

TA YA ELECTRIC WIRE & CABLE CO., LTD.

AND SUBSIDIARIES

Consolidated Financial Statements

with Independent Auditors' Review Report for the

Six Months Ended June 30, 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.

Introduction

We have reviewed the accompanying consolidated balance sheets of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the "Company") as of June 30, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the six months ended June 30, 2020 and 2019, 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) of the Republic of China. 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 Qualified 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 June 30, 2020 and 2019, the combined total assets of these insignificant subsidiaries were respectively NT\$10,929,576 thousand and NT\$9,631,181 thousand, representing 49.66% and 45.99%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$5,750,104 thousand and NT\$5,010,809 thousand, representing 42.98% and 39.09% of the corresponding consolidated total liabilities. For the three months and six months ended June 30, 2020 and 2019, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$210,666 thousand, NT\$41,490 thousand, NT\$240,415 thousand, NT\$139,184 thousand, representing 62.43%, 41.00%, 51.51%, and 53.12% of the corresponding consolidated total comprehensive income and loss. As of June 30, 2020 and 2019, the investment accounted for using equity method were NT\$792,957 thousand and NT\$819,771 thousand, respectively. For the three months and six months ended June 30, 2020 and 2019, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$ 15,791 thousand, NT\$ 9,232 thousand, NT\$ 22,634 thousand, and NT\$24,269 thousand. These amounts as well as the related financial information of the investees as disclosed in Note 12 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.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees that are accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Company as of June 30, 2020 and 2019, its consolidated financial performance for the three months ended June 30, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with 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

August 5, 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 June 30, 2020 and 2019 are reviewed, not audited)

ASSETS	June 30, 2020		December 31, 2019		June 30, 2019	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 2,920,598	13.3	\$ 2,452,870	11.8	\$ 3,036,301	14.5
Financial assets at fair value through profit or loss (notes 7 and 34)	572,054	2.6	421,323	2.0	380,242	1.8
Financial assets at fair value through other comprehensive income (Notes 8 and 34)	23,643	0.1	5,348	—	3,877	—
Financial assets at amortized cost (notes 9)	244,435	1.1	252,933	1.2	188,529	0.9
Contract assets	62,766	0.3	172,886	0.8	297,671	1.4
Notes receivable, net (notes 10 and 35)	195,041	0.9	152,666	0.7	222,073	1.1
Accounts receivable, net (notes 10 and 35)	2,608,152	11.7	2,888,444	13.9	2,750,725	13.1
Other receivables	102,404	0.5	84,285	0.4	64,325	0.3
Inventories, net (notes 11)	2,875,118	13.0	3,429,976	16.5	3,386,756	16.2
Inventories (Construction), net (notes 11)	234,680	1.1	145,257	0.7	133,140	0.6
Prepayments	187,904	0.9	92,153	0.4	187,514	0.9
Other current assets (notes 36)	22,862	0.1	509,968	2.5	524,292	2.6
Total current assets	<u>10,049,657</u>	<u>45.6</u>	<u>10,608,109</u>	<u>50.9</u>	<u>11,175,445</u>	<u>53.4</u>
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7 and 34)	1,727,535	7.9	1,497,990	7.3	1,159,487	5.5
Financial assets at fair value through other comprehensive income (notes 8, 34, and 36)	909,101	4.1	837,578	4.0	791,072	3.8
Investments accounted for using equity method (notes 12 and 36)	792,957	3.6	796,332	3.8	819,771	3.9
Property, plant and equipment (notes 13 and 36)	5,412,915	24.6	4,821,771	23.2	4,762,314	22.7
Right-of-use assets (notes 14 and 36)	458,465	2.1	467,550	2.2	430,359	2.1
Investment property, net (notes 15 and 36)	1,101,139	5.0	1,104,437	5.3	1,103,645	5.3
Intangible assets (notes 16)	509	—	690	—	826	—
Deferred income tax assets (notes 4 and 25)	213,226	1.0	203,536	1.0	235,008	1.1
Prepayments for equipment	52,069	0.2	57,205	0.3	49,200	0.2
Refundable deposits (note 36)	149,749	0.7	117,611	0.6	144,525	0.7
Net defined benefit asset	4,263	—	4,263	—	—	—
Other non-current assets (notes 36)	1,139,068	5.2	283,944	1.4	272,466	1.3
Total noncurrent assets	<u>11,960,996</u>	<u>54.4</u>	<u>10,192,907</u>	<u>49.1</u>	<u>9,768,673</u>	<u>46.6</u>
TOTAL	<u>\$ 22,010,653</u>	<u>100.0</u>	<u>\$ 20,801,016</u>	<u>100.0</u>	<u>\$ 20,944,118</u>	<u>100.0</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note 17)	\$ 4,501,675	20.5	\$ 3,550,418	17.1	\$ 3,739,414	17.9
Short-term notes and bills payable (note 18)	589,793	2.7	754,741	3.6	759,602	3.6
Financial liabilities at fair value through profit or loss (notes 7 and 34)	104,178	0.5	35,380	0.2	2,253	—
Contract liabilities (note 35)	152,170	0.7	97,224	0.5	157,372	0.8
Notes payable (note 35)	75,043	0.3	69,156	0.3	56,512	0.3
Accounts payable (note 35)	584,222	2.6	536,250	2.6	529,742	2.5
Other payables (note 35)	1,160,505	5.3	549,611	2.6	537,742	2.6
Income tax payable (note 25)	81,735	0.4	52,068	0.2	56,299	0.3
Provisions (note 21)	120,111	0.5	102,281	0.5	113,386	0.5
Lease liabilities (notes 14)	17,450	0.1	19,293	0.1	18,869	0.1
Receipts in advance	2,557	—	8,440	—	3,278	—
Current portion of long-term liabilities (notes 19 and 20)	1,066,795	4.8	2,085,487	10.0	2,003,762	9.6
Other current liabilities	35,032	0.2	31,508	0.2	29,764	0.1
Total current liabilities	<u>8,491,266</u>	<u>38.6</u>	<u>7,891,857</u>	<u>37.9</u>	<u>8,007,995</u>	<u>38.3</u>
NONCURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (notes 7 and 34)	—	—	—	—	25	—
Bonds payable (note 19)	500,000	2.3	500,000	2.4	500,000	2.4
Long-term loans (note 20)	3,733,591	17.0	3,311,805	15.9	3,633,716	17.3
Provisions (note 21)	39,278	0.2	39,301	0.2	30,977	0.1
Deferred income tax liabilities	265,900	1.2	265,900	1.3	265,016	1.3
Lease liabilities (notes 14)	223,477	1.0	231,034	1.1	195,941	0.9
Net defined benefit liabilities (note 22)	35,302	0.2	66,743	0.3	80,517	0.4
Guarantee deposits	38,561	0.2	42,071	0.2	46,059	0.2
Other noncurrent liabilities	52,710	0.1	58,123	0.3	56,801	0.4
Total noncurrent liabilities	<u>4,888,819</u>	<u>22.2</u>	<u>4,514,977</u>	<u>21.7</u>	<u>4,809,052</u>	<u>23.0</u>
Total liabilities	<u>13,380,085</u>	<u>60.8</u>	<u>12,406,834</u>	<u>59.6</u>	<u>12,817,047</u>	<u>61.3</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)						
Share capital						
Common Stock	5,950,680	27.0	5,950,680	28.6	5,721,808	27.3
Share dividends to be distributed	—	—	—	—	228,872	1.1
Total share capital	<u>5,950,680</u>	<u>27.0</u>	<u>5,950,680</u>	<u>28.6</u>	<u>5,950,680</u>	<u>28.4</u>
Capital surplus	531,163	2.4	531,117	2.6	526,679	2.5
Retained earnings						
Appropriated as legal capital reserve	137,749	0.6	87,245	0.4	87,245	0.4
Appropriated as special capital reserve	147,555	0.7	147,555	0.7	147,555	0.7
Unappropriated earnings	785,909	3.6	556,359	2.7	273,022	1.3
Total retained earnings	<u>1,071,213</u>	<u>4.9</u>	<u>791,159</u>	<u>3.8</u>	<u>507,822</u>	<u>2.4</u>
Other components of equity	(176,988)	(0.8)	(146,288)	(0.7)	(95,300)	(0.5)
Treasury stock (notes 24)	(85,013)	(0.4)	(30,872)	(0.1)	(20,771)	(0.1)
Total equity attributable to owners of the parent company	<u>7,291,055</u>	<u>33.1</u>	<u>7,095,796</u>	<u>34.2</u>	<u>6,869,110</u>	<u>32.7</u>
NON-CONTROLLING INTERESTS (notes 23)	<u>1,339,513</u>	<u>6.1</u>	<u>1,298,386</u>	<u>6.2</u>	<u>1,257,961</u>	<u>6.0</u>
Total equity	<u>8,630,568</u>	<u>39.2</u>	<u>8,394,182</u>	<u>40.4</u>	<u>8,127,071</u>	<u>38.7</u>
TOTAL	<u>\$ 22,010,653</u>	<u>100.0</u>	<u>\$ 20,801,016</u>	<u>100.0</u>	<u>\$ 20,944,118</u>	<u>100.0</u>

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 5, 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)
(Reviewed, Not Audited)

	<i>For The Three Months Ended June 30</i>				<i>For The Six Months Ended June 30</i>			
	<u>2020</u>		<u>2019</u>		<u>2020</u>		<u>2019</u>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET OPERATING INCOME (notes 27)	\$ 4,216,698	100.0	\$ 4,489,345	100.0	\$ 8,173,709	100.0	\$ 8,958,863	100.0
OPERATING COST (notes 11, 22, 28 and 35)	<u>3,945,197</u>	<u>93.5</u>	<u>4,161,922</u>	<u>92.7</u>	<u>7,640,515</u>	<u>93.5</u>	<u>8,239,984</u>	<u>92.0</u>
GROSS PROFIT	<u>271,501</u>	<u>6.5</u>	<u>327,423</u>	<u>7.3</u>	<u>533,194</u>	<u>6.5</u>	<u>718,879</u>	<u>8.0</u>
OPERATING EXPENSES (notes 22, 28 and 35)								
Sales and marketing expenses	60,204	1.4	60,028	1.3	116,472	1.4	118,472	1.3
General and administrative expenses	171,067	4.1	150,801	3.3	322,109	3.9	295,652	3.3
Research and development expenses	20,950	0.5	13,761	0.4	38,201	0.5	36,480	0.4
Total operating expenses	<u>252,221</u>	<u>6.0</u>	<u>224,590</u>	<u>5.0</u>	<u>476,782</u>	<u>5.8</u>	<u>450,604</u>	<u>5.0</u>
INCOME FROM OPERATIONS	<u>19,280</u>	<u>0.5</u>	<u>102,833</u>	<u>2.3</u>	<u>56,412</u>	<u>0.7</u>	<u>268,275</u>	<u>3.0</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 29)	10,596	0.3	11,413	0.3	18,669	0.2	23,628	0.2
Other income (note 30)	9,572	0.2	19,949	0.4	14,970	0.2	23,730	0.3
Other gains and losses (note 31)	347,012	8.2	64,022	1.5	589,092	7.2	85,945	1.0
Finance costs (note 32)	(57,073)	(1.4)	(69,929)	(1.6)	(116,673)	(1.4)	(136,115)	(1.5)
Share of profit of associates (note 12)	15,791	0.4	9,232	0.2	22,634	0.2	24,269	0.2
Total non-operating income and expenses	<u>325,898</u>	<u>7.7</u>	<u>34,687</u>	<u>0.8</u>	<u>528,692</u>	<u>6.4</u>	<u>21,457</u>	<u>0.2</u>
INCOME BEFORE INCOME TAX	345,178	8.2	137,520	3.1	585,104	7.1	289,732	3.2
INCOME TAX EXPENSE (notes 25)	<u>(4,275)</u>	<u>(0.1)</u>	<u>(38,601)</u>	<u>(0.9)</u>	<u>(66,242)</u>	<u>(0.8)</u>	<u>(62,272)</u>	<u>(0.7)</u>
NET INCOME	<u>340,903</u>	<u>8.1</u>	<u>98,919</u>	<u>2.2</u>	<u>518,862</u>	<u>6.3</u>	<u>227,460</u>	<u>2.5</u>
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	38,150	0.9	262	—	2,983	0.1	10,544	0.1
Share of other comprehensive income (loss) of associates accounted for using the equity method	1,637	—	22	—	1,070	—	(507)	—
Income tax related to items that will not be reclassified subsequently (notes 25)	119	—	85	—	457	—	621	—
	<u>39,906</u>	<u>0.9</u>	<u>369</u>	<u>—</u>	<u>4,510</u>	<u>0.1</u>	<u>10,658</u>	<u>0.1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	(44,759)	(1.1)	19,132	0.4	(60,415)	(0.7)	23,013	0.2
Share of other comprehensive income (loss) of associates accounted for using the equity method	(4,447)	(0.1)	(19,225)	(0.4)	(4,447)	(0.1)	4,698	0.1
Income tax related to items that may be reclassified subsequently (notes 25)	4,883	0.1	1,992	—	8,180	0.1	(3,835)	—
	<u>(44,323)</u>	<u>(1.1)</u>	<u>1,899</u>	<u>—</u>	<u>(56,682)</u>	<u>(0.7)</u>	<u>23,876</u>	<u>0.3</u>
Other comprehensive income (loss), net of income tax	<u>(4,417)</u>	<u>(0.2)</u>	<u>2,268</u>	<u>—</u>	<u>(52,172)</u>	<u>(0.6)</u>	<u>34,534</u>	<u>0.4</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 336,486</u>	<u>7.9</u>	<u>\$ 101,187</u>	<u>2.2</u>	<u>\$ 466,690</u>	<u>5.7</u>	<u>\$ 261,994</u>	<u>2.9</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 318,095	7.5	\$ 95,591	2.1	\$ 457,902	5.6	\$ 209,848	2.3
Non-controlling interests	22,808	0.5	3,328	0.1	60,960	0.7	17,612	0.2
	<u>\$ 340,903</u>	<u>8.0</u>	<u>\$ 98,919</u>	<u>2.2</u>	<u>\$ 518,862</u>	<u>6.3</u>	<u>\$ 227,460</u>	<u>2.5</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 333,491	7.9	\$ 96,377	2.1	\$ 427,875	5.2	\$ 241,246	2.7
Non-controlling interests	2,995	0.1	4,810	0.1	38,815	0.5	20,748	0.2
	<u>\$ 336,486</u>	<u>8.0</u>	<u>101,187</u>	<u>2.2</u>	<u>\$ 466,690</u>	<u>5.7</u>	<u>261,994</u>	<u>2.9</u>
EARNINGS PER SHARE (NT\$, notes 26)								
Basic earnings per share	<u>\$ 0.54</u>		<u>\$ 0.17</u>		<u>\$ 0.78</u>		<u>\$ 0.36</u>	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 5, 2020)

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

	<u>Capital Stock — Common Stock</u>			<u>Retained Earnings</u>				<u>Others</u>					<u>Total Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Common stock dividends distributable</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings</u>	<u>Foreign Currency Translation Reserve</u>	<u>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</u>	<u>Treasury Stock</u>	<u>Non-controlling Interests</u>		
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	
Appropriation and distribution of 2018 retained earnings													
Legal reserve	—	—	—	—	40,499	—	(40,499)	—	—	—	—	—	
Cash dividends to shareholders	—	—	—	—	—	—	(171,654)	—	—	—	—	(171,654)	
Share dividends distributed by the Company	—	—	228,872	—	—	—	(228,872)	—	—	—	—	—	
Reversal of special reserve	—	—	—	—	—	(117,354)	117,354	—	—	—	—	—	
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	1,266	—	—	—	—	—	—	—	1,266	
Changes in subsidiaries' ownership	—	—	—	746	—	—	1,661	—	(1,907)	—	2,275	2,775	
Treasury stock- sales of parent company stock held by subsidiaries	—	—	—	—	—	—	—	—	—	(1)	—	(1)	
Net income in the first half of 2019	—	—	—	—	—	—	209,848	—	—	—	17,612	227,460	
Other comprehensive income in the first half of 2019, net of income tax	—	—	—	—	—	—	—	22,025	9,373	—	3,136	34,534	
Disposed of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	—	7,184	—	(7,184)	—	—	—	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(68,963)	(68,963)	
BALANCE, JUNE 30, 2019	572,180,791	\$ 5,721,808	\$ 228,872	\$ 526,679	\$ 87,245	\$ 147,555	\$ 273,022	\$ (116,090)	\$ 20,790	\$ (20,771)	\$ 1,257,961	\$ 8,127,071	
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	
Appropriation and distribution of 2019 retained earnings													
Legal reserve	—	—	—	—	50,504	—	(50,504)	—	—	—	—	—	
Cash dividends to shareholders	—	—	—	—	—	—	(178,521)	—	—	—	—	(178,521)	
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	8	—	—	—	—	—	—	—	8	
Net income in the first half of 2020	—	—	—	—	—	—	457,902	—	—	—	60,960	518,862	
Other comprehensive income in the first half of 2020, net of income tax	—	—	—	—	—	—	—	(34,311)	4,284	—	(22,145)	(52,172)	
Changes in subsidiaries ownership	—	—	—	38	—	—	—	—	—	—	1	39	
Treasury stock repurchase	—	—	—	—	—	—	—	—	—	(54,141)	—	(54,141)	
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	2,284	2,284	
Disposed of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	—	673	—	(673)	—	27	27	
BALANCE, JUNE 30, 2020	595,068,022	\$ 5,950,680	\$ -	\$ 531,163	\$ 137,749	\$ 147,555	\$ 785,909	\$ (217,374)	\$ 40,386	\$ (85,013)	\$ 1,339,513	\$ 8,630,568	

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 5, 2020)*

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

	<i>For The Six Months Ended June 30</i>	
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 585,104	\$ 289,732
Adjustments for :		
Depreciation expense	177,164	179,015
Amortization expense	205	245
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	(195,337)	(78,694)
Interest expense	116,673	136,115
Interest income	(18,669)	(23,628)
Dividend income	(6,446)	(15,511)
Share of profits of associates accounted for using the equity method	(22,634)	(24,269)
Loss (gain) on disposal of property, plant and equipment	(1,445)	(1,080)
Property, plant and equipment transferred to expenses (including prepayments for equipment)	1,768	8,236
Gain on disposal of investment property	(301)	—
Gain on disposal of investments	(200,902)	(981)
Gain on disposal of associates accounted for using the equity method	(2,155)	—
Income and expense adjustments	<u>(152,079)</u>	<u>179,448</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	80,735	(56,800)
Contract assets	110,120	(258,127)
Notes and accounts receivable	238,572	240,243
Other receivables	(5,223)	15,901
Inventories	467,635	28,755
Prepayments	(95,751)	179,479
Other current assets	54,456	(124,548)
Contract liabilities	54,946	62,359
Notes and accounts payable	53,859	(138,266)
Other payables	(87,688)	(28,443)
Provisions	17,583	11,920
Advance receipts	(5,883)	(297)
Other current liabilities	3,524	(14,842)
Net defined benefit liabilities	(31,441)	(64,297)
Total changes in operating assets and liabilities	<u>855,444</u>	<u>(146,963)</u>
Total adjustments	<u>703,365</u>	<u>32,485</u>
Cash generated from operations	1,288,469	322,217
Interest paid	(114,620)	(154,137)
Interest received	18,677	31,771
Income tax paid	<u>(38,189)</u>	<u>(67,932)</u>
Net cash generated from operating activities	<u>1,154,337</u>	<u>131,919</u>

(Continued)

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

	<i>For The Six Months Ended June 30</i>	
	<i>2020</i>	<i>2019</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(101,149)	(23,452)
Proceeds from disposal of financial asset at fair value through other comprehensive income	5,618	80,908
The capital reduction on financial asset at fair value through other comprehensive income	7,311	15,085
Financial assets at amortized cost	8,498	126,524
Acquisition of property, plant and equipment (including prepayments for equipment)	(252,960)	(243,265)
Acquisition of investments under the equity method	—	(71,206)
Proceeds from disposal of investments under the equity method	4,570	—
Proceeds from disposal of property, plant and equipment	4,553	3,776
Increase (Decrease) in refundable deposits	(32,138)	(2,794)
Acquisition of intangible assets	(29)	(54)
Acquisition to right-of-use assets	(4,257)	—
Proceeds from disposal of investment property	1,000	—
Increase in other non-current assets	(449,292)	(24,486)
Dividend received	11,738	30,064
Other investing activities	26,818	(155,221)
Net cash used in investing activities	<u>(769,719)</u>	<u>(264,121)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	951,257	580,406
Decrease in short-term notes and bills payable	(164,948)	(134)
Repayments of bonds payable	—	(100,000)
Proceeds from long-term bank loans	79,415	1,518,000
Repayment of long-term bank loans	(667,350)	(1,634,158)
Increase (decrease) in guarantee deposits	(3,510)	(3,256)
Repayment of principal of lease liabilities	(11,576)	(15,818)
Decrease in other noncurrent liabilities	(2,875)	209
Increase in treasury stock	(54,141)	(1)
Increase in non-controlling interests	2,284	(68,963)
Net cash generated from financing activities	<u>128,556</u>	<u>276,285</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(45,446)</u>	<u>24,259</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	467,728	168,342
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,452,870</u>	<u>2,867,959</u>
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	<u>\$ 2,920,598</u>	<u>\$ 3,036,301</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated August 5, 2020)

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

Notes to Financial Statements

June 30, 2020 and 2019

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

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (TA YA) 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 June 30, 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 August 5, 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)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

Amendments to IAS 1 and IAS 8 “Definition of Material”

The Company adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “could reasonably be expected to influence” and, therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
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 IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company'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 independent auditors' review report and 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 the independent auditors' review report and consolidated 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. The disclosed information included in these interim consolidated financial statements is less than the disclosed information required in complete set of annual consolidated financial statements.

Basis Of Preparation

The accompanying consolidated 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 Company 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 Company 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
			2020.6.30	2019.12.31	2019.6.30	
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%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2020.6.30	2019.12.31	2019.6.30	
TAYA	TA YA UNION ENGINEERING, CO., LTD.	Cables	—	—	40.00%	Note 1
TAYA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Construction Sales Agent	99.99%	99.99%	99.99%	
TA YA and TA YI PLASTIC CO., LTD.	PLASTIC TECHNOLOGY INVESTMENT HOLDING	Investment holding	59.13%	59.13%	59.13%	
TAYA	TA YA Innovation Investment Co., Ltd.	General investment	100.00%	100.00%	100.00%	
TAYA And CUPRIME MATERIAL	TA YA VENTURE CAPITAL CO., LTD.	General investment	99.99%	99.99%	99.99%	
TAYA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	45.22%	45.22%	45.22%	Note 2
TAYA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	63.16%	63.16%	50.70%	Note 3
TAYA	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%	96.48%	
CUPRIME MATERIAL PTE.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 (HK)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2020.6.30	2019.12.31	2019.6.30	
TA YI PLASTIC (HK)	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 LIMITED	Investment holding	100.00%	100.00%	100.00%	
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%	100.00%	
TA YA (Vietnam) INVESTMENT HOLDING and CUPRIME 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 : The Company lost control over TA YA Union Engineering when it completed its liquidation on July 16, 2019, therefore, it is not included in the consolidated financial report.

Note 2 : Although the Company has 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 Company 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 : The investees were newly invested in 2019.

b. Subsidiaries that are not included in the consolidated financial statements: None.

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

d. Significant restrictions: None.

e. Subsidiaries included in the consolidated financial statements do not meet the definition of significant subsidiaries; their financial statements as of June 30, 2020 were not reviewed by independent accountants.

Other significant accounting policies

Except for the following, please refer to significant accounting policies to the consolidated financial statements for the years ended December 31, 2019.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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

In the application of the Company'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 which the estimates are revised if the revision affects only that period; or both in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgments and key sources of estimation and uncertainty used in the consolidated financial statements this period are the same to the consolidated financial statements for the year ended December 31, 2019.

6. Cash and Cash Equivalents

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand and petty cash	\$ 4,884	\$ 7,157	\$ 7,724
Cash in bank			
Checking accounts	445,854	394,568	304,031
Demand deposits	1,307,043	1,171,625	1,115,617
Foreign currency-demand deposits	511,173	324,017	620,861
Time deposits	651,644	555,503	988,068
Sub-total	<u>2,915,714</u>	<u>2,445,713</u>	<u>3,028,577</u>
Total	<u>\$ 2,920,598</u>	<u>\$ 2,452,870</u>	<u>\$ 3,036,301</u>

7. Financial Assets and Liabilities at Fair Value Through Profit or Loss

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets at FVTPL - current			
Listed stocks	\$ 276,568	\$ 248,591	\$ 233,418
Non-listed stocks	8,000	8,000	8,000
Metal commodities futures contracts	1,836	193	12,403
Metal options	1,788	3,310	1,127
Foreign exchange forward contracts	44	—	4,455
Structured Investment	—	—	5,635
	<u>288,236</u>	<u>260,094</u>	<u>265,038</u>
Valuation adjustment	283,818	161,229	115,204
	<u>\$ 572,054</u>	<u>\$ 421,323</u>	<u>\$ 380,242</u>

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 129,447	\$ 46,579	\$ 235,620
Non-listed stocks	1,150,302	1,148,994	942,686
Metal commodities futures contracts	131,751	1,306	—
Metal options	—	460	—
	<u>1,441,500</u>	<u>1,197,339</u>	<u>1,178,306</u>
Valuation adjustment	316,035	300,651	(18,819)
	<u>\$ 1,727,535</u>	<u>\$ 1,497,990</u>	<u>\$ 1,159,487</u>
Financial liabilities at FVTPL - current			
Metal commodities futures contracts	\$ 97,645	\$ 31,343	\$ 293
Foreign exchange forward contracts	6,533	4,037	1,960
	<u>\$ 104,178</u>	<u>\$ 35,380</u>	<u>\$ 2,253</u>
Financial liabilities at FVTPL - noncurrent			
Metal commodities futures contracts	\$ —	\$ —	\$ 25

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

	Metric Tons	Maturity Date	Contract Amount		Fair Value		Gain (Loss) on Evaluate	
<u>June 30, 2020</u>								
Buy	5,500	2020.07~2022.08	USD	28,770	USD	33,308	USD	4,538
Sell	7,400	2020.07~2020.10	USD	41,189	USD	44,517	(USD	3,328)
<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>June 30, 2019</u>								
Buy	125	2019.07~2021.04	USD	764	USD	754	(USD	10)
Sell	6,750	2019.07~2019.10	USD	40,867	USD	40,468	USD	399

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

	Metric Tons	Maturity Date	National Amounts		Fair Value	
<u>June 30, 2020</u>						
Sell	600	2020.08~2021.01	USD	3,300	USD	60
<u>December 31, 2019</u>						
Sell	1,200	2020.01~2021.01	USD	6,600	USD	125
<u>June 30, 2019</u>						
Sell	600	2019.07~2019.12	USD	3,480	USD	36

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

	Currency	Maturity Date	Contract Amounts (Thousand)
<u>June 30, 2020</u>			
Buy	CNY/USD	2020.08	CNY 42,794/USD 6,000
Buy	NTD/USD	2021.04	NTD 364,784/USD 12,190
<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>June 30, 2019</u>			
Buy	CNY/USD	2019.09	CNY 69,160/USD 10,000
Buy	NTD/USD	2019.09	NTD 511,474/USD 16,600

8. Financial Assets at Fair Value Through Other Comprehensive Income

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 21,548	\$ 4,783	\$ 3,801
Valuation adjustment	2,095	565	76
	<u>\$ 23,643</u>	<u>\$ 5,348</u>	<u>\$ 3,877</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stocks and emerging market stocks	\$ 179,579	\$ 20,781	\$ 33,753
Non-listed stocks and emerging market stocks	681,954	769,591	725,676
Valuation adjustment	47,568	47,206	31,643
	<u>\$ 909,101</u>	<u>\$ 837,578</u>	<u>\$ 791,072</u>

9. Financial Assets at amortized cost

	June 30, 2020	December 31, 2019	June 30, 2019
Time deposits with original maturities of more than 3 months	<u>\$ 244,435</u>	<u>\$ 252,933</u>	<u>\$ 188,529</u>

10. Notes and Accounts Receivable, Net

	June 30, 2020	December 31, 2019	June 30, 2019
Notes and accounts receivable	\$ 2,850,788	\$ 3,091,613	\$ 3,031,697
Allowance for impairment loss	(47,595)	(50,503)	(58,899)
Notes and accounts receivable, net	<u>\$ 2,803,193</u>	<u>\$ 3,041,110</u>	<u>\$ 2,972,798</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 Company to make judgments on any change of credit quality from the beginning to the end of the credit term.

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

The Company 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 Company estimated the past default experience, the current financial position, and the forecast direction of the future economic conditions of the debtor.

The Company 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 Company continues to engage in enforcement activity to recover the receivable due. When recoveries are made, they are recognized in profit or loss.

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

June 30, 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	\$ 2,575,330	\$ 189,344	\$ 23,007	\$ 45,729	\$ 17,378	\$ 2,850,788
Loss allowance (Lifetime ECL)	(13,036)	(3,044)	(2,433)	(11,704)	(17,378)	(47,595)
Amortized cost	<u>\$ 2,562,294</u>	<u>\$ 186,300</u>	<u>\$ 20,574</u>	<u>\$ 34,025</u>	<u>\$ —</u>	<u>\$ 2,803,193</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>
June 30, 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	\$ 2,567,567	\$ 323,692	\$ 85,413	\$ 47,645	\$ 7,380	\$ 3,031,697
Loss allowance (Lifetime ECL)	(12,559)	(5,487)	(9,683)	(23,790)	(7,380)	(58,899)
Amortized cost	<u>\$ 2,555,008</u>	<u>\$ 318,205</u>	<u>\$ 75,730</u>	<u>\$ 23,855</u>	<u>\$ —</u>	<u>\$ 2,972,798</u>

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

	For The Six Months Ended June 30	
	2020	2019
Balance at January 1	\$ 50,503	\$ 58,389
Amounts written off	(2,253)	—
Effect of exchange rate changes	(655)	510
Balance at June 30	<u>\$ 47,595</u>	<u>\$ 58,899</u>

11. Inventories, Net

a. Manufacturing

	June 30, 2020	December 31, 2019	June 30, 2019
Raw materials	\$ 575,135	\$ 969,237	\$ 816,494
Supplies	52,122	37,586	34,861
Work-in-process	682,822	569,810	830,280
Semi-finished goods	20,689	6,482	9,096
Finished goods	1,461,222	1,608,650	1,639,712
Merchandise	73,877	108,553	65,869
Inventory in transit	55,318	179,934	66,262
Total	<u>2,921,185</u>	<u>3,480,252</u>	<u>3,462,574</u>
Less: Allowance for inventory valuation losses	<u>(46,067)</u>	<u>(50,276)</u>	<u>(75,818)</u>
	<u>\$ 2,875,118</u>	<u>\$ 3,429,976</u>	<u>\$ 3,386,756</u>

b. Construction

	June 30, 2020	December 31, 2019	June 30, 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	66,236	38,875	12,377
	<u>135,298</u>	<u>45,875</u>	<u>12,377</u>
	234,680	145,257	133,140
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 234,680</u>	<u>\$ 145,257</u>	<u>\$ 133,140</u>

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

	For The Three Months Ended June 30	
	2020	2019
Cost of goods sold	\$ 3,984,396	\$ 4,137,561
Loss (gain) on physical inventory	1,542	504
(Reversal gain of) Write-down of inventories	(40,741)	23,857
	<u>\$ 3,945,197</u>	<u>\$ 4,161,922</u>
	For The Six Months Ended June 30	
	2020	2019
Cost of goods sold	\$ 7,642,819	\$ 8,225,926
Loss (gain) on physical inventory	1,542	504
(Reversal gain of) Write-down of inventories	(3,846)	13,554
	<u>\$ 7,640,515</u>	<u>\$ 8,239,984</u>

The reversal gain and loss of write-down of inventories for the six months ended June 30 in 2020 and 2019 were mainly because of the rise and fall of the price of copper.

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		
	June 30, 2020	December 31, 2019	June 30, 2019	June 30, 2020	December 31, 2019	June 30, 2019
Ad Engineering Corporation	\$ 90,956	\$ 86,126	\$ 77,350	27.00	27.00	30.22
Jung Shing Wire Co., Ltd.	426,002	418,355	454,232	22.13	22.13	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	83,358	87,225	89,136	21.10	21.10	21.10
Otto2 Holdings Corporation	22,149	22,193	22,286	27.27	27.27	27.26
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	27,395	26,797	24,216	33.00	33.00	31.00
AMIT system service Ltd.	1,688	2,444	3,462	19.61	19.61	19.76
Hengs Technology Co., Ltd.	126,862	137,899	149,089	22.58	22.86	24.03
Tenart Biotech Limited	14,547	15,293	—	25.41	25.41	—
	<u>\$ 792,957</u>	<u>\$ 796,332</u>	<u>\$ 819,771</u>			

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Total assets	\$ 6,883,748	\$ 6,172,858	\$ 5,997,708
Total liabilities	(3,756,303)	(2,776,378)	(2,658,819)
Net assets	<u>\$ 3,127,445</u>	<u>\$ 3,396,480</u>	<u>\$ 3,338,889</u>

	<u>For The Three Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Net revenue	\$ 769,960	\$ 575,464
Net income	<u>\$ 61,582</u>	<u>\$ 53,674</u>
The Company's share of profits of associates	<u>\$ 15,791</u>	<u>\$ 9,232</u>

	<u>For The Six Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Net revenue	\$ 2,142,336	\$ 1,599,014
Net income	<u>\$ 92,627</u>	<u>\$ 110,740</u>
The Company's share of profits of associates	<u>\$ 22,634</u>	<u>\$ 24,269</u>

- a. 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.
- b. The Company did not participate in the capital increase of Ad Engineering Corporation in Q3 2019. Therefore, the Company's ownership interest in Ad Engineering Corporation decreased from 30.22% to 27.00%.
- c. The Company participated in the capital increase of Hengs Technology Co., Ltd. by cash in Q2 2019 and the investment amounted to 4,665 thousand shares. Moreover, the Group's ownership interest in Hengs Technology Co., Ltd. decreased to 22.58% after having disposed 573 thousand shares in Q3 2019, 90 thousand shares in Q1 2020, and 50 thousand shares in Q2, 2020.
- d. The Company acquired 2.00% of the ownership of Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd. from others in Q3 2019. Therefore, the Company's ownership interest in Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd. increased to 33.00%.

e. The Company did not participated in the capital increase of AMIT system service Ltd. In Q3 2019. Therefore, the Company's ownership interest in AMIT system service Ltd. decreased from 19.76% to 19.61%.

f. The Company invested Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	June 30, 2020	December 31, 2019	June 30, 2019
Fair value	<u>\$ 359,123</u>	<u>\$ 393,210</u>	<u>\$ 429,351</u>

g. For the year ended December 31, 2019, the Company paid \$17,500 thousand to acquire shares of Tenart Biotech Limited. Therefore, the Company's ownership interest in Tenart Biotech Limited. increased to 25.41%.

h. 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 Six Months Ended June 30, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of June 30
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,013,827	12,495	(1,773)	2,008	(13,312)	2,013,245
Machinery and equipment	6,222,423	8,529	(53,407)	65,066	(22,067)	6,220,544
Transportation equipment	138,473	3,456	(1,144)	(604)	(792)	139,389
Miscellaneous equipment	1,527,016	17,479	(20,591)	15,232	(5,761)	1,533,375
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	173,780	638,554	—	(39,427)	(248)	772,659
	<u>\$ 11,846,130</u>	<u>\$ 680,513</u>	<u>\$ (76,915)</u>	<u>\$ 42,275</u>	<u>\$ (42,180)</u>	<u>\$ 12,449,823</u>

For The Six Months Ended June 30, 2020

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of June 30
Land and land improvements	\$ 14,328	\$ 1,325	\$ —	\$ —	\$ —	\$ 15,653
Buildings	1,338,255	30,136	(1,773)	(1,296)	(6,995)	1,358,327
Machinery and equipment	4,234,408	101,608	(50,808)	(27,780)	(16,392)	4,241,036
Transportation equipment	107,195	4,025	(1,025)	(579)	(571)	109,045
Miscellaneous equipment	1,328,670	24,953	(20,201)	(16,955)	(5,243)	1,311,224
Leasehold improvements	1,503	120	—	—	—	1,623
	<u>\$ 7,024,359</u>	<u>\$ 162,167</u>	<u>\$ (73,807)</u>	<u>\$ (46,610)</u>	<u>\$ (29,201)</u>	<u>\$ 7,036,908</u>

For The Six Months Ended June 30, 2019

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of June 30
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,018,244	2,036	—	—	8,742	2,029,022
Machinery and equipment	6,039,638	10,327	(75,189)	68,174	14,716	6,057,666
Transportation equipment	137,944	1,560	(3,510)	650	394	137,038
Miscellaneous equipment	1,494,307	14,051	(19,288)	8,391	3,953	1,501,414
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	120,251	81,347	—	(22,353)	86	179,331
	<u>\$ 11,580,995</u>	<u>\$ 109,321</u>	<u>\$ (97,987)</u>	<u>\$ 54,862</u>	<u>\$ 27,891</u>	<u>\$ 11,675,082</u>

For The Six Months Ended June 30, 2019

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of June 30
Land and land improvements	\$ 11,677	\$ 1,326	\$ —	\$ —	\$ —	\$ 13,003
Buildings	1,290,600	28,674	—	—	4,093	1,323,367
Machinery and equipment	4,116,243	103,978	(72,745)	—	12,362	4,159,838
Transportation equipment	104,562	4,197	(3,489)	—	262	105,532
Miscellaneous equipment	1,298,353	27,776	(19,057)	—	2,645	1,309,717
Leasehold improvements	1,120	191	—	—	—	1,311
	<u>\$ 6,822,555</u>	<u>\$ 166,142</u>	<u>\$ (95,291)</u>	<u>\$ —</u>	<u>\$ 19,362</u>	<u>\$ 6,912,768</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 Six Months Ended June 30, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of June 30
Land	\$ 258,599	\$ 4,257	\$ —	\$ (3,804)	\$ 259,052
Buildings	2,798	—	—	(20)	2,778
Transportation equipment	31,500	—	(1,259)	—	30,241
Miscellaneous equipment	198,424	2,780	—	—	201,204
	<u>\$ 491,321</u>	<u>\$ 7,037</u>	<u>\$ (1,259)</u>	<u>\$ (3,824)</u>	<u>\$ 493,275</u>

Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of June 30
Land	\$ 3,452	\$ 1,713	\$ —	\$ (77)	\$ 5,088
Buildings	1,439	721	—	(23)	2,137
Transportation equipment	9,073	4,616	(1,259)	—	12,430
Miscellaneous equipment	9,807	5,348	—	—	15,155
	<u>\$ 23,771</u>	<u>\$ 12,398</u>	<u>\$ (1,259)</u>	<u>\$ (100)</u>	<u>\$ 34,810</u>

For The Six Months Ended June 30, 2019

Cost	Balance, Beginning of Year	Initial Application of IFRS 16	Additions	Effect of Exchange Rate Changes	Balance, As of June 30
Land	\$ —	\$ 211,223	\$ —	\$ 3,202	\$ 214,425
Buildings	—	5,029	80	67	5,176
Transportation equipment	—	29,780	—	—	29,780
Miscellaneous equipment	—	160,460	30,877	—	191,337
	<u>\$ —</u>	<u>\$ 406,492</u>	<u>\$ 30,957</u>	<u>\$ 3,269</u>	<u>\$ 440,718</u>

Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of June 30
Land	\$ —	\$ 784	\$ —	\$ 1	\$ 785
Buildings	—	714	—	5	719
Transportation equipment	—	4,348	—	—	4,348
Miscellaneous equipment	—	4,507	—	—	4,507
	<u>\$ —</u>	<u>\$ 10,353</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 10,359</u>

b. Lease liabilities

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
Current	<u>\$ 17,450</u>	<u>\$ 19,293</u>	<u>\$ 18,869</u>
Non-current	<u>\$ 223,477</u>	<u>\$ 231,034</u>	<u>\$ 195,941</u>

Range of discount rate for lease liabilities is as follows:

	June 30, 2020	December 31, 2019	June 30, 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

	For The Three Months Ended June 30, 2020	For The Three Months Ended June 30, 2019
Expenses relating to short-term leases	\$ 1,544	\$ 3,242
Expenses relating to low-value asset leases	\$ —	\$ 3
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 458	\$ 865
Total cash outflow for leases	\$ (9,078)	\$ (17,812)
	For The Six Months Ended June 30, 2020	For The Six Months Ended June 30, 2019
Expenses relating to short-term leases	\$ 1,704	\$ 3,681
Expenses relating to low-value asset leases	\$ 3	\$ 7
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 657	\$ 829
Total cash outflow for leases	\$ (12,741)	\$ (18,260)

15. Investment Property

	For The Six Months Ended June 30, 2020			
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, As of June 30
Land	\$ 919,784	\$ —	\$ (699)	\$ 919,085
Buildings and improvements	246,602	—	—	246,602
	\$ 1,166,386	\$ —	\$ (699)	\$ 1,165,687

For The Six Months Ended June 30, 2020				
	Balance, Beginning of Year	Additions	Reclassification	Balance, As of June 30
<u>Accumulated depreciation</u>				
Buildings and improvements	\$ 61,949	\$ 2,599	\$ —	\$ 64,548

For The Six Months Ended June 30, 2019				
	Balance, Beginning of Year	Additions	Disposals	Balance, As of June 30
<u>Cost</u>				
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 Six Months Ended June 30, 2019				
	Balance, Beginning of Year	Additions	Disposals	Balance, As of June 30
<u>Accumulated depreciation</u>				
Buildings and improvements	\$ 55,921	\$ 2,520	\$ —	\$ 58,441

The fair value of the Company's investment properties was arrived on the basis of valuation carried out on March 20, 2019 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 :

	June 30, 2020	December 31, 2019	June 30, 2019
Fair value	<u>\$ 1,328,152</u>	<u>\$ 1,332,684</u>	<u>\$ 1,258,750</u>

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

16. Intangible Assets

For The Six Months Ended June 30, 2020

Cost	Balance, Beginning of					Effect of Exchange Rate Changes	Balance, As of June 30
	Year	Additions	Disposals	Reclassification			
Computer Software	\$ 493	\$ 29	\$ —	\$ —	\$ —	\$ 522	
Patents and other intangible assets	3,504	—	(2,000)	—	(21)	1,483	
	<u>\$ 3,997</u>	<u>\$ 29</u>	<u>\$ (2,000)</u>	<u>\$ —</u>	<u>\$ (21)</u>	<u>\$ 2,005</u>	

For The Six Months Ended June 30, 2020

Accumulated depreciation and impairment	Balance, Beginning of					Effect of Exchange Rate Changes	Balance, As of June 30
	Year	Additions	Disposals	Reclassification			
Computer Software	\$ 220	\$ 95	\$ —	\$ —	\$ —	\$ 315	
Patents and other intangible assets	3,087	110	(2,000)	—	(16)	1,181	
	<u>\$ 3,307</u>	<u>\$ 205</u>	<u>\$ (2,000)</u>	<u>\$ —</u>	<u>\$ (16)</u>	<u>\$ 1,496</u>	

For The Six Months Ended June 30, 2019

Cost	Balance, Beginning of					Effect of Exchange Rate Changes	Balance, As of June 30
	Year	Additions	Disposals	Reclassification			
Computer Software	\$ 588	\$ 54	\$ (149)	\$ —	\$ —	\$ 493	
Patents and other intangible assets	3,829	—	(381)	—	12	3,460	
	<u>\$ 4,417</u>	<u>\$ 54</u>	<u>\$ (530)</u>	<u>\$ —</u>	<u>\$ 12</u>	<u>\$ 3,953</u>	

For The Six Months Ended June 30, 2019

Accumulated depreciation and impairment	Balance, Beginning of					Effect of Exchange Rate Changes	Balance, As of June 30
	Year	Additions	Disposals	Reclassification			
Computer Software	\$ 178	\$ 99	\$ (149)	\$ —	\$ —	\$ 128	
Patents and other intangible assets	3,226	146	(381)	—	8	2,999	
	<u>\$ 3,404</u>	<u>\$ 245</u>	<u>\$ (530)</u>	<u>\$ —</u>	<u>\$ 8</u>	<u>\$ 3,127</u>	

17.Short-Term Loans

	<u>June 30, 2020</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Usance L/C loans	\$ 1,925,530	0.83%~5.05%	2020.07~2021.05
Mortgage loans	1,315,070	0.95%~4.55%	2020.08~2021.06
Unsecured loans	1,261,075	0.66%~4.75%	2020.07~2021.06
	<u>\$ 4,501,675</u>		

	<u>December 31, 2019</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
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>		

	<u>June 30, 2019</u>	<u>Annual interest rate</u>	<u>Maturity date</u>
Usance L/C loans	\$ 1,704,503	1.28%~5.60%	2019.07~2020.03
Mortgage loans	643,657	1.09%~5.00%	2019.07~2020.06
Unsecured loans	1,391,254	1.09%~5.22%	2019.07~2020.06
	<u>\$ 3,739,414</u>		

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

18.Commercial Papers

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Commercial Papers	\$ 590,000	\$ 755,000	\$ 760,000
Less: Discount on commercial papers	(207)	(259)	(398)
	<u>\$ 589,793</u>	<u>\$ 754,741</u>	<u>\$ 759,602</u>
Interest rate range	1.25%~1.44%	1.35%~1.43%	0.97%~1.50%
Maturity date	2020.07~2020.09	2020.01~2020.03	2019.08~2019.09

19. Bonds Payable

	June 30, 2020	December 31, 2019	June 30, 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

	June 30, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 2,374,375	1.29%~2.05%	2021.10~2038.06
Unsecured loans	2,426,011	1.20%~2.05%	2021.09~2038.06
Less: Current portion	(1,066,795)		
	<u>\$ 3,733,591</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>		
	June 30, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 2,970,428	1.44%~2.05%	2020.05~2038.09
Unsecured loans	2,567,050	1.44%~4.12%	2020.05~2038.09
Less: Current portion	(1,903,762)		
	<u>\$ 3,633,716</u>		

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

21. Provisions

For The Six Months Ended June 30, 2020	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 120,778	\$ 20,804	\$ 141,582
Recognized	18,025	332	18,357
Paid	(550)	—	(550)
Balance, As of June 30, 2020	<u>\$ 138,253</u>	<u>\$ 21,136</u>	<u>\$ 159,389</u>

For The Six Months Ended June 30, 2019	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 115,005	\$ 17,254	\$ 132,259
Recognized	12,004	184	12,188
Paid	(84)	—	(84)
Balance, As of June 30, 2019	<u>\$ 126,925</u>	<u>\$ 17,438</u>	<u>\$ 144,363</u>

	June 30, 2020	December 31, 2019	June 30, 2019
Current	<u>\$ 120,111</u>	<u>\$ 102,281</u>	<u>\$ 113,386</u>
Non-current	<u>\$ 39,278</u>	<u>\$ 39,301</u>	<u>\$ 30,977</u>

- a. The provision for warranty was based on historical experience, the 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.
- b. 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 and capitalizes the cost of decommissioning, increasing the carrying amount of property, plant and equipment. The Company recognizes the increase in decommissioning liabilities due to discounts over time and the interest expenses annually. 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\$5,103 thousand, NT\$4,259 thousand, NT\$10,559 thousand, and NT\$10,275 thousand are contributed by the Company for the three months ended June 30, 2020 and 2019, and the six months ended June 30, 2020 and 2019, respectively.

b. Defined benefit plans

For the three months ended 2020 and 2019, and the six months ended June 30, 2020 and 2019, the total pension expenses of NT\$3,213 thousand, NT\$3,302 thousand, NT\$6,475 thousand, and NT\$6,581 thousand, respectively, were recognized by the Company.

23. Equity

a. Capital stock

(1) As of June 30, 2020, December 31, 2019 and June 30, 2019, TA YA'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, the 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 stipulated 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. As of June 30, 2020, December 31, 2019, and June 30, 2019, the balances of the Company's capital surplus were NT\$ 531,163 thousand, NT\$ 531,117 thousand, and NT\$ 526,679 thousand, mostly obtained from the trade of treasury stock.

c. Retained earnings and dividend policy

TAYA'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 be lower than 10% of such dividends.

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.

The appropriation for legal capital reserve shall be made until the reserve equals TA YA'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 TA YA incurs no loss.

Pursuant to existing regulations, TA YA 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 included in the distributable earnings when the net debit balance reverses.

TA YA 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 June 11, 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	\$ 50,504	\$ 40,499		
Cash dividends	178,521	171,654	0.30	0.30
Share dividends	—	228,872	—	0.40
	<u>\$ 229,025</u>	<u>\$ 441,025</u>		

Refer to Note 29 for TA YA's Articles that stipulated the distribution of employees' compensation and remuneration of directors and supervisors.

d. Others

1) Foreign currency translation reserve

	Six Months Ended June 30	
	2020	2019
Balance, beginning of period	\$ (183,063)	\$ (138,115)
Exchange differences arising on translation foreign operations	(38,044)	21,162
Share of other comprehensive income (loss) of associates	(4,447)	4,698
Income tax effect	8,180	(3,835)
Balance, end of period	<u>\$ (217,374)</u>	<u>\$ (116,090)</u>

The exchange differences 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. The exchange differences that were 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

	Six Months Ended June 30	
	2020	2019
Balance, beginning of period	\$ 36,775	\$ 20,508
Unrealized loss on financial assets at fair value through other comprehensive income	2,757	9,259
Disposal of investments in equity instruments at fair value through other comprehensive income	(673)	(7,184)
Share of other comprehensive income of accounted for using the equity method	1,070	(2,414)
Income tax effect	457	621
Balance, end of period	<u>\$ 40,386</u>	<u>\$ 20,790</u>

e. Non-controlling interests

	Six Months Ended June 30	
	2020	2019
Beginning balance	\$ 1,298,386	\$ 1,303,901
Changes in ownership interests in subsidiaries	1	2,275
Cash dividends issued by subsidiaries	—	(69,221)
Profit for the period	60,960	17,612
Exchange differences on translation of foreign financial statements	(22,371)	1,851
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	226	1,285
Disposal of investments in equity instruments at fair value through other comprehensive income	27	—
Increase (decrease) in non-controlling interests	<u>2,284</u>	<u>258</u>
Balance, As of June 30	<u>\$ 1,339,513</u>	<u>\$ 1,257,961</u>

24. Treasury Stock

Purpose of Treasury Shares	Six Months Ended June 30, 2020			End of period
	Beginning of period	Addition	Reduction	
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	7,939,067	—	—	7,939,067
For transfer to employees	—	5,500,000	—	5,500,000
	<u>7,939,067</u>	<u>5,500,000</u>	<u>—</u>	<u>13,439,067</u>

Purpose of Treasury Shares	Six Months Ended June 30, 2019			End of period
	Beginning of period	Addition	Reduction	
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	<u>5,633,667</u>	<u>52</u>	<u>—</u>	<u>5,633,719</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 and \$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 June 30, 2020, the Company has purchased 5,500,000 shares, which accounts for 0.92% of the Company's total issued shares, with the average buyback price of \$9.84 and the buyback cost of \$54,141 thousand.

(2) The 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 June 30, 2020, December 31, 2019, and June 30, 2019, treasury stocks held by subsidiaries were 7,939,067 shares, 7,939,067 shares, and 5,633,719 shares. The market values of the shares held by the subsidiaries were \$10.85, \$11.40, and \$10.90 per share, respectively.

25. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended June 30	
	2020	2019
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 40,168	\$ 31,757
Reserve for land value increment tax	31	—
Adjustments for prior years' tax in respect of the current year	<u>(4,009)</u>	<u>(4,307)</u>
	36,190	27,450
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	<u>(31,915)</u>	<u>11,151</u>
Income tax benefit recognized in profit or loss	<u>\$ 4,275</u>	<u>\$ 38,601</u>

	Six Months Ended June 30	
	2020	2019
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 71,903	\$ 60,619
Reserve for land value increment tax	31	561
Adjustments for prior years' tax in respect of the current year	<u>(4,009)</u>	<u>(4,307)</u>
	67,925	56,873
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	<u>(1,683)</u>	<u>5,399</u>
Income tax benefit recognized in profit or loss	<u>\$ 66,242</u>	<u>\$ 62,272</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended June 30	
	2020	2019
Related to unrealized gain/loss on translation of foreign operations	\$ (4,883)	\$ (1,992)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(119)</u>	<u>(85)</u>
	<u>\$ (5,002)</u>	<u>\$ (2,077)</u>

	<u>Six Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Related to unrealized gain/loss on translation of foreign operations	\$ (8,180)	\$ 3,835
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>(457)</u>	<u>(621)</u>
	<u>\$ (8,637)</u>	<u>\$ 3,214</u>

TA YA'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.

26.Earnings Per Share

	<u>Amount (Numerator)</u>	<u>Number of Shares (Denominator) (in Thousands)</u>	<u>EPS(NT\$)</u>
<u>Three Months Ended June 30, 2020</u>			
Net income available to common shareholders	<u>\$ 318,095</u>		
Number of shares issued as of December 31, 2019		595,068	
Treasury stock repurchase		(3,669)	
Regard as treasury stock-common stock held by subsidiaries		<u>(7,939)</u>	
Weighted average number of shares outstanding as of June 30, 2020		<u>583,460</u>	
Basic Earnings per share			<u>\$ 0.54</u>
<u>Three Months Ended June 30, 2019</u>			
Net income available to common shareholders	<u>\$ 95,591</u>		
Number of shares issued as of December 31, 2019		572,180	
Regard as treasury stock-common stock held by subsidiaries		(5,859)	
Issuance of bonus shares		<u>22,887</u>	
Weighted average number of shares outstanding as of June 30, 2020		<u>589,208</u>	
Basic Earnings per share			<u>\$ 0.17</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Six Months Ended June 30, 2020</u>			
Net income available to common shareholders	\$ 457,902		
Number of shares issued as of December 31, 2019		595,068	
Treasury stock repurchase		(1,855)	
Regard as treasury stock-common stock held by subsidiaries		(7,939)	
Weighted average number of shares outstanding as of June 30, 2020		<u>585,274</u>	
Basic Earnings per share			<u>\$ 0.78</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Six Months Ended June 30, 2019</u>			
Net income available to common shareholders	\$ 209,848		
Number of shares issued as of December 31, 2019		572,180	
Regard as treasury stock-common stock held by subsidiaries		(5,859)	
Issuance of bonus shares		22,887	
Weighted average number of shares outstanding as of June 30, 2020		<u>589,208</u>	
Basic Earnings per share			<u>\$ 0.36</u>

27. Operating Revenues

	<u>Three Months Ended June 30</u>	
	2020	2019
Sales Revenue	\$ 4,145,168	\$ 4,438,205
Electricity Revenue	53,478	43,031
Processing Revenue	5,820	2,249
Engineering Revenue	3,086	4,509
Others	9,146	1,351
	<u>\$ 4,216,698</u>	<u>\$ 4,489,345</u>

	Six Months Ended June 30	
	2020	2019
Sales Revenue	\$ 8,054,347	\$ 8,819,525
Construction Revenue	—	35,631
Electricity Revenue	96,324	76,715
Processing Revenue	9,437	3,909
Engineering Revenue	3,086	12,532
Others	10,515	10,551
	<u>\$ 8,173,709</u>	<u>\$ 8,958,863</u>

28. Additional Information of Expenses by Nature

	Three Months Ended June 30	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 81,851	\$ 82,973
Depreciation of right-of-use assets	6,560	5,372
Depreciation of investment property	1,300	1,260
Amortization of intangible assets	102	107
	<u>\$ 89,813</u>	<u>\$ 89,712</u>
Employee benefits expenses		
Salaries and bonus	\$ 217,460	\$ 196,674
Labor and health insurance	15,159	15,420
Pension	8,316	7,561
Remuneration of directors	1,874	2,647
Others	12,821	13,487
	<u>\$ 255,630</u>	<u>\$ 235,789</u>

	Six Months Ended June 30	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 162,167	\$ 166,142
Depreciation of right-of-use assets	12,398	10,353
Depreciation of investment property	2,599	2,520
Amortization of intangible assets	205	245
	<u>\$ 177,369</u>	<u>\$ 179,260</u>

	Six Months Ended June 30	
	2020	2019
Employee benefits expenses		
Salaries and bonus	\$ 413,735	\$ 393,862
Labor and health insurance	33,497	32,730
Pension	17,034	16,856
Remuneration of directors	2,909	3,933
Others	26,961	29,514
	<u>\$ 494,136</u>	<u>\$ 476,895</u>

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

The employees' compensation and the remuneration of directors for the six months ended June 30, 2020 and 2019 were as follows:

	Six Months Ended June 30	
	2020	2019
Employees' compensation	\$ 54,076	\$ 29,739
Remuneration of directors	\$ 9,543	\$ 6,295

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

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 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 the employees' compensation and the 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 the remuneration of directors resolved by the board of directors are available at the Market Observation Post System website of the Taiwan Stock Exchange.

29. Interest Income

	Three Months Ended June 30	
	2020	2019
Interest income		
Bank deposits	\$ 10,348	\$ 11,413
Other interest income	248	—
	<u>\$ 10,596</u>	<u>\$ 11,413</u>
	Six Months Ended June 30	
	2020	2019
Interest income		
Bank deposits	\$ 18,168	\$ 20,226
Other interest income	501	3,402
	<u>\$ 18,669</u>	<u>\$ 23,628</u>

30. Other Income

	Three Months Ended June 30	
	2020	2019
Rental revenue	\$ 4,210	\$ 4,438
Dividend income	5,362	15,511
	<u>\$ 9,572</u>	<u>\$ 19,949</u>
	Six Months Ended June 30	
	2020	2019
Rental revenue	\$ 8,523	\$ 8,219
Dividend income	6,447	15,511
	<u>\$ 14,970</u>	<u>\$ 23,730</u>

31. Other Gains And Losses

	<u>Three Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Gain (loss) on disposal of property, plant and equipment	\$ 1,838	\$ 635
Gain (loss) on disposal of investment property	301	—
Gain on disposal of investments	125,693	(3,113)
Gain (loss) on disposal of investments accounted for using the equity method	2,155	—
Net foreign exchange gain (loss)	32,023	7,520
Net gain (loss) arising on financial assets/liabilities at FVTPL	176,750	83,054
Others	8,252	(24,074)
	<u>\$ 347,012</u>	<u>\$ 64,022</u>

	<u>Six Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Gain (loss) on disposal of property, plant and equipment	\$ 1,445	\$ 1,080
Gain (loss) on disposal of investment property	301	—
Gain on disposal of investments	200,902	981
Gain (loss) on disposal of investments accounted for using the equity method	2,155	—
Net foreign exchange gain (loss)	36,458	6,181
Net gain (loss) arising on financial assets/liabilities at FVTPL	327,104	63,377
Others	20,727	14,326
	<u>\$ 589,092</u>	<u>\$ 85,945</u>

32. Finance Costs

	<u>Three Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Interest expense		
Bank loans	\$ 51,832	\$ 66,591
Interest of lease liabilities	2,984	772
Decommissioning liabilities	112	184
Other Interest expense	2,145	2,382
	<u>\$ 57,073</u>	<u>\$ 69,929</u>

	<u>Six Months Ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Interest expense		
Bank loans	\$ 108,632	\$ 129,509
Interest of lease liabilities	4,174	2,291
Decommissioning liabilities	224	184
Other Interest expense	3,643	4,131
	<u>\$ 116,673</u>	<u>\$ 136,115</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 (i.e., borrowings offset by cash and cash equivalents) and equity of the Company (i.e., 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 June 30, 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 and interest rates. The risks were reduced by utilizing several derivative financial instruments.

(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 significant exposure to foreign currency risk of the company as follow:

	June 30, 2020			December 31, 2019			June 30, 2019		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>									
<u>Monetary items</u>									
USD	\$ 36,763	29.64	\$1,089,665	\$ 71,453	30.10	\$2,150,735	\$ 43,214	31.07	\$1,342,672
HKD	10,190	3.82	38,926	915	3.86	3,532	840	3.98	3,343
CNY	3,389	4.19	14,200	2,368	4.32	10,230	12,167	4.53	55,115
JPY	537,571	0.28	150,520	253,717	0.28	71,041	285,120	0.29	82,708

	June 30, 2020			December 31, 2019			June 30, 2019		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Liabilities</u>									
<u>Monetary items</u>									
USD	\$ 79,225	29.64	\$2,348,229	\$ 87,168	30.10	\$2,623,757	\$ 87,078	31.07	\$2,705,498
CNY	984	4.19	4,123	1,513	4.32	6,536	581	4.53	2,630
JPY	91,158	0.28	25,524	126,610	0.28	35,451	44,365	0.29	12,866

For the six months ended June 30, 2020 and 2019, realized and unrealized net foreign exchange gains and losses were NT\$36,458 thousand and NT\$6,181 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, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the six months ended June 30, 2020 and 2019 would have increased (decrease) the net profit after tax by NT\$10,846 thousand and NT\$12,372 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 holds 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 remain constant, the Company's net profit after tax would have (decreased) increased by NT\$4,259 thousand and NT\$4,315 thousand for the six months ended June 30, 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 six months ended June 30, 2020 and 2019 would have been higher/lower by NT\$109,771 thousand and

NT\$75,805 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 six months ended June 30, 2020 and 2019 would have been higher/lower by NT\$46,637 thousand and NT\$39,747 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 risks from trade receivables arising from operating activities as well as bank deposits, fixed-income investments, and other financial instruments arising from financing activities. 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 are evaluated through the customer's financial position, credit rating by both the credit rating agency and the Company itself, transaction history, and current economic conditions that may affect the customer's ability to pay. The Company also has the right to use some credit enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of June 30, 2020, December 31, 2019 and June 30, 2019, the ten largest customers of the company accounted for 16.67%, 20.01%, and 22.76% 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 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 maintaining 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.

	June 30, 2020				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 4,501,675	\$ 4,501,675	\$ 4,501,675	\$ —	\$ —
Commercial papers	589,793	589,793	589,793	—	—
Notes payable (including related parties)	75,043	75,043	75,043	—	—
Accounts payable (including related parties)	584,222	584,222	584,222	—	—
Other payables	1,160,505	1,160,505	1,160,505	—	—
Lease liabilities	240,927	334,511	26,080	71,903	236,528
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	4,800,386	4,800,386	1,066,795	3,039,492	694,099
	<u>\$12,452,551</u>	<u>\$ 12,546,135</u>	<u>\$ 8,004,113</u>	<u>\$ 3,611,395</u>	<u>\$ 930,627</u>
<u>Derivative financial liabilities</u>					
<u>Metal commodities</u>					
futures contract	\$ 97,645	\$ 1,268,980	\$ 1,268,980	\$ —	\$ —
Forward exchange contract	6,533	513,034	513,034	—	—
	<u>\$ 104,178</u>	<u>\$ 1,782,014</u>	<u>\$ 1,782,014</u>	<u>\$ —</u>	<u>\$ —</u>

	December 31, 2019				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
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>

	December 31, 2019				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Derivative financial liabilities</u>					
<u>Metal commodities</u>					
futures contract	\$ 31,343	\$ 193,437	\$ 193,437	\$ —	\$ —
Forward exchange contract	4,037	336,279	336,279	—	—
	<u>\$ 35,380</u>	<u>\$ 529,716</u>	<u>\$ 529,716</u>	<u>\$ —</u>	<u>\$ —</u>

	June 30, 2019				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 3,739,414	\$ 3,739,414	\$ 3,739,414	\$ —	\$ —
Commercial papers	759,602	759,602	759,602	—	—
Notes payable (including related parties)	56,512	56,512	56,512	—	—
Accounts payable (including related parties)	529,742	529,742	529,742	—	—
Other payables	537,742	537,742	537,742	—	—
Lease liabilities	214,810	214,810	18,869	43,212	152,729
Bonds payable	600,000	600,000	100,000	500,000	—
Long-term bank loans	5,537,478	5,537,478	1,903,762	2,973,225	660,491
	<u>\$11,975,300</u>	<u>\$ 11,975,300</u>	<u>\$ 7,645,643</u>	<u>\$ 3,516,437</u>	<u>\$ 813,220</u>

	June 30, 2019				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Derivative financial liabilities</u>					
<u>Metal commodities</u>					
futures contract	\$ 318	\$ 23,736	\$ 9,600	\$ 14,136	\$ —
Forward exchange contract	1,960	310,650	310,650	—	—
	<u>\$ 2,278</u>	<u>\$ 334,386</u>	<u>\$ 320,250</u>	<u>\$ 14,136</u>	<u>\$ —</u>

e. Fair value of financial instruments

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

The Company considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated 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 values 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 were determined in accordance with discounted cash flow analysis based on generally accepted pricing models.

(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

June 30, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 966,912	\$ —	\$ —	\$ 966,912
Unlisted stocks	—	624,464	572,794	1,197,258
Derivative not designated as a hedging instrument	—	135,419	—	135,419
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	223,183	—	—	223,183
Unlisted stocks	—	—	709,561	709,561
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	—	(104,178)	—	(104,178)
	<u>\$ 1,190,095</u>	<u>\$ 655,705</u>	<u>\$ 1,282,355</u>	<u>\$ 3,128,155</u>
December 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 762,880	\$ —	\$ —	\$ 762,880
Unlisted stocks	—	629,882	521,283	1,151,165
Derivative not designated as a hedging instrument	—	5,268	—	5,268
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	122,352	—	—	122,352
Unlisted stocks	—	—	720,574	720,574
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	—	(35,380)	—	(35,380)
	<u>\$ 885,232</u>	<u>\$ 599,770</u>	<u>\$ 1,241,857</u>	<u>\$ 2,726,859</u>

June 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 677,295	\$ —	\$ —	\$ 677,295
Unlisted stocks	—	291,904	546,910	838,814
Derivative not designated as a hedging instrument	—	17,986	—	17,986
Other	—	5,634	—	5,634
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	98,684	—	—	98,684
Unlisted stocks	—	—	696,265	696,265
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	—	(2,278)	—	(2,278)
	<u>\$ 775,979</u>	<u>\$ 313,246</u>	<u>\$ 1,243,175</u>	<u>\$ 2,332,400</u>

ii. The transfer between Level 1 and Level 2.

There were no transfers between Level 1 and 2 for the six months ended June 30, 2020.

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

Reconciliations for the six months ended June 30, 2020 and 2019 were as follows:

	Six Months Ended June 30, 2020		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 720,574	\$ 521,283	\$ 1,241,857
Purchases	—	69,336	69,336
Capital reduction	(7,311)	—	(7,311)
Recognized in profit or loss	—	(14,144)	(14,144)
Recognized in other comprehensive income	(2,293)	—	(2,293)
Effect of exchange rate changes	(1,409)	(3,681)	(5,090)
Balance at June 30, 2020	<u>\$ 709,561</u>	<u>\$ 572,794</u>	<u>\$ 1,282,355</u>

Six Months Ended June 30, 2019

	Financial assets		Total
	at FVTOCI	at FVTPL	
Balance, beginning of year	\$ 713,062	\$ 494,713	\$ 1,207,775
Purchases	—	69,802	69,802
Capital reduction	(15,085)	—	(15,085)
Recognized in profit or loss	—	(19,916)	(19,916)
Recognized in other comprehensive income	(3,080)	—	(3,080)
Effect of exchange rate changes	1,368	2,311	3,679
Balance at June 30, 2019	<u>\$ 696,265</u>	<u>\$ 546,910</u>	<u>\$ 1,243,175</u>

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

June 30, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 709,561	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	572,794	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A
December 31, 2019	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 720,574	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	521,283	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A
June 30, 2019	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 696,265	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	546,910	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 2,920,598	\$ 2,452,870	\$ 3,036,301
Notes receivable and trade receivables	2,803,193	3,041,110	2,972,798
Other receivables	102,404	84,285	64,325
Refundable deposits	149,749	117,611	144,525
Financial assets at amortized cost	244,435	252,933	188,529
Financial assets at FVTPL (current and non-current)	2,299,589	1,919,313	1,539,729
Financial assets at FVTOCI (current and non-current)	932,744	842,926	794,949
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	104,178	35,830	2,278
Financial liabilities at amortized cost			
Short-term borrowings	4,501,675	3,550,418	3,739,414
Short-term notes and bills payable	589,793	754,741	759,602
Notes payable and trade payables	659,265	605,406	586,254
Other payables	1,160,505	549,611	537,742
Lease liabilities (current and non-current)	240,927	250,327	214,810
Bonds payable (including current portion)	500,000	500,000	600,000
Long-term borrowings (including current portion)	3,733,591	5,397,291	5,537,478
Guarantee deposits	38,561	42,071	46,059

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
HENGSHI TECHNOLOGY CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO (VIETNAM) ELECTRIC & MACHINERY CO., LTD.	Associates
TA AN PRECISION CO., LTD.	Other related parties
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties
Shen Shang Tao	Other related parties
Green inside	Other related parties
PACIFIC ELECTRIC WIRE&CABLE CO., LTD.	Joint venture

(b) Significant related party transactions

Sales

Related Parties	For The Three Months Ended June 30	
	2020	2019
Associates	\$ 81,013	\$ 69,775
Joint venture	85,997	—
Others	2,245	—
	<u>\$ 169,255</u>	<u>\$ 69,775</u>

Related Parties	For The Six Months Ended June 30	
	2020	2019
Associates	\$ 140,071	\$ 145,142
Joint venture	85,997	11,324
Others	3,256	3
	<u>\$ 229,324</u>	<u>\$ 156,469</u>

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

Purchases

<u>Related Parties</u>	For The Three Months Ended June 30	
	2020	2019
Associates	\$ 129	\$ 1,492
Joint venture	—	4,773
Others	125	761
	<u>\$ 254</u>	<u>\$ 7,026</u>

<u>Related Parties</u>	For The Six Months Ended June 30	
	2020	2019
Associates	\$ 129	\$ 3,802
Joint venture	—	25,882
Others	576	1,676
	<u>\$ 705</u>	<u>\$ 31,360</u>

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

Property exchange

<u>Related Parties</u>	<u>Item</u>	For The Three Months Ended June 30	
		2020	2019
Associates	Machinery and equipment	<u>\$ 569,142</u>	<u>\$ —</u>

<u>Related Parties</u>	<u>Item</u>	For The Six Months Ended June 30	
		2020	2019
Associates	Machinery and equipment	<u>\$ 663,799</u>	<u>\$ —</u>

<u>Related Parties</u>	<u>Item</u>	For The Three Months Ended June 30	
		2020	2019
Associates	Development Services	<u>\$ 165,145</u>	<u>\$ —</u>

<u>Related Parties</u>	<u>Item</u>	For The Six Months Ended June 30	
		2020	2019
Associates	Development Services	<u>\$ 165,145</u>	<u>\$ —</u>

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

Receivables

	Related Parties	June 30, 2020	December 31, 2019	June 30, 2019
(1) Notes receivable	Associates	\$ —	\$ —	\$ —
	Joint venture	26,705	—	—
		\$ 26,705	\$ —	\$ —
		June 30, 2020	December 31, 2019	June 30, 2019
(2) Accounts receivable	Associates	\$ 66,599	\$ 16,355	\$ 34,898
	Joint venture	1,662	—	—
	Other related parties	2,655	60	127
		\$ 70,916	\$ 16,415	\$ 35,025

Payables

	Related Parties	June 30, 2020	December 31, 2019	June 30, 2019
(1) Notes payable	Other related parties	\$ 4	\$ 105	\$ —
		June 30, 2020	December 31, 2019	June 30, 2019
(2) Accounts payable	Joint venture	\$ —	\$ —	\$ 3,457
	Other related parties	1,076	1,455	1,812
		\$ 1,076	\$ 1,455	\$ 5,269
		June 30, 2020	December 31, 2019	June 30, 2019
(3) Other payables	HENGGS			
	TECHNOLOGY CO.,	\$ 567,678	\$ 92,899	\$ 89,269
	Other related parties	2,223	2,120	1,981
		\$ 569,901	\$ 95,019	\$ 91,250

Contract liabilities

Related Parties	June 30,2020	December 31,2019	June 30,2019
Joint venture	\$ 1,583	\$ —	\$ 1,327

(d) Key management personnel compensation disclosure

Item	For The Three Months Ended June 30	
	2020	2019
Short-term employee benefits	\$ 16,818	\$ 12,993
Post-employment benefits	1,043	1,310
	<u>\$ 17,861</u>	<u>\$ 14,303</u>

Item	For The Six Months Ended June 30	
	2020	2019
Short-term employee benefits	\$ 38,288	\$ 38,465
Post-employment benefits	2,217	2,620
	<u>\$ 40,505</u>	<u>\$ 41,085</u>

36.Mortgage Assets

As of June 30, 2020, December 31, 2019 and June 30, 2019, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of June 30, 2020, December 31, 2019 and June 30, 2019 were summarized as follows:

	June 30, 2020		December 31, 2019		June 30, 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>

	June 30, 2020	December 31, 2019	June 30, 2019
Property, plant and equipment—			
Land (include revaluation increments)	\$ 1,181,807	\$ 1,181,397	\$ 1,181,397
Buildings, net	229,278	195,208	208,129
Machinery and equipment, net	1,407,859	1,426,953	1,271,924
	<u>\$ 2,818,944</u>	<u>\$ 2,803,558</u>	<u>\$ 2,661,450</u>
Investment property—land	<u>\$ 696,351</u>	<u>\$ 691,923</u>	<u>\$ 696,351</u>
Refundable deposits	<u>\$ 149,749</u>	<u>\$ 117,907</u>	<u>\$ 144,525</u>
Other current assets—			
Mortgage demand deposits	<u>\$ 10,085</u>	<u>\$ 442,426</u>	<u>\$ 328,246</u>
Other non-current assets—			
Mortgage demand deposits	<u>\$ 510,259</u>	<u>\$ 104,426</u>	<u>\$ 240,830</u>
Right-of-use assets—Land	<u>\$ 13,209</u>	<u>\$ 13,792</u>	<u>\$ 14,704</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 June 30, 2020, TA YA had outstanding usance letters of credit amounting to approximately \$11,531 thousand (JPY \$38,446 thousand and EUR \$23 thousand).
- (b) TA YA pledged guarantee deposits amounting to \$330,506 thousand due to the wire and cable installation project.
- (c) The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was \$3,563,746 thousand.
- (d) TA YA and CUPRIME MATERIAL entered contracts of procurement with 18,100 tons of copper.
- (e) TA HO engaged a contract of wire and cable installation project with the amount of \$700 thousand. As of June 30, 2020, \$70 thousand had not been paid.
- (f) TA YA, CUPRIME MATERIAL and HENG YA entered contracts of machinery and equipment procurement with the amount of \$118,175 thousand. As of June 30, 2020, \$40,951 thousand had not been paid.

- (g) TA HO signed a long-term technical consultant contract with FURUKAWA ELECTRIC CO., LTD., promising to pay USD \$7 thousand per month, with a total amount of USD \$84 thousand to be paid next year.
- (h) SIN JHONG, BOSI, BRAVO, DAIJU and TA YA GREEN signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of June 30, 2020, \$3,269,236 thousand had not been paid.
- (i) As of June 30, 2020, December 31, 2019 and June 30, 2019, the information of TA YA provided endorsements and guarantee for related parties was as follows:

Related Parties	June 30, 2020	December 31, 2019	June 30, 2019
Subsidiaries	\$ 3,564,859	\$ 3,444,487	\$ 3,433,925

38. Significant Losses From Disasters : N/A

39. Significant Subsequent Events : N/A

40. Others:

Some subsidiaries, customers, and suppliers from several regions were asked to self-isolate and to follow the travel restriction. On this basis, the Company evaluated the overall financial and business aspect and concluded that there were no huge effects on the Company and that it does not have the concerns of continuing to operate, risks of funding, and impairment of assets.

41. 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 Six Months Ended June 30, 2020				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 6,437,816	\$ 2,663,298	\$ (927,405)	\$ 8,173,709
Interest income	4,630	15,519	(1,480)	18,669
	<u>\$ 6,442,446</u>	<u>\$ 2,678,817</u>	<u>\$ (928,885)</u>	<u>\$ 8,192,378</u>
Segment Profit and Loss	\$ 790,008	\$ (25,370)	\$ (179,534)	\$ 585,104
Non-current Assets	\$ 6,996,946	\$ 1,198,705	\$ (27,024)	\$ 8,168,627
Segment total assets	<u>\$ 22,642,366</u>	<u>\$ 4,959,575</u>	<u>\$ (5,591,288)</u>	<u>\$ 22,010,653</u>

For The Six Months Ended June 30, 2019				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 6,996,512	\$ 3,147,169	\$ (1,184,818)	\$ 8,958,863
Interest income	10,518	16,745	(3,635)	23,628
	<u>\$ 7,007,030</u>	<u>\$ 3,163,914</u>	<u>\$ (1,188,453)</u>	<u>\$ 8,982,491</u>
Segment Profit and Loss	\$ 380,804	\$ (226)	\$ (90,846)	\$ 289,732
Non-current Assets	\$ 5,665,958	\$ 987,753	\$ (35,631)	\$ 6,618,080
Segment total assets	<u>\$ 20,735,984</u>	<u>\$ 5,419,473</u>	<u>\$ (5,211,339)</u>	<u>\$ 20,944,118</u>

c. Business segment

Business segment	For The Three Months Ended June 30	
	2020	2019
Electric wire & cable	\$ 4,018,415	\$ 4,295,627
Others	198,283	193,718
	<u>\$ 4,216,698</u>	<u>\$ 4,489,345</u>

Business segment	For The Six Months Ended June 30	
	2020	2019
Electric wire & cable	\$ 7,840,113	\$ 8,549,618
Others	333,596	409,245
	<u>\$ 8,173,709</u>	<u>\$ 8,958,863</u>