Stock Code:1476

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

ECLAT TEXTILE CO., LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2017 and 2016
(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

To the Board of Directors
Eclat Textile Co., Ltd.:

We have reviewed the accompanying consolidated balance sheets of Eclat Textile Co., Ltd. and its subsidiaries (the “Group”) as of September 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2017 and 2016, and changes in equity and cash flows for the nine months ended September 30, 2017 and 2016. These consolidated interim financial statements are the responsibility of the Company’s management. Our responsibility is to issue a report on these consolidated interim financial statements based on our reviews.

Except for the matters described in the third paragraph, we conducted our reviews in accordance with Statement on Auditing Standard 36, “Review of Financial Statements” issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

The financial statements of the partial subsidiaries were consolidated based on their unreviewed financial statements. As of September 30, 2017 and 2016, the total assets of the aforementioned subsidiaries were NT$2,547,936 thousand and NT$2,474,553 thousand, constituting 13.51% and 13.27% respectively of the consolidated total assets and the total liabilities of the aforementioned subsidiaries were NT$689,854 thousand and NT$542,317 thousand, constituting 14.21% and 10.83% respectively of the consolidated total liabilities. The total comprehensive losses of these subsidiaries amounted to NT$351,406 thousand , NT$370,477 thousand, NT$1,058,164 thousand and NT$1,102,962 thousand, constituting (39.01)%, (50.42)%, (60.96)% and (51.91)%of the total consolidated comprehensive income for the three months and nine months ended September 30, 2017 and 2016, respectively.

Based on our reviews, except for the effects of adjustments, if any, as might have been determined to be necessary had the interim consolidated financial statements of the investees described in the third paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated interim financial statements referred to above for them to be in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards No. 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

KPMG

Taipei, Taiwan (Republic of China)
November 7, 2017

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors’ report and the accompanying consolidated 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’ report and consolidated financial statements, the Chinese version shall prevail.

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

Reviewed Only, Not Audited In Accordance With Generally Accepted Auditing Standards

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2017, December 31, 2016, and September 30, 2016

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2017		December 31, 2016		September 30, 2016	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents(note 6 (a))	$ 4,139,572	22	6,189,487	31	5,192,513	28
1150	Notes receivable(note 6 (b))	9,990	-	4,077	-	2,201	-
1170	Accounts receivable, net(note 6 (b))	2,910,807	15	3,093,252	16	2,635,489	14
1200	Other receivables, net(note 6 (b))	22,222	-	15,642	-	13,075	-
1310	Inventories, net(note 6 (c))	4,276,969	23	3,340,601	17	3,633,372	20
1460	Non-current assets held for sale, net(note 6 (d))	15,866	-	-	-	-	-
1470	Other current assets(notes 6(f) and 8)	351,506	2	309,988	1	384,624	2
	Total current assets	11,726,932	62	12,953,047	65	11,861,274	64
	Non-current assets:						
1550	Investments accounted for using equity method	28,801	-	31,454	-	13,894	-
1600	Property, plant and equipment(notes 6 (e) and 7)	6,346,056	34	6,416,816	33	6,155,017	33
1780	Intangible assets	28,532	-	37,889	-	35,672	-
1840	Deferred tax assets	31,537	-	31,537	-	35,851	-
1900	Other non-current assets(note 6 (f))	700,515	4	437,323	2	541,384	3
	Total non-current assets	7,135,441	38	6,955,019	35	6,781,818	36
	Total assets	$ 18,862,373	100	19,908,066	100	18,643,092	100

		September 30, 2017		December 31, 2016		September 30, 2016	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings(note 6 (g))	$ 1,593,794	8	1,509,622	8	1,517,197	8
2150	Notes payable	284,406	2	343,295	2	371,964	2
2170	Accounts payable	1,540,378	8	1,226,207	6	1,424,401	8
2200	Other payables	948,558	5	934,821	5	1,023,111	6
2230	Current tax liabilities	193,582	1	437,898	2	184,550	1
2260	Liabilities related to non-current assets held for sale(note 6 (d))	115	-	-	-	-	-
2320	Long-term liabilities, current portion(note 6 (h))	-	-	66,693	-	64,852	-
2399	Other current liabilities, others	106,212	1	86,480	-	99,760	1
	Total current liabilities	4,667,045	25	4,605,016	23	4,685,835	26
	Non-Current liabilities:						
2540	Long-term borrowings(note 6 (h))	-	-	30,980	-	40,293	-
2570	Deferred tax liabilities	40,297	-	40,297	-	50,499	-
2640	Net defined benefit liability, non-current	133,420	1	131,699	1	189,926	1
2670	Other non-current liabilities	13,866	-	3,874	-	41,970	-
	Total non-current liabilities	187,583	1	206,850	1	322,688	1
	Total liabilities	4,854,628	26	4,811,866	24	5,008,523	27
	Equity Attributable to Owners of Parent(Note 6 (k)):						
3110	Common stock	2,743,671	14	2,689,874	13	2,689,874	15
3200	Capital surplus	3,769,437	20	3,769,437	19	3,769,437	20
	Retained earnings:						
3310	Legal reserve	2,013,408	11	1,647,456	8	1,647,456	9
3350	Unappropriated retained earnings (note 6 (j))	5,574,074	29	6,835,041	35	5,491,263	29
	Total retained earnings	7,587,482	40	8,482,497	43	7,138,719	38
3490	Other equity, others	(92,845)	-	154,392	1	36,539	-
	Total equity	14,007,745	74	15,096,200	76	13,634,569	73
	Total liabilities and equity	$ 18,862,373	100	19,908,066	100	18,643,092	100

See accompanying notes to consolidated interim financial statements.

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

Reviewed Only, Not Audited In Accordance With Generally Accepted Auditing Standards

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the nine months ended September 30, 2017 and 2016

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

		For the three months ended September 30				For the nine months ended September 30			
		2017		2016		2017		2016	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue(notes 6 (m) and 14)	$ 6,102,545	100	6,262,052	100	$ 17,191,775	100	17,680,154	100
5000	Operating costs(notes 6 (c)(i)(n), 7(b)and 12(a))	4,369,191	72	4,462,668	71	12,497,444	73	12,747,456	72
	Gross profit from operations	1,733,354	28	1,799,384	29	4,694,331	27	4,932,698	28
	Operating expenses(notes 6(b)(i)(n), 7(b) and 12(a)):								
6100	Selling expenses	353,743	6	324,778	5	1,001,767	6	944,493	5
6200	Administrative expenses	230,484	4	213,748	3	697,549	4	637,965	4
6300	Research and development expenses	43,640	-	40,181	1	128,294	1	113,294	1
	Total operating expenses	627,867	10	578,707	9	1,827,610	11	1,695,752	10
	Net operating income	1,105,487	18	1,220,677	20	2,866,721	16	3,236,946	18
	Non-operating income and expenses(note 6 (o)):								
7010	Total other income	16,234	-	14,576	-	67,439	-	26,206	-
7020	Other gains and losses, net	(4,521)	-	(187,020)	(3)	(428,170)	(2)	(282,181)	(2)
7050	Finance costs	(6,206)	-	(7,074)	-	(19,486)	-	(22,936)	-
7060	Share of profit of associates and joint ventures accounted for using equity method, net	(5,463)	-	494	-	(4,832)	-	2,212	-
	Total non-operating income and expenses	44	-	(179,024)	(3)	(385,049)	(2)	(276,699)	(2)
7900	**Income before income tax**	1,105,531	18	1,041,653	17	2,481,672	14	2,960,247	16
7950	Less: Income tax(note 6 (j))	(185,390)	3	(181,293)	(3)	(483,102)	2	(620,420)	(3)
	Profit from continuing operations	920,141	15	860,360	14	1,998,570	12	2,339,827	13
8100	Loss from discontinued operations, net of tax (Note 12 (c))	1,924	-	(14,025)	-	(15,421)	-	(39,309)	-
8200	**Net income**	922,065	15	846,335	14	1,983,149	12	2,300,518	13
	Other comprehensive income:								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of income tax	(21,176)	-	(111,486)	(2)	(247,237)	(2)	(175,911)	(1)
8399	Income tax expense related to items that may be reclassified subsequently (note 6(i))	-	-	-	-	-	-	-	-
	Other comprehensive income, net of income tax	(21,176)	-	(111,486)	(2)	(247,237)	(2)	(175,911)	(1)
8500	**Total comprehensive income**	**$ 900,889**	**15**	**734,849**	**12**	**1,735,912**	**10**	**2,124,607**	**12**
	Earnings per share (note 6(l))								
9750	**Basic earnings per share (in dollars)**	$ -		-		-		-	
	Basic earnings per share from continuing operations	$ 3.35		3.15		7.28		8.58	
	Basic earnings (loss) per share from discontinued operations (note 12 (c))	0.01		(0.05)		(0.05)		(0.15)	
	Total basic earnings per share	**$ 3.36**		**3.10**		**7.23**		**8.43**	
9850	**Diluted earnings per share (in dollars)**								
	Diluted earnings per share from continuing operations	$ 3.35		3.15		7.28		8.58	
	Diluted earnings (loss) per share from discontinued operations (note 12 (c))	0.01		(0.05)		(0.05)		(0.15)	
	Total diluted earnings per share	**$ 3.36**		**3.10**		**7.23**		**8.43**	

See accompanying notes to consolidated interim financial statements.

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

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

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Capital stock		Retained earnings			Other equity	
	Common stocks	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2016	$ 2,609,874	1,289,437	1,230,078	6,432,490	7,662,568	212,450	11,774,329
Net income	-	-	-	2,300,518	2,300,518	-	2,300,518
Other comprehensive income	-	-	-	-	-	(175,911)	(175,911)
Total comprehensive income	-	-	-	2,300,518	2,300,518	(175,911)	2,124,607
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	417,378	(417,378)	-	-	-
Cash dividends to shareholders	-	-	-	(2,824,367)	(2,824,367)	-	(2,824,367)
Issuance of shares	80,000	2,480,000	-	-	-	-	2,560,000
Balance at September 30, 2016	**$ 2,689,874**	**3,769,437**	**1,647,456**	**5,491,263**	**7,138,719**	**36,539**	**13,634,569**
Balance at January 1,2017	$ 2,689,874	3,769,437	1,647,456	6,835,041	8,482,497	154,392	15,096,200
Net income	-	-	-	1,983,149	1,983,149	-	1,983,149
Other comprehensive income	-	-	-	-	-	(247,237)	(247,237)
Total comprehensive income	-	-	-	1,983,149	1,983,149	(247,237)	1,735,912
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	365,952	(365,952)	-	-	-
Cash dividends to shareholders	-	-	-	(2,824,367)	(2,824,367)	-	(2,824,367)
Stock dividends to shareholders	53,797	-	-	(53,797)	(53,797)	-	-
Balance at September 30, 2017	**$ 2,743,671**	**3,769,437**	**2,013,408**	**5,574,074**	**7,587,482**	**(92,845)**	**14,007,745**

See accompanying notes to consolidated interim financial statements.

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

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

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2017	2016
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	$ 2,481,672	2,960,247
Loss from discontinued operations before tax	(15,421)	(39,309)
Income before income tax	2,466,251	2,920,938
Adjustments:		
Adjustments to reconcile income before income tax		
Depreciation expense	574,078	598,839
Amortization expense	11,274	12,302
Provision for bad debt expense	-	31
Gain on financial assets or liabilities at fair value through profit or loss	(2,161)	-
Interest expense	19,739	22,936
Interest income	(65,259)	(24,259)
Share of profit of associates and joint ventures accounted for using equity method	4,832	(2,212)
Loss on disposal of property, plant and equipment	10,246	15,361
Total adjustments to reconcile income before income tax	552,749	622,998
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease in notes and accounts receivable	176,532	420,375
Increase in inventories	(936,060)	(69,784)
Increase in other current assets	(41,518)	(46,031)
(Increase) decrease in other financial assets	(6,580)	37,597
Decrease (increase) in other operating assets	38,258	(84,869)
Total changes in operating assets	(769,368)	257,288
Net changes in operating liabilities:		
Increase in notes and accounts payable	255,282	258,401
Increase in other payable	13,108	28,470
Increase in other current liabilities	19,732	16,484
Increase in net defined benefit liability	1,721	900
Total changes in operating liabilities	289,843	304,255
Total changes in operating assets and liabilities	(479,525)	561,543
Total adjustments	73,224	1,184,541
Cash inflow generated from operations	2,539,475	4,105,479
Interest received	65,259	24,259
Interest paid	(19,739)	(22,936)
Income taxes paid	(727,417)	(1,040,036)
Net cash flows from operating activities	1,857,578	3,066,766
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(6,574)	-
Acquisition of property, plant and equipment	(710,178)	(233,489)
Proceeds from disposal of property, plant and equipment	85,019	6,017
Increase in refundable deposits	(2,040)	(1,703)
Acquisition of intangible assets	(2,663)	(23,920)
Increase in prepayments for business facilities	(12,280)	(246,806)
Dividends received	2,324	2,179
Net cash flows used in investing activities	(646,392)	(497,722)
Cash flows used in financing activities:		
Increase (decrease) in short-term loans	84,172	(710,012)
Repayments of long-term debt	(97,673)	(30,619)
Decrease in financial liabilities at fair value through profit or loss, designated as upon initial recognition	2,161	-
Increase (decrease) in other non-current liabilities	9,992	(43,323)
Cash dividends paid	(2,824,367)	(2,824,367)
Proceeds from issuing shares	-	2,560,000
Net cash flows used in financing activities	(2,825,715)	(1,048,321)
Effect of exchange rate changes on cash and cash equivalents	(420,263)	10,716
Net (decrease) increase in cash and cash equivalents	(2,034,792)	1,531,439
Cash and cash equivalents at beginning of period	6,189,487	3,661,074
Cash and cash equivalents at end of period	$ **4,154,695**	**5,192,513**
Cash and cash equivalents reported in the statement of financial position	$ **4,139,572**	**5,192,513**
Cash and cash equivalents reclassified as non-current assets held for sale	$ **15,123**	**-**

See accompanying notes to consolidated interim financial statements.

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements

September 30, 2017 and 2016

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

(1) Company history

Eclat Textile Co., Ltd. (the " Company") was incorporated in November 1977. The Company has established the Tashan Plant, Miao-li Plant and Hsichou Plant in Miao-li, and Dayuan Plant in Taoyuan. The Company and its subsidiaries (the " Group") have mainly been involved in the manufacturing and marketing of knitwear. Please refer to note 4(b) for more details about the operation of the Group.

(2) Approval date and procedures of the consolidated financial statements

On November 7, 2017, the board of directors approved and noted the consolidated interim financial statements as of and the nine-month periods ended September 30.

(3) New standards, amendments and interpretations adopted

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2017:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Presentation of Financial Statements-Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendments to IAS 36 " Impairment of Non-Financial assets- Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014
Amendments to IAS 39 " Financial Instruments-Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
Notes to Consolidated Interim Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016
IFRIC 21 "Levies"	January 1, 2014

The Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated interim financial statements.

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

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018 in accordance with Ruling No. 1060025773 issued by the FSC on July 14, 2017:

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

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

(i) IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39 " Financial Instruments: Recognition and Measurement" which contains classification and measurement of financial instruments, impairment and hedge accounting. The actual impact of adopting IFRS 9 on the Group' s consolidated financial statements in 2018 can only be determined and reliably estimated depending on the financial instruments that the Group holds and economic conditions at that time, as well as the accounting elections and judgments that it will make in the future. The new standard will

(Continued)

require the Group to revise its accounting processes and internal controls related to reporting financial instruments. However, the Group has performed a preliminary assessment of the potential impact of the adoption of IFRS 9 based on its positions at September 30, 2017 and hedging relationships designated under during the first half of 2017 under IAS 39.

1) Classification- Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial assets in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. In addition, IAS 39 has an exception to the measurement requirements for investments in unquoted equity instruments that do not have a quoted market price in an active market (and derivatives on such an instrument) and for which fair value cannot therefore be measured reliable. Such financial instruments are measured at cost. IFRS 9 removes this exception, requiring all equity investments (and derivatives on them) to be measured at fair value.

Based on its preliminary assessment, the Group does not believe that the new classification requirements, if applied at September 30, 2017, would have had a material impact on its accounting for trade receivables.

2) Impairment-Financial assets and contact assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model. This will require considerable judgment as to how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

(Continued)

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
Notes to Consolidated Interim Financial Statements

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; an entity may choose to apply this policy also for trade receivables and contract assets with a significant financing component.

Based on its preliminary assessment, the Group does not believe that the application of IFRS 9's impairment requirements at September 30, 2017 would have had a material impact on the consolidated financial statements.

(ii) IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 "Revenue" and IAS 11 "Construction Contracts".

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

Based on the it's preliminary assessment, the Group suggests the point in time at which the customer accepts the goods is familiar to when the related risks and rewards of ownership transfers and does not expect that there will be a significant impact on its consolidated financial statements..

(iii) Amendments to IAS 7 "Disclosure Initiative"

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

To satisfy the new disclosure requirements, the Group intends to present a reconciliation between the opening and closing balances for liabilities with changes arising from financing activities.

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 16 "Leases"	January 1, 2019
IFRS 17 "Insurance Contracts"	January 1, 2021
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019

Those which may be relevant to the Group are set out below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
January 13, 2016	IFRS 16 "Leases"	The new standard of accounting for lease is amended as follows: • For a contract that is, or contains, a lease, the lessee shall recognize a right of use asset and a lease liability in the balance sheet. In the statement of profit or loss and other comprehensive income, a lessee shall present interest expense on the lease liability separately from the depreciation charge for the right of-use asset during the lease term. • A lessor classifies a lease as either a finance lease or an operating lease, and therefore, the accounting remains similar to IAS 17.

(Continued)

Issuance / Release Dates	Standards or Interpretations	Content of amendment
June 7, 2017	IFRIC 23 " Uncertainty over Income Tax Treatments"	• In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall assume that a taxation authority will examine the amounts it has the right to examine and have a full knowledge on all related information when making those examinations. • If an entity concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. Otherwise, an entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either the most likely amount or the expected value, depending on which method the entity expects to better predict the resolution of the uncertainty.

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

(4) Summary of significant accounting policies:

(a) Statement of compliance

The accompanying interim consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Guidelines) and IAS 34 "Interim Financial Reporting" endorsed by the FSC. These consolidated interim financial statements do not include all disclosures required for annual financial statements under the Guidelines and IFRSs, IASs, IFRIC Interpretations and SIC Interpretations as endorsed by the FSC (hereinafter referred to as IFRS as endorsed by the FSC).

Except as described below, the significant accounting policies adopted in the accompanying interim consolidated financial statements are the same as those adopted in the consolidated financial statements for the year ended December 31, 2016. Please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2016 for related information.

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ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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(b) Basis of consolidation

Principles used in preparing the interim consolidated financial statements are the same as those used for the consolidated financial statements for the year ended December 31, 2016. Please refer to Note 4(c) of the consolidated financial statements for the year ended December 31, 2016, for complete disclosures of significant accounting policies.

(i) The subsidiaries included in the consolidated interim financial statements are as follows:

Investor	Subsidiaries	Business activity	Percentage of Ownership (%)			Note
			September 30, 2017	December 31, 2016	September 30, 2016	
The Company	Grand Elite	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	
The Company	Eclat Cayman	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	
Grand Elite	Aegis	Garment merchandise and manufacture	100.00 %	100.00 %	100.00 %	Note 1
Grand Elite	Miaw Shun (Cambodia)	Design, manufacture, processing and sale of clothing	- %	100.00 %	100.00 %	Note 2
Grand Elite	Eclat Textile (Cambodia)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	
Eclat Cayman	Unison	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 3
Eclat Cayman	Eclat Vietnam	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	
Eclat Cayman	Fabrics	Knit fabric mill, printing, dyeing and finishing mill	100.00 %	100.00 %	100.00 %	
Eclat Cayman	E-TOP (VN)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	
Eclat Cayman	Colltex	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	
Eclat Cayman	Eclat Enterprise	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	
Eclat Cayman	TAI-YUAN(VN)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	

Note 1: The BOD approved the dissolution and liquidation of Aegis on May 4, 2017.

Note 2: The BOD approved the dissolution and liquidation of Miaw Shun (Cambodia) on May 7, 2015 and sold out by transferring equity in January, 2017.

Note 3: There is no longer any advantage in investing due to the raise in labor, material and supply cost in Mainland China, consequently, the BOD approved the dissolution and liquidation of Unison on December 7, 2016. Please refer to Note 6(d) for further information.

(ii) The subsidiaries not included in the consolidated financial statements: none.

(c) Non-current assets held for sale and discontinued operation

The Group's operation in Mainland China has been held for sale in the first quarter of 2017. It is highly possible that it will be disposed in the current year; therefore, the Group applied the accounting policies of non-current assets held for sale and discontinued its operations commencing January 1, 2017.

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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(i) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale or distribution rather than through continuing use are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are re-measured in accordance with the Group’s accounting policies. Thereafter, the assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal groups will first be allocated to goodwill, and then the remaining assets and liabilities will be apportioned on a pro rata basis, except that the loss is allocated assets not in the scope of IAS 36 – Impairments, such assets will continue to be measured in accordance with the Group’s accounting policies.

Impairment losses on assets initially classified as held for sale or held for distribution to owners and any subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

When the assets classified as held for sale or held for distribution to owners are intangible assets or property, plant and equipment, they are no longer amortized or depreciated.

(ii) Discontinued operations

A discontinued operation is a segment of the Group which it has disposed of or held for sale and is solely a main practice or operation district. An operation will be classified as a discontinued operation upon disposal or when the operation meets the criteria to be classified as held for sale, whichever comes first.

(d) Income taxes

The Group evaluates and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense is best estimated by multiplying the pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. All income tax expense should be recognized as current tax expense.

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

(e) Employee benefits

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

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The interim consolidated financial statements are prepared in conformity with IAS 34 "Interim Financial Reporting" as endorsed by the FSC, under which, management make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In these interim consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those in Note 5 of the consolidated financial statements for the year ended December 31, 2016.

(6) Explanation of significant accounts:

Except as described below, the description of significant accounts in the accompanying consolidated interim financial statements is not materially different from those in the consolidated financial statements for the year ended December 31, 2016. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2016, for more details.

(a) Cash and Cash Equivalents

	September 30, 2017	December 31, 2016	September 30, 2016
Cash	$ 9,545	6,902	9,141
Bank deposits	1,406,627	1,931,823	4,701,915
Term deposits	2,723,400	4,250,762	481,457
Cash and cash equivalents	**$ 4,139,572**	**6,189,487**	**5,192,513**

(b) Notes receivable, accounts receivable and other receivables

	September 30, 2017	December 31, 2016	September 30, 2016
Notes receivable - operating activities	$ 9,990	4,077	2,201
Accounts receivable	2,934,892	3,117,338	2,659,575
Other receivables	22,784	16,203	13,636
Less: allowance for doubtful accounts	(24,647)	(24,647)	(24,647)
Total	**$ 2,943,019**	**3,112,971**	**2,650,765**

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Overdue but unimpaired aging of notes receivable, accounts receivable and other receivables of the Group are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Overdue less than 30 days	$ 185,738	87,817	118,740
Overdue from 31days to 120 days	4,119	28,864	23,337
Overdue from 121days to 300 days	2,444	5,556	-
Total	**$ 192,301**	**122,237**	**142,077**

Changes in allowance for doubtful accounts of notes receivable, accounts receivable and other receivables of the Group for 2017 and 2016 are as followed:

	Impairment loss of separate assessment	Impairment loss of combined assessment	Total
Beginning balance as of January 1, 2017	$ 17,946	6,701	24,647
Recognized impairment loss	4,461	-	4,461
Reversal of impairment loss	-	(4,461)	(4,461)
Ending balance as of September 30, 2017	**$ 22,407**	**2,240**	**24,647**
Beginning balance as of January 1,2016	$ 13,332	11,284	24,616
Recognized impairment loss	8,243	-	8,243
Reversal of impairment loss	-	(8,212)	(8,212)
Ending balance as of September 30, 2016	**$ 21,575**	**3,072**	**24,647**

Accounts receivable of the Group have been insured accounts receivable credit risk. The insured amounts are $441,968 thousand, $508,182 thousand and $96,487 thousand as of September 30, 2017, December 31, 2016 and September 30, 2016. Guaranteed fraction is 90% of reviewed credit of policyholder; the recoverable amount of the insurance is considered when deciding impairment amount of accounts receivable.

None of accounts receivable and notes receivable held by the Group were pledged as collaterals or discounts as of September 30, 2017, December 31, 2016 and September 30, 2016.

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(c) Inventories

	September 30, 2017	December 31, 2016	September 30, 2016
Raw materials	$ 2,421,091	1,844,860	1,971,776
Supplies	608,557	477,242	502,429
Work in progress	1,050,805	838,603	825,727
Finished goods	196,516	179,896	333,440
	$ 4,276,969	3,340,601	3,633,372

As the net realizable value of inventories has increased due to the recovery of the inventory devaluation in the prior period. The Group recognized a gain from recovery in the value of inventories and a loss on inventories from the write-down of the book value for the nine-month and three-month periods ended September 30, 2017 and 2016, respectively. The loss and gain (which is the difference between the cost and the net realizable value) was reported as cost of goods sold as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Gain from recovery in the value of inventories(loss on decline of inventory market price)	$ (715)	39	1,210	(3,595)

None of inventories held by the Group were pledged as of September 30, 2017, December 31, 2016 and September 30, 2016.

(d) Non-current assets classified as held for sale and its relevant liabilities

The Company's board of directors approved a resolution of Unison's dissolution on December 7, 2016. Unison commenced the liquidation procedure in 2017, and would expect to complete the dissolution within 1 year. The non-current assets and relevant liabilities are reclassified as a held-for-sale group, as of June 30, 2017, the relevant assets and liabilities are $15,866 thousand and $115 thousand, respectively. The details were as follows:

	September 30, 2017
Cash and Cash equivalents	$ 15,123
Other assets	743
Assets held for sale	$ 15,866
Other liabilities	115
Liabilities held for sale	$ 115

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ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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(e) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group are as follows:

		Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Cost:									
Balance at January 1, 2017	$	1,187,924	3,623,069	4,269,662	94,682	215,318	1,061,701	270,104	10,722,460
Additions		-	7,000	102,348	3,470	4,812	43,360	549,188	710,178
Disposals		-	(129,663)	(127,727)	(6,265)	(13,609)	(14,482)	-	(291,746)
Reclassification		-	17,336	257,364	10,836	1,677	23,476	(187,811)	122,878
Effect of exchange rates changes		(1,797)	(145,864)	(156,139)	(3,655)	(6,128)	(50,680)	(19,968)	(384,231)
Balance as of September 30, 2017	$	1,186,127	3,371,878	4,345,508	99,068	202,070	1,063,375	611,513	10,879,539
Balance at January 1, 2016	$	1,188,443	3,642,566	4,012,028	91,854	212,374	965,414	172,791	10,285,470
Additions		-	5,298	41,912	1,232	5,493	33,947	145,607	233,489
Reclassification		-	40,021	212,691	4,022	576	50,968	(184,181)	124,097
Disposals		-	(19,173)	(94,311)	(930)	(7,848)	(2,676)	-	(124,938)
Effect of exchange rates changes		(1,323)	(112,800)	(115,369)	(2,791)	(5,055)	(35,304)	(6,441)	(279,083)
Balance as of September 30, 2016	$	1,187,120	3,555,912	4,056,951	93,387	205,540	1,012,349	127,776	10,239,035
Depreciation:									
Balance at January 1, 2017	$	-	966,077	2,546,619	56,866	153,937	582,145	-	4,305,644
Depreciation		-	105,621	344,489	8,985	13,525	101,458	-	574,078
Disposals		-	(63,794)	(103,101)	(5,400)	(11,781)	(12,405)	-	(196,481)
Reclassification		-	-	-	-	-	1,060	-	1,060
Effect of exchange rates changes		-	(30,321)	(87,341)	(1,957)	(4,024)	(27,175)	-	(150,818)
Balance as of September 30, 2017	$	-	977,583	2,700,666	58,494	151,657	645,083	-	4,533,483
Balance at January 1, 2016	$	-	836,236	2,222,937	47,520	143,376	444,354	-	3,694,423
Depreciation		-	115,946	344,941	9,246	14,793	113,913	-	598,839
Disposals		-	(12,847)	(80,668)	(930)	(6,720)	(2,395)	-	(103,560)
Effect of exchange rates changes		-	(22,598)	(60,763)	(1,436)	(3,259)	(17,628)	-	(105,684)
Balance as of September 30, 2016	$	-	916,737	2,426,447	54,400	148,190	538,244	-	4,084,018
Carrying amounts:									
Balance as of January 1, 2017	$	1,187,924	2,656,992	1,723,043	37,816	61,381	479,556	270,104	6,416,816
Balance as of September 30, 2017	$	1,186,127	2,394,295	1,644,842	40,574	50,413	418,292	611,513	6,346,056
Balance at January 1, 2016	$	1,188,443	2,806,330	1,789,091	44,334	68,998	521,060	172,791	6,591,047
Balance as of September 30, 2016	$	1,187,120	2,639,175	1,630,504	38,987	57,350	474,105	127,776	6,155,017

The property, plant and equipment are not pledged or mortgaged as collateral for loans as of September 30, 2017, December 31, 2016 and September 30, 2016.

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(f) Other current or noncurrent assets

Current:

	September 30, 2017	December 31, 2016	September 30, 2016
Tax refund receivables	$ 87,021	99,839	78,214
Payment in advance	58,951	53,030	54,191
Prepaid expense	33,415	43,101	31,259
Prepaid sales tax	138,015	86,566	187,751
Other financial assets	3,444	2,000	-
Others	30,660	25,452	33,209
	$ 351,506	**309,988**	**384,624**

Noncurrent:

	September 30, 2017	December 31, 2016	September 30, 2016
Prepayments for land and equipment	$ 337,050	37,641	222,297
Long-term prepaid rents	355,145	393,402	311,407
Refundable deposits	8,320	6,280	7,680
	$ 700,515	**437,323**	**541,384**

Long-term prepaid rents are the contract for right of use of land for constructing factories and dorms. This contracts were signed among the Group, bureau of state land and resources of China and local authorities of Vietnam.

(g) Short-term borrowings

Details of short-term borrowings of the Group are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Unsecured bank loans	**$ 1,593,794**	**1,509,622**	**1,517,197**
Unused quota	**$ 4,252,573**	**5,213,379**	**4,957,064**
Range of interest rates	**1.3%~1.85%**	**1.28%~1.90%**	**1.20%~1.60%**

None of the Group's assets were pledged as collaterals to secure bank loans.

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(h) Long-term loans

Details of long-term borrowings of the Group are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Unsecured bank loans	$ -	97,673	105,145
Less: Maturing within one year	-	(66,693)	(64,852)
Total	**$ -**	**30,980**	**40,293**
Unused quota	**$ -**	**-**	**-**
Range of interest rates	**-**	**2.00%~2.20%**	**2.00%~2.20%**

None of the Group's assets were pledged as collaterals to secure bank loans.

(i) Employee Benefits

(i) Defined benefit plan

Subsequent to December 31, 2016 there was no apparent evidence of any material market volatility, material curtailment, reimbursement and settlement, or other material one-time events. Therefore, pension costs in the interim consolidated financial statements is measured and disclosed according to the respective actuarial report for the years ended December 31, 2016 and 2015.

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Operating cost	$ 605	335	1,821	1,163
Selling expense	60	486	175	1,405
Administrative expense	235	481	702	1,329
R&D expense	-	48	-	155
	$ 900	**1,350**	**2,698**	**4,052**

Details of employee benefit liabilities are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Long-term paid leave	**$ 42,239**	**36,896**	**37,963**

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(ii) Defined contribution plan

The pension costs that were contributed to Bureau of Labor Insurance or local relevant authorities were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Operating cost	$ 12,093	11,975	35,910	41,224
Selling expense	4,422	4,180	12,870	12,562
Administrative expense	3,880	3,673	10,954	10,310
R&D expense	358	341	1,062	969
	$ 20,753	**20,169**	**60,796**	**65,065**

(j) Income Tax

(i) The details of income tax expense were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Current tax expense	**$ 185,390**	**181,293**	**483,102**	**620,420**

(ii) Income tax approved

The Company' s income tax returns through 2015 have been examined by the R.O.C. tax authority.

(iii) Integrated income tax information:

	September 30, 2017	**December 31, 2016**	**September 30, 2016**
Unappropriated earnings in 1997 and prior years	$ 430	430	430
Unappropriated earnings in 1998 and thereafter	5,573,644	6,834,611	5,490,833
	$ 5,574,074	**6,835,041**	**5,491,263**
Imputation credit account	**$ 839,490**	**1,157,935**	**722,409**

	2016 (Actual)	**2015 (Actual)**
Tax deduction ratio for earnings distribution to ROC residents	**23.39 %**	**22.65 %**

(Continued)

Under the integrated income tax system, the above imputation credit account and creditable ratio were prepared in accordance with Ruling No.10204562810 issued by the Ministry of Finance, R.O.C. on October 17, 2013.

The Legislative Yuan of the Republic of China approved the amendment of Income Tax Law on May 16, 2014, and the Ministry of Finance announced the amendment of Income Tax Law revises Article 66-6 on June 4, 2014. Commencing from January 1, 2015, the creditable ratio for individual shareholders residing in the Republic of China will be half of the original creditable ratio. The creditable ratios for earnings distribution to R.O.C residents in 2016 and 2015 were adjusted to 11.70% (actual) and 11.33% (actual) in 2017 and 2016, respectively.

(k) Stockholders' equity

Except for those described below, there was no material change in equity for the nine-month periods ended September 30, 2017 and 2016. Please refer to Note 6(j) of the consolidated financial statements for the year ended December 31, 2016 for other relevant disclosures of equity.

(i) Common stock

On June 16, 2017, the shareholders' meeting approved the capital increase of 5,380 thousand shares out of earnings amounting to $53,797 thousand dollars with the par value of $10 per share. The date of capital increase was July 31, 2017.All issued shares were paid up upon issuance and reported under equity.

On November 5, 2015, the board of directors of the Company approved a resolution to issue 8,000 thousand shares' common stocks by cash, with the par value $10 per share, and on December 29, 2015, the board of directors of the Company approved the issuance price of 320 per share. The date of the capital increase was February 25, 2016. The issuance was according to Article 1040046754 approved by FSC respectively on November 27, 2015.All issued shares were paid up upon issuance and reported under equity.

(ii) Capital Surplus

The components of capital surplus were as follows:

	September 30, 2017	**December 31, 2016**	**September 30, 2016**
Paid-in capital in excess of par value	$ 3,550,000	3,550,000	3,550,000
Treasury stock transactions	396	396	396
Unpaid compensation to directors and supervisors	1,377	1,377	1,377
Net assets from merger with Everbright Garment	15,866	15,866	15,866
Unpaid dividend payables	3	3	3
Employee stock options	201,795	201,795	201,795
	$ 3,769,437	**3,769,437**	**3,769,437**

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(iii) Retained earnings

According to the Company's articles of incorporation, 10% of annual net earnings (net of income taxes), after deducting accumulated deficits, must be set aside as legal reserve. The remaining portion is to be distributed upon a proposal by the board of directors and approval in an annual shareholders' meeting.

The Company is now in the growth stage and has a plan to expand the product line. Due to the need for capital to fulfill the plan, the policy for dividend distribution should reflect factors such as investment planning, financial structure, future fund requirements, and status of earnings. In a normal consideration, the percentage of earnings distribution shall not be less than fifty percent of the net earnings of the current year after compensating the accumulated deficits, if any. The board of directors shall make the distribution proposal, and it is then approved at the shareholders' meeting. The ratio for distributing cash dividends shall not be lower than 20% of the total distribution.

1) Earnings appropriation and distribution

The appropriations of 2016 and 2015 earnings were approved in the stockholders' meeting on June 16, 2017 and June 21, 2016, respectively. The amounts of appropriation of dividends per share were as follows:

	For the years ended December 31			
	2016		2015	
	rates(dollars)	amount	rates(dollars)	amount
Dividends distributed to common stock shareholders:				
Cash	$ 10.50	2,824,367	10.50	2,824,367
Stock	0.20	53,797	-	-
Total		$ 2,878,164		2,824,367

As mentioned above, please browse through the relative information approved during the board of directors' and shareholder's meeting on M.O.P.S.

(iv) Other equity (net of tax)

	Financial statements translation differences from foreign operations
Balance, January 1, 2017	$ 154,392
Financial statements translation differences from foreign operations	(247,237)
Balance, September 30, 2017	$ (92,845)

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	Financial statements translation differences from foreign operations
Balance, January 1, 2016	$ 212,450
Financial statements translation differences from foreign operations	(175,911)
Balance, September 30, 2016	**$ 36,539**

(l) Earnings per share

The earnings per share were calculated as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Basic earnings per share				
Net income attributable to common stock holders	**$ 922,065**	**846,335**	**1,983,149**	**2,300,518**
Weighted average number of ordinary shares outstanding (in thousands)	**274,367**	**272,730**	**274,367**	**272,730**
Basic earnings per share (in dollars)	**$ 3.36**	**3.10**	**7.23**	**8.43**

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Diluted earnings per share				
Net income attributable to common stock holders	**$ 922,065**	**846,335**	**1,983,149**	**2,300,518**
Weighted average number of ordinary shares outstanding (in thousands)(basic)	274,367	272,730	274,367	272,730
Effect on employee bonuses	5	4	5	4
Weighted average number of ordinary shares outstanding (in thousands)(diluted)	**$ 274,372**	**272,734**	**274,372**	**272,734**
Diluted earnings per share(in dollars)	**$ 3.36**	**3.10**	**7.23**	**8.43**

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(m) Operating revenues

The details of the Group's revenue were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Sale of merchandise	**$ 6,102,545**	**6,262,052**	**17,191,775**	**17,680,154**

(n) Employee bonus

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 0.1% will be distributed as employee profit sharing bonus which is to be decided upon a proposal by the board of directors, and then approved at the shareholders' meeting. Qualified employees are entitled to stock and cash distribution of the Company.

For the nine-month periods ended September 30, 2017 and 2016, the employee profit sharing bonus was calculated based on the Company's income (excluding tax, as well as employee profit sharing bonus) and earnings allocation percentage as stated under the Company's articles of incorporation. We did not estimate the liabilities due to the minor estimated expense for the nine-month periods ended September 30, 2017. The differences between the amounts approved in the shareholders' meeting and those recognized in the consolidated financial statements, if any, are accounted for as a changes in accounting estimate and recognized as profit or loss in the following year.

The Company recognized its employee profit sharing bonus amounting to $6,000 thousand for the year ended December 31, 2016 and 2015, which were the same as the amount approved to be distributed as employee profit sharing bonus by the board of directors. Additional related information can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

(o) Results from non-operating activities

(i) Other incomes

The Group's other income were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Interest income-bank deposit	$ 15,508	13,907	65,259	24,217
Other	726	669	2,180	1,989
	$ 16,234	**14,576**	**67,439**	**26,206**

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(ii) Other gains and losses, net

The Group's other gains and losses were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Foreign exchange (loss) gain	$ (11,823)	(193,129)	(444,210)	(282,475)
Gain (Loss) on transaction for property	(284)	619	680	(15,361)
Others	7,586	5,490	15,360	15,655
	$ (4,521)	**(187,020)**	**(428,170)**	**(282,181)**

(iii) Financial costs

The details of financial costs were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Bank borrowings	$ 6,206	6,961	19,483	22,590
Others	-	113	3	346
	$ 6,206	**7,074**	**19,486**	**22,936**

(p) Financial Instruments

Except for the following, there were no significant changes in the fair value of the Group's financial instruments and the exposure to credit risks and liquidity risks. Please refer to Note 6(p) of the consolidated.

(i) Market risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	September 30, 2017			December 31, 2016			September 30, 2016		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 227,232	30.26	6,876,040	280,952	32.25	9,060,702	247,186	31.36	7,751,753
Financial liabilities									
Monetary items									
USD	43,248	30.26	1,308,684	27,735	32.25	894,454	98,502	31.36	3,089,023

(Continued)

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
Notes to Consolidated Interim Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, borrowings and accounts payable. A 1% depreciation or appreciation of the NTD against the USD as of September 30, 2017 and 2016 would have increased or decreased the net income before tax by $55,674 thousand and $46,627 thousand respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is based on the same basis.

3) Foreign currency gain or loss on monetary items

The realized and unrealized exchange loss amounted to $444,210 thousand and $282,475 thousand, at the average rates of 30.539 and 32.428 for the year ended September 30, 2017 and 2016, respectively.

(ii) Interest rate analysis

The Group' s exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk part of this note.

The following sensitivity analysis is determined through the exposure to interest rate risk of derivative and non-derivative instruments on the reporting date. For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increases/decreases by 1%, representing the reasonable interest rates changes made by management.

If the interest rate increases/decreases by 1 basis point, the Group's net income will increase/decrease by $1,690 thousand and $16,223 thousand for the nine-month periods ended September 30, 2017 and 2016, respectively, with all other variable factors that remain constant. This is mainly due to the Group's borrowings in variable rates.

(iii) Fair value

The Group's management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value.

(q) Financial risk management

The policies and the objectives of the financial risk management are consistent with those disclosed in Note 6(q) of the consolidated financial statement for the year ended December 31, 2016.

(r) Capital Management

The objectives, policies, and procedures are the same as those stated in the consolidated financial statement for the year ended December 31, 2016. There was no material change on quantitative data of the capital management. For relevant information, please refer to Note 6(r) of the consolidated statement for the year ended December 31, 2016.

(7) Related-party transactions:

(a) Material transactions among related parties

(i) Guarantees and endorsements

The Company guarantees and endorsements for related parties are as follows:

Types of related parties	September 30, 2017	December 31, 2016	September 30, 2016
Subsidiaries	$ 1,664,300	1,667,648	1,621,626

(b) Key management personnel transactions

(i) Key management personnel compensation comprised:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	2016	2017	2016
Short-term employee benefits	$ 6,673	2,311	79,492	86,725

(ii) Cars provided to key management personnel:

	September 30, 2017	December 31, 2016	September 30, 2016
Cost	$ 26,484	19,089	19,089
Numbers	7	4	4
Book value	$ 9,965	5,510	6,300

(8) Pledged assets:

The Group's assets pledged to secure loans are as follows:

Pledged assets	Pledged to secure	September 30, 2017	December 31, 2016	September 30, 2016
Other financial assets - current	Natural gas security deposit	$ 3,444	2,000	-

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(9) Commitments and contingencies:

Details of the balance of unused letters of credit of the Group are as follows:

	September 30, 2017	December 31, 2016	September 30, 2016
Unused letters of credit	$ 199,302	279,014	423,511

(10) Losses due to major disasters:None.

(11) Subsequent events:None.

(12) Other:

(a) The Group’s employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

	For the three-month periods ended September 30, 2017			For the three-month periods ended September 30, 2016		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel expenses						
Salaries	462,374	264,976	727,350	437,661	260,510	698,171
Labor and Health insurance	44,411	20,345	64,756	39,914	16,975	56,889
Pension	12,698	8,955	21,653	12,310	9,209	21,519
Others	35,154	14,400	49,554	27,626	10,817	38,443
Depreciation	157,336	30,998	188,334	164,722	30,521	195,243
Amortization	485	3,284	3,769	478	3,175	3,653

	For the nine-months ended September 30, 2017			For the nine-months ended September 30, 2016		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Personnel expenses						
Salaries	1,367,823	801,869	2,169,692	1,318,404	765,729	2,084,133
Labor and health insurance	123,840	54,847	178,687	124,020	50,224	174,244
Pension	37,731	25,763	63,494	42,387	26,730	69,117
Others	98,656	39,071	137,727	103,568	39,721	143,289
Depreciation	480,487	93,591	574,078	496,881	101,958	598,839
Amortization	1,486	9,788	11,274	5,583	6,719	12,302

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(b) Seasonality of operation:

The operation of the Group is not having material influence by seasonality and periodicity.

(c) Discontinued operations:

The Group's board of directors approved Unison's dissolution on December 7, 2016, and launched its liquidation procedure in 2017. Since Unison was neither a discontinued operation nor non-current assets held for sale for the period ended September 30, 2016, the Group had to restate the consolidated interim financial statement of comprehensive income to present the operating results of continued operation and discontinued operation separately for the comparable period.

The operation result and cash flow of discontinued operation were as follows:

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2017	**2016**	**2017**	**2016**
Result of discontinued operations:				
Operating revenue	$ -	45,131	-	112,235
Operating costs	-	(50,480)	-	(123,881)
Gross profit loss	-	(5,349)	-	(11,646)
Operating expenses	19,647	(7,959)	(12,053)	(24,891)
Net income (loss)	19,647	(13,308)	(12,053)	(36,537)
Non-operating income and expense	(17,723)	(717)	(3,368)	(2,772)
Loss from discontinued operations, net of tax	**$ 1,924**	**(14,025)**	**(15,421)**	**(39,309)**
Basic earnings per share	**$ 0.01**	**(0.05)**	**(0.05)**	**(0.15)**
Diluted earnings per share	**$ 0.01**	**(0.05)**	**(0.05)**	**(0.15)**
Cash flow of discontinued operations				
Cash inflow generated from operation activities			$ (71,580)	2,768
Cash inflow generated from investing activities			79,536	-
Total cash inflow			**$ 7,956**	**2,768**

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Fund financing other parties:

(In thousands of NTD / USD)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
01	Aegis	Eclat Vietnam	Other receivables	Yes	32,250 (USD 1,000)	-	-	-	2	-	Operating capital	-	-	-	42,176 (Note)	47,448 (Note)	Note5
01	Aegis	Colltex	Other receivables	Yes	31,345 (USD 1,000)	-	-	-	2	-	Operating capital	-	-	-	42,176 (Note)	47,448 (Note)	Note5
01	Aegis	E-TOP (VN)	Other receivables	Yes	15,673 (USD 500)	-	-	-	2	-	Operating capital	-	-	-	42,176 (Note)	47,448 (Note)	Note5
02	Grand Elite	Miaw Shun (Cambodia)	Other receivables	No	32,250 (USD 1,000)	-	-	-	2	-	Operating capital	-	-	-	2,027 (Note1)	4,054 (Note1)	Note5
03	Eclat Cayman	Fabrics	Other receivables	Yes	387,000 (USD12,000)	363,120 (USD12,000)	242,080 (USD8,000)	1.5%~ 1.75%	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	Eclat Vietnam	Other receivables	Yes	32,250 (USD1,000)	30,260 (USD1,000)	-	-	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	Colltex	Other receivables	Yes	258,000 (USD8,000)	211,820 (USD7,000)	-	-	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	E-Top (VN)	Other receivables	Yes	322,500 (USD10,000)	257,210 (USD8,500)	-	-	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	Eclat Textile (Cambodia)	Other receivables	Yes	214,713 (USD6,850)	207,281 (USD6,850)	151,300 (USD5,000)	1.5%~ 1.75%	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	Eclat Enterprise	Other receivables	Yes	32,250 (USD1,000)	30,260 (USD1,000)	19,669 (USD650)	1.5%	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	Miaw Shun (Cambodia)	Other receivables	No	64,500 (USD2,000)	-	-	-	2	-	Operating capital	-	-	-	356,552 (Note1)	713,104 (Note1)	Note5
03	Eclat Cayman	TAI- YUAN (VN)	Other receivables	Yes	203,743 (USD6,500)	196,690 (USD6,500)	136,170 (USD4,500)	1.5%~ 1.75%	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5
03	Eclat Cayman	Unison	Other receivables	Yes	112,875 (USD3,500)	105,910 (USD3,500)	-	-	2	-	Operating capital	-	-	-	2,925,216 (Note2)	3,290,868 (Note2)	Note5

Note: The total financing amount of Aegis should not exceed 90% of the net equity of its latest financial statements; individual financing should not exceed 80% of its net equity on its latest financial statements.

Note 1: The total financing amount of Eclat Cayman and Grand Elite should not exceed 20% of the net equity of its latest financial statements; individual financing should not exceed 10% of its net equity on its latest financial statements.

Note 2: The total financing amount of Eclat Cayman should not exceed 90% of the net equity of its latest financial statements; individual financing should not exceed 80% of its net equity on its latest financial statements.

Note 3: Approved by BOD.

Note 4: Way of nature of lending: 1 for counterparties and 2 for short-term financing.

Note 5: The exchange rate as of September 30, 2017 is USD 1 to NTD 30.26.

(ii) Guarantees and endorsements for other parties:

(In thousands of NTD / USD)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
00	The Company	Eclat Cayman	2	4,202,323	1,564,125 (USD48,500)	1,467,610	499,290	-	10.48 %	7,003,872	Y	N	N
00	The Company	Grand Elite	2	4,202,323	209,625 (USD6,500)	196,690	-	-	1.40 %	7,003,872	Y	N	N

Note 1: Guarantees amount to single entity not exceeding 30% of its net value of financial statements.

Note 2: Total guarantees amount not exceeding 50% of its net value of financial statements.

Note 3: There are two conditions in which the Company may have guarantees or endorsements for other parties as follows:

1. Counterparties
2. Subsidiaries held more than 50%

Note 4: The exchange rate as of September 30, 2017 is USD 1 to NTD 30.26.

(iii) Securities held as of September 30, 2017 (excluding investment in subsidiaries, associates and joint ventures):None.

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(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Eclat Vietnam	Indirectly held subsidiaries	processing	1,127,880	24.47% (Note)	30 days	(Note2)	(Note2)	Account payable (96,929)	(5.09)%	(Note1)
Eclat Vietnam	The Company	Parent company	(sales)	(1,127,880)	(99.98)%	30 days	(Note2)	(Note2)	Account receivable 96,929	100.00%	(Note1)
The Company	Fabrics	Indirectly held subsidiaries	processing	1,078,791	23.41% (Note)	30 days	(Note2)	(Note2)	Account payable (52,371)	(2.75)%	(Note1)
Fabrics	The Company	Parent company	(sales)	(1,078,791)	(98.57)%	30 days	(Note2)	(Note2)	Account receivable 52,371	99.75%	(Note1)
The Company	E-TOP (VN)	Indirectly held subsidiaries	processing	345,699	7.50% (Note)	30 days	(Note2)	(Note2)	Account payable (28,699)	(1.51)%	(Note1)
E-TOP (VN)	The Company	Parent company	(sales)	(345,699)	(97.92)%	30 days	(Note2)	(Note2)	Account receivable 28,699	100.00%	(Note1)
The Company	Colltex	Indirectly held subsidiaries	processing	372,659	8.09% (Note)	30 days	(Note2)	(Note2)	Account payable (22,154)	(1.16)%	(Note1)
Colltex	The Company	Parent company	(sales)	(372,659)	(98.87)%	30 days	(Note2)	(Note2)	Account receivable 22,154	99.61%	(Note1)
The Company	Eclat Textile (Cambodia)	Indirectly held subsidiaries	processing	143,925	3.12% (Note)	30 days	(Note2)	(Note2)	Account payable (6,190)	(0.32)%	(Note1)
Eclat Textile (Cambodia)	The Company	Parent company	(sales)	(143,925)	(96.19)%	30 days	(Note2)	(Note2)	Account receivable 6,190	100.00%	(Note1)

Note: Percentage on processing expense

Note 1: Transactions listed above have been eliminated during preparing consolidated financial statements.

Note 2: The same as general processing / purchasing / sales

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

(In thousands of NTD / USD)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
Eclat Cayman	Fabrics	Subsidiary	242,080 (USD8,000)	(Note)	-	-	-	-	(Note1)
Eclat Cayman	TAI-YUAN (VN)	Subsidiary	136,170 (USD4,500)	(Note)	-	-	-	-	(Note1)
Eclat Cayman	Eclat Textile (Cambodia)	Investee company	151,300 (USD5,000)	(Note)	-	-	-	-	(Note1)

Note: The ending balance primarily consisted of receivables from related parties, which is not applicable for the calculation of turnover.
Note 1: Transactions listed above have been eliminated during preparing consolidated financial statements.
Note 2: The exchange rate as of September 30, 2017 is USD 1 to NTD 30.26.

(ix) Trading in derivative instruments:None.

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(x) Business relationships and significant intercompany transactions:

(In thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Fabrics	The Company	2	Sales	1,078,791	The same as general sales	6.28%
2	E-TOP(VN)	The Company	2	Processing revenue	345,699	The same as general processing	2.01%
3	Eclat Vietnam	The Company	2	Processing revenue	1,127,880	The same as general processing	6.56%
4	Colltex	The Company	2	Processing revenue	372,659	The same as general processing	2.17%
5	Eclat Textile (Cambodia)	The Company	2	Processing revenue	143,925	The same as general processing	0.84%
6	Eclat Cayman	Fabrics	3	Other receivables	242,080	-	1.28%
6	Eclat Cayman	TAI-YUAN (VN)	3	Other receivables	136,170	-	0.72%
6	Eclat Cayman	Eclat Textile (Cambodia)	3	Other receivables	151,300	-	0.80%

Note 1: Numbers are filled in as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered from 1.

Note 2: Classification of relation with counterparty is listed as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2017 (excluding information on investees in Mainland China):

(In thousands of NTD / USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: September 30, 2017	Original investment amount: December 31, 2016	Balance as of September 30, 2017: Shares (thousands)	Percentage of ownership	Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	Best	Taiwan	Computer equipment installation, software retailing and international commerce	8,739	8,739	881	44.05 %	13,768	3,765	1,658	Investee company under equity method
The Company	Grand Elite	British Virgin Islands	Investments in securities, real estate, and manufacturing industry	403,155 USD(14,069) (Note 3)	391,384 USD(13,699) (Note 3)	35	100.00 %	17,574	(71,289)	(71,289)	Subsidiaries (Note1)(Note4)
The Company	Eclat Cayman	Cayman Islands	Investments in securities, real estate, and manufacturing industry	3,867,561 USD(128,817) (Note 3)	3,847,841 USD(127,435) (Note 3)	127,435	100.00 %	3,636,021	(11,988)	(11,988)	Subsidiaries (Note1)(Note4)
Grand Elite	Eclat Textile (Cambodia) (Note 2)	Cambodia	Design, manufacture, processing and sale of clothing	242,080 (USD8,000)	243,360 (USD8,000)	8,000	100.00 %	(53,783)	(71,349)	(71,349)	Subsidiaries of Grand Elite) (Note1)(Note4)
Grand Elite	Miaw Shun (Cambodia)	Cambodia	Design, manufacture, processing and sale of clothing	-	41,980 (USD1,380)	-	- %	-	-	-	Subsidiaries of Grand Elite) (Note1)(Note4)
Grand Elite	Aegis	British Virgin Islands	Garment merchandise and manufacture	54,529 (USD1,802)	54,529 (USD1,802)	1,500	100.00 %	52,720	13	13	Subsidiaries of Grand Elite) (Note1)(Note4)
Eclat Cayman	Colltex	Vietnam	Design, manufacture, processing and sale of clothing	482,798 (USD15,955)	482,798 (USD15,955)	16,800	100.00 %	489,749	22,140	21,030	Subsidiaries of Eclat Cayman (Note1)(Note4)
Eclat Cayman	E-TOP(VN)	Vietnam	Design, manufacture, processing and sale of clothing	1,089,360 (USD36,000)	1,089,360 (USD36,000)	36,000	100.00 %	1,096,403	24,016	24,016	Subsidiaries of Eclat Cayman (Note1)(Note4)
Eclat Cayman	Eclat Enterprise	Cambodia	Investments in securities, real estate, and manufacturing industry	30 (USD1)	30 (USD1)	1	100.00 %	(977)	(48)	(48)	Subsidiaries of Eclat Cayman (Note1)(Note4)
Eclat Cayman	Eclat Vietnam	Vietnam	Design, manufacture, processing and sale of clothing	640,634 (USD21,171)	640,634 (USD21,171)	22,000	100.00 %	530,507	994	994	Subsidiaries of Eclat Cayman (Note1)(Note4)
Eclat Cayman	Fabrics	Vietnam	Knit fabric mills, printing, dyeing and finishing mill	1,210,400 (USD40,000)	1,210,400 (USD40,000)	40,000	100.00 %	1,502,150	24,394	28,503	Subsidiaries of Eclat Cayman (Note1)(Note4)
Eclat Cayman	TAI-YUAN (VN)	Vietnam	Design, manufacture, processing and sale of clothing	209,248 (USD6,915)	209,248 (USD6,915)	6,800	100.00 %	(41,283)	(68,035)	(65,396)	Subsidiaries of Eclat Cayman (Note1)(Note4)
Eclat Cayman	E&I Printing	Vietnam	Design, printing, dyeing and finishing mill	24,208 (USD800)	18,156 (USD600)	800	40.00 %	15,033	(16,226)	(6,490)	Invest company under equity method (Note1)

Note: Accumulated exchange differences on translation of foreign financial statements is included.
Note 1: The exchange rate as of September 30, 2017 is USD 1 to NTD 30.26; the average exchange rate for 2017 is USD 1 to NTD 30.539.
Note 2: Miaw Shun (Cambodia) has been sold in January 2017, please refer to note 4(b) for related information.
Note 3: The original investment amount is calculated by historical exchange rate.
Note 4: Transactions listed above have been eliminated during preparing consolidated financial statements.

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(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of NTD / USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2016	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2017	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Unison (Note 2)	Design, manufacture, processing and sale of clothing	170,213 (USD5,625)	(2)	129,392 (USD4,276)	-	-	129,392 (USD4,276)	(15,421)	100.00%	(15,421)	(41,306)	-

Note: There are four kinds of investments
1.Invest in mainland china by remitting through third region.
2.Reinvest in mainland china by establishing investing companies in third region.
3.Reinvest in mainland china by reinvesting in companies in third region.
4.Invest directly in Mainland China's companies.
Note1: The exchange rate as of September 30, 2017 is USD 1 to NTD 30.26; the average exchange rate for 2017 is USD 1 to NTD 30.539.
Note2: Unison has been reclassified to non-current assets held for sale, please refer to note 4(b) and 6(d).

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
129,392 (USD 4,276 thousand)	129,392 (USD 4,276 thousand)	8,404,647

Note: The exchange rate as of September 30, 2017 is USD 1 to NTD 30.26.

(iii) Significant transactions:None

(14) Segment information:

The reconciliation of operating segments of the Group is as follows:

	For the three months ended September 30, 2017			
	Knitted	**Clothing**	**Adjustments and write off**	**Total**
Revenue:				
From external clients	$ 1,833,266	4,269,279	-	6,102,545
Intersegments	1,220,991	920,886	(2,141,877)	-
From discontinued operations	-	-	-	-
Total revenue	**$ 3,054,257**	**5,190,165**	**(2,141,877)**	**6,102,545**
Income/Loss of reportable segments	**$ 346,184**	**778,900**	**(19,553)**	**1,105,531**
Income/Loss of reportable segments of discontinued operations	**$ -**	**1,924**	**-**	**1,924**

	For the three months ended September 30, 2016			
	Knitted	**Clothing**	**Adjustments and write off**	**Total**
Revenue:				
From external clients	2,184,918	4,077,134	-	6,262,052
Intersegments	1,181,320	551,650	(1,732,970)	-
From discontinued operations	-	45,131	-	45,131
Total revenue	**$ 3,366,238**	**4,673,915**	**(1,732,970)**	**6,307,183**
Income/Loss of reportable segments	**$ 381,180**	**614,138**	**46,335**	**1,041,653**
Income/Loss of reportable segments of discontinued operations	**$ -**	**(14,025)**	**-**	**(14,025)**

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	For the nine months ended September 30, 2017			
	Knitted	Clothing	Adjustments and write off	Total
Revenue:				
From external clients	$ 5,414,266	11,777,509	-	17,191,775
Intersegments	3,350,650	2,096,529	(5,447,179)	-
From discontinued operations	-	-	-	-
Total revenue	**$ 8,764,916**	**13,874,038**	**(5,447,179)**	**17,191,775**
Income/Loss of reportable segments	**$ 800,528**	**1,597,867**	**83,277**	**2,481,672**
Income/Loss of reportable segments of discontinued operations	**$ -**	**(15,421)**	**-**	**(15,421)**

	For the nine months ended September 30, 2017			
	Knitted	Clothing	Adjustments and write off	Total
Revenue:				
From external clients	6,269,942	11,410,212	-	17,680,154
Intersegments	3,106,205	1,727,293	(4,833,498)	-
From discontinued operations	-	112,235	-	112,235
Total revenue	**$ 9,376,147**	**13,249,740**	**(4,833,498)**	**17,792,389**
Income/Loss of reportable segments	**$ 1,128,069**	**1,675,909**	**156,269**	**2,960,247**
Income/Loss of reportable segments of discontinued operations	**$ -**	**(39,309)**	**-**	**(39,309)**