

**TA YA ELECTRIC WIRE & CABLE CO., LTD.
AND SUBSIDIARIES**

**Consolidated Financial Statements
with Independent Auditors' Review Report for the
Three Month Ended March 31, 2020 and 2019**

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REVIEW REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Opinion

We have reviewed the accompanying consolidated balance sheets of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the "Company") as of March 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these interim financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Generally Accepted Auditing Standards (GAAS) No. 65, "Review of Financial Statements". A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would

become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Modified Conclusion

As disclosed in Note 4 to the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2020 and 2019, the combined total assets of these insignificant subsidiaries were respectively NT\$11,585,853 thousand and NT\$10,954,308 thousand, representing 54.13% and 53.57%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$6,048,425 thousand and NT\$5,841,133 thousand, representing 47.13% and 47.93% of the corresponding consolidated total liabilities. For the three months ended March 31, 2020 and 2019, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$30,349 thousand and NT\$97,694 thousand, representing 23.31% and 60.75% of the corresponding consolidated total comprehensive income and loss. These amounts as well as the related financial information of the investees as disclosed in Note 13 to the consolidated financial statements were based on the subsidiaries' and associates' unreviewed financial statements for the same reporting periods as those of the Company.

Modified Conclusion

Based on our reviews, except as discussed in the preceding paragraph whereby the carrying amounts of the investments in subsidiaries and associates are based on unreviewed financial statements of the subsidiaries and associates, and except for the effects of related adjustments, if any, as might have been made had we applied review procedures on the financial statements of the investees referred to in the preceding

paragraph, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the Company as of March 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Solomon & Co. CPAs

March 20, 2020

Notice to Readers

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in Thousands of New Taiwan Dollars)
(The consolidated balance sheets as of March 31, 2020 and 2019 are reviewed, not audited)

ASSETS	March 31, 2020		December 31, 2019		March 31, 2019	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 4 and 6)	\$ 3,644,640	17.0	\$ 2,452,870	11.8	\$ 2,808,699	13.7
Financial assets at fair value through profit or loss (notes 4, 7 and 34)	628,541	2.9	421,323	2.0	360,236	1.8
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	19,974	0.1	5,348	—	4,569	—
Financial assets at amortized cost (notes 9)	206,490	1.0	252,933	1.2	277,498	1.4
Contract assets	131,407	0.6	172,886	0.8	162,027	0.8
Notes receivable, net (notes 4, 10 and 35)	280,726	1.3	152,666	0.7	338,715	1.7
Accounts receivable, net (notes 4, 10 and 35)	2,408,503	11.3	2,888,444	13.9	2,725,267	13.3
Other receivables (note 35)	80,202	0.4	84,285	0.4	40,381	0.2
Inventories, net (notes 4 and 11)	2,899,118	13.5	3,429,976	16.5	3,231,517	15.8
Inventories (Construction), net (notes 4 and 11)	225,703	1.1	145,257	0.7	123,081	0.6
Prepayments	217,118	1.0	92,153	0.4	362,400	1.8
Other current assets	448,315	2.1	509,968	2.5	258,066	1.2
Total current assets	11,190,737	52.3	10,608,109	50.9	10,692,456	52.3
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 4, 7 and 34)	1,452,763	6.8	1,497,990	7.3	1,166,111	5.7
Financial assets at fair value through other comprehensive income (notes 4, 8 and 34)	870,188	4.1	837,578	4.0	846,311	4.1
Investments accounted for using equity method (notes 4, 12 and 36)	787,215	3.7	796,332	3.8	757,379	3.7
Property, plant and equipment (notes 4, 13 and 36)	4,837,196	22.6	4,821,771	23.2	4,777,377	23.4
Right-of-use assets (notes 4 and 14)	465,317	2.2	467,550	2.2	403,582	2.0
Investment Property, net (notes 4 and 15)	1,103,138	5.1	1,104,437	5.3	1,104,905	5.4
Intangible assets (notes 16)	615	—	690	—	878	—
Deferred income tax assets (notes 2 and 26)	177,369	0.8	203,536	1.0	226,356	1.1
Prepayments for equipment	54,355	0.2	57,205	0.3	48,822	0.2
Refundable deposits (note 36)	149,770	0.7	117,611	0.6	140,101	0.7
Net defined benefit asset	4,263	—	4,263	—	—	—
Other non-current assets	311,401	1.5	283,944	1.4	284,460	1.4
Total noncurrent assets	10,213,590	47.7	10,192,907	49.1	9,756,282	47.7
TOTAL	\$ 21,404,327	100.0	\$ 20,801,016	100.0	\$ 20,448,738	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note 17)	\$ 4,215,506	19.7	\$ 3,550,418	17.1	\$ 3,234,513	15.8
Short-term notes and bills payable (note 18)	755,000	3.5	754,741	3.6	760,000	3.7
Financial liabilities at fair value through profit or loss (notes 4 and 7)	27,796	0.1	35,380	0.2	47,909	0.2
Contract liabilities	194,970	0.9	97,224	0.5	150,884	0.7
Notes payable	70,831	0.3	69,156	0.3	54,531	0.3
Accounts payable (note 35)	500,107	2.3	536,250	2.6	433,120	2.1
Other payables	383,066	1.8	549,611	2.6	329,589	1.6
Income tax payable (note 26)	78,352	0.4	52,068	0.2	75,600	0.4
Provisions (note 21)	113,109	0.5	102,281	0.5	112,985	0.6
Lease liabilities (notes 4 and 14)	18,661	0.1	19,293	0.1	18,231	0.1
Receipts in advance	4,146	—	8,440	—	3,933	—
Current portion of long-term loans (notes 19 and 20)	1,976,796	9.2	2,085,487	10.0	1,056,381	5.2
Other current liabilities	56,277	0.4	31,508	0.2	57,004	0.3
Total current liabilities	8,394,617	39.2	7,891,857	37.9	6,334,680	31.0
NONCURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (notes 4 and 7)	8,701	—	—	—	14,699	0.1
Bonds payable (note 19)	500,000	2.3	500,000	2.4	500,000	2.4
Long-term loans (note 20)	3,262,524	15.2	3,311,805	15.9	4,684,609	22.9
Provisions (note 21)	39,518	0.2	39,301	0.2	23,225	0.1
Deferred income tax liabilities (note 26)	265,900	1.2	265,900	1.3	265,016	1.3
Lease liabilities (notes 4 and 14)	228,892	1.1	231,034	1.1	174,191	0.9
Net defined benefit liability (note 22)	40,085	0.2	66,743	0.3	84,850	0.4
Guarantee deposits	39,130	0.2	42,071	0.2	42,582	0.2
Other noncurrent liabilities	53,060	0.3	58,123	0.3	62,702	0.3
Total noncurrent liabilities	4,437,810	20.7	4,514,977	21.7	5,851,874	28.6
Total liabilities	12,832,427	59.9	12,406,834	59.6	12,186,554	59.6
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)						
Share capital	5,950,680	27.8	5,950,680	28.6	5,721,808	28.0
Capital surplus	531,140	2.5	531,117	2.6	525,556	2.6
Retained earnings						
Appropriated as legal capital reserve	87,245	0.4	87,245	0.4	46,746	0.2
Appropriated as special capital reserve	147,555	0.7	147,555	0.7	264,909	1.3
Unappropriated earnings (accumulated deficits)	696,191	3.3	556,359	2.7	490,593	2.4
Total retained earnings	930,991	4.4	791,159	3.8	802,248	3.9
Others	(191,736)	(0.9)	(146,288)	(0.7)	(86,995)	(0.4)
Treasury stock (notes 4 and 25)	(33,408)	(0.2)	(30,872)	(0.1)	(20,770)	(0.1)
Total equity attributable to owners of the parent	7,187,667	33.6	7,095,796	34.2	6,941,847	34.0
NON-CONTROLLING INTERESTS (notes 24)						
Total equity	1,384,233	6.5	1,298,386	6.2	1,320,337	6.4
TOTAL	\$ 21,404,327	100.0	\$ 20,801,016	100.0	\$ 20,448,738	100.0

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 6, 2020)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)
(Reviewd, Not Audited)

	<i>Three months ended March 31</i>			
	2020		2019	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET REVENUE (notes 28)	\$ 3,957,011	100.0	\$ 4,469,518	100.0
COST OF REVENUE (notes 11, 22, 29, and 35)	3,695,318	93.4	4,078,062	91.2
GROSS PROFIT	261,693	6.6	391,456	8.8
OPERATING EXPENSES (notes 22, 25, 29, and 35)				
Sales and marketing	56,268	1.5	58,444	1.3
General and administrative	151,042	3.8	144,851	3.2
Research and development	17,251	0.4	22,719	0.6
Total Operating Expenses	224,561	5.7	226,014	5.1
INCOME FROM OPERATIONS	37,132	0.9	165,442	3.7
NON-OPERATING INCOME AND EXPENSES				
Other income (note 30 and 35)	13,471	0.3	15,996	0.4
Other gains and losses (note 31 and 35)	242,080	6.2	21,923	0.5
Finance costs (note 32)	(59,600)	(1.5)	(66,186)	(1.5)
Share of profit associates (note 12)	6,843	0.2	15,037	0.3
Total non-operating Income and expenses	202,794	5.2	(13,230)	(0.3)
INCOME BEFORE INCOME TAX	239,926	6.1	152,212	3.4
INCOME TAX EXPENSE (notes 26)	(61,967)	(1.6)	(23,671)	(0.5)
NET INCOME	177,959	4.5	128,541	2.9
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(35,167)	(0.9)	9,768	0.2
Share of other comprehensive income (loss) of associates	(567)	—	(15)	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	338	—	536	—
	(35,396)	(0.9)	10,289	0.2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(15,656)	(0.4)	27,804	0.5
Income tax benefit related to items that will not be reclassified subsequently (notes 26)	3,297	0.1	(5,827)	—
	(12,359)	(0.3)	21,977	0.5
Other comprehensive income (loss) for the year, net of income tax	(47,755)	(1.2)	32,266	0.7
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 130,204	3.3	\$ 160,807	3.6
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 139,807	3.5	\$ 114,257	2.6
Non-controlling interests	38,152	1.0	14,284	0.3
	\$ 177,959	4.5	\$ 128,541	2.9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 94,384	2.4	\$ 144,869	3.2
Non-controlling interests	35,820	0.9	15,938	0.4
	\$ 130,204	3.3	\$ 160,807	3.6
EARNINGS PER SHARE (NT\$, notes 27)				
Basic earnings per share	\$ 0.24		\$ 0.19	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 6, 2020)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)
(Reviewd, Not Audited)

	<i>Capital Stock — Common Stock</i>		<i>Retained Earnings</i>				<i>Others</i>					
	<i>Shares</i>	<i>Amount</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings (Accumulated Deficit)</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>	<i>Treasury Stock</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>	
BALANCE, JANUARY 1, 2019	572,180,791	\$ 5,721,808	\$ 524,667	\$ 46,746	\$ 264,909	\$ 378,000	\$ (138,115)	\$ 20,508	\$ (20,770)	\$ 1,303,901	\$ 8,101,654	
Adjustments to share of changes in equity of subsidiaries and associates	—	—	889	—	—	(1,664)	—	—	—	240	(535)	
Net income for the three months ended March 31	—	—	—	—	—	114,257	—	—	—	14,284	128,541	
Other comprehensive income for the three months ended March 31, net of income tax	—	—	—	—	—	—	22,795	7,817	—	1,654	32,266	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	258	258	
BALANCE, MARCH 31, 2019	<u>572,180,791</u>	<u>\$ 5,721,808</u>	<u>\$ 525,556</u>	<u>\$ 46,746</u>	<u>\$ 264,909</u>	<u>\$ 490,593</u>	<u>\$ (115,320)</u>	<u>\$ 28,325</u>	<u>\$ (20,770)</u>	<u>\$ 1,320,337</u>	<u>\$ 8,262,184</u>	
BALANCE, JANUARY 1, 2020	595,068,022	\$ 5,950,680	\$ 531,117	\$ 87,245	\$ 147,555	\$ 556,359	\$ (183,063)	\$ 36,775	\$ (30,872)	\$ 1,298,386	\$ 8,394,182	
Treasury stock repurchase	—	—	—	—	—	—	—	—	(2,536)	—	(2,536)	
Adjustments to share of changes in equity of subsidiaries and associates	—	—	23	—	—	—	—	—	—	27	50	
Net income for the three months ended March 31	—	—	—	—	—	139,807	—	—	—	38,152	177,959	
Other comprehensive income for the three months ended March 31, net of income tax	—	—	—	—	—	—	(13,164)	(32,259)	—	(2,332)	(47,755)	
Disposal of investments in equityinstruments at fair value through othercomprehensive income	—	—	—	—	—	25	—	(25)	—	—	—	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	50,000	50,000	
BALANCE, MARCH 31, 2020	<u>595,068,022</u>	<u>\$ 5,950,680</u>	<u>\$ 531,140</u>	<u>\$ 87,245</u>	<u>\$ 147,555</u>	<u>\$ 696,191</u>	<u>\$ (196,227)</u>	<u>\$ 4,491</u>	<u>\$ (33,408)</u>	<u>\$ 1,384,233</u>	<u>\$ 8,571,900</u>	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 6, 2020)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)
(Reviewd, Not Audited)

	<i>Three months ended March 31</i>	
	<i>2020</i>	<i>2019</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 239,926	\$ 152,212
Adjustments for :		
Depreciation expense	87,453	89,410
Amortization expense	103	138
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	(100,445)	(5,518)
Finance costs	59,600	66,186
Interest income	(8,073)	(12,215)
Dividend income	(1,085)	—
Share of profits of associates	(6,843)	(15,037)
Loss (gain) on disposal of property, plant and equipment	393	(445)
Property, plant and equipment transferred to expenses	532	4,899
Gain on disposal of investments	(73,767)	(4,094)
Gains on disposal of associates	(1,442)	—
Income and expense adjustments	(43,574)	123,324
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	14,886	(54,845)
Contract assets	41,479	(122,483)
Notes and accounts receivable	352,194	148,838
Other receivables	3,662	48,101
Inventories	452,612	194,053
Prepayments	(124,965)	4,593
Other current assets	63,283	115,536
Contract liabilities	97,746	55,871
Notes and accounts payable	(34,468)	(236,869)
Other payables	(159,118)	(82,412)
Provisions	10,933	3,951
Advance receipts	(4,294)	358
Other current liabilities	24,769	12,398
Net defined benefit liability	(26,658)	(59,964)
Total changes in operating assets and liabilities	712,061	27,126
Total adjustments	668,487	150,450
Cash generated from operations	908,413	302,662
Interest received	(58,127)	(65,432)
Interest paid	8,081	12,102
Income tax paid	(5,438)	(4,104)
Net cash generated from operating activities	852,929	245,228

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)
(Reviewd, Not Audited)

	<i>Three months ended March 31</i>	
	<i>2020</i>	<i>2019</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(90,169)	(2,007)
Proceeds from disposal of financial asset at fair value through other comprehensive income	858	—
The capital reduction on financial asset at fair value through other comprehensive income	7,367	14,983
Financial assets at amortized cost	46,443	37,555
Purchase of associates under the equity method	—	(11,403)
Proceeds from disposal of associates under the equity method	2,984	—
Acquisition of property, plant and equipment (including prepayments for equipment)	(113,945)	(161,247)
Proceeds from disposal of property, plant and equipment	253	447
Increase (Decrease) in refundable deposits	(32,159)	1,630
Acquisition of intangible assets	(29)	—
Increase in other non-current assets	(22,414)	(165,559)
Dividend received	14,781	—
Other investing activities	(6,673)	—
Net cash used in investing activities	(192,703)	(285,601)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	665,088	75,505
Increase in short-term notes and bills payable	259	264
Repayments of bonds payable	—	(100,000)
Proceeds from long-term bank loans	5,735	104,800
Repayment of long-term bank loans	(174,626)	(102,372)
Increase (decrease) in guarantee deposits	(2,941)	(6,733)
Repayment of principal of lease liabilities	(5,442)	(6,583)
Decrease in other noncurrent liabilities	(2,875)	—
Increase in treasury stock	(2,536)	—
Increase in non-controlling interests	50,000	258
Net cash generated by financing activities	532,662	(34,861)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(1,118)	15,974
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,191,770	(59,260)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,452,870	2,867,959
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	<u>\$ 3,644,640</u>	<u>\$ 2,808,699</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated May 6, 2020)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES

Notes to Financial Statements

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 7,000,000 thousand, of which NTD 5,950,680 thousand was issued as of March 31, 2020. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on May 6, 2020.

3. Application Of New And Revised International Financial Reporting Standards

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company’s accounting policies.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary Of Significant Accounting Policies

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement Of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information requires in complete set of annual consolidated financial statements.

Basis Of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of TA YA and entities controlled by TA YA (its subsidiaries). Significant intergroup transactions have been eliminated on consolidation.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (and transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity

When a group loses control of a subsidiary, the Group measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of an associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2020.3.31	2019.12.31	2019.3.31	
TA YA	TA YA (CHINA) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA VENTURE HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA UNION ENGINEERING, CO., LTD.	Cables Construction	—	—	40.00%	Note 1
TA YA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Sales Agent	99.99%	99.99%	99.99%	
TA YA and TA YI	PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment holding	59.13%	59.13%	59.13%	
TA YA	TA YA Innovation Investment Co., Ltd.	General investment	100.00%	100.00%	100.00%	
TA YA And CUPRIME MATERIAL	TA YA VENTURE CAPITAL CO., LTD.	General investment	99.99%	99.99%	99.99%	
TA YA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	45.22%	45.22%	45.22%	Note 2
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	63.16%	63.16%	50.70%	Note 3
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 2
TA YA and TA YA VENTURE CAPITAL	UNITED ELECTRIC INDUSTRY CO., LTD.	Manufacturing, processing and marketing of cable wire and electromechanical	42.78%	42.78%	42.78%	Note 2
TA YA and CUPRIME MATERIAL	TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Manufacturing, processing and marketing of electric wire	64.15%	64.15%	64.15%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	51.90%	51.90%	51.90%	
CUPRIME MATERIAL	CUPRIME MATERIAL PTE. LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO., LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	96.48%	96.48%	95.44%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2020.3.31	2019.12.31	2019.3.31	
CUPRIMEMATERIALPTE.LTD.	CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Marketing of cable, wire and copper	100.00%	100.00%	100.00%	
PLASTIC TECHNOLOGY INVESTMENT HOLDING	TA YI PLASTIC (H.K.) LTD.	Manufacturing and marketing of wire and cable	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUIJI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	—	Note 4
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	100.00%	100.00%	—	Note 4
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	100.00%	100.00%	100.00%	
HENG YA	TAYA ZHANGZHOU WIRES CABLE CO., LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITE	Investment holding	100.00%	100.00%	—	Note 4
TA YA and TA YA VENTURE CAPITAL	TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	75.00%	75.00%	75.00%	
TA YA GREEN ENERGY	BOSI SOLAR ENERGY CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	DAIJU ELECTRIC CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BRAVO SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	—	Note 4

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2020.3.31	2019.12.31	2019.3.31	
TA YA (Vietnam) INVESTMENT HOLDING and COPRIME INVESTMENT HOLDING COMPANY LIMITED	TA YA VIETNAM (Cayman) HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA VIETNAM (Cayman) HOLDINGS	TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	Building wire and cable	80.00%	80.00%	80.00%	

Note 1 : Ta Ya Telecom Engineering completed its liquidation in July 16, 2019.

Note 2 : Although the Group is less than 50 percent of the shares, it has control over the finance and business operation. Therefore, it is included in the consolidated financial report.

Note 3 : In October 2019, the Group further invested NT\$12,000 thousand in the subsidiary UNION STORAGE ENERGY SYSTEM LTD., which increased the shareholding ratio for the year ended December 31, 2019 in UNION STORAGE ENERGY SYSTEM LTD. to 63.16%.

Note 4 : Investment in 2019.

Subsidiaries not included in the consolidated financial statements: None.

Adjustments for subsidiaries with different balance sheet dates: None.

Significant restrictions: None.

Subsidiaries included in the consolidated financial statements do not meet the definition of significant subsidiaries; their financial statements as of March 31, 2020 were not reviewed by independent accountants.

5. Critical Accounting Judgments And Key Sources Of Estimation And Uncertainly

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Same to the consolidated financial statements for the year ended December 31, 2019 for the critical accounting judgments and key sources of estimation and uncertainty of these consolidated financial statements.

6. Cash And Cash Equivalents

	March 31, 2020	December 31, 2019	March 31, 2019
Petty cash	\$ 5,546	\$ 7,157	\$ 5,843
Cash in bank			
Checking accounts	611,224	394,568	403,156
Demand deposits	1,720,317	1,171,625	1,038,558
Foreign currency-demand deposits	472,477	324,017	163,386
Time deposits	835,076	555,503	1,197,756
Sub-total	3,639,094	2,445,713	2,802,856
Total	\$ 3,644,640	\$ 2,452,870	\$ 2,808,699

7. Financial Assets And Liabilities At Fair Value Through Profit Or Loss

	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets at FVTPL - current			
Listed stocks	\$ 282,423	\$ 248,591	\$ 240,511
Non-listed stocks	8,000	8,000	8,000
Metal options	—	3,310	3,467
Metal commodities futures contract	177,807	193	35
Foreign exchange forward contract	7,022	—	2,085
Structured Investment	—	—	5,175
	475,252	260,094	259,273
Valuation adjustment	153,289	161,229	100,963
	\$ 628,541	\$ 421,323	\$ 360,236
Financial assets at FVTPL - noncurrent			
Listed stock and emerging market stocks	\$ 189,334	\$ 46,579	\$238,504
Non-listed stocks	1,031,331	1,148,994	931,167
Metal options	—	460	—
Metal commodities futures contract	—	1,306	1,305
Valuation adjustment	232,098	300,651	(4,865)
	\$ 1,452,763	\$ 1,497,990	\$ 1,166,111
Financial liabilities at FVTPL - current			
Metal commodities futures contract	\$ 14,964	\$ 31,343	\$ 46,621
Metal options	12,832	—	—
Foreign exchange forward contract	—	4,037	1,288
	\$ 27,796	\$ 35,380	\$ 47,909

Financial liabilities at FVTPL - noncurrent

Metal commodities futures contract	\$	8,701	\$	—	\$	—
Interest rate swap contract		—		—		14,699
	\$	8,701	\$	—	\$	14,699

- a. At the end of the reporting period, outstanding metal commodities futures contract not under hedge accounting were as follows:

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>Contract Amount</u>	<u>Fair Value</u>	<u>Gain (Loss) on Evaluate</u>
<u>March 31, 2020</u>					
Buy	525	2020.04~2022.08	USD 3,039	USD 2,628	(USD 411)
Sell	8,750	2020.04~2020.07	USD 48,799	USD 43,288	USD 5,511
<u>December 31, 2019</u>					
Buy	225	2020.01~2021.07	USD 1,345	USD 1,395	USD 50
Sell	8,300	2020.01~2021.04	USD 50,190	USD 51,232	(USD 1,042)
<u>March 31, 2019</u>					
Buy	250	2019.04~2020.08	USD 1,579	USD 1,622	USD 43
Sell	5,500	2019.04~2019.06	USD 34,168	USD 35,680	(USD 1,521)

- b. At the end of the reporting period, outstanding metal options not under hedge accounting were as follows:

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>National Amounts</u>	<u>Fair Value</u>
<u>March 31, 2020</u>				
Sell	1,200	2020.02~2021.01	USD 4,950	(USD 424)
<u>December 31, 2019</u>				
Sell	1,200	2020.01~2021.01	USD 6,600	(USD 125)
<u>March 31, 2019</u>				
Sell	900	2019.04~2019.12	USD 5,220	USD 113

- c. At the end of the reporting period, outstanding Foreign exchange forward contracts not under hedge accounting were as follows:

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amounts (Thousand)</u>
<u>March 31, 2020</u>			
Buy	CNY/USD	2020.06	CNY 62,532/USD 9,000
Buy	NTD/USD	2020.03	NTD 542,395/USD 18,000
<u>December 31, 2019</u>			
Buy	CNY/USD	2020.02	CNY 35,186/USD 5,000
Buy	NTD/USD	2020.03	NTD 185,799/USD 6,100
<u>March 31, 2019</u>			
Buy	CNY/USD	2019.04	CNY 34,805/USD 5,000
Buy	NTD/USD	2019.04	NTD 337,155/USD 1,000

- d. At the end of the reporting period, outstanding Interest rate swap contracts not under hedge accounting were as follows:

	Contract Amounts (Thousand)	Maturity Date	Interest Rate Paid	Interest Rates Received
<u>March 31, 2019</u>				
Interest rate swap contracts	USD20,000	2020.04~2020.06	2.66%~2.80% (Yearly , ACT/360)	3M USD-LIBOR-BBA (Quarterly , ACT/360)

The Group's strategy for metal commodities futures 、metal options 、foreign exchange forward contracts and interest rate swap contracts was to hedge exposures to fluctuations of metal prices. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8.Financial Assets At Fair Value Through Other Comprehensive Income

	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 21,399	\$ 4,783	\$ 4,017
Valuation adjustment	(1,425)	565	552
	<u>\$ 19,974</u>	<u>\$ 5,348</u>	<u>\$ 4,569</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stock and emerging market stocks	\$ 20,824	\$ 20,781	\$ 137,275
Non-listed stock and emerging market stocks	835,242	769,591	669,632
Valuation adjustment	14,122	47,206	39,404
	<u>\$ 870,188</u>	<u>\$ 837,578</u>	<u>\$ 846,311</u>

9.Financial Assets at amortized cost

	March 31, 2020	December 31, 2019	March 31, 2019
Time deposits with original maturities of more than 3 months	<u>\$ 206,490</u>	<u>\$ 252,933</u>	<u>\$ 277,498</u>

10.Notes And Accounts Receivable, Net

	March 31, 2020	December 31, 2019	March 31, 2019
Notes and accounts receivable	\$ 2,737,289	\$ 3,091,613	\$ 3,123,103
Allowance for impairment loss	(48,060)	(50,503)	(59,121)
Notes and accounts receivable, net	<u>\$ 2,689,229</u>	<u>\$ 3,041,110</u>	<u>\$ 3,063,982</u>

The average credit period on the sale of goods was approximately 30~90 days, and no interest was charged on trade receivables. The determination of the collectability of account receivables and note receivable requires the Group to make judgments on any change of credit quality from the beginning to the end of the credit term.

Before taking new customers, the Group assesses the customers of credit quality and set their line of credit by Credit Management Method. The management evaluates and confers the line of credit after the Group executes Credit Rating.

The Group applies the simplified approach to estimate expected credit losses prescribed by IFRS9, which permits the use of a lifetime expected losses allowance for all trade receivables. To set the expected credit losses rate, the Group are estimated by reference to past default experience of the debtor, the current financial position of the debtor, and the forecast direction of the future economic conditions

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

a. The aging of receivables that were past due but not impaired was as follows:

March 31, 2020	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~1%	0%~2%	10%~12%	25%~100%	100%	
Gross carrying amount	\$ 2,337,876	\$ 350,802	\$ 25,718	\$ 11,594	\$ 11,299	\$ 2,737,289
Loss allowance (Lifetime ECL)	(23,083)	(6,906)	(2,663)	(4,109)	(11,299)	(48,060)
Amortized cost	<u>\$ 2,314,793</u>	<u>\$ 343,896</u>	<u>\$ 23,055</u>	<u>\$ 7,485</u>	<u>\$ —</u>	<u>\$ 2,689,229</u>
December 31, 2019	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~1%	0%~2%	10%~12%	25%~100%	100%	
Gross carrying amount	\$ 2,642,145	\$ 367,715	\$ 55,577	\$ 6,733	\$ 19,443	\$ 3,091,613
Loss allowance (Lifetime ECL)	(16,341)	(7,134)	(5,734)	(1,851)	(19,443)	(50,503)
Amortized cost	<u>\$ 2,625,804</u>	<u>\$ 360,581</u>	<u>\$ 49,843</u>	<u>\$ 4,882</u>	<u>\$ —</u>	<u>\$ 3,041,110</u>

March 31, 2019	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~1%	0%~2%	10%~12%	30%~100%	100%	
Gross carrying amount	\$ 2,738,206	\$ 273,257	\$ 41,501	\$ 60,318	\$ 9,821	\$ 3,123,103
Loss allowance (Lifetime ECL)	(14,181)	(5,308)	(4,923)	(24,888)	(9,821)	(59,121)
Amortized cost	<u>\$ 2,724,025</u>	<u>\$ 267,949</u>	<u>\$ 36,578</u>	<u>\$ 35,430</u>	<u>\$ —</u>	<u>\$ 3,063,982</u>

b. The movement of the loss allowance of trade receivables was as follows:

	For The Three Months Ended March 31	
	2020	2019
Balance at January 1, 2019	\$ 50,503	\$ 58,389
Amounts written off	(2,130)	—
Effect of exchange rate changes	(313)	732
Balance at December 31, 2019	<u>\$ 48,060</u>	<u>\$ 59,121</u>

11. Inventories, Net

a. Manufacturing

	March 31, 2020	December 31, 2019	March 31, 2019
Raw materials	\$ 575,190	\$ 969,237	\$ 696,654
Supplies	54,100	37,586	39,127
Work-in-process	702,673	569,810	705,964
Semi-finished goods	11,973	6,482	10,242
Finished goods	1,564,851	1,608,650	1,708,940
Merchandise	66,395	108,553	54,625
Inventory in transit	10,607	179,934	67,926
Total	2,985,789	3,480,252	3,283,478
Less: Allowance for inventory valuation losses	(86,671)	(50,276)	(51,961)
	<u>\$ 2,899,118</u>	<u>\$ 3,429,976</u>	<u>\$ 3,231,517</u>

b. Construction

	March 31, 2020	December 31, 2019	March 31, 2019
Land held for sale	\$ 83,369	\$ 83,369	\$ 94,857
Buildings held for sale	16,013	16,013	25,906
	<u>99,382</u>	<u>99,382</u>	<u>120,763</u>
Building and land in progress	69,062	7,000	—
Construction in progress	57,259	38,875	2,318
	<u>126,321</u>	<u>45,875</u>	<u>2,318</u>
	225,703	145,257	123,081
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 225,703</u>	<u>\$ 145,257</u>	<u>\$ 123,081</u>

c. Expense and losses incurred on inventories recognized for the period :

	For The Three Months Ended March 31	
	2020	2019
Cost of goods sold	\$ 3,658,923	\$ 4,088,365
(Reversal gain of) Write-down of inventories	36,395	(10,303)
	<u>\$ 3,695,318</u>	<u>\$ 4,078,062</u>

12. Investments Accounted For Using Equity Method

a. Investments in associates

Associates consisted of the following :

Name of Associates	Carrying Amount			% of ownership and Voting Rights Held by the Group		
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019
Ad Engineering Corporation	\$ 85,010	\$ 86,126	\$ 85,439	27.00	27.00	30.22
Jung Shing Wire Co., Ltd.	424,569	418,355	442,555	22.13	22.13	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	85,607	87,225	87,104	21.10	21.10	21.10
Otto2 Holdings Corporation	22,206	22,193	22,262	27.27	27.27	28.14
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	26,481	26,797	23,656	33.00	33.00	31.00
AMIT system service Ltd.	2,336	2,444	3,789	19.61	19.61	19.76
Hengs Technology Co., Ltd.	126,423	137,899	92,574	22.68	22.86	20.96
Tenart Biotech Limited	14,583	15,293	—	25.41	25.41	—
	<u>\$ 787,215</u>	<u>\$ 796,332</u>	<u>\$ 757,379</u>			

The summarized financial information in respect of the Group's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the Parent Company Only Financial Statements, which is also adjusted by the Group using the equity method of accounting.

	March 31, 2020	December 31, 2019	March 31, 2019
Total assets	\$ 6,185,444	\$ 6,172,858	\$ 6,591,617
Total liabilities	(2,928,732)	(2,776,378)	(3,464,569)
Net assets	<u>\$ 3,256,712</u>	<u>\$ 3,396,480</u>	<u>\$ 3,127,048</u>

	For The Three Months Ended March 31	
	2020	2019
Net revenue	\$ 1,372,376	\$ 1,023,550
Net income	\$ 31,045	\$ 57,066
The Group's share of profits of associates	\$ 6,843	\$ 15,037

These amounts and the related information disclosed in the accompanying consolidated financial statements were based on the unreviewed financial statements of consolidated subsidiaries and investments accounted for under equity method.

- (1) The Group did not participate in the capital increase of Ad Engineering Corporation in Q3 2019. Therefore, the Group's ownership interest in Ad Engineering Corporation decreased from 30.22% to 27.00%.
- (2) The Group investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	March 31, 2020	December 31, 2019	March 31, 2019
Fair value	\$ 311,878	\$ 393,210	\$ 437,331

- (3) The Group did not participate in the capital increase of Otto2 Holdings Corporation in Q4 2018. Therefore, the Group's ownership interest in Otto2 Holdings Corporation decreased from 28.14% to 27.27%.
- (4) The Group acquired 2.00% of the ownership of Huizhou Boluo Huxing Flame-Retardant Materials Co.,Ltd by others. Therefore, the Group's ownership interest in Huizhou Boluo Huxing Flame-Retardant Materials Co.,Ltd increased to 33.00%.
- (5) The Group did not participate in the capital increase of AMIT system service Ltd. in Q3 2019. Therefore, the Group's ownership interest in Ad Engineering Corporation decreased from 19.76% to 19.61%.
- (6) The Group participated in the capital increase of Hengs Technology Co., Ltd. by cash in Q2 2019 and the investment amounted to 4,665 thousand shares. Therefore, the Group's ownership interest in Hengs Technology Co., Ltd. increased to 22.68% after having disposed 573 thousand shares in Q3 2019 and disposed 90 thousand shares in Q1 2020.
- (7) For the year ended December 31, 2019, the Group paid \$17,500 thousand to acquire shares of Tenart Biotech Limited. Therefore, the Group's ownership interest in Tenart Biotech Limited. increased to 25.41%.
- (8) The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 36.

13. Property, Plant And Equipment

For The Three Months Ended March 31, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,013,827	8,321	(1,473)	1,681	(4,496)	2,017,860
Machinery and equipment	6,222,423	1,999	(29,434)	(8,451)	(6,567)	6,179,970
Transportation equipment	138,473	420	(355)	(607)	(170)	137,761
Miscellaneous equipment	1,527,016	7,029	(15,524)	7,198	(1,662)	1,524,057
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	173,780	54,681	—	(16,361)	(112)	211,988
	<u>\$ 11,846,130</u>	<u>\$ 72,450</u>	<u>\$ (46,786)</u>	<u>\$ (16,540)</u>	<u>\$ (13,007)</u>	<u>\$ 11,842,247</u>

For The Three Months Ended March 31, 2020

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 14,328	\$ 663	\$ —	\$ —	\$ —	\$ 14,991
Buildings	1,338,255	15,023	(1,473)	(1,303)	(2,440)	1,348,062
Machinery and equipment	4,234,408	50,388	(29,284)	(27,924)	(2,913)	4,224,675
Transportation equipment	107,195	2,021	(249)	(582)	(108)	108,277
Miscellaneous equipment	1,328,670	12,161	(15,134)	(17,043)	(1,171)	1,307,483
Leasehold improvements	1,503	60	—	—	—	1,563
	<u>\$ 7,024,359</u>	<u>\$ 80,316</u>	<u>\$ (46,140)</u>	<u>\$ (46,852)</u>	<u>\$ (6,632)</u>	<u>\$ 7,005,051</u>

For The Three Months Ended March 31, 2019

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,018,244	1,472	—	—	10,670	2,030,386
Machinery and equipment	6,039,638	5,922	(20,143)	47,893	16,859	6,090,169
Transportation equipment	137,944	189	(1,695)	650	383	137,471
Miscellaneous equipment	1,494,307	7,581	(12,949)	5,195	4,924	1,499,058
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	120,251	52,183	—	(31,391)	135	141,178
	<u>\$ 11,580,995</u>	<u>\$ 67,347</u>	<u>\$ (34,787)</u>	<u>\$ 22,347</u>	<u>\$ 32,971</u>	<u>\$ 11,668,873</u>

For The Three Months Ended March 31, 2019

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 11,677	\$ 663	\$ —	\$ —	\$ —	\$ 12,340
Buildings	1,290,600	14,290	—	—	5,161	1,310,051
Machinery and equipment	4,116,243	52,539	(20,143)	—	11,521	4,160,160
Transportation equipment	104,562	2,095	(1,695)	—	228	105,190
Miscellaneous equipment	1,298,353	13,486	(12,947)	—	3,647	1,302,539
Leasehold improvements	1,120	96	—	—	—	1,216
	<u>\$ 6,822,555</u>	<u>\$ 83,169</u>	<u>\$ (34,785)</u>	<u>\$ —</u>	<u>\$ 20,557</u>	<u>\$ 6,891,496</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 36.

14. Lease Arrangements

a. Right-of-use Assets

For The Three Months Ended March 31, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ 258,599	\$ —	\$ —	\$ 800	\$ 259,399
Buildings	2,798	—	—	22	2,820
Transportation equipment	31,500	—	—	—	31,500
Miscellaneous equipment	198,424	2,780	—	—	201,204
	<u>\$ 491,321</u>	<u>\$ 2,780</u>	<u>\$ —</u>	<u>\$ 822</u>	<u>\$ 494,923</u>

Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ 3,452	\$ 458	\$ —	\$ (18)	\$ 3,892
Buildings	1,439	362	—	15	1,816
Transportation equipment	9,073	2,356	—	—	11,429
Miscellaneous equipment	9,807	2,662	—	—	12,469
	<u>\$ 23,771</u>	<u>\$ 5,838</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 29,606</u>

For The Three Months Ended March 31, 2019

Cost	Balance, Beginning of Year	Initial Application of IFRS 16	Additions	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ —	\$ 211,223	\$ —	\$ 1,527	\$ 212,750
Buildings	—	5,029	—	11	5,040
Transportation equipment	—	29,780	—	—	29,780
Miscellaneous equipment	—	160,460	537	—	160,997
	<u>\$ —</u>	<u>\$ 406,492</u>	<u>\$ 537</u>	<u>\$ 1,538</u>	<u>\$ 408,567</u>
Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ —	\$ 311	\$ —	\$ 3	\$ 314
Buildings	—	349	—	1	350
Transportation equipment	—	2,174	—	—	2,174
Miscellaneous equipment	—	2,147	—	—	2,147
	<u>\$ —</u>	<u>\$ 4,981</u>	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ 4,985</u>

b. Lease liabilities

	March 31, 2020	December 31, 2019	March 31, 2019
Carrying amounts			
Current	<u>\$ 18,661</u>	<u>\$ 19,293</u>	<u>\$ 18,231</u>
Non-current	<u>\$ 228,892</u>	<u>\$ 231,034</u>	<u>\$ 174,191</u>

Range of discount rate for lease liabilities is as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Land	1.32% ~ 9.80%	1.32% ~ 9.80%	1.32%
Buildings	1.55% ~ 3.70%	1.55% ~ 3.70%	1.55% ~ 3.70%
Transportation equipment	1.38% ~ 3.54%	1.38% ~ 3.54%	1.38% ~ 3.54%
Miscellaneous equipment	1.99% ~ 2.19%	1.99% ~ 2.19%	1.99% ~ 2.19%

c. Other lease information

	March 31, 2020	March 31, 2019
Recognition exemption for short-term leases	\$ 1,698	\$ 1,781
Expenses relating to low-value asset leases	\$ 3	\$ 3
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 407	\$ 402
Total cash outflow for leases	\$ (8,734)	\$ (7,422)

15. Investment Property

For The Three Months Ended March 31, 2020

Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ 919,784	\$ —	\$ —	\$ 919,784
Buildings and improvements	246,601	—	—	246,601
	<u>\$ 1,166,385</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,166,385</u>

For The Three Months Ended March 31, 2020

Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Buildings and improvements	\$ 61,948	\$ 1,299	\$ —	\$ 63,247

For The Three Months Ended March 31, 2019

Cost	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Land	\$ 920,251	\$ —	\$ —	\$ 920,251
Buildings and improvements	241,835	—	—	241,835
	<u>\$ 1,162,086</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,162,086</u>

For The Three Months Ended March 31, 2019

Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Buildings and improvements	\$ 55,921	\$ 1,260	\$ —	\$ 57,181

The fair value of the Group's investment properties was arrived at on the basis of valuation carried out on January 16, 2017 by independent appraisers, who are not related parties. Lands were valued under market approach and income approach, while buildings were valued under cost approach. The important assumptions and fair value were as follows :

	March 31, 2020	December 31, 2019	March 31, 2019
Fair value	<u>\$ 1,329,493</u>	<u>\$ 1,332,684</u>	<u>\$ 1,239,681</u>

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 36.

16. Intangible Assets

For The Three Months Ended March 31, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 493	\$ 29	\$ —	\$ —	\$ —	\$ 522
Patents and other intangible assets	3,504	—	(2,000)	—	(4)	1,500
	<u>\$ 3,997</u>	<u>\$ 29</u>	<u>\$ (2,000)</u>	<u>\$ —</u>	<u>\$ (4)</u>	<u>\$ 2,022</u>

For The Three Months Ended March 31, 2020

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 220	\$ 47	\$ —	\$ —	\$ —	\$ 267
Patents and other intangible assets	3,087	56	(2,000)	—	(3)	1,140
	<u>\$ 3,307</u>	<u>\$ 103</u>	<u>\$ (2,000)</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 1,407</u>

For The Three Months Ended March 31, 2019

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 588	\$ —	\$ (149)	\$ —	\$ —	\$ 439
Patents and other intangible assets	3,829	—	(381)	—	9	3,457
	<u>\$ 4,417</u>	<u>\$ —</u>	<u>\$ (530)</u>	<u>\$ —</u>	<u>\$ 9</u>	<u>\$ 3,896</u>

For The Three Months Ended March 31, 2019

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 178	\$ 47	\$ (149)	\$ —	\$ —	\$ 76
Patents and other intangible assets	3,226	91	(381)	—	6	2,942
	<u>\$ 3,404</u>	<u>\$ 138</u>	<u>\$ (530)</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 3,018</u>

17. Short-Term Loans

	March 31, 2020	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,761,425	1.03% ~ 5.00%	2020.04 ~ 2021.01
Mortgage loans	685,140	1.10% ~ 4.85%	2020.04 ~ 2020.12
Unsecured loans	1,768,941	1.10% ~ 4.75%	2020.04 ~ 2021.03
	<u>\$ 4,215,506</u>		
	December 31, 2019	Annual interest rate	Maturity date
Usance L/C loans	\$ 935,609	1.20% ~ 4.56%	2020.01 ~ 2020.12
Mortgage loans	962,869	1.09% ~ 5.80%	2020.01 ~ 2020.12
Unsecured loans	1,651,940	0.84% ~ 5.90%	2020.01 ~ 2020.11
	<u>\$ 3,550,418</u>		
	March 31, 2019	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,551,189	1.30% ~ 5.00%	2019.04 ~ 2019.11
Mortgage loans	540,419	1.09% ~ 5.00%	2019.04 ~ 2020.01
Unsecured loans	1,142,905	1.09% ~ 5.90%	2019.04 ~ 2020.03
	<u>\$ 3,234,513</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 36.

18. Commercial Papers

	March 31, 2020	December 31, 2019	March 31, 2019
Commercial Papers	\$ 755,000	\$ 755,000	\$ 760,000
Less : Discount on commercial papers	—	(259)	—
	<u>\$ 755,000</u>	<u>\$ 754,741</u>	<u>\$ 760,000</u>
Interest rate range	1.35%~1.43%	1.35%~1.43%	1.35%~1.54%
Maturity date	2020.04~2020.06	2020.01~2020.03	2019.04~2019.06

19. Bonds Payable

	March 31, 2020	December 31, 2019	March 31, 2019
The first domestic secured corporate bonds in 2014	\$ —	\$ —	\$ 100,000
The first domestic secured corporate bonds in 2018	500,000	500,000	500,000
Less : current portion	—	—	(100,000)
	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Related issuance conditions were as follows:

Category	Period	Conditions	Rate(%)
The first domestic secured corporate bonds in 2014	2014.08.08~ 2019.08.08	Principal repayable in five equal payments in 2017~2019 ; interest payable semiannually	1.50
The first domestic secured corporate bonds in 2018	2018.09.25~ 2023.09.25	Principal repayable on due date ; interest payable annually	0.97

20. Long-Term Loans

	March 31, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 2,981,783	1.36%~2.05%	2021.05~2038.06
Unsecured loans	2,257,537	1.44%~2.05%	2021.06~2038.06
Less: Current portion	(1,976,796)		
	<u>\$ 3,262,524</u>		
	December 31, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 3,250,847	1.44%~2.05%	2021.01~2038.06
Unsecured loans	2,146,445	1.44%~2.05%	2021.10~2038.06
Less: Current portion	(2,085,487)		
	<u>\$ 3,311,805</u>		

	March 31, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 2,598,377	1.44% ~ 2.64%	2020.05 ~ 2038.09
Unsecured loans	3,042,613	1.44% ~ 4.26%	2019.09 ~ 2038.09
Less: Current portion	(956,381)		
	<u>\$ 4,684,609</u>		

The carrying amounts of long-term loans pledged as collateral for bank loans were disclosed in Note 36.

21. Provisions

For The Three Months Ended		Decommissioning	
March 31, 2020	Warranty	liability	Total
Balance, Beginning of Year	\$ 120,778	\$ 20,804	\$ 141,582
Recognized	10,825	220	11,045
Balance, End of Year	<u>\$ 131,603</u>	<u>\$ 21,024</u>	<u>\$ 152,627</u>

For The Three Months Ended		Decommissioning	
March 31, 2019	Warranty	liability	Total
Balance, Beginning of Year	\$ 115,005	\$ 17,254	\$ 132,259
Recognized	3,859	92	3,951
Balance, End of Year	<u>\$ 118,864</u>	<u>\$ 17,346</u>	<u>\$ 136,210</u>

	March 31, 2020	December 31, 2019	March 31, 2019
Current	<u>\$ 113,109</u>	<u>\$ 102,281</u>	<u>\$ 112,985</u>
Non-current	<u>\$ 39,518</u>	<u>\$ 39,301</u>	<u>\$ 23,225</u>

- Warranty was based on historical experience, management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income in the periods the related goods were sold.
- The decommissioning liability means that the solar power plants of the Company's subsidiaries have a legal decommissioning obligation when it reaches the operational life in the future and is approved for decommissioning by the competent authority. According to the requirements of International Accounting Standards No. 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company estimates the decommissioning costs at that time and discounts the cost amount at the effective interest rate as the carrying amount of the recognized decommissioning

liabilities. Capitalize the cost of decommissioning and increase the carrying amount of property, plant and equipment. The Company recognizes annually the increase in decommissioning liabilities due to discounts over time, and also recognizes interest expenses. The Company reviews changes in decommissioning obligations at the end of each reporting period and adjusts to reflect the best estimates.

22.Retirement Benefit Plans

a. Defined contribution plans

Total pension expenses of NT\$5,456 thousand and NT\$6,016 thousand are contributed by the Company for the three-month periods ends March 31, 2020 and 2019, respectively.

b. Defined benefit plans

For the three-month periods ends March 31, 2020 and 2019, total pension expenses of NT\$3,262 thousand and NT\$3,279 thousand, respectively, were recognized by the Company.

23.Equity

a. Capital stock

(1) As of March 31, 2020, December 31, 2019 and March 31, 2019, the Company's authorized capital was NT\$7,000,000 thousand and the paid-in capital was NT\$5,950,680 thousand、NT\$5,950,680 thousand and NT\$5,721,808 thousand, consisting of 595,068,022 shares、595,068,022 shares and 572,180,791 shares respectively of ordinary stock with a par value of NT\$10 per share.

b. Capital surplus

In accordance with the Company Act, realized capital reserves can only be reclassified as share or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains.

ROC SEC regulations also stipulate that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Company's operating results and is limited to a certain ratio of paid-in capital in excess of par value in relation to issued capital.

c. Retained earnings (Accumulated deficit) and dividend policy

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

- (a) Payment of tax;
- (b) Offset accumulated deficits, if any;
- (c) Of the remaining balance, if any, 10% is to be set aside as legal reserve.
- (d) 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

WLC appropriates or reverses their special reserve in accordance with Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs".

The appropriations of earnings for 2019 and 2018 had been approved in the stockholders' meetings on April 23, 2020 and June 12, 2019, respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal	For Fiscal	For Fiscal	For Fiscal
	Year 2019	Year 2018	Year 2019	Year 2018
Legal capital reserve	\$ 50,505	\$ 40,498		
Cash dividends	178,520	171,654	0.30	0.30
Share dividends	—	228,872	—	0.40
	<u>\$ 229,025</u>	<u>\$ 441,024</u>		

d. Others

1) Foreign currency translation reserve

	Three Months Ended March 31	
	2020	2019
Balance, beginning of period	\$ (183,063)	\$ (138,115)
Exchange differences arising on translation		
foreign operations	(16,461)	28,622
Income tax effect	3,297	(5,827)
Balance, end of period	<u>\$ (196,227)</u>	<u>\$ (115,320)</u>

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	Three Months Ended March 31	
	2020	2019
Balance, beginning of period	\$ 36,775	\$ 20,508
Unrealized loss on financial assets at fair		
through other comprehensive income	(32,030)	7,296
Disposal of investments in equity		
instruments at fair value through		
other comprehensive income	(25)	—

Share of other comprehensive income of accounted for using the equity method	(567)	(15)
Income tax effect	338	536
Balance, end of period	<u>\$ 4,491</u>	<u>\$ 28,325</u>

24. Non-controlling interests

	Three Months Ended March 31	
	2020	2019
Balance, beginning of period	\$ 1,298,386	\$ 1,303,901
Changes in ownership interests in subsidiaries	27	240
Profit for the year	38,152	14,284
Exchange differences on translation of foreign financial statements	805	(818)
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	(3,137)	2,472
Increase in non-controlling interests	<u>50,000</u>	<u>258</u>
Balance, end of period	<u>\$ 1,384,233</u>	<u>\$ 1,320,337</u>

25. Treasury Stock

Purpose of Treasury Shares	Three Months Ended March 31, 2020			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	7,939,067	—	—	7,939,067
For transfer to employees	—	338,000	—	338,000
	<u>7,939,067</u>	<u>338,000</u>	<u>—</u>	<u>8,277,067</u>
Purpose of Treasury Shares	Three Months Ended March 31, 2019			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>5,633,667</u>	<u>—</u>	<u>—</u>	<u>5,633,667</u>

a. Common Stock

(1) The Board of Directors during its meeting on March 16, 2020 adopted a resolution to purchase 10,000 thousand common stock shares at a price between \$5.68 to \$15.55 per share, which will be transferred to employees. The estimated total number of shares purchased is capped at

\$1,010,283 thousand. As of March 31, 2020, the Company has purchased 338,000 shares, it accounts for 0.07% of the Company's total issued shares, the average buyback price is \$7.5 and buy back cost is \$2,536 thousand.

(2) Treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

b. As of March 31, 2020、December 31, 2019 and March 31, 2018, treasury stock held by subsidiaries were 7,939,067 shares、7,939,067 shares and 5,633,667 shares, the market values of the shares held by the subsidiaries were \$8.24、\$11.40 and \$11.10 per share, respectively.

26. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended March 31	
	2020	2019
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 31,735	\$ 28,862
Reserve for land value increment tax	—	561
	31,735	29,423
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	30,232	(5,752)
Income tax benefit recognized in profit or loss	<u>\$ 61,967</u>	<u>\$ 23,671</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended March 31	
	2020	2019
Related to unrealized gain/loss on translation of foreign operations	\$ (3,297)	\$ 5,827
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(338)	(536)
	<u>\$ (3,635)</u>	<u>\$ 5,291</u>

The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority. However, the appeal against the approved results of has already been filed.

27. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Three Months Ended March 31, 2020</u>			
Basic EPS			
Net income available to common shareholders	\$ 139,807	595,068	
Stock repurchase		113	
Regard as treasury stock-common stock held by subsidiaries		(7,939)	
Issuance of bonus shares		22,887	
		<u>587,242</u>	\$ 0.24
<u>Three Months Ended March 31, 2019</u>			
Basic EPS			
Net income available to common shareholders	\$ 114,257	572,180	
Stock repurchase		—	
Regard as treasury stock-common stock held by subsidiaries		(5,634)	
Issuance of bonus shares		22,887	
		<u>589,433</u>	\$ 0.19

28. Operating Revenues

	<u>Three Months Ended March 31</u>	
	2020	2019
Sales Revenue	\$ 3,909,179	\$ 4,353,478
Construction Revenue	—	35,631
Electricity Revenue	42,846	33,684
Processing Revenue	3,617	23,463
Engineering Revenue	—	14,062
Others	1,369	9,200
	<u>\$ 3,957,011</u>	<u>\$ 4,469,518</u>

29. Additional Information Of Expenses By Nature

	<u>Three Months Ended March 31</u>	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 80,316	\$ 83,169
Depreciation of Right-of-use assets	5,838	4,981
Depreciation of investment property	1,299	1,260
Amortization of intangible assets	103	138
	<u>\$ 87,556</u>	<u>\$ 89,548</u>

Employee benefits expenses		
Salaries and bonus	\$ 196,275	\$ 197,188
Labor and health insurance	18,338	17,310
Pension	8,718	9,295
Remuneration of directors	1,035	1,286
Others	14,140	16,027
	<u>\$ 238,506</u>	<u>\$ 241,106</u>

For the three months ended March 31, 2020 and 2019, the Company had 1,758 and 1,790 employees, respectively. and had 4 non-employee directors for both periods.

According to the Company's Articles of Incorporation, the Company shall allocate compensation to directors and profit sharing bonus to employees of the Company not more than 3% and 1% of annual profits during the period, respectively.

The employees' compensation and remuneration of directors for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31	
	2020	2019
Employees' compensation	\$ 23,767	\$ 19,424
Remuneration of directors	\$ 4,194	\$ 3,428

If there is a change in the proposed amounts after the annual standalone financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 which have been approved by the Corporation's board of directors in March 2020 and 2019, respectively, were as follows:

	Years Ended December 31	
	2019	2018
Employees' compensation	\$ 6,102	\$ 5,626
Remuneration of directors	\$ 18,307	\$ 16,878

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the standalone financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors resolved by the board of

directors are available at the Market Observation Post System website of the Taiwan Stock Exchange.

30.Other Income

	Three Months Ended March 31	
	2020	2019
Interest income		
Bank deposits	\$ 7,820	\$ 7,236
Other interest income	253	4,979
	8,073	12,215
Rental revenue	4,313	3,781
Dividend income	1,085	—
	<u>\$ 13,471</u>	<u>\$ 15,996</u>

31.Other Gains And Losses

	Three Months Ended March 31	
	2020	2019
Gain (loss) on disposal of property, plant and equipment	\$ (393)	\$ 445
Gain on disposal of investments	75,209	4,094
Net foreign exchange losses	4,435	(1,339)
Net gain (loss) arising on financial assets/liabilities at FVTPL	150,354	(19,677)
Others	12,475	38,400
	<u>\$ 242,080</u>	<u>\$ 21,923</u>

32.Finance Costs

	Three Months Ended March 31	
	2020	2019
Interest expense		
Bank loans	\$ 56,800	\$ 62,918
Interest of lease liabilities	1,190	1,519
Other Interest expense	1,610	1,749
	<u>\$ 59,600</u>	<u>\$ 66,186</u>

33. Capital Management

The Company's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the company determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves and retained earnings).

The management of the company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Company's approach to capital management for the three months ended March 31, 2020.

34. Financial Instruments

a. Financial risk management objective

The Company manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans the Company must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Company is exposed to the market risks arising from changes in foreign exchange rates, interest rates and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Some of the Company's operating activities are denominated in foreign currencies. Consequently, the Company is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes derivative financial instruments, including currency forward contracts and short-term borrowings in foreign currencies, to hedge its currency exposure.

The Company's significant exposure to foreign currency risk were as follows :

	March 31, 2020			December 31, 2019			March 31, 2019		
	Foreign	Exchange		Foreign	Exchange		Foreign	Exchange	
	currency	rate	NT\$	currency	rate	NT\$	currency	rate	NT\$
<u>Assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$ 39,372	30.23	\$1,190,216	\$ 71,453	30.10	\$2,150,735	\$ 48,250	30.82	\$1,495,396
HKD	840	3.86	3,242	915	3.86	3,532	526	3.93	2,067
CNY	2,177	4.27	9,296	2,368	4.32	10,230	17,512	4.59	80,380
JPY	508,160	0.28	142,285	253,717	0.28	71,041	363,970	0.28	101,912
	March 31, 2020			December 31, 2019			March 31, 2019		
	Foreign	Exchange		Foreign	Exchange		Foreign	Exchange	
	currency	rate	NT\$	currency	rate	NT\$	currency	rate	NT\$
<u>Liabilities</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$ 89,528	30.23	\$2,706,431	\$ 87,168	30.10	\$2,623,757	\$ 96,007	30.82	\$2,958,936
CNY	253	4.27	1,080	1,513	4.32	6,536	242	4.59	1,111
JPY	102,007	0.28	28,562	126,610	0.28	35,451	28,878	0.28	8,086

For the three months ended March 31, 2020 and 2019, realized and unrealized net foreign exchange gains (losses) were gains of NT\$4,435 thousand and losses of NT\$1,339 thousand, respectively.

Foreign currency sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, accounts payable that are

denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the three months ended March 31, 2020 and 2019 would have increased (decrease) the net profit after tax by NT\$13,910 thousand and NT\$12,884 thousand , respectively.

(b) Interest rate risk

The Company was exposed to fair value interest rate risk and cash flow interest rate risk because the Company hold assets and liabilities at both fixed and floating interest rates.

Interest rate sensitivity analysis

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.1%, all other variable factors that remains constant, the Company's net profit after tax would have (decreased) increased by NT\$2,198 thousand and NT\$2,018 thousand for the three months ended March 31, 2020 and 2019, respectively. This is mainly due to the Company's net assets in floating rates.

(c) Other price risk

The Company is exposed to equity price risk arising from equity investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Company's net profit after tax for the three months ended March 31, 2020 and 2019 would have been higher/lower by NT\$102,240 thousand and NT\$70,909 thousand , respectively, as a result of the fair value changes of Financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, the Company's other comprehensive income for the three months ended March 31, 2020 and 2019 would have been higher/lower by NT\$44,508 thousand and NT\$40,546 thousand , respectively, as a result of the fair value changes of Financial assets at fair value through other comprehensive income.

c. Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

To maintain the quality of receivables, the Company has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Company's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Company also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of March 31, 2020, December 31, 2019 and March 31, 2019, the Company's ten largest customers accounted for 20.82%, 20.01% and 25.13% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

The customers are creditworthy counterparties; therefore, the Company believes the concentration of credit risk is insignificant.

Financial credit risk

Bank deposits, fixed income investment and other financial instruments are credit risk sources required by the Company's Department of Finance Department to be measured and monitored. However, since the Company's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

d. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements associated with existing operations. The Company manages its liquidity risk by maintain adequate cash and banking facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principles and interest.

March 31, 2020					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 4,215,506	\$ 4,215,506	\$ 4,215,506	\$ —	\$ —
Commercial papers	755,000	755,000	755,000	—	—
Notes payable					
(including related parties)	70,831	70,831	70,831	—	—
Accounts payable					
(including related parties)	500,107	500,107	500,107	—	—
Other payables	383,066	383,066	383,066	—	—
Lease liabilities	247,553	341,662	26,529	82,086	233,047
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	5,239,320	5,239,320	1,976,796	2,591,719	670,805
	<u>\$ 11,911,383</u>	<u>\$ 12,005,492</u>	<u>\$ 7,927,835</u>	<u>\$ 3,173,805</u>	<u>\$ 903,852</u>
Derivative financial liabilities					
Metal options	\$ 12,832	\$ 149,643	\$ 149,643	\$ —	\$ —
Metal commodities futures contract	23,665	214,247	152,364	61,883	—
	<u>\$ 36,497</u>	<u>\$ 363,890</u>	<u>\$ 302,007</u>	<u>\$ 61,883</u>	<u>\$ —</u>
December 31, 2019					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 3,550,418	\$ 3,550,418	\$ 3,550,418	\$ —	\$ —
Commercial papers	754,741	754,741	754,741	—	—
Notes payable					
(including related parties)	69,156	69,156	69,156	—	—
Accounts payable					
(including related parties)	536,250	536,250	536,250	—	—
Other payables	549,611	549,611	549,611	—	—
Lease liabilities	231,034	316,841	24,548	71,790	220,503
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	5,397,292	5,397,292	2,085,487	3,223,943	87,862
	<u>\$ 11,588,502</u>	<u>\$ 11,674,309</u>	<u>\$ 7,570,211</u>	<u>\$ 3,795,733</u>	<u>\$ 308,365</u>

Derivative financial liabilities

Metals futures	\$ 31,343	\$ 193,437	\$ 193,437	\$ —	\$ —
Foreign exchange forward contract	4,037	336,279	336,279	—	—
	<u>\$ 35,380</u>	<u>\$ 529,716</u>	<u>\$ 529,716</u>	<u>\$ —</u>	<u>\$ —</u>

March 31, 2019

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 3,234,513	\$ 3,234,513	\$ 3,234,513	\$ —	\$ —
Commercial papers	760,000	760,000	760,000	—	—
Notes payable					
(including related parties)	54,531	54,531	54,531	—	—
Accounts payable					
(including related parties)	433,120	433,120	433,120	—	—
Other payables	329,589	329,589	329,589	—	—
Lease liabilities	192,422	192,422	18,231	52,225	121,966
Bonds payable	600,000	600,000	100,000	500,000	—
Long-term bank loans	5,640,990	5,640,900	956,381	4,013,689	670,920
	<u>\$ 11,245,165</u>	<u>\$ 11,245,165</u>	<u>\$ 5,886,365</u>	<u>\$ 4,565,914</u>	<u>\$ 792,886</u>

March 31, 2019

	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Derivative financial liabilities					
Interest rate swap contract	\$ 14,699	\$ 616,320	\$ —	\$ 616,320	\$ —
Metal commodities futures contract	46,621	1,053,057	1,053,057	—	—
Foreign exchange forward contract	1,288	154,080	154,080	—	—
	<u>\$ 62,608</u>	<u>\$ 1,823,457</u>	<u>\$ 1,207,137</u>	<u>\$ 616,320</u>	<u>\$ —</u>

e. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost

The Company considers that the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

(b) Valuation techniques and assumptions used in Fair value measurement

The Fair value of financial assets and financial liabilities are determined as follows :

- The fair value of financial assets and financial liabilities with standard terms and conditions

and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks).

- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable :

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) .

i. Information of fair value hierarchy of financial instruments

March 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current				
and noncurrent	\$ 929,869	\$ 604,586	\$ 546,849	\$ 2,081,304
Financial assets at FVTOCI – current				
and noncurrent	178,206	—	711,956	890,162
Financial liabilities at FVTPL – current				
and noncurrent	—	(36,497)	—	(36,497)
	<u>\$ 1,108,175</u>	<u>\$ 568,089</u>	<u>\$ 1,258,805</u>	<u>\$ 2,934,969</u>
December 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current				
and noncurrent	\$ 762,880	\$ 635,150	\$ 521,283	\$ 1,919,313
Financial assets at FVTOCI – current				
and noncurrent	122,352	—	720,574	842,926
Financial liabilities at FVTPL – current				
and noncurrent	—	(35,380)	—	(35,380)
	<u>\$ 885,232</u>	<u>\$ 599,770</u>	<u>\$ 1,241,857</u>	<u>\$ 2,726,859</u>
March 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current				
and noncurrent	\$ 676,840	\$ 300,017	\$ 549,490	\$ 1,526,347
Financial assets at FVTOCI – current				
and noncurrent	155,103	—	695,777	850,880
Financial liabilities at FVTPL – current				
and noncurrent	—	(62,608)	—	(62,608)
	<u>\$ 831,943</u>	<u>\$ 237,409</u>	<u>\$ 1,245,267</u>	<u>\$ 2,314,619</u>

ii. The transfer between Level 1 and Level 2.

There were no transfers between Level 1 and 2 for the three months ended March 31, 2020 and 2019,respectively.

iii. Reconciliation of Level 3 fair value measurements of financial assets

Reconciliations for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31, 2020		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 720,574	\$ 521,283	\$ 1,241,857
Purchases	—	24,214	24,214
Capital reduction	(7,365)	—	(7,365)
Recognized in other comprehensive income	(15,165)	—	(15,165)
Effect of exchange rate changes	13,912	1,352	15,264
Balance at March 31, 2020	<u>\$ 711,956</u>	<u>\$ 546,849</u>	<u>\$ 1,258,805</u>

	Three Months Ended March 31, 2019		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 713,062	\$ 494,713	\$ 1,207,775
Purchases	—	54,100	54,100
Capital reduction	(14,982)	—	(14,982)
Recognized in other comprehensive income	(2,680)	—	(2,680)
Effect of exchange rate changes	377	677	1,054
Balance at March 31, 2019	<u>\$ 695,777</u>	<u>\$ 549,490</u>	<u>\$ 1,245,267</u>

iv. Quantitative information of fair value measurement of significant unobservable inputs (level 3)

March 31, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 711,956	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 546,849	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A

March 31, 2019

Financial assets at FVTOCI – current and noncurrent	\$ 695,777	Net asset approach	N/A	N/A	N/A
		The latest issue			
Financial assets at FVTPL – current and noncurrent	\$ 549,490	final price and Issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 3,644,640	\$ 2,452,870	\$ 2,808,699
Notes receivable and trade receivables	2,689,229	3,041,110	3,063,982
Other receivables	80,202	84,285	40,381
Refundable deposits	149,770	117,611	140,101
Financial assets at amortized cost	206,490	252,933	277,498
Financial assets at FVTPL (current and non-current)	2,081,304	1,919,313	1,526,347
Financial assets at fair value through other comprehensive income (current and non-current)	890,162	842,926	850,880
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current))	36,497	35,830	62,608
Financial liabilities at amortized cost			
Short-term borrowings	4,215,506	3,550,418	3,234,513
Short-term notes and bills payable	755,000	754,741	760,000
Notes payable and trade payables	570,938	605,406	487,651
Other payables	383,066	549,611	329,589
Bonds payable (including current portion)	500,000	500,000	600,000
Long-term borrowings (including current portion)	5,239,320	5,397,291	5,640,990
Guarantee deposits	39,130	42,071	42,582

35. Related Party Transactions

(a) The name of the company and its relationship with the Corporation.

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
HENGST TECHNOLOGY CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
PACIFIC ELECTRIC WIRE&CABLE CO., LTD.	Joint venture
TA AN PRECISION CO., LTD.	Other related parties
BIGBEST SOLUTIONS, INC.	Other related parties
Green inside	Other related parties

(b) Significant related party transactions

Sales

Related Parties	For The Three Months Ended March 31	
	2020	2019
Associates	\$ 59,058	\$ 75,367
Joint venture	24,381	11,324
Others	1,011	3
	<u>\$ 117,807</u>	<u>\$ 86,694</u>

Prices and credit terms for such sales were similar to those given to third parties.

Purchases

Related Parties	For The Three Months Ended March 31	
	2020	2019
Associates	\$ —	\$ 7,260
Joint venture	—	21,109
Others	451	915
	<u>\$ 451</u>	<u>\$ 29,284</u>

Prices and credit terms for such purchases were similar to those given to third parties.

Property exchange

Related Parties	Item	For The Three Months Ended March 31	
		2020	2019
Associates	Machinery and equipment	<u>\$ 7,328</u>	<u>\$ —</u>

(c) Receivables and payables arising from the above transactions were as follows:

Receivables

	Related Parties	March 31, 2020	December 31, 2019	March 31, 2019
(1) Notes receivable	Associates	\$ 6,228	\$ —	\$ 816
	Joint venture	54,562	—	7,255
		<u>\$ 60,790</u>	<u>\$ —</u>	<u>\$ 8,071</u>
		March 31, 2020	December 31, 2019	March 31, 2019
(2) Accounts receivable	Associates	\$ 23,249	\$ 16,355	\$ 44,146
	Other related parties	1,111	60	106
		<u>\$ 24,360</u>	<u>\$ 16,415</u>	<u>\$ 44,252</u>

Payables

	Related Parties	March 31, 2020	December 31, 2019	March 31, 2019
(1) Notes payable	Other related parties	\$ 2	\$ 105	\$ —
		<u>\$ 2</u>	<u>\$ 105</u>	<u>\$ —</u>
		March 31, 2020	December 31, 2019	March 31, 2019
(2) Accounts payable	Joint venture	\$ —	\$ —	\$ 30,478
	Other related parties	1,305	1,455	1,613
		<u>\$ 1,305</u>	<u>\$ 1,455</u>	<u>\$ 32,091</u>
		March 31, 2020	December 31, 2019	March 31, 2019
(3) Other payables	HENGST			
	TECHNOLOGY CO.,	\$ 81,931	\$ 92,899	\$ 72,830
	Other related parties	1,674	2,120	1,519
		<u>\$ 83,605</u>	<u>\$ 95,019</u>	<u>\$ 74,349</u>

Contract liabilities

Related Parties	March 31,2020	December 31,2019	March 31,2019
Joint venture	<u>\$ 2,826</u>	<u>\$ —</u>	<u>\$ —</u>

Other

SIN JHONG SOLAR POWER CO., LTD signed a contract worth \$3,409,043 thousand for solar system development services and project construction with HENGST TECHNOLOGY CO., LTD.

SIN JHONG SOLAR POWER CO., LTD paid a total of \$144,603 thousand at June 2019. As of March 31, 2020, \$3,264,440 thousand had not been paid.

(d) Key management personnel compensation disclosure

Item	For The Three Months Ended March 31	
	2020	2019
Short-term employee benefits	\$ 21,470	\$ 25,472
Post-employment benefits	1,174	1,253
	<u>\$ 22,644</u>	<u>\$ 26,725</u>

The Company's key management personnel include directors, supervisors, president, general manager and financial director.

Please refer to Annual Report for related information of key management personnel compensation.

36. Mortgage Assets

As of March 31, 2020, December 31, 2019 and March 31, 2019, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of March 31, 2020, December 31, 2019 and March 31, 2019 were summarized as follows:

	March 31,2020		December 31,2019		March 31,2019	
	Number of shares	Original cost	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method —						
Jung Shing Wire Co., Ltd	<u>28,200,000</u>	<u>\$ 356,213</u>	<u>28,200,000</u>	<u>\$ 356,213</u>	<u>28,200,000</u>	<u>\$ 356,213</u>
Financial assets at fair value through other comprehensive income —						
Sun Ba Power Corporation	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$ 464,250</u>

	March 31, 2020	December 31, 2019	March 31, 2019
Property, plant and equipment —			
Land (include revaluation increments)	\$ 1,195,282	\$ 1,181,397	\$ 1,181,397
Buildings, net	192,761	195,208	210,777
Machinery and equipment, net	1,414,306	1,426,953	1,357,503
	<u>\$ 2,802,349</u>	<u>\$ 2,803,558</u>	<u>\$ 2,749,677</u>
Investment property-land	<u>\$ 696,351</u>	<u>\$ 691,923</u>	<u>\$ 696,351</u>
Refundable deposits	<u>\$ 149,770</u>	<u>\$ 117,611</u>	<u>\$ 140,101</u>
Other current assets —			
Mortgage demand deposits	<u>\$ 444,365</u>	<u>\$ 442,426</u>	<u>\$ 170,743</u>
Other non-current assets —			
Mortgage demand deposits	<u>\$ 109,469</u>	<u>\$ 104,426</u>	<u>\$ 257,491</u>
Right-of-use assets — Land	<u>\$ 13,462</u>	<u>\$ 13,792</u>	<u>\$ 14,992</u>

37. Commitments And Contingent Liabilities

Significant contingent liabilities and unrecognized commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows :

- (a) As of March 31, 2020, the Company had outstanding usance letters of credit amounting to approximately \$27,481 thousand (USD\$171 thousand, JPY\$72,237 thousand and EUR\$63 thousand).
- (b) The Company pledged guarantee deposits amounting to \$320,481 thousand due to the wire and cable installation project.
- (c) Checks of \$3,568,009 thousand issued for issuing bank loans, draw letter of credit and procurement guarantees.
- (d) The Company entered into contracts of copper procurement with 28,250 ton.
- (e) The Company engaged into a contract of wire and cable installation project with the amount of \$6,198 thousand. As of March 31, 2020, \$6,198 thousand had not been paid.
- (f) The Company entered into contracts of machinery and equipment procurement with the amount of \$181,741 thousand. As of March 31, 2020, \$47,077 thousand had not been paid.
- (g) The Company engaged into a contract of wire and cable installation project with the amount of

\$6,198 thousand. As of March 31, 2020, \$6,198 thousand had not been paid.

(h) TA HO ENGINEERING, CO., LTD. With FURUKAWA ELECTRIC CO., LTD. signed a long-term technical consultant contract, promising to pay USD 7 thousand per month, and the total amount to be paid in the next year is USD 84 thousand.

(i) SIN JHONG SOLAR POWER CO., LTD with HENGs TECHNOLOGY CO., LTD. signed a contract for solar system development services and project construction with the amount of \$3,409,043 thousand. As of March 31, 2020, \$3,264,440 thousand had not been paid.

(j) Refer to Note32 for information relating to endorsements/guarantees provided.

38. Significant Losses From Disasters : N/A

39. Significant Subsequent Events : N/A

40. Segment Information

a. The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Company's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by income before income tax and is the basis for assessment of segment performance.

b. Segment revenues and operating results

Geographical information

For The Three Months Ended March 31, 2020				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 3,179,356	\$ 1,214,764	\$ (437,109)	\$ 3,957,011
Interest income	2,199	6,468	(594)	8,073
	<u>\$ 3,181,555</u>	<u>\$ 1,221,232</u>	<u>\$ (437,703)</u>	<u>\$ 3,965,084</u>
Segment Profit and Loss	\$ 261,816	\$ (5,316)	\$ (16,574)	\$ 239,926
Non-current Assets	<u>\$ 5,958,439</u>	<u>\$ 845,945</u>	<u>\$ (28,099)</u>	<u>\$ 6,776,285</u>
Segment total assets	<u>\$ 22,053,227</u>	<u>\$ 5,031,284</u>	<u>\$ (5,680,184)</u>	<u>\$ 21,404,327</u>

For The Three Months Ended March 31, 2019

	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 3,550,279	\$ 1,491,545	\$ (572,306)	\$ 4,469,518
Interest income	5,315	9,038	(2,138)	12,215
	<u>\$ 3,555,594</u>	<u>\$ 1,500,583</u>	<u>\$ (574,444)</u>	<u>\$ 4,481,733</u>
Segment Profit and Loss	<u>\$ 220,386</u>	<u>\$ 10,592</u>	<u>\$ (78,766)</u>	<u>\$ 152,212</u>
Non-current Assets	<u>\$ 5,666,674</u>	<u>\$ 989,739</u>	<u>\$ (36,389)</u>	<u>\$ 6,620,024</u>
Segment total assets	<u>\$ 20,308,815</u>	<u>\$ 5,465,608</u>	<u>\$ (5,325,685)</u>	<u>\$ 20,448,738</u>

c. Business segment

	For The Three Months Ended March 31	
Business segment	2020	2019
Electric wire & cable	\$ 3,821,698	\$ 4,253,991
Others	135,313	215,527
	<u>\$ 3,957,011</u>	<u>\$ 4,469,518</u>