environment

As mentioned above, Chinese government is actively promoting the development of local semiconductor industry, it is expected that the company will benefit from related capital expenditure requirements and further increase the market share in China region.

Taiwan region is actively developing the use of water resources, according to the plan of the Water Resources Department, the amount of reclaimed water to be used every day should reach 700,000 tons in 2021, and 1,320,000 tons in year 2043.

<http://file.wra.gov.tw/public/Data/57713564171.pdf>

This company actively cooperates with internationally renowned companies in the development of water resource utilization plans and cultivates relevant professionals. It is expected that it will be able to lay a solid foundation for the company's next phase of development in this area.

5. Important production and sales policies

For many years, this company has continuously researched and developed high-tech industrial process equipment and the surrounding pipeline engineering design and overall system to provide customers with competitive customized equipment and services. In addition to many years of deep plowing in mainland China, and in line with government's efforts to promote South moving policy and the rise of countries in Southeast Asian region, company has set up a subsidiary in Singapore

to help expand overseas markets in the future.

Production and sales policies will continue to deliver aforementioned advantages and grasp current opportunities, we will continue to take care of customers' needs to consolidate existing customers and develop new customers in order to maintain steady growth in company business and profitability. In production side, we continue to strengthen our design capabilities, and on the premise of ensuring production of high-quality equipment, we have now add Suzhou Guanbo Co., Ltd. to expand its equipment manufacturing capacity in a timely manner and steadily move forward. All colleagues of NOVA TECHNOLOGY CORP. will uphold the company's philosophy of "tomorrow will be better" and continue to overcome difficulties, expecting to provide customers with satisfactory services with superior products, better solutions and quality, and strive for the greatest benefits for shareholders.

Chairman : Liang ,Chin-Li

General Manager : Hsu, Chung-Cheng

Accounting Supervisor : Ou, Chun-Yen

[Annex 2] 2017 Independent Auditors' Report and Financial Statements

Independent Auditors' Report

To Board of Directors of NOVA TECHNOLOGY CORP.:

Opinion

We have audited the individual financial statements of NOVA TECHNOLOGY CORP. ("the Company"), which comprise the individual balance sheet as of December 31, 2017 and 2016, the individual statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the Company as at December 31, 2017 and 2016, and its individual financial performance and its individual cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the current period. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Project revenue recognition (including estimation of estimated total cost)

Refer to Note 4(14) "Revenue", Note 5 "Major source of accounting assumptions, judgments, and estimation uncertainty: Project revenue recognition(including estimation of estimated total cost)" and Note 6(3) "Construction contracts" to the individual financial statements.

Descriptions of key audit matters :

The percentage of project completion rate of the construction of the Company project revenue is recognized according to the engineering degree during contract period, engineering degree is calculated by reference to the cost incurred from each contract to the end of reporting period, and will be renewed when contract has a significant additional budget. Assess the estimated total contract costs and recalculate the percentage of completion based on the adjusted total costs. The correctness of the project revenue of the Company, is affected by the appropriate estimation of engineering costs and the estimated total project costs. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit :

The main auditing procedures of the above key auditing matters by accountants include: reviewing major contracts to understand the specific terms and risks of each contract, testing the relevant internal controls of operating income and collection operations cycle to confirm whether there are major anomalies; the total cost is one of the important accounting estimates of this company, accountants interviewed and updated the company's preparation and approval process for the estimated total contract costs in each period, understood the process of accounting estimates made by management and considered other internal and external as well as positive and negative evidence, and other information, to assess the rationality of the assumptions used by management, and to examine the causes of differences between estimated total costs and actual total closing costs of some sample projects; when auditors inspected the change in estimated total cost, they will consider whether the estimate of the management's estimated cost to be completed at the date of completion, the possibility of the expected reversal of the change consideration, etc. is objective and reasonable; at the same time, it will also assess whether the recognition of revenue is subject to relevant regulations, whether the disclosure of relevant contract costs is allowed.

2. The assessment of accounts receivable

Refer to Note 4(6) "Financial instruments", Note 5 "Major source of accounting assumptions, judgments, and estimation uncertainty: Impairment of trade receivables" and Note 6(2) "The net of notes and accounts receivables" to the individual financial statements.

Descriptions of key audit matters :

The recoverable of the Company's receivables is closely related with business cycle and customers' operating situation. The Company's management estimate impairment for receivables by assessing each customers' financial status and historical payment record. Impairment of receivables involves judgment and estimation uncertainty of the Company's management. Consequently, impairment of receivables is one of the key matters for our audit.

How the matter was addressed in our audit :

Our principal audit procedures included: testing related internal control of account receivable; reviewing collection of notes and accounts receivable during the subsequent period; evaluating the Company's assumption of impairment by performing receivables aged analysis; assessing whether the impairment is fairly presented.

3. Estimation of Project Loss

Refer to Note 4(8) "Project Contracts", Note 5 "Major source of accounting assumptions, judgments, and estimation uncertainty: Recognition and measurement of estimation of project loss" and Note 9 "Major Contingent Liabilities and Unknown List Contract commitment(4)" to the individual financial statements.

Description of key inspects items:

The Company for any work case, when judging the contract cost is not very likely to recover, it will be immediately recognized as a cost, which is estimated to involve the subjective judgment of management authority. Consequently, impairment of receivables is one of the key matters for our audit.

How the matter was addressed in our audit :

The main auditing procedures of above key auditing matters by accountants include: comparing the amount of project losses and losses that had actually occurred in the past, assessing and understanding the methods used by management to estimate losses, including the methods of use, sources of information used, and whether there are It may lead to the need to correct accounting estimates and assess whether it meets the accounting principles and the appropriateness of disclosure; if the case has entered legal proceedings, the possibility of recovery of costs depends on the outcome of pending lawsuit, and related liabilities will still be used for reference, the conditions for recognition are assessed.

Responsibilities of Management and Those Charged with Governance for the individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that

we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

February 22, 2018

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

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP.

Balance Sheets

December 31, 2017, and 2016

(expressed in thousands of New Taiwan Dollars)

Assets		2017.12.31		2016.12.31		Liabilities and Equity		2017.12.31		2016.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Liquid assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 1,100,828	35	418,495	19	2150	Bills payable	\$ 149,917	5	148,940	7
1150	Net notes receivable (Note 6 (2))	4,907	-	598	-	2170	Accounts payable	327,234	10	281,315	13
1170	Net accounts receivable (Note 6 (2))	307,573	10	488,676	22	2180	Payable person (Note 7)	537	-	65,965	3
1190	Receivables for construction contracts (Notes 6 (3) & 7)	261,775	8	207,069	9	2190	Payable construction contract (Notes 6 (3) & 7)	45,862	1	347,772	15
1210	Other receivables Related parties (Note 7)	63	-	-	-	2201	Payable wages and bonuses	74,225	2	45,769	2
1310	Inventory (Note 6 (4))	410,131	13	299,128	15	2250	Liability preparation (Note 6 (7))	55,800	2	30,857	1
1421	Prepaid payment	44,051	1	51,231	2	2311	Advance receipts (Note 7)	337,793	11	111,677	5
1476	Other financial assets - flows	4,561	-	277	-	2399	Other expenses payable and current liabilities	52,404	2	31,016	2
1479	Other current assets	15,939	1	3,262	-			1,043,772	33	1,063,311	48
		2,149,828	68	1,468,736	67		Non-current liabilities:				
Non-current assets:						2570	Deferred income tax liabilities (Note 6 (9))	107,608	3	63,631	3
1550	Investment using equity method (Note 6 (5))	918,541	29	647,457	29	2640	Net Defined Benefit Liabilities - Non-current (Note 6(8))	22,280	1	17,036	1
1600	Property, plant and equipment (Note 6(6))	68,278	2	66,514	3			129,888	4	80,667	4
1840	Deferred income tax assets (Note 6 (9))	28,641	1	24,432	1		Total liabilities	1,173,660	37	1,143,978	52
1990	Other non-current assets (Note 6 (2))	6,008	-	2,458	-		Equity (Note 6 (10)):				
		1,021,468	32	740,861	33	3100	Share capital	339,280	11	296,280	13
						3200	Capital reserve	866,545	27	239,295	11
						3300	Reserve surplus	817,987	26	553,807	25
						3400	Other interests	(26,176)	(1)	(23,763)	(1)
							Total equity	1,997,636	63	1,065,619	48
Total assets		\$ 3,171,296	100	2,209,597	100		Total liabilities and equity	\$ 3,171,296	100	2,209,597	100

(See accompanying notes to individual financial statements.)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP.

Statements of Comprehensive Income

For the years ended December 31, 2017, and 2016

(expressed in thousands of New Taiwan Dollars, except earnings per share)

		2017		2016	
		Amount	%	Amount	%
4110	Operating revenue (Notes 6 (3), (12) and 7)	\$ 1,466,807	100	1,284,689	100
5110	Operating costs (Notes 6 (3), (4), (8) and 7)	1,033,036	71	1,106,780	86
5900	Gross profit	433,771	29	177,909	14
Operating expenses (Notes 6 (8), (14)):					
6100	Selling	5,457	-	8,053	1
6200	General and administrative	132,835	9	89,938	7
		138,292	9	97,991	8
Operating income		295,479	20	79,918	6
Non-operating income and expenses:					
7020	Other interests and losses (Note 6 (13))	(43,521)	(3)	(15,105)	(1)
7050	Financial costs (Note 6 (13))	(1,176)	-	(377)	-
7070	The share of the interests of the subsidiaries as recognized by the equity method (Note 6 (5))	293,991	20	248,347	19
		249,294	17	232,865	18
7900	Profit before tax	544,773	37	312,783	24
7950	Less: Income tax expense (Note 6 (9))	97,298	7	48,392	3
Profit for the year		447,475	30	264,391	21
8300	Other comprehensive income, net of tax:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Determining the number of remeasurements of the welfare plan (Note 6(A))	(5,527)	-	(2,872)	-
8349	Income tax related to non-reclassified items	-	-	-	-
Subsequent items that may be reclassified to profit or loss		(5,527)	-	(2,872)	-
8360	Conversion balance of financial statement translation of foreign operating agencies				
8361	Conversion balance of financial statement translation of foreign operating agencies	(2,907)	-	(45,270)	(4)
8399	Income tax related to items that may be reclassified to profit or loss (Note 6 (9))	494	-	468	-
Total subsequent items that may be reclassified to profit or loss		(2,413)	-	(44,802)	(4)
8300	Other comprehensive profit and loss for current period	(7,940)	-	(47,674)	(4)
8500	Total consolidated profit and loss for current period	\$ 439,535	30	216,717	17
Earnings per share (Note 6 (11))					
9750	Basic earnings per share (Unit: NTD)	\$ 15.07		9.83	
9850	Diluted Earnings Per Share (Unit: NTD)	\$ 14.99		9.74	

(See accompanying notes to individual financial statements.)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese.)
NOVA TECHNOLOGY CORP.

Changes in equity

For the Years ended December 31, 2017 and 2016

(expressed in thousands of New Taiwan Dollars)

	Reserve surplus					Total	Conversion balance of financial statement translation of foreign operating agencies	Total equity
	Common stock capital	Capital reserve	Statutory surplus reserve	Special surplus reserve	Undistributed surplus			
The balance of January 1, 2016	\$ 253,600	139,563	84,218	9,241	300,269	393,728	21,039	807,930
Net profit for the period	-	-	-	-	264,391	264,391	-	264,391
Other comprehensive profit and loss for current period	-	-	-	-	(2,872)	(2,872)	(44,802)	(47,674)
Total consolidated profit and loss for current period	-	-	-	-	261,519	261,519	(44,802)	216,717
Earnings allocation and distribution:								
Listed statutory surplus reserves	-	-	15,044	-	(15,044)	-	-	-
Common stock cash dividends	-	-	-	-	(88,760)	(88,760)	-	(88,760)
Common stock dividends	12,680	-	-	-	(12,680)	(12,680)	-	-
Cash capital increase	30,000	99,000	-	-	-	-	-	129,000
Cash increase to retain employee compensation costs	-	732	-	-	-	-	-	732
The balance of December 31, 2016	<u>296,280</u>	<u>239,295</u>	<u>99,262</u>	<u>9,241</u>	<u>445,304</u>	<u>553,807</u>	<u>(23,763)</u>	<u>1,065,619</u>
Net profit for this period	-	-	-	-	447,475	447,475	-	447,475
Other comprehensive profit and loss for current period	-	-	-	-	(5,527)	(5,527)	(2,413)	(7,940)
Total consolidated profit and loss for current period	-	-	-	-	441,948	441,948	(2,413)	439,535
Earnings allocation and distribution:								
Listed statutory surplus reserves	-	-	26,439	-	(26,439)	-	-	-
Special surplus reserve	-	-	-	23,763	(23,763)	-	-	-
Common stock cash dividends	-	-	-	-	(177,768)	(177,768)	-	(177,768)
Cash increase	43,000	615,266	-	-	-	-	-	658,266
Cash increase to retain employee compensation costs	-	11,984	-	-	-	-	-	11,984
The balance of December 31, 2017	<u>\$ 339,280</u>	<u>866,545</u>	<u>125,701</u>	<u>33,004</u>	<u>659,282</u>	<u>817,987</u>	<u>(26,176)</u>	<u>1,997,636</u>
Net profit for this period								

Note: The remuneration paid by the Supervisors of this Company from January 01 to December 31, 2016 and 2017 was NTD17,573 thousand and NTD2,610 thousand, respectively, and employees' compensation was NTD23,431 thousand and NTD13,141 thousand, respectively, which had been deducted from the consolidated income statement for each per

(See accompanying notes to individual financial statements.)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP.

Statements of Cash Flows

For the Years ended December 31, 2017 and 2016

(expressed in thousands of New Taiwan Dollars)

	<u>2017</u>	<u>2016</u>
Cash flow for operating activities:		
Current period pre-tax net profit	\$ 544,773	312,783
Adjust items:		
Revenue and expense items that do not affect cash flow		
Depreciation expense	1,353	1,528
Listed bad debt losses	188	6,103
Interest expense	1,176	377
Interest income	(3,556)	(704)
Share base pay compensation costs	11,984	732
Compensate for declines in inventory and sluggish losses	(182)	(412)
The share of interest of subsidiary company recognized by equity method	(293,991)	(248,347)
Other	(283)	(254)
Total revenue and loss items that do not affect cash flow	<u>(283,311)</u>	<u>(240,977)</u>
Changes in assets/liabilities associated with operating activities:		
Net assets changes related to operating activities:		
Bills receivable and accounts receivable	176,606	(200,009)
Accounts Receivable – Related person	(63)	18,475
Receivable contract for construction	(54,706)	357,335
Inventories	(110,821)	(298,605)
Other current assets	(9,781)	(32,027)
	<u>1,235</u>	<u>(154,831)</u>
Net changes in liabilities related to operating activities:		
Bills payable and accounts payable	46,896	2,994
Cope with people	(65,428)	65,934
Payable for construction contract	(301,910)	160,674
Payable expenses and other current liabilities	284,205	130,344
	<u>(36,237)</u>	<u>359,946</u>
Total project adjustments	<u>(318,313)</u>	<u>(35,862)</u>
Cash flow from operations	226,460	276,921
Interest received	3,556	704
Interest paid	(1,182)	(372)
Income tax paid	(40,332)	(18,785)
Net cash inflow from operating activities	<u>188,502</u>	<u>258,468</u>
Cash flow for investment activities:		
Acquisition of real estate, plant and equipment	(3,117)	(553)
Obtaining subsidiary cash dividends	20,000	86,633
Decrease (increase) in other non-current assets	(3,550)	297
Set up subsidiary capital investment	-	(56,656)
Net cash inflow from investment activities	<u>13,333</u>	<u>29,721</u>
Cash flow from financing activities:		
Cash dividend payment	(177,768)	(88,760)
Cash increase	658,266	129,000
Net cash inflow from financing activities	<u>480,498</u>	<u>40,240</u>
Current cash and contract cash increase	682,333	328,429
Cash and approximate cash balance at beginning of this period	418,495	90,066
Cash and cash balances at end of this period	<u>\$ 1,100,828</u>	<u>418,495</u>

(See accompanying notes to individual financial statements.)

Independent Auditors' Report

To Board of Directors of NOVA TECHNOLOGY CORP.:

Opinion

We have audited the consolidated financial statements of NOVA TECHNOLOGY CORP. and its subsidiaries 's ("the Group") , which comprise the consolidated balance sheet as of December 31, 2017 and 2016, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Project revenue recognition (including estimation of estimated total cost)
Refer to Note 4(14) "Revenue", Note 5 "Major source of accounting assumptions, judgments, and estimation uncertainty: Project revenue recognition(including estimation of estimated total cost)" and Note 6(3) "Construction contracts" to the consolidated financial statements.

Descriptions of key audit matters :

The percentage of project completion rate of the construction of the Group project revenue is recognized according to the engineering degree during contract period, engineering degree is calculated by reference to the cost incurred from each contract to the end of reporting period, and will be renewed when contract has a significant additional budget. Assess the estimated total contract costs and recalculate the percentage of completion based on the adjusted total costs. The correctness of the project revenue of the Group, is affected by the appropriate estimation of engineering costs and the estimated total project costs. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit :

The main auditing procedures of the above key auditing matters by accountants include: reviewing major contracts to understand the specific terms and risks of each contract, testing the relevant internal controls of operating income and collection operations cycle to confirm whether there are major anomalies; the total cost is one of the important accounting estimates of this Group, accountants interviewed and updated the Group 's preparation and approval process for the estimated total contract costs in each period, understood the process of accounting estimates made by management and considered other internal and external as well as positive and negative evidence, and other information, to assess the rationality of the assumptions used by management, and to examine the causes of differences between estimated total costs and actual total closing costs of some sample projects; when auditors inspected the change in estimated total cost, they will consider whether the estimate of the management's estimated cost to be completed at the date of completion, the possibility of the expected reversal of the change consideration, etc. is objective and reasonable; at the same time, it will also assess whether the recognition of revenue is subject to relevant regulations, whether the disclosure of relevant contract costs is allowed.

2. The assessment of accounts receivable

Refer to Note 4(7) "Financial instruments", Note 5 "Major source of accounting assumptions, judgments, and estimation uncertainty: Impairment of trade receivables" and Note 6(2) "The net of notes and accounts receivables" to the consolidated financial statements.

Descriptions of key audit matters :

The recoverable of the Group's receivables is closely related with business cycle and customers' operating situation. The Group's management estimate impairment for receivables by assessing each customers' financial status and historical payment record. Impairment of receivables involves judgment and estimation uncertainty of the Group's management. Consequently, impairment of receivables is one of the key matters for our audit.

How the matter was addressed in our audit :

Our principal audit procedures included: testing related internal control of account receivable; reviewing collection of notes and accounts receivable during the subsequent period; evaluating the Group's assumption of impairment by performing receivables aged analysis; assessing whether the impairment is fairly presented.

3. Estimation of Project Loss

Refer to Note 4(9) "Project Contracts", Note 5 "Major source of accounting assumptions, judgments, and estimation uncertainty: Recognition and measurement of estimation of project loss" and Note 9 "Major Contingent Liabilities and Unknown List Contract commitment(4)" to the consolidated financial statements.

Description of key inspects items:

The Group for any work case, when judging the contract cost is not very likely to recover, it will be immediately recognized as a cost, which is estimated to involve the subjective judgment of management authority. Consequently, impairment of receivables is one of the key matters for our audit.

How the matter was addressed in our audit :

The main auditing procedures of above key auditing matters by accountants include: comparing the amount of project losses and losses that had actually occurred in the past, assessing and understanding the methods used by management to estimate losses, including the methods of use, sources of information used, and whether there are It may lead to the need to correct accounting estimates and assess whether it

meets the accounting principles and the appropriateness of disclosure; if the case has entered legal proceedings, the possibility of recovery of costs depends on the outcome of pending lawsuit, and related liabilities will still be used for reference, the conditions for recognition are assessed.

Other items

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2017 and 2016, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a

going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

February 22, 2018

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP. and its subsidiaries

Consolidated Balance Sheets

December 31, 2017, and 2016

(expressed in thousands of New Taiwan Dollars)

Assets		12.31, 2017		12.31, 2016		Liabilities and Equity		12.31, 2017		12.31, 2016	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1))	\$ 2,246,348	42	1,112,918	32	2150	Bills payable	\$ 149,917	3	148,940	4
1150	Net notes receivable (Note 6 (2))	81,741	2	37,869	1	2170	Accounts payable	937,107	18	562,705	17
1170	Net accounts receivable (Note 6 (2))	565,996	11	756,104	22	2180	Payable person (Note 7)	2,063	-	2,203	-
1190	Receivables for construction contracts (Notes 6 (3) & 7)	401,156	7	59,239	2	2190	Payable construction contract (Notes 6 (3) & 7)	47,777	1	351,723	10
1210	Other receivables - related parties (Note 7)	207	-	-	-	2201	Payable wages and bonuses	125,741	2	74,746	2
1310	Inventory (Note 6 (4))	1,634,371	30	1,096,657	32	2250	Liability preparation (Note 6 (6))	180,549	3	73,215	2
1421	Prepaid payment	171,273	3	156,051	4	2311	Advance payment	1,702,275	32	1,043,268	30
1476	Other financial assets - current (Note 8)	119,743	2	69,980	2	2399	Other expenses payable and current liabilities	119,617	2	59,673	2
1479	Other current assets	25,272	-	33,153	1			<u>3,265,046</u>	<u>61</u>	<u>2,316,473</u>	<u>67</u>
		<u>5,246,107</u>	<u>97</u>	<u>3,321,971</u>	<u>96</u>	Non-current liabilities:					
Non-current assets:						2570	Deferred income tax liabilities (Note 6(8))	107,608	2	63,631	2
1600	Property, plant and equipment (Note 6 (5))	92,816	2	86,447	3	2640	Net defined benefit liabilities - Non-current (Note 6 (7))	22,280	-	17,036	-
1840	Deferred income tax assets (Note 6 (8))	44,525	1	49,083	1			<u>129,888</u>	<u>2</u>	<u>80,667</u>	<u>2</u>
1990	其Other non-current assets (Note 6 (2))	9,122	-	5,258	-	Total liabilities		<u>3,394,934</u>	<u>63</u>	<u>2,397,140</u>	<u>69</u>
		<u>146,463</u>	<u>3</u>	<u>140,788</u>	<u>4</u>	Equity (Note 6 (9)):					
						3100	Share capital	339,280	6	296,280	9
						3200	Capital reserve	866,545	16	239,295	7
						3300	Reserve earnings	817,987	15	553,807	16
						3400	Other interests	(26,176)	-	(23,763)	(1)
						Total equity		<u>1,997,636</u>	<u>37</u>	<u>1,065,619</u>	<u>31</u>
						Total liabilities and equity		<u>\$ 5,392,570</u>	<u>100</u>	<u>3,462,759</u>	<u>100</u>
Total assets		<u>\$ 5,392,570</u>	<u>100</u>	<u>3,462,759</u>	<u>100</u>						

(See accompanying notes to consolidated financial statements.)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP. and its subsidiaries

Statements of Comprehensive Income

For the years ended December 31, 2017, and 2016

(expressed in thousands of New Taiwan Dollars, except earnings per share)

		2017		2016	
		Amount	%	Amount	%
4110	Operating revenue (Notes 6 (3), (11) and 7)	\$ 3,342,542	100	2,651,372	100
5110	Operating costs (Notes 6 (3), (4), (7) and 7)	2,345,098	70	2,063,317	78
5900	Gross profit	997,444	30	588,055	22
	Operating expenses (Notes 6 (7), (13)):				
6100	Selling	51,892	1	58,852	3
6200	General and administrative	187,705	6	138,105	5
6300	Research and development costs	81,945	3	59,846	2
		321,542	10	256,803	10
	Operating income	675,902	20	331,252	12
	Non-operating income and expenses:				
7020	Other interests and losses (Note 6 (12))	(78,015)	(2)	22,684	1
7050	Financial costs (Note 6 (12))	(1,176)	-	(377)	-
		(79,191)	(2)	22,307	1
7900	Profit before tax	596,711	18	353,559	13
7950	Less: Income tax expense (Note 6(8))	149,236	5	89,168	3
	Profit for the year	447,475	13	264,391	10
8300	Other comprehensive income, net of tax:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Determining the number of remeasurements of welfare plan (Note 6 (7))	(5,527)	-	(2,872)	-
8349	Income tax related to non-reclassified items	-	-	-	-
	Total items not reclassified to profit or loss	(5,527)	-	(2,872)	-
8360	Subsequent items that may be reclassified to profit or loss				
8361	Conversion balance of financial statement translation of foreign operating agencies	(2,907)	-	(45,270)	(2)
8399	Income tax related to items that may be reclassified to profit or loss (Note 6(8))	494	-	468	-
	Total subsequent items that may be reclassified to profit or loss	(2,413)	-	(44,802)	(2)
8300	Other comprehensive profit and loss for current period	(7,940)	-	(47,674)	(2)
8500	Total consolidated profit and loss for current period	\$ 439,535	13	216,717	8
	Earnings per share (Note 6 (10))				
9750	Basic earnings per share (Unit: NTD)	\$ 15.07		9.83	
9850	Diluted earnings per share (Unit: NTD)	\$ 14.99		9.74	

(See accompanying notes to consolidated financial statements.)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP. and its subsidiaries

Consolidated Statement of Changes in Equity

For the Years ended December 31, 2017 and 2016

(expressed in thousands of New Taiwan Dollars)

	Common stock capital	Capital reserve	Reserve earnings			Conversion balance of financial statement translation of foreign operating agencies	Total equity	
			Statutory surplus reserve	Special surplus reserve	Undistributed surplus			Total
Balance on January 1, 2016	\$ 253,600	139,563	84,218	9,241	300,269	393,728	21,039	807,930
Net profit of this period	-	-	-	-	264,391	264,391	-	264,391
Other comprehensive profit and loss for current period	-	-	-	-	(2,872)	(2,872)	(44,802)	(47,674)
Total consolidated profit and loss for current period	-	-	-	-	261,519	261,519	(44,802)	216,717
Earnings allocation and distribution:								
Listed statutory earnings reserves	-	-	15,044	-	(15,044)	-	-	-
Common stock cash dividends	-	-	-	-	(88,760)	(88,760)	-	(88,760)
Common stock dividends	12,680	-	-	-	(12,680)	(12,680)	-	-
Cash increase	30,000	99,000	-	-	-	-	-	129,000
Cash increase to retain employee compensation costs	-	732	-	-	-	-	-	732
Balance on December 31, 2016	296,280	239,295	99,262	9,241	445,304	553,807	(23,763)	1,065,619
Net profit of this period	-	-	-	-	447,475	447,475	-	447,475
Other comprehensive profit and loss for current period	-	-	-	-	(5,527)	(5,527)	(2,413)	(7,940)
Total consolidated profit and loss for current period	-	-	-	-	441,948	441,948	(2,413)	439,535
Earnings allocation and distribution:								
Listed statutory surplus reserves	-	-	26,439	-	(26,439)	-	-	-
Special earnings reserve	-	-	-	23,763	(23,763)	-	-	-
Common stock cash dividends	-	-	-	-	(177,768)	(177,768)	-	(177,768)
Cash increase	43,000	615,266	-	-	-	-	-	658,266
Cash increase to retain employee compensation costs	-	11,984	-	-	-	-	-	11,984
Balance on December 31, 2017	\$ 339,280	866,545	125,701	33,004	659,282	817,987	(26,176)	1,997,636

(See accompanying notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese.)

NOVA TECHNOLOGY CORP. and its subsidiaries

Consolidated Cash Flow Statement

January 01 to December 31, 2016 and 2017

(expressed in thousands of New Taiwan Dollars)

	<u>2017</u>	<u>2016</u>
Cash flow of operating activities:		
Current pre-tax net profit	\$ 596,711	353,559
Adjust items:		
Revenue and expense items that do not affect cash flow		
Depreciation expense	6,671	5,920
Loss of bad debts (recovery gains)	(12,060)	10,348
Interest expense	1,176	377
Interest income	(11,555)	(3,028)
Share base pay compensation costs	11,984	732
Listed inventory declines and sluggish losses	2,414	9,356
Others	460	(137)
Total revenue and loss items that do not affect cash flow	<u>(910)</u>	<u>23,568</u>
Changes in assets/liabilities associated with operating activities:		
Net assets changes related to operating activities:		
Bills receivable and accounts receivable	159,015	79,900
Accounts receivable – Related person	-	18,475
Receivable contract for construction	(341,917)	505,165
Inventories	(540,099)	(37,191)
產 Other current assets	<u>(57,311)</u>	<u>(93,060)</u>
	<u>(780,312)</u>	<u>473,289</u>
Net changes in liabilities related to operating activities:		
Bills payable and accounts payable	375,379	(227,959)
Cope with people	(140)	1,584
Payable for construction contract	(303,946)	164,625
Advance payment	659,007	30,473
Payable expenses and other current liabilities	<u>197,094</u>	<u>54,661</u>
	<u>927,394</u>	<u>23,384</u>
Total project adjustments	<u>146,172</u>	<u>520,241</u>
Cash flow from operations	742,883	873,800
Interest received	11,555	3,028
Interest paid	(1,182)	(372)
Income tax paid	<u>(79,022)</u>	<u>(74,492)</u>
Net cash inflow from operating activities	<u>674,234</u>	<u>801,964</u>
Cash flow from investment activities:		
Acquisition of real estate, plant and equipment	(14,103)	(12,764)
Disposition of real estate, plant and equipment	150	-
Increase in other non-current assets	<u>(3,864)</u>	<u>(938)</u>
Net cash outflow from investment activities	<u>(17,817)</u>	<u>(13,702)</u>
Cash flow from financing activities:		
Cash dividend payment	(177,768)	(88,760)
Cash increase	<u>658,266</u>	<u>129,000</u>
Net cash inflow from financing activities	<u>480,498</u>	<u>40,240</u>
Effect of exchange rate changes	<u>(3,485)</u>	<u>(31,667)</u>
Current cash and contract cash increase	1,133,430	796,835
Cash and approximate cash balance at the beginning of this period	1,112,918	316,083
Cash and cash balances at the end of this period	<u><u>\$ 2,246,348</u></u>	<u><u>1,112,918</u></u>

(See accompanying notes to consolidated financial statements.)

[Annex 3] Audit Committee's Review Report

NOVA TECHNOLOGY CORP. Audit Committee's Review Report

This company's 2017 financial statements have been approved by the audit committee and resolved by the board of directors. The foregoing financial statements have been audited by CPA of KPMG under commission to the board, and the auditor has issued an audit report relating to the financial statements.

This company's 2017 business report and earnings distribution proposal have been prepared and issued by the board of directors. The foregoing business report and earnings distribution proposal have been reviewed and determined to be correct and accurate by the audit committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

2018 shareholders meeting of NOVA TECHNOLOGY CORP.

NOVA TECHNOLOGY CORP.

Chairman of the Audit Committee: Ye, Shu

February 22, 2018

[Annex 4] Comparison Table of the Rules of Procedure for Board of Directors Meeting

Before revision	After revision	Description
<p>12</p> <ol style="list-style-type: none"> 1. Company's operating plan. 2. Annual financial report and semi-annual financial report. However, semi-annual financial report is not limit to require by law to without auditor's examination. 3. To establish or revise internal control system and the effectiveness of the internal control system. In accordance with Article 14 of the Securities Exchange Act (hereinafter referred to as the Securities Exchange Act). 4. Procedures for the preparation or amendment of any major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, provide funds to others, endorse or provide guarantees for others in accordance with the provisions of Article 36 of the Securities and Exchange Act. 5. To raise, issue or privately offer securities of a proprietary nature. 6. The appointment or dismissal of financial, accounting or internal audit supervisors. 7. Donations to related parties or major donations to non-related person. However, public welfare donations that are difficult to rescue due to major natural disasters may be submitted for approval by the next board of directors. 8. According to Article 14ter of the Securities Exchange Act, other laws and regulations or articles of association shall stipulate that the shareholders meeting shall decide or refer the matters decided by the board of directors or the major matters stipulated by the competent authority. <p>The related party referred to in Paragraph 7 of the preceding paragraph refers to the person regulated by the criteria for the preparation of the financial report of the issuer of the securities; the alleged significant donation to the non-relationship person refers to the amount of each donation or cumulative donation to the same person within one year to the new station. More than NTD one hundred million yuan, or up to one percent of the net operating income from the financial report of the accountant's visa in the most recent year or more than five percent of the paid-in capital. (If foreign company's stock is non-detailed or if face value per share is not NT\$10, the amount of 5% of paid-in capital in this item shall be calculated based on 2.5% of shareholders' equity.)</p> <p>The one-year period mentioned in the preceding</p>	<p>12</p> <ol style="list-style-type: none"> 1. Company's operating plan. 2. Annual financial report and semi-annual financial report. However, semi-annual financial report is not limit to require by law to without auditor's examination. 3. To establish or revise internal control system in accordance with Article 14 of the Securities Exchange Act (hereinafter referred to as the Securities Exchange Act). 4. Procedures for the preparation or amendment of any major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, provide funds to others, endorse or provide guarantees for others in accordance with the provisions of Article 36 of the Securities and Exchange Act. 5. To raise, issue or privately offer securities of a proprietary nature. 6. The appointment or dismissal of financial, accounting or internal audit supervisors. 7. Donations to related parties or major donations to non-related person. However, public welfare donations that are difficult to rescue due to major natural disasters may be submitted for approval by the next board of directors. 8. According to Article 14ter of the Securities Exchange Act, other laws and regulations or articles of association shall stipulate that the shareholders meeting shall decide or refer the matters decided by the board of directors or the major matters stipulated by the competent authority. <p>The related party referred to in Paragraph 7 of the preceding paragraph refers to the person regulated by the criteria for the preparation of the financial report of the issuer of the securities; the alleged significant donation to the non-relationship person refers to the amount of each donation or cumulative donation to the same person within one year to the new station. More than NTD one hundred million yuan, or up to one percent of the net operating income from the financial report of the accountant's visa in the most recent year or more than five percent of the paid-in capital. (If foreign</p>	<p>In line with the amendments to the “Measures for the matters concerning the board of directors of the public company,” amend this section:</p> <p>I. Consideration of Article 14 5 of the Securities Exchange Act The “Evaluation of the Effectiveness of the Internal Control System” of the audit committee’s terms of reference is also a significant issue. It should be discussed by the board of directors and added in paragraph 3 of the first paragraph.</p> <p>2, in order to clarify the powers of independent directors and further strengthen their participation in the operation of the board of directors, the fourth provision of the amendments stipulates that clear define shall have at least one independent director to attend the board of directors in person; for the first item to be mentioned by the board of directors, all independent directors should attend If the board of directors or independent directors cannot attend in person, other independent directors should be appointed to attend the meeting.</p> <p>3. The second, third paragraph of discretionary text adjustment.</p>

Before revision	After revision	Description
<p>paragraph is based on the date of the meeting of the board of directors and is calculated retrospectively for one year. It has been proposed that the resolution passed by the board of directors will not be counted. There should be at least one independent director who personally attends the board of directors; for the first item of 3rd Article 14 of the Securities and Exchange Act that should be submitted to the resolution of the board of directors, all independent directors should attend the board of directors, if independent directors cannot attend the board, they should be represented by other independent directors. If an independent director has objections or reservations, he or she shall specify in the proceedings of the board of directors; if an independent director cannot personally attend the board of directors to express objections or reservations, he shall, unless there is a valid reason, issue a written opinion in advance and specify in the minutes of the board of directors. .</p>	<p>company's stock is non-detailed or if face value per share is not NT\$10, the amount of 5% of paid-in capital in this item shall be calculated based on 2.5% of shareholders' equity.)</p> <p>The one-year period mentioned in the preceding paragraph is based on the date of the meeting of the board of directors and is calculated retrospectively for one year. It has been proposed that the resolution passed by the board of directors will not be counted.</p> <p>The independent directors shall be subject to resolutions of the board of directors in 3rd of Article 14th of the Securities Exchange Act, independent directors shall be present in person or appointed by other independent directors to represent them. If an independent director has objections or reservations, he or she shall specify in the proceedings of the board of directors; if an independent director cannot personally attend the board of directors to express objections or reservations, he shall, unless there is a valid reason, issue a written opinion in advance and specify in the minutes of the board of directors. .</p>	

[Annex 5] Comparison Table of the Procedure for Acquisition or Disposal of Assets

After revision	Before revision	Description
<p>11.1 The company is engaged in derivative commodity trading, to circumvent the risks caused by fluctuations in exchange rates, interest rates or asset prices, in order to hedge against the foreign currency positions receivable/payable or financial asset liability due to the company's business within the next six months. Before the transaction is conducted, it must be determined as a safe-haven operation.</p>	<p>11.1 The company is engaged in derivative commodity trading, to circumvent the risks caused by fluctuations in exchange rates, interest rates or asset prices, in order to hedge against the foreign currency positions receivable/payable due to the company's business within the next six months. Before the transaction is conducted, it must be determined as a safe-haven operation.</p>	<p>In line with the revision of company's operation management</p>
<p>11.3.1(2) The types of transactions are limited to currency exchange contracts and swap exchanges. The company does not engage in trading operations.</p>	<p>11.3.1(2) The company does not engage in trading operations.</p>	<p>In line with the revision of company's operation management</p>
<p>11.3.2(2) If the individual (all) contract losses of the company are at a loss of more than 5% of the market price, they shall report to the chairman for approval whether or not the position will be settled. The maximum individual (all) contract loss limit shall not exceed the limit of 10% of the individual (all) transaction contract amount. If the maximum loss limit is exceeded, the announcement shall be made in accordance with the "13 Announcement Declaration Procedure". The company does not engage in trading operations.</p>	<p>11.3.2(2) The company does not engage in trading operations.</p>	<p>In line with the revision of company's operation management</p>
<p>15 This company has directly or indirectly waived the capital increase of Shanghai WinmaxTechnology Corp. (hereinafter referred to as Winmax Company) and Suzhou WinmaxTechnology Corp. (hereinafter referred to as Suzhou Winmax Company) in each year, either directly or indirectly. If Winmax Company and Suzhou Winmax Company hold shares, the company will lose its substantive control over Winmax Company and Suzhou Winmax Company, and it must first pass a special resolution of the board of directors of the company, and independent directors should attend and express their opinions. The contents of the resolution and the amendments to this article should be opened and public information should be entered into the major observing station information to be disclosed and a letter to the counter buying center for future reference. This company must not give up the capital increase for Shanghai WinmaxTechnology Corp. in the coming years; in the future, if this company considers it through strategic alliances or other agreements, it must abandon the capital increase or disposition of above company. Starting a company must be approved by a special resolution of the board of directors.</p>	<p>15 This company must not give up the capital increase for Shanghai Winmax Technology Corp. in the coming years; in the future, if this company considers it through strategic alliances or other agreements, it must abandon the capital increase or disposition of above company. Starting a company must be approved by a special resolution of the board of directors.</p>	<p>In line with the revision of company's operation management</p>

[Annex 6] Comparison Table of the Regulations Governing Remuneration Paid to Directors

After revision	Before revision	Description
<p>3.6 6. If legal directors need to actually participate in the company's business operations, they will be paid NT\$50,000 per month fee after being confirmed by the board of directors. 6. The chairman or the directors of the company perform the duties of this company. The individual remuneration of this company shall be submitted to the board of directors for resolution after the remuneration committee makes recommendations based on the level of inter-industry participation, based on the value of the personnel's participation in and contribution to the company's operations.</p>	<p>3.6 6. The chairman or the directors of the company perform the duties of this company. The individual remuneration of this company shall be submitted to the board of directors for resolution after the remuneration committee makes recommendations based on the level of inter-industry participation, based on the value of the personnel's participation in and contribution to the company's operations.</p>	<p>In order to implement corporate governance, the board of directors of the company has a reasonable system of compliance.</p>
<p>4 The present Measures shall come into effect after being resolved by the shareholders' meeting, and shall also be the same when amended. These Measures shall come into effect after the resolution of the board of directors and shall also be the same when it is amended; after the establishment of company remuneration committee, this method shall be reviewed by the remuneration committee and shall be the same when it is amended.</p>	<p>4 These Measures shall come into effect after the resolution of the board of directors and shall also be the same when it is amended; after the establishment of company remuneration committee, this method shall be reviewed by the remuneration committee and shall be the same when it is amended.</p>	<p>In order to implement corporate governance, the board of directors of the company has a reasonable system of compliance.</p>