WPG HOLDINGS LIMITED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2018 AND 2017

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

Opinion

We have audited the accompanying consolidated balance sheets of WPG Holdings Limited and its subsidiaries (the "Group") as at December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2018 are outlined as follows:

Impairment assessment of goodwill

Description

Refer to Note 4(19) for accounting policy on goodwill impairment, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to goodwill impairment, and Notes 6(12)(13) for details of goodwill impairment.

The Group acquired shares of stock of target companies by cash or through exchange of shares of stock. The purchase price is allocated to the net identifiable assets acquired at fair value in accordance with the accounting policies on business combinations. The Group uses the estimated future cash flows of each cash-generating unit and proper discount rate to determine recoverable amount of goodwill, and assesses whether goodwill may be impaired. Given that the assumptions used in the calculation of recoverable amount requires significant management judgement with respect to the discount rate and the underlying cash flows, we consider impairment assessment of goodwill a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Assessing the process in which management evaluates the estimated future cash flows of each cash generating unit, and reconciling the input data used in the valuation model to the approved operational plan by management.
2. Evaluating the reasonableness of the estimated growth rate, gross rate, discount rate and other significant assumptions used in the valuation model, by:
   (1) Comparing estimated growth rate and gross rate with historical data and our knowledge of the business and industry;
   (2) Comparing discount rate assumptions with respect to cash generating units' capital cost and similar return on assets; and
   (3) Checking the setting of valuation model's calculation formula.
3. Comparing the recoverable value and book value of each cash-generating unit.

Valuation of allowance for uncollectible accounts receivable

Description

Refer to Note 4(10) for accounting policy on accounts receivable, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to provision for uncollectible accounts receivable, and Notes 6(5)(14) for details of accounts receivable and overdue receivables.

The Group assesses the collectability of accounts receivable based on historical experience with its customers. As the estimation of allowance for uncollectible accounts is subject to management's judgment in estimating future recovery, such as management's assessment of customer's credit risk, we consider the valuation of allowance for uncollectible accounts receivable a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtaining an understanding of, and evaluating the formal approval process for the customer's credit limit application.
2. Checking the provision policy on allowance for uncollectible accounts, and assessing the reasonableness of provision policy.
3. Checking the adequacy of the loss rate calculation by sampling the historical accounts receivable aging data and verifying the formula for the calculation of expected credit loss rate.
4. Comparing the classification of accounts receivable aging with current year and prior year, and checking subsequent collections after balance sheet date to confirm recovery of outstanding receivables.
5. For those accounts receivable specifically identified by management to have been impaired, evaluating propriety of impairment assessment against related supporting documents.

Recognition of purchase discounts and allowances

Description

Refer to Note 4(13) for accounting policy on recognition of purchase discounts and allowances.

The Group is engaged in operating sales channel for various electronic components. In line with industry practice, the Group has entered into purchase discounts and allowances agreements with suppliers for various kinds and quantities of inventories. The Group calculates and recognizes the amount of purchase discounts and allowances in accordance with the agreement. The Group negotiates the amount with the supplier, and after receiving credit note from supplier, the Group pays the net amount.

The discounts and allowances from supplier are calculated either automatically by the system or manually. The Group has to gather a lot of information to input in the system, such as the items subject to discount and corresponding discount rate, etc. Given that the Group has a large volume of purchases, and has entered into various purchase discounts and allowances agreements with terms and conditions that vary with each argument, we consider the recognition of purchase discounts and allowances a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Understanding the process in recognizing purchase discounts and allowances, evaluating related internal control procedures and testing its effectiveness, checking the basic information set up in the computer system with respect to discount and allowance calculation randomly, and selecting samples to determine whether purchase discounts and allowances recognized were reviewed by an authorized supervisor.
2. Selecting samples of purchase discounts and allowances, obtaining confirmed documents and approved credit note from supplier for selected commodity's part number, and checking whether the part number and discount and allowance amount in obtained vouchers were consistent with the amounts recognized.
3. Performing confirmation of selected material accounts payable, checking whether there is a difference between the amount of purchase discounts and allowances recognized based on credit note from supplier with the amount confirmed by the supplier, and investigating differences, if any. Selecting samples of outstanding accounts payable and checking whether subsequent payments were made after the balance sheet date.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of WPG Holdings Limited as at and for the years ended December 31, 2018 and 2017.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Chun-Yao

Chou, Chien-hung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 26, 2019

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and audit report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		December 31, 2018		December 31, 2017	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	$ 7,116,888	4	$ 7,097,914	4
Financial assets at fair value through profit or loss - current	6(2) and 12(4)	28,469	-	2,539	-
Available-for-sale financial assets - current	12(4)	-	-	25,508	-
Current financial assets at amortized cost	6(4) and 8	197,942	-	-	-
Notes receivable, net	6(5)	2,884,889	1	4,088,566	2
Accounts receivable, net	6(5)	95,258,035	49	87,020,143	49
Accounts receivable - related parties, net	7(3)	82,590	-	274,728	-
Other receivables	6(7)	8,531,684	4	5,711,413	3
Other receivables - related parties	7(3)	1,610	-	2,046	-
Current income tax assets		77,016	-	35,079	-
Inventory	6(8)	64,772,967	33	57,473,653	32
Prepayments		1,507,232	1	1,492,698	1
Other current assets	8	515,584	-	630,261	1
		180,974,906	92	163,854,548	92
Non-current assets					
Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,276,064	1	-	-
Non-current financial assets at fair value through other comprehensive income	6(3)	32,035	-	-	-
Available-for-sale financial assets - non-current	8 and 12(4)	-	-	495,766	-
Financial assets carried at cost - non-current	12(4)	-	-	585,837	-
Investments accounted for under equity method	6(9)	617,491	-	1,253,615	1
Property, plant and equipment	6(10) and 8	5,701,436	3	5,042,824	3
Investment property - net	6(11) and 8	1,107,246	1	1,184,367	1
Intangible assets	6(12)	5,567,934	3	5,571,769	3
Deferred income tax assets	6(31)	482,037	-	351,043	-
Other non-current assets	6(14) and 8	301,715	-	327,857	-
		15,085,958	8	14,813,078	8
TOTAL ASSETS		$ 196,060,864	100	$ 178,667,626	100

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		December 31, 2018		December 31, 2017	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term borrowings	6(15)	$ 57,221,436	29	$ 53,773,607	30
Short-term notes and bills payable	6(16)	4,957,027	3	3,887,605	2
Financial liabilities at fair value through profit or loss - current	6(2) and 12(4)	5,660	-	24,765	-
Notes payable		35,497	-	214,347	-
Accounts payable		53,161,904	27	48,909,622	27
Accounts payable - related parties	7(3)	401	-	1,312	-
Other payables		5,333,973	3	5,040,757	3
Current income tax liabilities		803,225	-	751,276	1
Other current liabilities	6(18)(19)	4,945,142	2	5,559,204	3
		126,464,265	64	118,162,495	66
Non-current liabilities					
Long-term borrowings	6(18)	13,366,171	7	7,238,010	4
Deferred income tax liabilities	6(31)	496,996	-	414,200	-
Other non-current liabilities		909,437	1	797,483	1
		14,772,604	8	8,449,693	5
Total liabilities		141,236,869	72	126,612,188	71
Equity Attributable to Owners of Parent					
Capital	1 and 6(21)				
Common stock		16,790,568	8	18,250,618	10
Capital reserve	6(22)				
Capital reserve		19,454,882	10	19,569,525	11
Retained earnings	6(23)				
Legal reserve		5,274,872	3	4,544,073	3
Special reserve		4,124,936	2	-	-
Unappropriated earnings		11,316,193	6	13,279,694	7
Other equity interest					
Other equity interest	6(24)	(2,602,682)	(1)	(4,124,937)	(2)
Total equity attributable to owners of parent		54,358,769	28	51,518,973	29
Non-controlling interest		465,226	-	536,465	-
Total equity		54,823,995	28	52,055,438	29
Significant contingent liabilities and unrecognized contract commitments	7(3) and 9				
TOTAL LIABILITIES AND EQUITY		$ 196,060,864	100	$ 178,667,626	100

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2018 Amount	2018 %	2017 Amount	2017 %
Sales revenue	6(25), 7(3) and 12(5)	$ 545,127,804	100	$ 532,509,958	100
Operating costs	6(8) and 7(3)	(521,497,383)	(96)	(510,358,864)	(96)
Gross profit		23,630,421	4	22,151,094	4
Operating expenses	6(29)(30) and 7(3)				
Selling and marketing		(9,183,915)	(1)	(8,762,789)	(1)
General and administrative		(3,687,165)	(1)	(3,435,107)	(1)
Expected credit impairment loss		(182,803)	-	-	-
Total operating expenses		(13,053,883)	(2)	(12,197,896)	(2)
Operating income		10,576,538	2	9,953,198	2
Non-operating income and expenses					
Other income	6(26)	336,343	-	372,430	-
Other gains and losses	6(27)	731,477	-	321,627	-
Finance costs	6(28)	(2,489,578)	-	(1,841,661)	(1)
Share of profit of associates and joint ventures accounted for under equity method		46,400	-	74,527	-
Total non-operating income and expenses		(1,375,358)	-	(1,073,077)	(1)
Income before income tax		9,201,180	2	8,880,121	1
Income tax expense	6(31)	(1,686,163)	-	(1,513,686)	-
Consolidated net income		$ 7,515,017	2	$ 7,366,435	1

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WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

		2018		2017	
Items	Notes	Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Other comprehensive income before tax, actuarial losses on defined benefit plans	6(20)	($ 150,756)	-	($ 67,036)	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(16)	-	(74)	-
Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss	6(31)	37,295	-	11,396	-
Other comprehensive loss that will not be reclassified to profit or loss		(113,477)	-	(55,714)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		1,624,228	-	(5,162,384)	(1)
Unrealized gain on available-for-sale financial assets		-	-	139,396	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		24,929	-	(35,227)	-
Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(31)	502	-	(1,194)	-
Other comprehensive income (loss) that will be reclassified to profit or loss		1,649,659	-	(5,059,409)	(1)
Total other comprehensive income (loss)		$ 1,536,182	-	($ 5,115,123)	(1)
Total comprehensive income		$ 9,051,199	2	$ 2,251,312	-
Consolidated net income attributable to:					
Owners of parent		$ 7,462,010	2	$ 7,307,987	1
Non-controlling interest		53,007	-	58,448	-
		$ 7,515,017	2	$ 7,366,435	1
Comprehensive income attributable to:					
Owners of parent		$ 9,008,246	2	$ 2,222,421	-
Non-controlling interest		42,953	-	28,891	-
		$ 9,051,199	2	$ 2,251,312	-
Earnings per share	6(32)				
Basic earnings per share		$ 4.22		$ 4.10	
Diluted earnings per share		$ 4.22		$ 4.01	

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent											
		Capital			Retained Earnings			Other Equity Interest					
	Notes	Common stock	Certificates of bond conversion	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
2017													
Balance at January 1, 2017		$ 17,238,954	$ 2,938	$ 16,901,053	$ 4,012,785	$ -	$ 10,734,088	$ 918,151	$ -	($ 10,088)	$ 49,797,881	$ 519,568	$ 50,317,449
Total consolidated profit		-	-	-	-	-	7,307,987	-	-	-	7,307,987	58,448	7,366,435
Net other comprehensive income (loss)		-	-	-	-	-	(52,566)	(5,172,430)	-	139,430	(5,085,566)	(29,557)	(5,115,123)
Total comprehensive income (loss)		-	-	-	-	-	7,255,421	(5,172,430)	-	139,430	2,222,421	28,891	2,251,312
Appropriation and distribution of 2016 retained earnings	6(23)												
Legal reserve		-	-	-	531,288	-	(531,288)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(4,178,311)	-	-	-	(4,178,311)	-	(4,178,311)
Exercise of convertible bonds	6(22)	1,011,664	(2,938)	2,556,419	-	-	-	-	-	-	3,565,145	-	3,565,145
Changes in capital reserve	6(22)	-	-	112,053	-	-	-	-	-	-	112,053	-	112,053
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	-	-	-	-	(216)	-	-	-	(216)	(11,994)	(12,210)
Balance at December 31, 2017		$ 18,250,618	$ -	$ 19,569,525	$ 4,544,073	$ -	$ 13,279,694	($ 4,254,279)	$ -	$ 129,342	$ 51,518,973	$ 536,465	$ 52,055,438
2018													
Balance at January 1, 2018		$ 18,250,618	$ -	$ 19,569,525	$ 4,544,073	$ -	$ 13,279,694	($ 4,254,279)	$ -	$ 129,342	$ 51,518,973	$ 536,465	$ 52,055,438
Effects of retrospective application of new standards	12(4)	-	-	-	-	-	(49,737)	-	(6,000)	(129,342)	(185,079)	(298)	(185,377)
Balance after restatement on January 1, 2018		18,250,618	-	19,569,525	4,544,073	-	13,229,957	(4,254,279)	(6,000)	-	51,333,894	536,167	51,870,061
Total consolidated profit		-	-	-	-	-	7,462,010	-	-	-	7,462,010	53,007	7,515,017
Net other comprehensive income (loss)		-	-	-	-	-	(111,361)	1,657,597	-	-	1,546,236	(10,054)	1,536,182
Total comprehensive income		-	-	-	-	-	7,350,649	1,657,597	-	-	9,008,246	42,953	9,051,199
Appropriation and distribution of 2017 retained earnings	6(23)												
Legal reserve		-	-	-	730,799	-	(730,799)	-	-	-	-	-	-
Special reserve		-	-	-	-	4,124,936	(4,124,936)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(4,380,148)	-	-	-	(4,380,148)	-	(4,380,148)
Capital reduction payments to shareholders	6(21)	(1,460,050)	-	-	-	-	-	-	-	-	(1,460,050)	-	(1,460,050)
Disposal of investments accounted for using equity method	6(22)	-	-	(112,053)	-	-	-	-	-	-	(112,053)	-	(112,053)
Reorganization	6(22)	-	-	(2,590)	-	-	-	-	-	-	(2,590)	2,590	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(33)	-	-	-	-	-	(28,530)	-	-	-	(28,530)	(18,627)	(47,157)
Acquired non-controlling interest	6(33)	-	-	-	-	-	-	-	-	-	-	(72,714)	(72,714)
Change in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(25,143)	(25,143)
Balance at December 31, 2018		$ 16,790,568	$ -	$ 19,454,882	$ 5,274,872	$ 4,124,936	$ 11,316,193	($ 2,596,682)	($ 6,000)	$ -	$ 54,358,769	$ 465,226	$ 54,823,995

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2018	2017
Cash flows from operating activities			
Income before income tax		$ 9,201,180	$ 8,880,121
Adjustments			
Income and expenses			
Depreciation	6(29)	216,436	206,730
Amortization	6(12)(39)	19,364	25,679
Expected credit impairment loss		182,803	-
Reversal of provision	6(26)	-	(113,698)
Interest expense	6(28)	2,286,498	1,630,134
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(27)	(499,433)	40,762
Interest income	6(26)	(41,585)	(30,143)
Dividend income	6(26)	(24,724)	(31,766)
Share of profit of associates and joint ventures accounted for under equity method		(46,400)	(74,527)
Loss on disposal of property, plant and equipment	6(27)	10,297	1,306
Gain on disposal of investments	6(27)	(57,613)	(18,530)
Impairment loss	6(27)	-	49,768
Amortization of bond discount	6(17)(28)	-	20,723
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		7,551	14,236
Notes receivable, net		1,293,315	3,392,813
Accounts receivable, net		(6,010,219)	(1,840,590)
Accounts receivable - related parties, net		192,138	(44,810)
Other receivables		(2,821,645)	5,488,774
Other receivables - related parties		436	21,373
Inventories		(7,300,703)	(7,548,977)
Prepayments		(14,534)	(231,982)
Other current assets		137,213	(9,901)
Changes in liabilities relating to operating activities			
Notes payable		(178,850)	(200,733)
Accounts payable		4,252,282	1,079,671
Accounts payable - related parties		(911)	(11,367)
Other payables		244,656	470,068
Other current liabilities		1,281,210	(336,229)
Other non-current liabilities		119,466	(38,006)
Cash inflow generated from operations		2,448,228	10,790,899
Interest paid		(2,241,241)	(1,605,247)
Income tax paid		(1,542,453)	(1,249,450)
Interest received		42,959	29,808
Income tax refund		2,681	-
Dividends received		75,131	82,103
Net cash (used in) provided by operating activities		(1,214,695)	8,048,113

(Continued)

WPG HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2018	2017
Cash flows from investing activities			
Acquisition of financial assets carried at cost - non-current		$ -	($ 117,062)
Proceeds from disposal of financial assets carried at cost - non-current		-	10,178
Acquisition of available-for-sale financial assets - non-current		-	(85,348)
Proceeds from disposal of available-for-sale financial assets - non-current		-	33,155
Proceeds from capital reduction of available-for-sale financial assets		-	5,665
Acquisition of investments accounted for under equity method		(86,663)	(49,000)
Proceeds from disposal of investments accounted for under equity method		183,453	-
Acquisition of property, plant and equipment, investment property and intangible assets	6(34)	(837,503)	(981,021)
Proceeds from disposal of property, plant and equipment		3,102	5,733
Increase in refundable deposits		(207,923)	(25,436)
Decrease in refundable deposits		275,841	21,830
(Increase) decrease in other financial assets - current		(59,240)	730,279
Increase in other financial assets - non-current		(12,567)	(42,129)
Decrease in other financial assets - non-current		11,375	52,356
(Increase) decrease in other non-current assets		(71,970)	1,523
Acquisition of financial assets at fair value through profit or loss - non-current		(83,175)	-
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		791,259	-
Increase in current financial assets at amortized cost		(160,853)	-
Decrease in current financial assets at amortized cost		15,674	-
Increase in prepayments for investments		-	(21,722)
Proceeds from capital reduction of investments accounted for using equity method		-	27,211
Acquisition of subsidiaries	6(33)	(119,871)	(12,210)
Net cash used in investing activities		(359,061)	(445,998)
Cash flows from financing activities			
Increase in short-term borrowings		716,529,261	668,743,615
Decrease in short-term borrowings		(713,081,432)	(667,824,081)
Increase in long-term borrowings (including current portion of long-term liabilities)		8,755,065	13,368,536
Decrease in long-term borrowings (including current portion of long-term liabilities)		(7,223,686)	(13,636,079)
Increase in short-term notes and bills payable		31,336,877	34,398,525
Decrease in short-term notes and bills payable		(30,267,455)	(34,713,839)
Increase in guarantee deposit received		82,580	200,055
Decrease in guarantee deposit received		(26,797)	(206,794)
Shareholders' cash dividends paid	6(23)	(4,380,148)	(4,178,311)
Repayment of convertible bonds		-	(4,900)
Capital reduction		(1,460,050)	-
Change in non-controlling interest		(25,143)	-
Net cash provided by (used in) financing activities		239,072	(3,853,273)
Effect of exchange rate changes on cash and cash equivalents		1,353,658	(5,107,840)
Net increase (decrease) in cash and cash equivalents		18,974	(1,358,998)
Cash and cash equivalents at beginning of year		7,097,914	8,456,912
Cash and cash equivalents at end of year		$ 7,116,888	$ 7,097,914

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

(1) WPG Holdings Limited (the Company) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China, and as a holding company of World Peace Industrial Co., Ltd. and Silicon Application Corporation by exchanging shares of common stock on November 9, 2005. The Company's shares were listed on the Taiwan Stock Exchange (TSE) and approved by the Financial Supervisory Commission, Executive Yuan, Securities and Futures Bureau on the same date. After restructuring, Richpower Electronic Devices Co., Ltd. became the Company's subsidiary on January 1, 2008. The Company acquired Pernas Electronics Co., Ltd., Asian Information Technology Inc., Yosun Industrial Corp. and AECO Technology Co., Ltd. by exchanging shares of common stock on July 16, 2008, February 6, 2009, November 15, 2010 and March 1, 2012, respectively. After the Company's organization restructuring on January 1, 2014, World Peace Industrial Co., Ltd., Silicon Application Corp. and Yosun Industrial Corp. acquired 100% shares in AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. through share exchange, and consequently, AECO Technology Co., Ltd., Pernas Electronics Co., Ltd. and Richpower Electronic Devices Co., Ltd. became indirectly owned subsidiaries. The Company originally evaluated Genuine C&C, Inc. using equity method. The Company acquired partial stocks of Genuine C&C, Inc. on April 8, 2015 and completed the purchase on April 15, 2015. After the purchase, the Company held 60.5% shares of Genuine C&C, Inc. which became the Company's directly owned subsidiary. On September 1, 2017, the stock swap between Trigold Holdings Limited (Trigold) and the shareholders who previously owned Genuine C&C, Inc. was conducted at a stock swap ratio of 1:1. On the same day, Trigold was established and began OTC trading whereas Genuine C&C, Inc. was unlisted at OTC. The Company and subsidiaries owned a total of 60.51% equity of Trigold after the stock swap. The Company and the subsidiaries included in these consolidated financial statements are collectively referred as the "Group".

(2) The Company was organized to create the management mechanism of the group, supervise the subsidiaries, integrate the whole group and improve operational efficiency. The Company's subsidiaries are mainly engaged in the distribution and sales of electronic / electrical components, sales of computer software and electrical products and sales of electronic / electrical components.

(3) In accordance with the Company's Articles of Incorporation, the total authorized common

stock is 2 billion shares (including 50 million shares of warrant, warrant preferred stock and warrant bond conversion). As of December 31, 2018, the Company has issued capital of $16,790,568 with a par value of $10 (in dollars) per share.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 26, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments as endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9, Financial instruments with IFRS 4, Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Amendments to IFRS 15, 'Clarifications to IFRS 15, Revenue from contracts with customers'	January 1, 2018
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealized losses'	January 1, 2017
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. IFRS 9, 'Financial instruments'

(a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortized cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

(b) The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognize 12-month expected credit losses ('ECL') or lifetime ECL (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

(c) The Group has elected not to restate prior period financial statements using the modified retrospective approach under IFRS 9. For details of the significant effect as at January 1, 2018, please refer to Note 12(4) B.

B. IFRS 15, 'Revenue from contracts with customers' and amendments

(a) IFRS 15, 'Revenue from contracts with customers' replaces IAS 11, 'Construction Contracts', IAS 18, 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognized when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer

Step 2: Identify separate performance obligations in the contract(s)

Step 3: Determine the transaction price

Step 4: Allocate the transaction price

Step 5: Recognize revenue when the performance obligation is satisfied

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(b) The Group initially adopted IFRS 15 using the modified retrospective approach. The significant effects of applying the standard as of January 1, 2018 are summarized below.

In line with IFRS 15 requirements, the Group changed the presentation of certain accounts in the balance sheet as follows:

Under IFRS 15, liabilities in relation to expected volume discounts and refunds to customers are recognized as contract liabilities, but were previously presented as accounts receivable - allowance for sales returns and discounts in the balance sheet. As of January 1, 2018, the balance amounted to $2,701,510.

C. Amendments to IAS 7, 'Disclosure initiative'

This amendment requires that an entity shall provide more disclosures related to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group expects to provide additional disclosure to explain the changes in liabilities arising from financing activities.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognize a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

The Group expects to recognize the lease contract of lessees in line with IFRS 16. However, the Group intends to adapt modified retrospective approach. On January 1, 2019, it is expected that ‘right-of-use asset’ and lease liability will be increased by $1,435,802 and $1,453,612, respectively, and other payables will be decreased by $17,810.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
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 International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2021

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”. International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Group has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognized as retained earnings, other equity and non-controlling interest as of January 1, 2018 and the financial statements for the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies and details of significant accounts.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary 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.

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	WPG Electronic Ltd.	〃	100.00	100.00	
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	〃	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	
WPG Holdings Limited	WPG Core Investment Co., Ltd.	〃	0.00	0.00	Note 7
WPG Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	0.00	0.00	Notes 2 and 8
WPG Holdings Limited	Trigold Holdings Limited	Holding company	60.50	60.50	Note 8
WPG Investment Co., Ltd.	Trigold Holdings Limited	〃	0.01	0.01	Note 19
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	〃	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	Holding company	100.00	100.00	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	〃	100.00	100.00	
World Peace Industrial Co., Ltd.	Genuine C&C Inc.	Sales of computer and its peripherals	0.00	0.00	Note 2
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	
AECO Electronic Co., Ltd.	AECO Electronic (Ningbo) Co., Ltd.	〃	0.00	0.00	Note 16
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	
Prime Future Technology Limited	World Peace International Pte. Ltd.	〃	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	
World Peace International Pte. Ltd.	WPG Americas Inc.	〃	4.31	4.31	Note 3
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	〃	100.00	100.00	
World Peace International Pte. Ltd.	Genuine C&C (South Asia) Pte., Ltd.	〃	0.00	0.00	Note 13
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	〃	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	〃	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	Note 4

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	Agent and sales of electronic / electrical components	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	Agent and sales of electronic / electrical components	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	〃	100.00	100.00	
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information products	0.00	100.00	Note 21
WPI International (Hong Kong) Limited	WPG C&C Limited	〃	100.00	100.00	
WPI International (Hong Kong) Limited	AIO Components Company Limited	Agent and sales of electronic / electrical components	100.00	100.00	
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	〃	0.00	100.00	Note 24
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	
Longview Technology Inc.	Long-Think International Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	〃	100.00	100.00	
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	〃	100.00	100.00	
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	
Silicon Application Corporation	Win-Win Systems Ltd.	〃	100.00	100.00	
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	
Pernas Electronics Co., Ltd.	Pernas Enterprise (Samoa) Limited	International investment	0.00	0.00	Note 11
Pernas Enterprise (Samoa) Limited	World Components Agent (Shanghai) Inc.	Sales of electronic / electrical products	0.00	0.00	Note 17
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	
Silicon Application Company Limited	Dstar Electronic Company Limited	〃	100.00	100.00	
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	95.69	Note 3
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	100.00	100.00	Note 12
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	〃	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China Inc.	〃	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	Note 6
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	〃	99.99	99.99	Note 9
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	Agent and sales of electronic / electrical components	100.00	100.00	Note 5
WPG South Asia Pte. Ltd.	WPG SCM Limited	〃	100.00	100.00	
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	〃	0.01	0.01	Note 9
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	〃	100.00	100.00	
Asian Information Technology Inc.	Frontek Technology Corporation	〃	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	
Frontek Technology Corporation	Frontek International Limited	〃	100.00	100.00	
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	
Frontek International Limited	AITG Electronic Limited	Sales of electronic / electrical components	100.00	100.00	
Yosun Industrial Corp.	Sertek Incorporated	〃	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	0.00	100.00	Note 20
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	〃	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Limited	〃	0.00	0.00	Notes 20 and 23

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Sales of electronic / electrical products	100.00	0.00	Note 20
Mec Technology Co., Ltd.	Mec Technology Co., Limited	〃	0.00	100.00	Note 20
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Sales of electronic / electrical products	0.00	100.00	Note 20
Sertek Incorporated	Sertek Limited	Sales of electronic / electrical components	100.00	100.00	
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	Sales of electronic / electrical products	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	〃	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	〃	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	〃	100.00	100.00	
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) Sdn. Bhd.	Sales of electronic / electrical components	0.00	100.00	Note 23
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	〃	100.00	100.00	
Trigold Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	100.00	100.00	Note 8
Trigold Holding Limited	Trigold (Hong Kong) Company Limited	Holding company	100.00	100.00	Note 14
Trigold (Hong Kong) Company Limited	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic /electrical products	100.00	55.00	Notes 15 and 22
Trigold (Hong Kong) Company Limited	WPI International Trading (Shanghai) Ltd.	Agent and sales of information product	100.00	0.00	Note 21
Genuine C&C, Inc.	Hoban Inc.	General investment and retail of groceries	100.00	100.00	Notes 2 and 18
Genuine C&C, Inc.	Taibaoo Creation Co., Ltd.	Retail of groceries	0.00	100.00	Notes 2 and 24
Genuine C&C, Inc.	Genuine C&C Holding Inc. (Seychelles)	Holding company	100.00	100.00	Note 2
Genuine C&C Holding Inc. (Seychelles)	Genuine Trading (Hong Kong) Company Limited	〃	100.00	100.00	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2018	Ownership (%) December 31, 2017	Description
Genuine C&C Holding Inc. (Seychelles)	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic /electrical products	0.00	0.00	Note 15
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	Sales of electronic/electrical products	100.00	100.00	Note 10

Note 1: The combined ownership percentage of common shares held by the Company and its subsidiaries is more than 50% or has control power.

Note 2: The Company directly held 44.21% equity of Genuine C&C, Inc. plus the 16.29% equity of Genuine C&C, Inc. held by the wholly owned subsidiary, World Peace Industrial Co., Ltd., the total shareholding ratio was 60.50%. In July 2017, the Company's ownership of Genuine C&C, Inc. reached 60.50% after acquiring the 16.29% equity from World Peace Industrial Co., Ltd.

Note 3: World Peace Industrial Co., Ltd. totally held 4.31% of shares of WPG Americas Inc. through World Peace International Pte Ltd. and WPI International (Hong Kong) Limited. Along with shares of WPG Americas Inc. held by WPG International (CI) Limited, the total shareholding ratio is 100%.

Note 4: Due to restriction of local regulations, the Company holds 51% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

Note 5: Due to restriction of local regulations, the Company holds 62% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

Note 6: Due to restriction of local regulations, the Company holds 61% ownership which is under the name of other individuals. The substantial ownership held by the Company was 100%.

Note 7: It was liquidated in December 2017.

Note 8: On the effective date of September 1, 2017, the stock swap between Trigold Holdings Limited and the shareholders who previously owned Genuine C&C, Inc. was conducted at a stock swap ratio of 1:1. On the same day, Trigold Holdings Limited was established and began OTC trading whereas Genuine C&C, Inc. was unlisted at OTC.

Note 9: WPG South Asia Pte. Ltd. and WPG Malaysia Sdn. Bhd. separately holds 99.99% and 0.01% of shares of the subsidiary, and both companies together hold 100% of shares of the subsidiary.

Note 10: The subsidiary was set up in July 2017.

Note 11: It was liquidated in September 2017.

Note 12: WPG International (CI) Limited acquired 40% equity of WPG Gain Tune Ltd.

from non-controlling interests in November 2017.

Note 13: It was liquidated in March 2017.

Note 14: The subsidiary completed registration of incorporation in November 2017.

Note 15: Trigold (Hong Kong) Company Limited acquired 55% equity of Peng Yu (Shanghai) Digital Technology Co., Ltd. from Genuine C&C Holding Inc. (Seychelles) in November 2017.

Note 16: It was liquidated in June 2017.

Note 17: It was liquidated in May 2017.

Note 18: It was formerly known as Hat-Trick Co., Ltd. and was renamed in April 2017.

Note 19: In May 2018, the subsidiary acquired 0.01% equity interest of Trigold Holdings Limited.

Note 20: Richpower Electronic Devices Co., Ltd. conducted a simple merger with Mec Technology Co., Ltd. on the effective date of June 2018. Richpower Electronic Devices Co., Ltd. was the surviving company while Mec Technology Co., Ltd. was dissolved after the simple merger which was completed in July 2018. The equity interests of Mec Technology Co., Limited and Richpower Electronic Devices Pte., Ltd. which were held by Mec Technology Co., Ltd. were transferred to Richpower Electronic Devices Co., Ltd.

Note 21: Trigold (Hong Kong) Company Limited acquired 100% equity of WPI International Trading (Shanghai) Ltd. from WPI International (Hong Kong) Limited in October 2018.

Note 22: Trigold (Hong Kong) Company Limited acquired 45% equity of Peng Yu (Shanghai) Digital Technology Co., Ltd. from non-controlling interests in October 2018.

Note 23: It was liquidated in November 2018.

Note 24: It was liquidated in October 2018.

C. Subsidiaries not included in the consolidated financial statements: None.

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2018 and 2017, the non-controlling interest amounted to $465,226 and $536,465, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2018		December 31, 2017	
		Amount	Ownership	Amount	Ownership
Trigold Holdings Limited and its subsidiaries (Note)	Taiwan	$ 426,726	39.49%	$ 438,690	39.5%

Note: Details of equity interest of Trigold Holdings Limited held by the Company are provided in Note 1(1).

Summarized financial information of the subsidiaries:

(a) Balance sheets

	Trigold Holdings Limited and its subsidiaries	
	December 31, 2018	December 31, 2017
Current assets	$ 5,379,093	$ 3,011,190
Non-current assets	127,670	101,779
Current liabilities	(4,351,486)	(1,875,916)
Non-current liabilities	(74,566)	(64,284)
Total net assets	1,080,711	1,172,769
Less: Non-controlling interest	-	(62,169)
Equity attributable to owners of the parent company	$ 1,080,711	$ 1,110,600

(b) Statements of comprehensive income

	Trigold Holdings Limited and its subsidiaries	
	Years ended December 31,	
	2018	2017
Revenue	$ 11,720,214	$ 9,887,666
Profit before tax	145,674	156,279
Income tax expense	(34,618)	(32,884)
Profit for the year	111,056	123,395
Other comprehensive loss, net of tax	(7,119)	(7,421)
Total comprehensive income	$ 103,937	$ 115,974
Total comprehensive loss attributable to non-controlling interest	($ 10,546)	($ 4,919)
Dividends paid to non-controlling interests	$ 25,143	$ 18,229

(c) Statements of cash flows

	Trigold Holdings Limited and its subsidiaries	
	Years ended December 31,	
	2018	2017
Net cash (used in) provided by operating activities	($ 489,369)	$ 135,733
Net cash provided by investing activities	7,405	6,026
Net cash provided by financing activities	802,127	113,850
Effect of exchange rates on cash and cash equivalents	(4,632)	(11,582)
Increase in cash and cash equivalents	315,531	244,027
Cash and cash equivalents, beginning of year	596,306	188,421
Cash and cash equivalents, end of year	$ 911,837	$ 432,448

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency *t*ransactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains or losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) The operating results and financial position of all the overseas branches that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period;

iii. Accounts with head office and working capital are translated using the historical exchange rates; and

iv. Exchange differences denominated in NTD arising from translation of overseas branches' financial statements are recorded as 'other equity – exchange differences on translation of foreign financial statements' under shareholders' equity,

(c) When a foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(d) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(e) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets measured at amortized cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost, including notes and accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of the financial asset.

(13) Inventories

A. Cost of inventory purchase includes purchase price, import taxes and all the related costs involved in the process of obtaining inventory. Discounts, allowances, etc. shall be deducted from the cost of inventory purchases.

B. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated selling expenses.

(14) Investments accounted for using the equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds the Group's interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for under the equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

E. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 55 years
Transportation equipment	2 ~ 10 years
Office equipment	2 ~ 10 years
Leasehold improvements	2 ~ 15 years
Other property, plant and equipment	3 ~ 10 years

(16) Leases

If substantially all the significant risks and rewards of rental object remain to lessor, the Group accounts for this kind of leases as operating lease. Rental revenues and expenses made under an operating lease are recognized in profit or loss on a straight-line basis over the lease term.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 5~55 years.

(18) Intangible assets

A. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

B. Intangible assets, other than goodwill, are software and business right which are amortized on a straight-line basis over their estimated useful lives of 3~5 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(21) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(25) Non-hedging derivative instruments

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. The Group sells products like electronic components etc. Revenue from the sale of goods is recognized when the Group delivered a product to the customer and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts or sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts or sales discounts and allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected volume discounts or sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(30) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquire recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognizes revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognizes revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

A. The Group is primarily responsible for the provision of goods or services;

B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Group has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(12) for the information on goodwill impairment.

B. Valuation of provision for allowance for accounts receivable

In the process of assessing uncollectible accounts, the Group must use judgements and assumptions to determine the collectability of accounts receivable. The collectability is affected by various factors: customers' financial conditions, the Company's internal credit ratings, historical experience, current economic conditions, etc. When sales are not expected to be collected, the Group recognizes a specific allowance for doubtful receivables after the assessment. The assumptions and estimates of allowance for uncollectible accounts are based on concerning future events as that on the balance sheet date. Assumptions and estimates may differ from the actual results which may result in a material adjustment. Please refer to Note 12(2) for the information on assessing uncollectible accounts for doubtful receivables.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Cash on hand and petty cash	$ 3,851	$ 4,579
Checking accounts deposits	2,178,616	2,175,037
Demand deposits	4,672,007	4,770,422
Time deposits	262,414	147,876
	$ 7,116,888	$ 7,097,914

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. There were no cash and cash equivalents pledged to others.

(2) Financial assets / liabilities at fair value through profit or loss

Items		December 31, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$	22,547
Derivatives		2,630
		25,177
Valuation adjustment		3,292
	$	28,469
Current items:		
Financial liabilities held for trading		
Derivatives	$	5,660

Items		December 31, 2018
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$	116,311
Emerging stocks		54,011
Unlisted stocks		1,366,555
		1,536,877
Valuation adjustment	(	260,813)
	$	1,276,064

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit (loss) are listed below:

		Year ended December 31, 2018
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$	458,720
Derivatives		40,713
	$	499,433

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2018		
Derivative instruments	Contract amount (notional principal) (Note)		Contract period
Current items:			
Forward foreign exchange contracts			
- Sell	USD	4,500	2018.10.23~ 2019.04.05

Derivative instruments	December 31, 2018 Contract amount (notional principal) (Note)		Contract period
- Sell-SWAP	USD	4,400	2018.12.06~ 2019.01.17
- Buy	USD	26,960	2018.03.13~ 2019.04.05
Futures	$	0.3	2018.12.27~ 2019.01.16

Note: Expressed in thousands.

(a) Forward foreign exchange contracts

The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, the forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

(b) Futures

The futures which are owned by the Group are stock index futures aiming to earn the spread. As of December 31, 2018, the balance of margin in the account was $2,373, and the amount of excess margin was $2,284.

C. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

E. The information on financial assets at fair value through profit or loss as of December 31, 2017 is provided in Note 12(4).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2018	
Non-current items:		
Equity instruments		
Unlisted stocks	$	38,035
Valuation adjustment	(	6,000)
	$	32,035

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $32,035 as at December 31, 2018.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2018
Equity instruments at fair value through other comprehensive income	
Fair value change recognized in other comprehensive income	$ -
Cumulative gains (losses) reclassified to retained earnings due to derecognition	$ -
Dividend income recognized in profit or loss	
Held at end of period	$ -
Derecognized during the period	-
	$ -

C. As at December 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $38,035.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

F. The information on available-for sale financial assets and financial assets at cost as of December 31, 2017 is provided in Note 12(4).

(4) Financial assets at amortized cost

Items	December 31, 2018
Current items:	
Time deposits	$ 197,942

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Year ended December 31, 2018
Interest income	$ 169

B. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

D. Please refer to Note 12(4) for the information of other financial assets which were shown as other current assets and non-current assets as of December 31, 2017.

(5) Notes and accounts receivable

	December 31, 2018	December 31, 2017
Notes receivable	$ 2,887,235	$ 4,180,550
Less: Allowance for uncollectible accounts	(2,346)	(91,984)
	$ 2,884,889	$ 4,088,566
Accounts receivable	$ 96,447,741	$ 87,816,552
Less: Allowance for uncollectible accounts	(1,189,706)	(796,409)
	$ 95,258,035	$ 87,020,143

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	December 31, 2018		December 31, 2017	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 88,960,278	$ 2,837,799	$ 82,246,363	$ 4,075,101
One month	5,103,344	49,436	2,769,938	105,444
Two months	1,052,512	-	1,537,441	5
Three months	285,439	-	314,133	-
Four months	110,261	-	126,855	-
Over four months	935,907	-	821,822	-
	$ 96,447,741	$ 2,887,235	$ 87,816,552	$ 4,180,550

The above ageing analysis was based on past due month.

B. The Group has no notes and accounts receivable pledged to others.

C. As at December 31, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable were $2,884,889 and $95,258,035, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

E. The information on accounts receivable and notes receivable as of December 31, 2017 is provided in Note 12(4).

(6) Transfer of financial assets

Transferred financial assets that are derecognized in their entirety

The Group entered into factoring of accounts receivable with banks. In accordance with the contract requirements, the Group shall only be liable for the losses incurred on any commercial dispute and did not assume the risk of uncollectible accounts receivable. The Group does not have any continuing involvement in the transferred accounts receivable. The derecognized amounts had already deducted the estimated commercial disputes. The commercial papers and time deposits pledged to the banks are for losses incurred only on commercial disputes or for the banks’ practice of accounts receivable factoring. The pledged commercial papers and time deposits do not cover losses other than those arising from commercial disputes. As of December 31, 2018 and 2017, outstanding accounts receivable were as follows:

December 31, 2018								
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	$ 670,332	$ 670,332	USD	50,000	$ 670,332	2.63%~3.75%	Note 1
Mega International Commercial Bank	4,350,553	4,350,553	USD $	159,000 540,000	3,841,432	2.36%~3.79%	Note 2
CTBC Bank	3,368,259	3,368,259	USD $	69,800 2,827,000	2,505,229	2.44%~3.94%	Note 3
E. SUN Commercial Bank	3,302,123	3,302,123	USD $	181,000 20,000	2,583,291	2.39%~3.72%	Note 4
Taipei Fubon Commercial Bank	826,178	826,178	$	1,474,300	566,492	2.42%~3.87%	Note 5
Yuanta Commercial Bank	625,102	625,102	USD	45,000	264,585	3.40%~4.07%	Note 6
The Hong Kong and Shanghai Banking Corporation Limited	1,646,552	1,646,552	USD	72,500	1,364,012	2.87%~4.11%	Note 7
Standard Chartered Bank	54,956	54,956	USD	6,000	-	-	None
Taishin International Bank	5,599,491	5,599,491	$	9,800,000	1,851,157	3.29%~4.01%	Note 8
Bank SinoPac	963,276	963,276	USD	119,900	824,266	2.65%~3.71%	Note 9
Far Eastern International Bank	116,939	116,939	USD $	19,000 400,000	29,432	3.10%~3.57%	Note 10
Chang Hwa Bank	907,668	907,668	USD	92,200	677,201	2.42%~3.90%	Note 11
DBS Bank	6,481,531	6,481,531	USD	249,500	6,186,924	1.97%~3.89%	Note 12
Taiwan Cooperative Bank	42,257	42,257	USD	3,000	40,144	3.39%~3.48%	Note 13
Hang Seng Bank	1,496,235	1,496,235	USD	128,000	1,326,698	2.51%~3.52%	Note 14
KGI Bank	901,974	901,974	$	2,150,000	871,158	2.80%~3.58%	Note 15
ANZ Bank	1,080,523	1,080,523	USD	49,000	1,080,523	3.11%~3.16%	None
Bank of Taiwan	132,820	132,820	USD	14,000	132,820	3.10%~3.70%	Note 16

Note 1: The Group has signed commercial papers amounting to USD 50,000 thousand that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 159,900 thousand and $690,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 44,793 thousand and $252,700 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 181,000 thousand and $20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to $37,000 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to USD 45,000 thousand that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 73,350 thousand that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to $9,800,000 that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 71,500 thousand and $550,000 that were pledged to others as collateral.

Note 10: The Group has signed commercial papers amounting to USD 19,000 thousand and $400,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to USD 80,200 thousand that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 259,500 thousand that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 3,000 thousand that were pledged to others as collateral.

Note 14: The Group has signed demand deposits amounting to USD 140 thousand that were pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to $890,000 that were pledged to others as collateral.

Note 16: The Group has signed commercial papers amounting to USD 14,000 thousand that were pledged to others as collateral.

December 31, 2017

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
Cathay United Bank	$ 1,359,321	$ 1,359,321	USD	47,500	$ 1,359,321	2.00%~2.65%	Note 1
Mega International Commercial Bank	4,345,605	4,345,605	USD	166,900	4,191,246	1.53%~2.81%	Note 2
			$	590,000			
CTBC Bank	2,153,391	2,153,391	USD	20,000	1,788,656	1.69%~3.02%	Note 3
			$	3,000,000			
E. SUN Commercial Bank	3,459,933	3,459,933	USD	180,500	2,977,084	1.15%~2.72%	Note 4
			$	20,000			
Taipei Fubon Commercial Bank	615,462	615,462	$	1,474,300	338,700	1.10%~2.89%	Note 5
Yuanta Commercial Bank	388,144	388,144	USD	25,000	244,000	2.39%~2.92%	Note 6
The Hong Kong and Shanghai Banking Corporation Limited	1,488,626	1,488,626	USD	82,500	1,429,213	1.90%~3.40%	Note 7
Ta Chong Bank	226,921	226,921	USD	6,500	123,009	2.47%~2.84%	Note 8
			$	820,000			

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)		Amount advanced	Interest rate of amount advanced	Pledged assets
	December 31, 2017						
Standard Chartered Bank	31,991	31,991	USD	4,520	-	-	None
Taishin International Bank	5,044,780	5,044,780	USD $	15,000 9,000,000	2,741,648	2.22%~2.80%	Note 9
Bank SinoPac	786,843	786,843	USD	58,900	697,601	2.00%~2.48%	Note 10
Far Eastern International Bank	249,766	249,766	USD $	19,000 400,000	122,221	2.14%~2.95%	Note 11
Chang Hwa Bank	2,117,330	2,117,330	USD	146,600	1,994,213	2.01%~2.84%	Note 12
DBS Bank	4,116,393	4,116,393	USD	224,500	3,819,847	1.53%~2.50%	Note 13
Shin Kong Bank	-	-	USD	300	-	-	Note 14
Taiwan Cooperative Bank	16,128	16,128	USD	3,000	15,321	2.12%	Note 15
Hang Seng Bank	1,636,541	1,636,541	USD	128,000	1,502,489	1.73%~2.52%	Note 16
KGI Bank	674,933	674,933	$	2,150,000	550,900	2.00%~2.40%	Note 17
ANZ Bank	707,834	707,834	USD	30,000	707,834	2.11%~2.13%	None
Sumitomo Mitsui Banking Corporation	234,068	234,068	USD	15,000	234,068	2.13%~2.19%	None
Bank of Taiwan	-	-	USD	7,000	-	-	None

Note 1: The Group has signed commercial papers amounting to USD 47,500 thousand that were pledged to others as collateral.

Note 2: The Group has signed commercial papers amounting to USD 166,900 thousand and $640,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 20,000 thousand and $327,600 that were pledged to others as collateral.

Note 4: The Group has signed commercial papers amounting to USD 183,000 thousand and $20,000 that were pledged to others as collateral.

Note 5: The Group has signed commercial papers amounting to $45,000 that were pledged to others as collateral.

Note 6: The Group has signed commercial papers amounting to USD 25,000 thousand that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 152,280 thousand that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 6,500 thousand and $820,000 that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 15,000 thousand and $9,000,000 that were pledged to others as collateral.

Note 10: The Group has signed commercial papers amounting to USD 55,500 thousand and $600,000 that were pledged to others as collateral.

Note 11: The Group has signed commercial papers amounting to USD 19,000 thousand and

$400,000 that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 84,600 thousand that were pledged to others as collateral.

Note 13: The Group has signed commercial papers amounting to USD 246,500 thousand that were pledged to others as collateral.

Note 14: The Group has signed commercial papers amounting to USD 30 thousand that were pledged to others as collateral.

Note 15: The Group has signed commercial papers amounting to USD 3,000 thousand that were pledged to others as collateral.

Note 16: The Group has provided demand deposits amounting to USD 140 thousand that were pledged to others as collateral.

Note 17: The Group has signed commercial papers amounting to $890,000 that were pledged to others as collateral.

(7) Other receivables

	December 31, 2018	December 31, 2017
Retention amount of factoring accounts receivable	$ 7,761,074	$ 4,816,640
VAT refund	551,727	292,840
Others	218,883	601,933
	$ 8,531,684	$ 5,711,413

(8) Inventories

	December 31, 2018		
	Cost	Allowance for valuation	Book value
Inventories	$ 60,863,536	($ 886,416)	$ 59,977,120
Inventories in transit	4,795,847	-	4,795,847
	$ 65,659,383	($ 886,416)	$ 64,772,967

	December 31, 2017		
	Cost	Allowance for valuation	Book value
Inventories	$ 53,884,984	($ 872,265)	$ 53,012,719
Inventories in transit	4,460,934	-	4,460,934
	$ 58,345,918	($ 872,265)	$ 57,473,653

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2018	2017
Cost of goods sold	$ 521,013,712	$ 510,162,463
Loss on price decline in inventory	483,074	184,703
Loss on physical inventory	597	11,698
Cost of goods sold	$ 521,497,383	$ 510,358,864

(9) Investments accounted for under the equity method

A. Details of investments accounted for under the equity method:

Investee company	December 31, 2018	December 31, 2017
CECI Technology Co., Ltd.	$ -	$ 722,384
ChainPower Technology Corp.	168,871	155,935
Sunrise Technology Co., Ltd.	60,054	66,960
Eesource Corp.	70,656	72,995
Suzhou Xinning Bonded Warehouse Co., Ltd.	83,011	62,695
Adivic Technology Co., Ltd.	35,212	54,557
Yosun Japan Corp.	-	9,735
Suzhou Xinning Logistics Co., Ltd.	37,941	33,082
Gain Tune Logistics (Shanghai) Co., Ltd.	29,159	32,944
VITEC WPG Limtied	46,364	40,419
AutoSys Co., Ltd.	72,558	-
Others	13,665	1,909
	$ 617,491	$ 1,253,615

B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2018 and 2017, the carrying amount of the Group's individually immaterial associates amounted to $617,491 and $1,253,615, respectively.

	Years ended December 31, 2018	2017
Profit for the year from continuing operations	$ 46,400	$ 74,527
Other comprehensive loss - net of tax	24,913	(35,301)
Total comprehensive income	$ 71,313	$ 39,226

C. There was no impairment on investments accounted for using equity method for the years ended December 31, 2018 and 2017.

(10) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2018								
Cost	$2,279,063	$2,095,661	$ 19,487	$ 472,432	$ 443,549	$ 208,089	$ 898,731	$6,417,012
Accumulated depreciation	-	(516,938)	(12,983)	(371,453)	(288,418)	(172,050)	-	(1,361,842)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,277,481	$1,567,959	$ 6,504	$ 100,979	$ 155,131	$ 36,039	$ 898,731	$5,042,824
Year ended December 31, 2018								
Opening net book amount	$2,277,481	$1,567,959	$ 6,504	$ 100,979	$ 155,131	$ 36,039	$ 898,731	$5,042,824
Additions	-	3,904	-	40,142	277,057	248,032	255,406	824,541
Disposals	(70)	(618)	(407)	(1,034)	(8,444)	(1,211)	(1,615)	(13,399)
Transfer (Note)	15,344	23,011	-	1,389	-	-	-	39,744
Depreciation charge	-	(62,685)	(2,291)	(40,646)	(68,478)	(18,057)	-	(192,157)
Effect due to changes in exchange rates	2,415	(10,761)	22	356	3,687	4,164	-	(117)
Closing net book amount	$2,295,170	$1,520,810	$ 3,828	$ 101,186	$ 358,953	$ 268,967	$ 1,152,522	$5,701,436
At December 31, 2018								
Cost	$2,296,752	$2,122,448	$ 19,043	$ 449,661	$ 633,249	$ 438,681	$ 1,152,522	$7,112,356
Accumulated depreciation	-	(590,873)	(15,215)	(348,475)	(274,296)	(169,714)	-	(1,398,573)
Accumulated impairment	(1,582)	(10,765)	-	-	-	-	-	(12,347)
	$2,295,170	$1,520,810	$ 3,828	$ 101,186	$ 358,953	$ 268,967	$ 1,152,522	$5,701,436

Note: Inventories amounting to $1,389 were transferred to property, plant and equipment, property, plant and equipment amounting to $23,070 were transferred to investment property and investment property amounting to $61,425 were transferred to property, plant and equipment.

	Land	Buildings and structures	Transportation equipment	Furniture and fixtures	Leasehold improvements	Others	Construction in progress and equipment to be tested	Total
At January 1, 2017								
Cost	$2,281,371	$2,103,545	$ 18,809	$ 526,282	$ 499,499	$ 210,204	$ 2,688	$5,642,398
Accumulated depreciation	-	(451,224)	(11,322)	(423,925)	(300,335)	(164,588)	-	(1,351,394)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,279,789	$1,641,557	$ 7,487	$ 102,357	$ 199,164	$ 45,616	$ 2,688	$4,278,658
Year ended December 31, 2017								
Opening net book amount	$2,279,789	$1,641,557	$ 7,487	$ 102,357	$ 199,164	$ 45,616	$ 2,688	$4,278,658
Additions	-	2,291	3,629	46,516	7,112	10,646	899,108	969,302
Disposals	-	-	(1,686)	(2,136)	(92)	(321)	(2,404)	(6,639)
Transfer (Note)	-	352	-	2,137	-	-	-	2,489
Depreciation charge	-	(67,184)	(2,621)	(43,569)	(47,797)	(21,903)	-	(183,074)
Effect due to changes in exchange rates	(2,308)	(9,057)	(305)	(4,326)	(3,256)	2,001	(661)	(17,912)
Closing net book amount	$2,277,481	$1,567,959	$ 6,504	$ 100,979	$ 155,131	$ 36,039	$ 898,731	$5,042,824
At December 31, 2017								
Cost	$2,279,063	$2,095,661	$ 19,487	$ 472,432	$ 443,549	$ 208,089	$ 898,731	$6,417,012
Accumulated depreciation	-	(516,938)	(12,983)	(371,453)	(288,418)	(172,050)	-	(1,361,842)
Accumulated impairment	(1,582)	(10,764)	-	-	-	-	-	(12,346)
	$2,277,481	$1,567,959	$ 6,504	$ 100,979	$ 155,131	$ 36,039	$ 898,731	$5,042,824

Note: Inventories and other non-current assets amounting to $2,137 and $352 were transferred to property, plant and equipment, respectively.

A. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	Years ended December 31,	
	2018	2017
Amount capitalized	$ 10,543	$ 6,296
Range of the interest rates for capitalization	1.03%~1.04%	1.04%~1.09%

B. Information on property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(11) Investment property

	Land	Buildings and structures	Total
At January 1, 2018			
Cost	$ 354,034	$ 1,013,552	$ 1,367,586
Accumulated depreciation	-	(183,219)	(183,219)
	$ 354,034	$ 830,333	$ 1,184,367
Year ended December 31, 2018			
Opening net book amount	$ 354,034	$ 830,333	$ 1,184,367
Transfer (Note)	(15,344)	(23,011)	(38,355)
Depreciation charge	-	(24,279)	(24,279)
Effect due to changes in exchange rates	-	(14,487)	(14,487)
Closing net book amount	$ 338,690	$ 768,556	$ 1,107,246
At December 31, 2018			
Cost	$ 338,690	$ 960,770	$ 1,299,460
Accumulated depreciation	-	(192,214)	(192,214)
	$ 338,690	$ 768,556	$ 1,107,246

Note: Property, plant and equipment amounting to $23,070 were transferred to investment property and investment property amounting $61,425 were transferred to property, plant and equipment.

	Land	Buildings and structures	Total
At January 1, 2017			
Cost	$ 354,128	$ 1,023,373	$ 1,377,501
Accumulated depreciation	-	(160,370)	(160,370)
	$ 354,128	$ 863,003	$ 1,217,131
Year ended December 31, 2017			
Opening net book amount	$ 354,128	$ 863,003	$ 1,217,131
Additions	-	190	190
Depreciation charge	-	(23,656)	(23,656)
Others	(94)	-	(94)
Effect due to changes in exchange rates	-	(9,204)	(9,204)
Closing net book amount	$ 354,034	$ 830,333	$ 1,184,367
At December 31, 2017			
Cost	$ 354,034	$ 1,013,552	$ 1,367,586
Accumulated depreciation	-	(183,219)	(183,219)
	$ 354,034	$ 830,333	$ 1,184,367

A. Rental income from investment property and direct operating expenses arising from the investment property are shown below:

	Years ended December 31, 2018	2017
Rental revenue from investment property	$ 62,706	$ 67,220
Direct operating expenses arising from the investment property that generated rental income during the year	$ 17,759	$ 17,977
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ 6,520	$ 5,679

B. The fair value of the investment property held by the Group as of December 31, 2018 and 2017 was $1,566,519 and $1,685,783, respectively. The fair value as of December 31, 2018 and 2017 was based on independent appraisers' valuation, which was made using comparative method and income approach. Comparison method is to compare the valuation target with similar property which is traded around the valuation period. The fair value from comparative method is level 3. Valuations were made using the income approach with key assumptions as follows:

	December 31, 2018	December 31, 2017
Discount rate	2.35%~2.75%	2%~2.75%
Growth rate	0%~1%	0%~1%
Gross margin	1.2%~3.2%	1.87%~2.88%

C. There is no impairment loss on investment property.

D. For investment property pledged for guarantee, please refer to Note 8.

(12) Intangible assets

	Operating right	Software	Goodwill	Others	Total
At January 1, 2018					
Cost	$ 285,526	$ 228,039	$ 5,656,517	$ 61,668	$6,231,750
Accumulated amortization and impairment	(285,526)	(191,396)	(121,448)	(61,611)	(659,981)
	$ -	$ 36,643	$ 5,535,069	$ 57	$5,571,769
Year ended December 31, 2018					
Opening net book amount	$ -	$ 36,643	$ 5,535,069	$ 57	$5,571,769
Additions-acquired separately	-	9,659	-	-	9,659
Disposals	-	(262)	-	-	(262)
Amortization charge	-	(19,364)	-	-	(19,364)
Effect due to changes in exchange rates	-	(233)	6,363	2	6,132
Closing net book amount	$ -	$ 26,443	$ 5,541,432	$ 59	$5,567,934
At December 31, 2018					
Cost	$ 294,234	$ 235,175	$ 5,666,777	$ 66,299	$6,262,485
Accumulated amortization and impairment	(294,234)	(208,732)	(125,345)	(66,240)	(694,551)
	$ -	$ 26,443	$ 5,541,432	$ 59	$5,567,934

	Operating right	Software	Goodwill	Others	Total
At January 1, 2017					
Cost	$ 308,230	$ 228,230	$ 5,683,269	$ 69,970	$6,289,699
Accumulated amortization and impairment	(306,659)	(185,850)	(131,609)	(65,637)	(689,755)
	$ 1,571	$ 42,380	$ 5,551,660	$ 4,333	$5,599,944
Year ended December 31, 2017					
Opening net book amount	$ 1,571	$ 42,380	$ 5,551,660	$ 4,333	$5,599,944
Additions-acquired separately	-	14,832	-	-	14,832
Disposals	-	-	-	(400)	(400)
Amortization charge	(1,571)	(20,458)	-	(3,650)	(25,679)
Effect due to changes in exchange rates	-	(111)	(16,591)	(226)	(16,928)
Closing net book amount	$ -	$ 36,643	$ 5,535,069	$ 57	$5,571,769
At December 31, 2017					
Cost	$ 285,526	$ 228,039	$ 5,656,517	$ 61,668	$6,231,750
Accumulated amortization and impairment	(285,526)	(191,396)	(121,448)	(61,611)	(659,981)
	$ -	$ 36,643	$ 5,535,069	$ 57	$5,571,769

The details of amortization charge are as follows:

	Years ended December 31,			
	2018		2017	
Selling and marketing expenses	$	3,884	$	5,387
General and administrative expenses		15,480		20,292
	$	19,364	$	25,679

A. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2018		December 31, 2017	
Yosun subgroup	$	3,648,818	$	3,643,587
World Peace subgroup		1,648,331		1,647,199
Others		244,283		244,283
	$	5,541,432	$	5,535,069

B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

Management determined budgeted gross margin based on past performance and its expectations of market development. The assumptions used for weighted average growth rates are based on past historical experience and expectations of industry; the assumption used for discount rate is the weighted average capital cost of the Group. As of December 31, 2018 and 2017, the key valuations used for pre-tax discount rate were 6.28% and 5.93%, respectively.

C. There is no impairment loss on intangible assets.

(13) Impairment of financial assets and non-financial assets

The Group recognized impairment loss amounting to $0 and $49,768 for the years ended December 31, 2018 and 2017, respectively. Details of such loss are as follows:

	Years ended December 31,							
	2018				2017			
	Recognized in profit or loss		Recognized in other comprehensive income		Recognized in profit or loss		Recognized in other comprehensive income	
Impairment loss - financial assets carried at cost - non-current	$	-	$	-	$	30,661	$	-
Impairment loss-available-for-sale financial assets - non -current		-		-		19,107		-
	$	-	$	-	$	49,768	$	-

(14) Overdue receivables (shown as "other non-current assets")

	December 31, 2018	December 31, 2017
Overdue receivables	$ 1,004,468	$ 1,016,375
Less: Allowance for doubtful accounts	(927,792)	(1,004,043)
	$ 76,676	$ 12,332

Movement analysis of financial assets that were impaired is as follows:

	2018	2017
	Individual provision	Individual provision
At January 1	$ 1,004,043	$ 718,231
Reversal of provision for impairment	(125,417)	(35,832)
Write-off of bad debts	(193,501)	(51,883)
Transferred from accounts receivable	178,533	428,494
Other (Note)	45,926	-
Effect due to changes in exchange rates	18,208	(54,967)
At December 31	$ 927,792	$ 1,004,043

Note: A direct reversal of write-offs for bad debts from prior years resulted in a decrease in loss allowance.

(15) Short-term borrowings

Type of borrowings	December 31, 2018	December 31, 2017
Loans for overseas purchases	$ 20,559,876	$ 22,021,829
Short-term loans	36,661,560	31,751,778
	$ 57,221,436	$ 53,773,607
Annual interest rates	0.94%~9.25%	0.90%~8.33%

For information on pledged assets, please refer to Note 8.

(16) Short-term notes and bills payable

	December 31, 2018	December 31, 2017
Commercial papers payable	$ 4,960,000	$ 3,890,000
Less: Unamortized discount	(2,973)	(2,395)
	$ 4,957,027	$ 3,887,605
Annual interest rates	0.49%~1.88%	0.48%~1.16%

The abovementioned short-term notes and bills payable are guaranteed by financial institutions.

(17) Bonds payable

A. Related information on the issuance of domestic convertible bonds by the Company is as follows:

(a) The terms of the first domestic unsecured convertible bonds issued by the Company are as follows:

The Company issued $6,000,000, 0% first domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (July 25, 2014 ~ July 25, 2017) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taiwan Over-The-Counter Securities Exchange on July 25, 2014.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after one month of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price ($42.8 (in dollars) per share) of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. Before maturity, the conversion price was $35.4.

(d) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taiwan Over-The-Counter Securities Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $232,800 were separated from the liability component and were recognized in 'capital surplus-stock warrants' in accordance with IAS 32. As of July 25, 2017, the maturity date, the balance of capital surplus, share options was $0 after the bondholder exercised conversion right.

C. As of July 25, 2017, the maturity date, convertible bonds with face value of $5,995,100 had been converted to 169,353 thousand ordinary shares. As for the other unconverted bonds totaling $4,900 at face value, the Company redeemed the bonds in cash accordingly.

D. The amortization of discount on bonds payable was $20,723 for the year ended December 31, 2017.

(18) Long-term borrowings

Type of borrowings	Borrowing period / repayment term	December 31, 2018	December 31, 2017
Secured bank borrowings (Note 1 and Note 2)	2012.01.02~ 2027.01.02	$ 432,992	$ 485,990
Unsecured bank borrowings (Note 3~Note 11)	2016.10.03~ 2020.12.18	13,450,150	11,854,736
		13,883,142	12,340,726
Less : Discount on long-term borrowings		(25,727)	(10,480)
Less : Current portion of long-term borrowings (shown as other current liabilities)		(491,244)	(5,092,236)
		$ 13,366,171	$ 7,238,010
Interest rate range		1.25%~3.80%	1.32%~3.14%

For information on pledged assets, please refer to Note 8.

Note 1: (a) The Company had entered into a long-term agreement for fifteen years with a financial institution. The pledged assets are the land and building of Linkou warehouse. The principal should be repaid in equal monthly installments starting 2015.

(b) In November 2014, the lending financial institution agreed to grant a grace period of one year, therefore the start of the repayment of the principal has been moved to January 2016, which will be in equal monthly installments.

(c) The interest rate is the index interest rate plus 0.21% from the borrowing day to January 2, 2013, plus 0.25% from January 2, 2013, plus 0.25% from January 2, 2014, plus 0.35% from January 2, 2015, plus 0.42% from January 2, 2016, plus 0.44% from January 2, 2017, plus 0.45% from January 2, 2018 and plus 1.5% from January 2, 2019.

Note 2: The indirect subsidiary - AIT Japan Inc. entered into a ten-year JPY 250 million loan agreement with monthly interest payment with the Daiwa Bank on March 28, 2012 and pledged land and office located in Tokyo as collateral amounting to $69,494 and $68,447, respectively. The principal is payable from October 31, 2012 in equated monthly installments (totaling 114 installments) of JPY 2,193 thousand for the first 113 installments and JPY 2,191 thousand for the final installment.

Note 3: Frontek Technology Corporation, an indirect subsidiary, entered into a two-year borrowing contract with Yuanta Commercial Bank in December 2016 in the amount of $300,000. The interest is payable monthly, the principal is payable in full at maturity and the borrowing faulity could be used and the amount drawn down coned by repaid any time during the validity period.

Note 4: Asian Information Technology Inc. and indirect subsidiary-Frontek Technology Corporation both entered into a two-year borrowing contract with Yuanta Commercial Bank in December 2018 in the amount of $300,000. The interest is payable monthly, the principal is payable in full at maturity and the borrowing facility could be used and the amount drawn down could be repaid any time during the validity period.

Note 5: Silicon Application Corporation, the Company’s subsidiary, had entered into a syndicated borrowing agreement with Bank of Taiwan and other financial institutions on May 16, 2017. The terms and conditions of the contract were as follows:

(a) Contract term: Within three years from the first drawdown.

(b) Facility and drawdown: The facility is $2,600,000, could be multiple drawdowns or revolving, however the total amount at any time cannot exceed the facility amount.

(c) Repayment: For each drawdown, the principal and the interest payable must be repaid in full at the end of that specific drawdown’s term. At the end of the contract term, the principal, interest payable and any related expense of each drawdown must be repaid in full.

(d) Loan covenant: During the contract term, Silicon Application Corporation is required to maintain financial ratios as follows: the liquidity ratio should not be less than 100%, debt ratio should not be higher than 220%, time interest earned ratio should not be less than 3 and net value (net intangible assets) should be maintained at or above $3,000,000.

Silicon Application Corporation met all the financial commitments stated in the contract.

Note 6: The Company’s subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a syndicated borrowing agreement with Hua Nan Commercial Bank, Mizuho Corporate Bank, E. SUN Commercial Bank, Taiwan Cooperative Bank, Chang Hwa Commercial Bank, Far Eastern International Bank and other financial institutions on August 31, 2017. The terms and conditions of the contract were as follows:

(a) Contract term: Within three years from the first drawdown

(b) Facility and drawdown: The facility must be less than $7,200,000. Each drawdown amount must be no less than $100,000 or USD 3 million. The repayment period could be 30 or 180 days: One month at the least and six months at the most.

(c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown’s term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.

(d) Loan covenant: World Peace Industrial Co., Ltd. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than $10,000,000.

During the contract period, World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract.

Note 7: The Company’s subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with Taipei Fubon Commercial Bank, E. SUN Commercial Bank, Mizuho Corporate Bank, Bank of Taiwan and other financial institutions on October 26, 2015. The terms and conditions of the contract were as follows:

(a) Contract term: Within three years from the first drawdown.

(b) Facility and drawdown: The facility must be less than $7,200,000. Each drawdown amount must be no less than $100,000 or USD 3 million. The repayment period could be 60, 90 or 180 days, and six months at the most.

(c) Repayment: For each drawdown, the principal and interest must be repaid in full at the end of each drawdown's term. For re-utilization of the revolving loan after maturity date, application should be submitted to the lead bank five days before the maturity date. Based on the credit term in the contract, all or part of the loan will be re-utilized. If the amount of drawdown is the same as the last time, the syndicate of banks would not make an additional procedure of remittance and loan, as if the borrower has actually received the loan, and uses the loan contract as proof of receipt.

(d) Loan covenant: World Peace Industrial Co., Ltd. is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 200%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than $10,000,000.

During the contract period, World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract.

Note 8: WPI entered into a financing agreement with E. SUN Commercial Bank, Mizuho Corporate Bank and Cathay United Bank on October 16, 2018. The subsidiary-WPI has to roll over commercial papers during the contract period, which is up until 2021, with the maximum maturity period of 6 months for each issue as stipulated in the agreement. The terms and conditions of the contract are as follows:

(a) Contract term: Within three years from the first drawdown.

(b) Facility and drawdown: During the term of agreement, the subsidiary-WPI can roll over each credit facility within the total revolving credit facility of $8,000,000 at 60, 90, 120, 180 days maturity or the days agreed by the lead bank and WPI with a limit of 180 days and each maturity date shall be within the contract term.

(c) Repayment: When the commercial papers mature, the borrower shall deposit available funds at face value on the maturity date to an account designated by clearing and settlement institutions immediately in line with Regulations

Governing Centralized Securities Depository Enterprises.

(d) Loan covenant: WPI is required to maintain certain financial ratios based on annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5 and net value (net intangible assets) should not be less than $10,000,000. If the covenants are not met, right to drawdown is immediately terminated, and the lead bank can decide to take the following actions:

a. Terminate part or all of the undrawn facility;

b. Request WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;

c. Demand the borrower to deposit the amounts that are equivalent to undischarged guaranteed obligations for drawdown facility of issued commercial papers under the agreement and (or) outstanding guarantees as reserve into the account designated by the bank consortium immediately;

d. Demand all rights of the promissory note obtained from signing of the contract.

WPI met all the financial commitments stated in the contract.

Note 9: The Company's subsidiary, World Peace Industrial Co., Ltd. (WPI), had entered into a long-term loan agreement with The Bank of Tokyo-Mitsubishi UFJ on September 23, 2016. The terms and conditions of the contract were as follows:

(a) Contract term: Within three years from the first drawdown.

(b) Facility and drawdown: The facility must be less than $700,000,000. This pertains to a revolving loan facility of World Peace Industrial Co., Ltd., the Company's subsidiary, wherein the principal amount can be renewed after the corresponding interest is paid, and payment of the existing loan can be repaid by the new loan. If the amounts equal, then the banks would not make a procedure of remittance and loan.

(c) Repayment: For each drawdown, the principal must be repaid in full at the end of each drawdown's term. Interests shall be paid quarterly.

(d) Loan covenant: The subsidiary - World Peace Industrial Co., Ltd. (WPI) is required to maintain certain financial ratios based on semi-annual and annual consolidated financial statements during the contract period as follows: liquidity ratio should not be less than 100%, debt ratio should not be higher than 250%, time interest earned ratio should not be less than 2.5, net value (net intangible assets) should not be less than $10,000,000 and the ratio of liability divided by earnings before interest, taxes, depreciation and amortization (EBITDA) should not be higher than 10. If the covenants are not met, right to drawdown is immediately terminated, and the lead bank can decide to take the following actions:

a. Rescind part or all of the undrawn facility;

b. Demand WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;

c. Demand all rights of the promissory note obtained from signing of the contract.

World Peace Industrial Co., Ltd. met all the financial commitments stated in the contract.

Note 10: On June 12, 2017, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 2 billion until March 15, 2020. The principal is payable in 10 quarterly installments of KRW 200 million each starting from December 15, 2017. The interest is payable quarterly.

Note 11: On June 12, 2017, WPG Korea Co., Ltd. entered into a long-term loan agreement with Kookmin Bank for a loan of KRW 1 billion until June 15, 2020. The principal is payable in 10 quarterly installments of KRW 100 million each starting from March 15, 2018. The interest is payable quarterly.

(19) Other current liabilities

	December 31, 2018	December 31, 2017
Long-term borrowings-current portion	$ 491,244	$ 5,092,236
Refund liabilities	3,987,130	-
Others	466,768	466,968
	$ 4,945,142	$ 5,559,204

Under the initial application of IFRS 15, on January 1, 2018, refund liabilities were generated from sales discounts which is shown as ‘other current liabilities’.

(20) Pensions

A. Defined benefit plans

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

Effective January 1, 2010, the Company and certain subsidiaries have funded defined benefit pension plans in accordance with the "Regulations on pensions of managers", covering all managers appointed by the Company. Under the defined benefit pension plan, one unit is accrued for each year of service, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the remuneration per unit ratified during the appointed period.

(b) The amounts recognized in the balance sheet are as follows:

	December 31, 2018	December 31, 2017
Present value of defined benefit obligations	$ 1,172,837	$ 1,024,641
Fair value of plan assets	(424,129)	(371,161)
Net defined benefit liability	$ 748,708	$ 653,480

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2018			
Balance at January 1	$ 1,024,641	($ 371,161)	$ 653,480
Current service cost	5,336	-	5,336
Interest expense (income)	11,240	(4,302)	6,938
	1,041,217	(375,463)	665,754
Remeasurements:			
Return on plan assets	-	(5,748)	(5,748)
Change in financial assumptions	20,050	-	20,050
Experience adjustments	139,084	(2,630)	136,454
	159,134	(8,378)	150,756
Paid pension	(17,087)	17,087	-
Direct payments charged to Company's account	(10,427)	-	(10,427)
Pension fund contribution	-	(57,375)	(57,375)
	(27,514)	(40,288)	(67,802)
Balance at December 31	$ 1,172,837	($ 424,129)	$ 748,708

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2017			
Balance at January 1	$ 965,066	($ 343,785)	$ 621,281
Current service cost	9,145	-	9,145
Interest expense (income)	13,093	(5,033)	8,060
	987,304	(348,818)	638,486
Remeasurements:			
Return on plan assets	-	814	814
Change in financial assumptions	34,280	-	34,280
Experience adjustments	31,478	464	31,942
	65,758	1,278	67,036
Paid pension	(22,016)	22,016	-
Direct payments charged to Company's account	(6,405)	-	(6,405)
Pension fund contribution	-	(45,637)	(45,637)
	(28,421)	(23,621)	(52,042)
Balance at December 31	$ 1,024,641	($ 371,161)	$ 653,480

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2018 and 2017 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2018	2017
Discount rate	0.8%~1.1%	1.1%~1.3%
Future salary increases	2.00%~4.00%	2.00%~4.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience by 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
December 31, 2018				
Effect on present value of defined benefit obligation	($ 114,331)	$ 118,505	$ 97,914	($ 95,137)
December 31, 2017				
Effect on present value of defined benefit obligation	($ 108,447)	$ 112,617	$ 92,489	($ 89,700)

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2019 are $17,567.

(g) As of December 31, 2018, the weighted average duration of that retirement plan is 10~15 years.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on not less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Other overseas companies have defined contribution plans. Contributions for pensions and retirement allowance to independent fund administered by the government in accordance with the local pension regulations are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the companies have no further obligations.

(c) The pension costs of the Group under the defined contribution pension plans for the years ended December 31, 2018 and 2017 were $352,509 and $326,999, respectively.

(21) Share capital

A. As of December 31, 2018, the Company's authorized capital was $20,000,000 (including $500,000 for stock options, convertible preferred stock and convertible bonds), and the paid-in capital was $16,790,568 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. On June 21, 2018, the stockholders during their meeting resolved to reduce its capital by returning cash in the amount of $1,460,050, and the record date for capital reduction was August 6, 2018.

C. Movements in the number of the Company's ordinary shares outstanding (in thousands of shares) for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
At January 1	1,825,062	1,723,895
Convertible bonds converted to shares	-	101,167
Capital reduction	(146,005)	-
At December 31	1,679,057	1,825,062

(22) Capital surplus

A. Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized as mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Details of capital surplus - stock options are provided in Note 6 (17).

	2018				
	Share premium	Treasury share transaction	Recognized changes in subsidiaries' equity	Changes in associates' net equity	Total
January 1	$ 19,389,875	$ 45,177	$ 431	$ 134,042	$ 19,569,525
Disposal of investments accounted for using equity method	-	-	-	(112,053)	(112,053)
Reorganization	(2,590)	-	-	-	(2,590)
December 31	$ 19,387,285	$ 45,177	$ 431	$ 21,989	$ 19,454,882

	2017					
	Share premium	Treasury share transaction	Recognized changes in subsidiaries' equity	Changes in associates' net equity	Stock options	Total
January 1	$ 16,694,715	$ 45,177	$ 431	$ 21,989	$138,741	$ 16,901,053
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	112,053	-	112,053
Convertible bonds converted to shares	2,695,160	-	-	-	(138,741)	2,556,419
December 31	$ 19,389,875	$ 45,177	$ 431	$ 134,042	$ -	$ 19,569,525

(23) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used to set aside as legal reserve, and set aside as special reserve in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, to be appropriated shall be proposed by the Board of Directors. If cash dividends are distributed, they shall account for at least 20% of the total dividends distributed.

Employees of the Company's subsidiaries are entitled to receive the distribution of earnings. The terms shall be defined by the Board of Directors.

B. Legal reserve can only be used to cover accumulated losses or issue new shares or cash to shareholders in proportion to their share ownership, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriations of earnings for 2017 and 2016 had been resolved at the stockholders' meeting on June 21, 2018 and June 19, 2017, respectively. Details are summarized below:

	Years ended December 31,			
	2017		2016	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 730,799	$ -	$ 531,288	$ -
Special reserve	4,124,936	-	-	-
Cash dividends	4,380,148	2.40	4,178,311	2.40
	$ 9,235,883	$ 2.40	$ 4,709,599	$ 2.40

The above appropriations of earnings for 2017 and 2016 as resolved by the shareholders are the same with the amounts resolved by the Board of Directors.

E. As of March 26, 2019, the appropriation of earnings for the year ended December 31, 2018 has not yet been proposed by the Board of Directors and resolved by the shareholders.

F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(30).

(24) Other equity items

	2018			
	Investment at fair value through other comprehensive income	Available-for-sale investment	Currency translation	Total
At January 1	$ -	$ 129,342	($4,254,279)	($ 4,124,937)
Effects of retrospective application of new standards	(6,000)	(129,342)	-	(135,342)
Balance after restatement at January 1	(6,000)	-	(4,254,279)	(4,260,279)
Cumulative translation differences:				
- Group	-	-	1,632,166	1,632,166
- Tax on Group	-	-	502	502
- Associates	-	-	(24,929)	24,929
At December 31	($ 6,000)	$ -	($2,596,682)	($ 2,602,682)

	2017		
	Available-for-sale investment	Currency translation	Total
At January 1	($ 10,088)	$ 918,151	$ 908,063
Revaluation - gross	139,396	-	139,396
Revaluation - associates	34	-	34
Cumulative translation differences:			
- Group	-	(5,135,975)	(5,135,975)
- Tax on Group	-	(1,194)	(1,194)
- Associates	-	(35,261)	(35,261)
At December 31	$ 129,342	($ 4,254,279)	($ 4,124,937)

(25) Operating revenue

	Year ended December 31, 2018
Revenue from contracts with customers	$ 545,127,804

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical regions:

	Year ended December 31, 2018
Core components	$ 156,985,255
Analog IC and mixed signal components	100,350,385
Discrete IC, logic IC	79,615,473
Memory	134,632,732
Optical components	35,557,666
Passive connector and magnetic components	25,842,925
Others	12,143,368
	$ 545,127,804

B. Related disclosures on operating revenue for the year ended December 31, 2017 are provided in Note 12(5) B.

(26) Other income

	Years ended December 31, 2018	Years ended December 31, 2017
Interest income:		
Interest income from bank deposits	$ 41,416	$ 30,143
Interest income from financial assets measured at amortized cost	169	-
Total interest income	41,585	30,143
Dividend income	67,878	70,630
Rental revenue	24,724	31,766
Bad debts transferred to revenue	-	113,698
Other income	202,156	126,193
	$ 336,343	$ 372,430

(27) Other gains and losses

	Years ended December 31, 2018	Years ended December 31, 2017
Loss on disposal of property, plant and equipment	($ 10,297)	($ 1,306)
Gain on disposal of investments	57,613	18,530
Currency exchange gain	291,322	442,060
Gain (loss) on financial assets and liabilities at fair value through profit or loss	499,433	(40,762)
Impairment loss	-	(49,768)
Other losses	(106,594)	(47,127)
	$ 731,477	$ 321,627

(28) Finance costs

	Years ended December 31, 2018	2017
Interest expense:		
Bank borrowings	$ 2,297,041	$ 1,636,430
Convertible bonds	-	20,723
Less: Capitalization of qualifying assets	(10,543)	(6,296)
Others	203,080	190,804
	$ 2,489,578	$ 1,841,661

(29) Additional information of expenses by nature

	Years ended December 31, 2018	2017
Employee benefit expense	$ 7,895,815	$ 7,539,465
Depreciation charges on property and equipment (including investment property)	$ 216,436	$ 206,730
Amortization charges on intangible assets and other non-current assets	$ 19,364	$ 25,679

(30) Employee benefit expense

	Years ended December 31, 2018	2017
Wages and salaries	$ 6,860,901	$ 6,575,958
Directors' remuneration	44,322	45,857
Labor and health insurance fees	352,087	335,341
Pension costs	364,783	344,204
Other personnel expenses	273,722	238,105
	$ 7,895,815	$ 7,539,465

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be between 0.01% ~5% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2018 and 2017, employees' compensation was accrued at $18,108 and $24,392, respectively; while directors' and supervisors' remuneration was accrued at $42,000 and $42,000, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the profit of current year distributable for the year ended December 31, 2018 and the percentage as prescribed by the Company's Articles of Incorporation. As of March 26, 2019, the amount has not yet been resolved by the Board of Directors. Abovementioned employees' compensation will be distributed in the form of cash.

The difference between employees' compensation of $23,334 and directors' and supervisors' remuneration of $42,000 as resolved by the Board of Directors on April 24, 2018 and employees' compensation of $24,392 and directors' and supervisors' remuneration of $42,000 recognized in the 2017 financial statements by $1,058 had been adjusted in the profit or loss in the first quarter of 2018. The employees' compensation was distributed in the form of cash.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2018	Years ended December 31, 2017
Current tax		
Current tax on profits for the year	$ 1,655,895	$ 1,470,536
Tax on undistributed surplus earnings	6	53,736
Prior year income tax underestimation	23,902	1,203
Total current tax	1,679,803	1,525,475
Deferred tax		
Origination and reversal of temporary differences	(23,456)	(11,789)
Impact of change in tax rate	29,816	-
	6,360	(11,789)
Income tax expense	$ 1,686,163	$ 1,513,686

(b) The income tax (charge)/credit relating to components of other comprehensive loss (income) is as follows:

	Years ended December 31, 2018	Years ended December 31, 2017
Currency translation differences	$ 727	$ 1,194
Remeasurement of defined benefit obligations	(31,092)	(11,396)
Impact of change in tax rate	(7,432)	-
	($ 37,797)	($ 10,202)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2018	Years ended December 31, 2017
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 3,743,951	$ 3,669,684
Effects from items disallowed by tax regulation	(2,305,495)	(2,226,121)
Prior year income tax underestimation	23,902	1,203
Additional 10% tax on undistributed earnings	6	53,736
Others	223,799	15,184
Tax expense	$ 1,686,163	$ 1,513,686

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	Year ended December 31, 2018				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect from adjustments in entities	December 31
- Deferred tax assets:					
Temporary differences					
Unrealized allowance for inventory obsolescence	$ 38,084	$ 8,671	$ -	$ -	$ 46,755
Unrealized sales discount	48,892	8,602	-	-	57,494
Bad debts expense	31,915	(28,289)	-	16,761	20,387
Unrealized expense	37,072	39,432	-	-	76,504
Investment loss	11,432	1,795	-	-	13,227
Pensions	91,280	(749)	37,462	-	127,993
Accumulated investment adjustments	10,149	562	564	-	11,275
Others	48,753	(7,766)	-	-	40,987
Tax losses	33,466	53,949	-	-	87,415
	351,043	76,207	38,026	16,761	482,037
- Deferred tax liabilities:					
Temporary differences					
Investment income	(349,977)	(77,279)	-	-	(427,256)
Reserve for building increment	(23,905)	-	-	-	(23,905)
Land revaluation increment tax	(30,156)	-	-	-	(30,156)
Pensions	(2,795)	1,032	(167)	-	(1,930)
Cumulative translation adjustments	(245)	-	(62)	-	(307)
Others	(7,122)	(6,320)	-	-	(13,442)
	(414,200)	(82,567)	(229)	-	(496,996)
	($ 63,157)	($ 6,360)	$ 37,797	$ 16,761	($ 14,959)

	Year ended December 31, 2017				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect from adjustments in entities	December 31
- Deferred tax assets:					
Temporary differences					
Unrealized allowance for inventory obsolescence	$ 34,291	$ 3,793	$ -	$ -	$ 38,084
Unrealized sales discount	54,964	(6,072)	-	-	48,892
Bad debts expense	58,438	(26,523)	-	-	31,915
Unrealized expense	31,520	5,552	-	-	37,072
Investment loss	13,356	(1,924)	-	-	11,432
Pensions	88,299	(9,466)	12,447	-	91,280
Accumulated investment adjustments	14,095	-	(3,946)	-	10,149
Others	49,119	(366)	-	-	48,753
Tax losses	3,251	30,215	-	-	33,466
	347,333	(4,791)	8,501	-	351,043
- Deferred tax liabilities:					
Temporary differences					
Investment income	(344,802)	(5,175)	-	-	(349,977)
Reserve for building increment	(23,905)	-	-	-	(23,905)
Land revaluation increment tax	(30,156)	-	-	-	(30,156)
Pensions	(6,260)	4,516	(1,051)	-	(2,795)
Cumulative translation adjustments	(2,997)	-	2,752	-	(245)
Others	(24,361)	17,239	-	-	(7,122)
	(432,481)	16,580	1,701	-	(414,200)
	($ 85,148)	$ 11,789	$ 10,202	$ -	($ 63,157)

D. The amounts of deductible temporary differences and tax losses that were not recognized as deferred tax assets are as follows:

	December 31, 2018	December 31, 2017
Deductible temporary differences	$ 50,803	$ 46,363
Tax losses	$ 577,189	$ 1,775,412

The deductible temporary differences belong to overseas subsidiaries that cannot be realized as deferred tax assets in the near future.

E. The Company’s income tax returns through 2013 have been assessed and approved by the Tax Authority.

F. Under the amendments to the Income Tax Act promulgated by the President of the Republic of China on February 7, 2018, the Company’s applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(32) Earnings per share

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 7,462,010	1,766,260	$ 4.22
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 7,462,010	1,766,260	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	671	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 7,462,010	1,766,931	$ 4.22

	Year ended December 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 7,307,987	1,782,991	$ 4.10
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 7,307,987	1,782,991	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	20,549	42,150	
Employees' compensation	-	712	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 7,328,536	1,825,853	$ 4.01

(33) Transactions with non-controlling interest

Acquisition of additional equity interest in a subsidiary

A. On October 1, 2018, the Company's indirect subsidiary-Trigold (Hong Kong) Company

Limited (Trigold Hong Kong) acquired 45% of shares of Peng Yu (Shanghai) Digital Technology Co., Ltd. (Peng Yu Shanghai) for RMB 27 million from the non-controlling interests. The carrying amount of non-controlling interest in Peng Yu Shanghai was $72,714 at the acquisition date. This transaction resulted in decreases in the non-controlling interest and in the equity attributable to owners of the parent Trigold Hong Kong by $72,714 and $47,157, respectively. The effect of changes in interests on the equity attributable to owners of the parent Trigold Hong Kong for the year ended December 31, 2018 is shown below:

	Year ended December 31, 2018
Carrying amount of non-controlling interest acquired	$ 72,714
Consideration paid to non-controlling interest	(119,871)
	($ 47,157)

The Company held only 60.5% ownership of Trigold Hong Kong's parent company-Trigold Holdings Limited and the transaction resulted in a decrease in shareholders' interest by $28,530 which was presented as retained earnings as the Company did not have the account, 'Capital surplus-difference between consideration and carrying amount of subsidiaries acquired or disposed' in the Company's accounts.

B. In November 2017, the Group acquired additional 40% shares of WPG Gain Tune Ltd. (hereafter referred to as WPG Gain Tune) for a cash consideration totaling $12,210. The carrying amount of non-controlling interest in WPG Gain Tune was $11,994 at the acquisition date. This transaction resulted in a decrease in the non-controlling interests by $11,994 and an increase in the equity attributable to owners of the parent by $11,994. The effect of changes in interests in WPG Gain Tune on the equity attributable to owners of the parent for the year ended December 31, 2017 is shown below:

	Year ended December 31, 2017
Carrying amount of non-controlling interest acquired	$ 11,994
Consideration paid to non-controlling interest	(12,210)
Capital surplus -difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount (shown as deduction to "retained earnings")	($ 216)

(34) Supplemental cash flow information

A. Partial payment of cash from investing activities

	Years ended December 31, 2018	Years ended December 31, 2017
Acquisition of property, plant and equipment, investment property and intangible assets	$ 834,200	$ 984,324
Add: Accounts payable at the beginning of year	3,303	-
Less: Accounts payable at the end of year	-	(3,303)
Cash paid during the year for property, plant and equipment	$ 837,503	$ 981,021

B. Financing activities with no cash flow effects

	Years ended December 31, 2018	Years ended December 31, 2017
Convertible bonds being converted to capital stocks	$ -	$ 3,565,145

(35) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (Note)	Liabilities from financing activities-gross
At January 1, 2018	$ 53,773,607	$ 3,887,605	$ 12,326,036	$ 69,987,248
Changes in cash flow from financing activities	2,266,975	1,069,422	1,462,641	4,799,038
Impact of changes in foreign exchange rate	1,180,854	-	68,738	1,249,592
At December 31, 2018	$ 57,221,436	$ 4,957,027	$ 13,857,415	$ 76,035,878

Note: Including long-term borrowings-current portion less unamortized discounts.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group's shares are widely held so the Company has no ultimate parent and ultimate controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Chain Power Technology Corp.	Investee accounted for using equity method
Adivic Techology Co., Ltd.	〃
Yosun Japan Corp. (Note 1)	〃
VITEC WPG Limited	〃
CECI Technology Co. Ltd. (Note 2)	〃

Names of related parties	Relationship with the Group
Gain Tune Logistics (Shanghai) Co., Ltd.	Investee accounted for using equity method
Suzhou Xinning Logistics Co., Ltd.	〃
Suzhou Xinning Bonded Warehouse Co., Ltd.	〃
Eesource Corp.	〃
CEAC Technology HK Limited (Note 2)	Subsidiary of investee accounted for using equity method
CEAC International Limited (Note 2)	〃
P.T. WPG Electrindo Jaya	Stockholder of a Group's subsidiary accounted for using equity method
WPG Holdings Education Foundation	One third of paid-in-capital was granted by the Group

Note 1: The Group lost its significant influence over Yosun Japan Corp. due to disposal of all the shares of Yosun Japan Corp. held by the Group in May 2018.

Note 2: In June 2018, the Group lost significant influence on CECI Technology Co., Ltd., thus the 'investment accounted for using equity method' was reclassified as 'non-current financial assets at fair value through profit or loss'.

(3) Significant transactions and balances with related parties

A. Operating revenues

	Years ended December 31,	
	2018	2017
Sales of goods		
Others	$ 505,284	$ 753,466
Associates	253,019	325,440
	$ 758,303	$ 1,078,906

The terms and sales prices with other related parties were negotiated in consideration of different factors including product, cost, market, competition and other conditions. The collection period was 90 days. Terms and sales prices with associates are in accordance with normal selling prices and terms of collection.

B. Purchases

	Years ended December 31,	
	2018	2017
Purchases of goods		
Associates	$ 13,613	$ 425,082

The purchase prices and terms of payment for associates including products, market, competition and other conditions are the same as those for general suppliers.

C. Receivables from related parties

	December 31, 2018	December 31, 2017
Accounts receivable		
Others	$ 53,079	$ 257,511
Associates	29,511	17,217
	$ 82,590	$ 274,728

The receivables from related parties arise mainly from sales of goods. The receivables are due 30 to 90 days after the date of sale. The receivables are unsecured in nature and bear no interest. There is no allowance for doubtful accounts held against receivables from related parties.

D. Other receivables

	December 31, 2018	December 31, 2017
Other receivables		
Associates	$ 1,610	$ 2,046

The above represents receivables from payments on behalf of others.

E. Payables to related parties

	December 31, 2018	December 31, 2017
Accounts payable		
Associates	$ 401	$ 1,312

The payables to related parties arise mainly from purchases of goods. The payables are due 30 to 90 days after the date of purchase. The payables are unsecured in nature and bear no interest.

F. Property transactions－acquisition of financial assets

	Recorded item	No. of shares (shares in thousands)	Transaction object	Year ended December 31, 2017 Consideration
Associates	Investments accounted for using equity method	4,900	Stocks	$ 49,000

G. Endorsements and guarantees provided to related parties

	December 31, 2018	December 31, 2017
Associates		
VITEC WPG Limited	$ 138,217	$ 66,960

H. Others

The Group’s donations to WPG Holding Education Foundation were $6,250 and $5,900 for the years ended December 31, 2018 and 2017, respectively.

(4) Key management compensation

	Years ended December 31,			
	2018		2017	
Salaries and other short-term employee benefits	$	214,797	$	232,817
Post-employment benefits		2,698		2,686
	$	217,495	$	235,503

8. PLEDGED ASSETS

Pledged assets (Note 1)	December 31, 2018		December 31, 2017		Purpose of Collateral
Other current assets and other non-current assets (Note 3)					
-Time deposits	$	44,776	$	86,867	Security for purchases and deposits for litigation
Financial assets at fair value through profit or loss - non-current (Note 2)		7,503		-	
Available-for-sale financial assets - non-current (Note 2)		-		4,507	Security for purchases
Property, plant and equipment (including investment property)					
-Land		1,110,099		1,381,359	Long-term and short-term borrowings guarantee and security for purchases
-Buildings and structures		577,146		627,562	〃
	$	1,739,524	$	2,100,295	

Note 1: The Company held 100% of shares of WPG Investment Co., Ltd., in which 8,999 thousand shares have been pledged for purchases as of December 31, 2018 and 2017.

Note 2: As of December 31, 2018 and 2017, the subsidiary - Silicon Application Corporation held 566 thousand shares of Kingmax Technology Inc., which have been pledged for purchases.

Note 3: Includes “financial assets at amortized cost-current”.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to Note 6(6), other commitments were as follows:

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2018		December 31, 2017	
Property, plant and equipment and intangible assets	$	5,317,803	$	5,560,734

B. Operating lease

The future aggregate minimum payments under operating leases are as follows:

	December 31, 2018	December 31, 2017
Not later than one year	$ 479,813	$ 374,960
Later than one year but not later than five years	966,724	425,944
Later than five years	1,794	2,003
	$ 1,448,331	$ 802,907

C. The Group’s letters of credit issued but not negotiated are as follows:

December 31, 2018	December 31, 2017
$ 951,889	$ 569,998
USD 99,001,000	USD 103,368,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or manage operating capital effectively to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2018	December 31, 2017
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 1,304,533	$ -
Financial assets held for trading	-	2,539
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	32,035	-
Available-for-sale financial assets	-	521,274
Financial assets at cost	-	585,837
Financial assets at amortized cost/Loans and receivables		
Cash and cash equivalents	7,116,888	7,097,914
Financial assets at amortized cost	197,942	-
Notes receivable	2,884,889	4,088,566
Accounts receivable (including related parties)	95,340,625	87,294,871
Other accounts receivable (including related parties)	8,533,294	5,713,459
Guarantee deposits paid	185,697	250,910
Other financial assets	503,612	627,278
	$ 116,099,515	$ 106,182,648
Financial liabilities		
Financial liabilities measured at fair value through profit or loss		
Financial liabilities held for trading	$ 5,660	$ 24,765
Financial liabilities at amortized cost		
Short-term borrowings	57,221,436	53,773,607
Short-term notes and bills payable	4,957,027	3,887,605
Notes payable	35,497	214,347
Accounts payable (including related parties)	53,162,305	48,910,934
Other accounts payable	5,333,973	5,040,757
Long-term borrowings (including current portion)	13,857,415	12,326,036
Guarantee deposits received	90,986	98,498
	$ 134,664,299	$ 124,276,549

B. Risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting cost of forecast inventory purchase

iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain foreign subsidiaries' functional currency: local common currency). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2018		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 560,384	30.715	$ 17,212,202
USD：RMB	10,850	6.87	333,247
USD：KRW	17,977	1,106.85	552,166
USD：JPY	7,082	110.41	217,537
HKD：USD	64,100	0.13	251,335
EUR：USD	3,108	1.15	107,968
Non-monetary items			
RMB：USD	33,567	0.15	150,112
Financial liabilities			
Monetary items			
USD：TWD	529,618	30.715	16,267,214
USD：RMB	156,810	6.87	4,816,407
USD：KRW	31,557	1,106.85	969,260
USD：JPY	4,673	110.41	143,527
HKD：USD	42,398	0.13	166,244

	December 31, 2017		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	$ 499,674	29.76	$ 14,870,295
USD：RMB	16,143	6.52	480,405
USD：HKD	6,144	7.82	182,832
USD：KRW	17,977	1,058.32	534,998
USD：JPY	16,260	112.64	483,907
USD：INR	7,682	64.03	228,618
HKD：USD	69,517	0.13	264,653
EUR：USD	3,812	1.20	134,455

	December 31, 2017		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Non-monetary items			
RMB：USD	28,197	0.15	128,721
Financial liabilities			
Monetary items			
USD：TWD	463,625	29.76	13,797,493
USD：RMB	92,409	6.52	2,750,099
USD：KRW	31,557	1,058.32	939,123
USD：JPY	15,702	112.64	467,284
HKD：USD	83,409	0.13	317,539

v. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2018 and 2017 amounted to $291,322 and $442,060, respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2018		
	Sensitivity Analysis		
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	1%	$ 172,122	$ -
USD：RMB	1%	3,332	-
USD：KRW	1%	5,522	-
USD：JPY	1%	2,175	-
HKD：USD	1%	2,513	-
EUR：USD	1%	1,080	-
Financial liabilities			
Monetary items			
USD：TWD	1%	162,672	-
USD：RMB	1%	48,164	-
USD：KRW	1%	9,693	-
USD：JPY	1%	1,435	-
HKD：USD	1%	1,662	-

	Year ended December 31, 2017		
	Sensitivity Analysis		
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional currency			
Financial assets			
Monetary items			
USD：TWD	1%	$ 148,703	$ -
USD：RMB	1%	4,804	-
USD：HKD	1%	1,828	-
USD：KRW	1%	5,350	-
USD：JPY	1%	4,839	-
USD：INR	1%	2,286	-
HKD：USD	1%	2,647	-
EUR：USD	1%	1,345	-
Financial liabilities			
Monetary items			
USD：TWD	1%	137,975	-
USD：RMB	1%	27,501	-
USD：KRW	1%	9,391	-
USD：JPY	1%	4,673	-
HKD：USD	1%	3,175	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. Shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2018 and 2017 would have increased/decreased by $13,019 and $0, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $320 and $5,213, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the years ended December 31, 2018 and 2017, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US Dollars and KRW dollars.

ii. If the borrowing interest rate had increased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2018 and 2017 would have decreased by $181,101 and $148,779, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of notes receivable.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with good rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored.

iii. Under IFRS 9, if the contract payments are past due over one month based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due more than four months.

v. The Group classifies customer's accounts receivable and rent receivable in accordance with credit rating of customer and customer types. The Group applies the simplified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The Group wrote-off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2018, the provision matrix and loss rate methodology are as follows:

(a) Accounts receivable of general customer:

	Not past due	One month past due	Two months past due	Three months past due	Four months past due	Over four months past due	Total
December 31, 2018							
Expected loss rate	0%~ 6.17%	0.025%~ 58.33%	6.72%~ 91.67%	13.66%~ 91.67%	40.90%~ 99.97%	100%	
Total book value	$ 44,273,241	$ 3,050,859	$ 641,811	$ 194,923	$ 100,803	$345,072	$ 48,606,709
Loss allowance	$ 80,244	$ 59,269	$ 97,004	$ 78,601	$ 65,017	$345,072	$ 725,207

(b) Impaired and provisioned 100% allowance for loss

	Individual
December 31, 2018	
Total book value	$ 464,499
Loss allowance	$ 464,499

(c) For customers whose current ratio, debt ratio, earnings, etc. are within a certain range:

	December 31, 2018
Expected loss rate	0%
Total book value	$ 47,376,533
Loss allowance	$ -

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable are as follows:

	2018			
	Notes receivable	Accounts receivable		
	Individual provision	Individual provision	Group provision	Total
At January 1_IAS 39	$ 91,984	$ 537,280	$ 259,129	$ 796,409
Adjustments under new standards	-	-	201,396	201,396
At January 1_IFRS 9	91,984	537,280	460,525	997,805
(Reversal of) provision for impairment	(30,454)	15,203	323,471	338,674
Write-offs during the year	-	(39,997)	(21,439)	(61,436)
Effect of foreign exchange	(1,576)	17,477	16,023	33,500
Others (Note)	(57,608)	(65,464)	(53,373)	(118,837)
At December 31	$ 2,346	$ 464,499	$ 725,207	$1,189,706

Note: Others included decrease of recovery of write-offs of provision for impairment of accounts receivable and reclassified as overdue receivables in prior year amounting to $2,088 and $178,533, respectively.

xvi. Credit risk information for the year ended December 31, 2017 is provided in Note 12(4).

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group. Each treasury department monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 57,335,886	$ -	$ -	$ -
Short-term notes and bills payable	4,960,000	-	-	-
Financial liabilities measured at fair value through profit or loss	5,660	-	-	-
Notes payable	35,497	-	-	-
Accounts payable	53,161,904	-	-	-
Accounts payable - related parties	401	-	-	-
Other payables	5,333,973	-	-	-
Long-term borrowings (including current portion)	723,758	6,992,468	6,559,304	160,287

Non-derivative financial liabilities:

December 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 53,895,301	$ -	$ -	$ -
Short-term notes and bills payable	3,890,000	-	-	-
Financial liabilities measured at fair value through profit or loss	24,765	-	-	-
Notes payable	214,347	-	-	-
Accounts payable	48,909,622	-	-	-
Accounts payable - related parties	1,312	-	-	-
Other payables	5,040,757	-	-	-
Long-term borrowings (including current portion)	5,015,620	647,368	6,960,155	211,361

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of the Group's investment in emerging stocks, publicly traded equity investment, forward exchange and swap contracts is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. For financial instruments not measured at fair value, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other financial assets, guarantee deposits paid, financial assets at amortized cost, short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables, long-term borrowings-current portion, long-term borrowings and guarantee deposits received are approximate to their fair values.

D. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of the nature of the assets and liabilities is as follows:

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward exchange contracts	$ -	$ 2,630	$ -	$ 2,630
Equity securities	157,336	33,675	1,110,892	1,301,903
Available-for-sale financial assets				
Equity securities	-	-	32,035	32,035
	$ 157,336	$ 36,305	$1,142,927	$1,336,568
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 5,660	$ -	$ 5,660

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward exchange contracts	$ -	$ 2,539	$ -	$ 2,539
Available-for-sale financial assets				
Equity securities	479,063	31,020	11,191	521,274
	$ 479,063	$ 33,559	$ 11,191	$ 523,813
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 24,765	$ -	$ 24,765

(b) The methods and assumptions the Group used to measure fair value are as follows:

(i) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

(ii) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques widely accepted in financial management.

(iii) When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(iv) Forward exchange contracts are usually valued based on the current forward exchange rate.

(v) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(vi) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. Because the trading amount of the investment in Sunlux Energy Corporation was assessed to be unsteady and underperforming, the Group transferred the fair value from Level 1 to Level 2 in the first quarter of 2017.

F. The following chart is the movement of Level 3 for the years ended December 31, 2018 and 2017:

	2018	2017
At January 1_IAS 39	$ 11,191	$ 50,636
Adjustments under new standards	585,095	-
At January 1_IFRS 9	596,286	50,636
Capital reduction	-	(4,507)
Acquired during the year	83,175	-
Disposals	(8,500)	(32,944)
Transfers into leve1 3	490,038	-
Gains on valuation	(4,233)	-
Effect of foreign exchange	(13,839)	(1,994)
At December 31	$ 1,142,927	$ 11,191

G. On December 31, 2018, transfers into Level 3 refer to the adjustments arising from the application of new standard and the transfers from investments accounted for using equity method. For the year ended December 31, 2017, there was no transfer into or out from Level 3.

H. Finance and accounting department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions and frequently reviewed.

Finance and accounting department sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS. The related valuation results are reported to management monthly. Management is responsible for managing and reviewing valuation processes.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Equity investment without active market	$ 1,142,927	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

	Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Equity investment without active market	$ 11,191	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2018			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Net asset value	± 1%	$ 11,109	$ 11,109	$ 320	$ 320

	Input	Change	December 31, 2017			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Net asset value	± 1%	$ -	$ -	$ 112	$ 112

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 for 2017

A. Summary of significant accounting policies adopted for 2017:

(a) Financial assets at fair value through profit or loss

i. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.

ii. On a regular way purchase or sale basis, financial assets held for trading are recognized and derecognized using trade date accounting. Derivatives are recognized and derecognized using settlement date accounting.

iii. Financial assets at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(b) Available-for-sale financial assets

i. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognized and derecognized using trade date accounting.

iii. Available-for-sale financial assets are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

(c) Loans and receivables

Accounts receivable

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. However, short-term accounts receivable which are non-interest bearing are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(d) Impairment of financial assets

i. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(i) Significant financial difficulty of the issuer or debtor;

(ii) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(iii) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(iv) The disappearance of an active market for that financial asset because of financial difficulties;

(v) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(vi) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(vii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(i) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(ii) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(iii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost less any principal repayment and amortisation and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

B. The reconciliations of carrying amount of financial assets transferred from December 31, 2017, IAS 39, to January 1, 2018, IFRS 9, were as follows:

		Available-for-sale-equity	Other current and non-current assets			Effects		
	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income-equity	Other financial assets	Measured at cost	Total	Retained earnings	Other equity	Non-controlling interest
IAS 39	$ 2,539	$ 521,274	$ 51,449	$ 585,837	$1,161,099	$ -	$ -	$ -
Transferred into and measured at fair value through profit or loss	-	(521,274)	-	(553,060)	(1,074,334)	129,342	(129,342)	-
Transferred into and measured at fair value through other comprehensive income-equity	-	-	-	(32,035)	(32,035)	6,000	(6,000)	-
Transferred into and measured at amortized cost	-	-	(51,449)	-	(51,449)	-	-	-
Fair value adjustment	-	-	-	(742)	(742)	(448)	-	(294)
IFRS 9	$ 2,539	$ -	$ -	$ -	$ 2,539	$ 134,894	($135,342)	($ 294)

(a) Under IAS 39, because the equity instruments, which were classified as financial assets at cost, amounting to $32,035, were not held for the purpose of trading, they were reclassified as “financial assets at fair value through other comprehensive income (equity instruments)”.

(b) Under IAS 39, the equity instruments, which were classified as available-for-sale financial assets and financial assets at cost, amounting to $521,274 and $553,802, respectively, were reclassified as “financial assets at fair value through profit or loss (equity instruments)”, and accordingly, retained earnings was increased and other equity interest and non-controlling interest were decreased by $134,894, $135,342 and $294 under IFRS 9, respectively.

(c) The reconciliation on allowance for impairment from December 31, 2017, as these are impaired under IAS 39, to January 1, 2018, as these are expected to be impaired under IFRS 9, are as follows:

			Effects	
	Accounts receivable	Deferred income tax assets	Retained earnings	Non-controlling interest
IAS 39	$ -	$ -	$ -	$ -
Impairment loss adjustment	(201,396)	-	(201,392)	(4)
Income tax adjustment	-	16,761	16,761	-
IFRS 9	($ 201,396)	$ 16,761	($ 184,631)	($ 4)

(d) In line with IFRS 9, the Group reclassified time deposits which did not meet the definition of cash equivalent, by increasing financial assets at amortized cost-current and non-current in the amounts of $37,915 and $13,534, respectively, and decreasing other current assets and other non-current assets in the amounts of $37,915 and $13,534, respectively.

C. The significant accounts as of December 31, 2017 are as follows:

(a) Financial assets / liabilities at fair value through profit or loss

Items	December 31, 2017
Current items:	
Financial assets held for trading	
Derivatives	$ 2,539
Domestic open-end fund	-
	2,539
Valuation adjustment of financial assets held for trading	-
	$ 2,539
Current items:	
Financial liabilities held for trading	
Derivatives	$ 24,765

i. The Group recognized net loss of $40,762 on financial assets and liabilities held for trading for the year ended December 31, 2017.

ii. The counterparties of the Group's debt instrument investments are mostly listed companies or financial institutions which have good credit quality so the Group expects that the counterparties would not default on the contract.

iii. The non-hedging derivative instrument transactions and contract information are as follows:

	December 31, 2017	
Derivative instruments	Contract amount (notional principal) (Note)	Contract period
Forward foreign exchange contracts		
- Sell	USD 2,000	2017.12.08~ 2018.01.16
	EUR 3,750	2017.11.15~ 2018.04.16
- Sell-SWAP	USD 8,900	2017.12.06~ 2018.01.22
- Buy	USD 30,353	2017.04.19~ 2018.04.20
	EUR 1,000	2017.12.08~ 2018.01.12

Note: expressed in thousands.

The Group entered into forward exchange contracts to manage exposures to foreign exchange rate fluctuations of import or export sales. However, the forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting.

(b) Available-for-sale financial assets

Investee company	December 31, 2017
Current items:	
Farglory FTZ Investment Holding Co., Ltd.	$ 13,799
Dimerco Express Corporation	8,748
	22,547
Adjustment of available-for-sale financial assets	2,961
	25,508
Non-current items:	
Nichidenbo Corporation	231,990
Vitec Holdings Co., Ltd.	85,348
Promaster Technology Corp.	49,605
Murad Chia Jei Biotechnology Co., Ltd.	19,107
Hua-Jie (Taiwan) Corp.	10,500
Others	14,339
	410,889
Valuation adjustment	111,540
Accumulated impairment	(26,663)
	495,766
	$ 521,274

i. The Group recognized $139,396 in other comprehensive income (loss) for fair value change of current and non-current available-for-sale financial assets and no amount was reclassified from equity to profit or loss for the year ended December 31, 2017.

ii. The Group had no investment in debt instruments that was classified as available-for-sale financial assets.

iii. As of December 31, 2017, the Group pledged available-for-sale financial assets as guarantees for purchases. Please refer to Note 8 for details.

(c) Financial assets measured at cost

Investee company	December 31, 2017
Tyche Partners, LP.	$ 138,217
Ability I Venture Capital Corporation	100,000
CDIB CME Fund Ltd.	100,000
Tyche Partners II, LP.	54,026
Ability Asia Capital Corporation	50,000
Nanjing Sunlord Electronics Corporation Ltd.	45,057
Silicon Line GmbH	40,851
DIGITIMES Inc.	33,035
M Cube Inc.	30,365
Chlen Hwa Coating Technology Inc.	20,000
GEC Technology Hong Kong Company Limited	19,994
Bettery Energy Technology Inc.	18,000
Fantasy Story Inc.	15,047
Liefco Optical Inc.	15,000
Systemweb Technologies Co., Ltd.	12,600
Centillion III Venture Capital Corp.	10,500
SmartDisplayer Technology Co., Ltd.	10,000
PTR-Tech Technology Co., Ltd.	10,000
Others	59,158
	781,850
Less: Accumulated impairment	(196,013)
	$ 585,837

i. As of December 31, 2017, no financial assets measured at cost held by the Group were pledged to others.

ii. Based on the Group's intention, its investment in stocks should be classified as 'available-for-sale financial assets'. However, as these stocks are not traded in active market, and sufficient industry information of companies similar to the investee or the investee's financial information cannot be obtained, the fair value of the investment in stocks cannot be measured reliably. Accordingly, the Group classified those stocks as 'financial assets measured at cost'.

iii. Please refer to Note 6(13) for information on impairment of abovementioned financial assets for the year ended December 31, 2017.

(d) Credit risk information on December 31, 2017 is as follows:

(i) Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations.

According to the Group’s credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transaction. For banks and financial institutions, only independently rated parties with good rating are accepted.

(ii) No credit limits were exceeded during the year ended December 31, 2017, and management does not expect any significant losses from non-performance by these counterparties.

(iii) The credit quality of financial assets that were neither past due nor impaired was in the following categories:

	December 31, 2017
Group 1	$ 32,366,221
Group 2	49,880,142
	$ 82,246,363

Group 1: Includes customers with current ratio, debt ratio, earnings, etc. within a certain range.

Group 2: Customers not belonging to Group 1.

(iv) The ageing analysis of accounts receivable that were past due is as follows:

	December 31, 2017
Accounts receivable	
0 to 30 days	$ 2,769,938
31 to 60 days	1,537,441
61 to 90 days	314,133
91 to 120 days	126,855
121 to 150 days	26,105
151 to 180 days	14,333
Over 181 days	781,384
	$ 5,570,189

The above ageing analysis was based on past due date.

(e) Movement analysis of financial assets that were impaired is as follows:

	2017		
	Individual provision	Group provision	Total
At January 1	$ 2,920,322	$ 326,549	$ 3,246,871
Reversal of impairment	(191,709)	21,153	(170,556)
Write-offs during the period	(1,601,468)	(67,617)	(1,669,085)
Effects of foreign exchange	(172,278)	(12,676)	(184,954)
Others (Note)	(417,587)	(8,280)	(425,867)
At December 31	$ 537,280	$ 259,129	$ 796,409

Note: Others included the amounts reclassified to overdue receivables and reversal and decrease of recovery of write-offs of provision for impairment of accounts receivable in prior year amounting to ($428,494) and $2,627, respectively.

(5) Effects of initial application of IFRS 15 and information on application of IAS 11 and IAS 18 in 2017

A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 is set out below.

Sales of goods

The Group sells electronic component related products. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is unrealized when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. The revenue recognized by using above accounting policies for the year ended December 31, 2017 were as follows:

	Year ended December 31, 2017
Sales revenue	$ 532,353,095
Service revenue	156,863
	$ 532,509,958

13. SUPPLEMENTARY DISCLOSURES

The transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The following disclosures are for reference only.

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Aggregate purchases or sales of the same securities reaching $300 million or 20% of paid-in capital or more: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 5.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Derivative financial instruments undertaken during the reporting periods: Please see Notes 6(2)C. and 12(3).

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investee companies

Names, locations and other information of investee companies (including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area.

Any of the following significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: Information on significant transactions of the Company and subsidiary and investee company in Mainland China as of and for the year ended December 31, 2017 is provided in Note(1)J.

14. OPERATING SEGMENT INFORMATION

(1) General information

The Group is mainly engaged in the import and export of electronic components. The products include CPU, analog IC, discrete IC, logic IC, DRAM, Flash, optical component, etc. The chief operating decision-maker evaluates performance based on the separate net income of sub-groups, which includes World Peace Industrial Co., Ltd. and its subsidiaries, Silicon Application Corp. and its subsidiaries, Asian Information Technology Inc. and its subsidiaries, Yosun Industrial Corp. and its subsidiaries and others.

(2) Measurement of segment information

The Group's chief operating decision-maker uses the net income as basis for assessing the performance of the Group's operating segments.

(3) Reconciliation for segment income (loss)

A. The net income reported to the chief operating decision-maker is measured in a manner consistent with revenues, costs and expenses in the statement of comprehensive income. As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the amounts in the statements of segment income, reconciliation is not needed.

B. The segment information of the reportable segments provided to the chief operating decision-maker for the years ended December 31, 2018 and 2017 is as follows:

Year ended December 31, 2018:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Trigold Holdings Limited (Note)	Others	Eliminations	Total
Revenue from external customers	$ 258,457,904	$ 73,724,514	$ 70,265,885	$ 74,666,277	$ 10,416,351	$ 57,596,873	$ -	$ 545,127,804
Revenue from internal customers	15,718,019	4,979,630	1,322,826	7,269,712	1,303,863	2,840,215	(33,434,265)	-
Total revenue	$ 274,175,923	$ 78,704,144	$ 71,588,711	$ 81,935,989	$ 11,720,214	$ 60,437,088	($ 33,434,265)	$ 545,127,804
Segment profit	$ 6,277,453	$ 2,172,491	$ 1,702,409	$ 1,866,781	$ 260,399	$ 875,550	$ 1,291,423	$ 14,446,506
Net income	$ 3,509,152	$ 1,059,303	$ 1,004,782	$ 1,503,950	$ 105,543	$ 7,743,072	($ 7,410,785)	$ 7,515,017

Year ended December 31, 2017:

	World Peace Industrial Co., Ltd. and its subsidiaries	Silicon Application Corp. and its subsidiaries	Asian Information Technology Inc. and its subsidiaries	Yosun Industrial Corp. and its subsidiaries	Trigold Holdings Limited (Note)	Others	Eliminations	Total
Revenue from external customers	$ 246,167,482	$ 71,299,990	$ 70,898,876	$ 81,959,655	$ 9,381,460	$ 52,802,495	$ -	$ 532,509,958
Revenue from internal customers	12,982,070	4,756,557	1,975,695	7,420,167	506,207	2,807,486	(30,448,182)	-
Total revenue	$ 259,149,552	$ 76,056,547	$ 72,874,571	$ 89,379,822	$ 9,887,667	$ 55,609,981	($ 30,448,182)	$ 532,509,958
Segment profit	$ 5,900,739	$ 1,723,540	$ 1,789,269	$ 1,628,868	$ 333,853	$ 806,857	$ 1,205,179	$ 13,388,305
Net income	$ 3,552,896	$ 806,996	$ 1,147,823	$ 998,105	$ 123,395	$ 8,172,113	($ 7,434,893)	$ 7,366,435

Note: Details of equity interest of Trigold Holdings Limited held by the Company are provided in Note 1(1).

(4) Information on product and service

The Group is mainly engaged in the import and export of electronic components. Revenues consist as follows:

	Years ended December 31,	
	2018	2017
Core components	$ 156,985,255	$ 163,320,100
Analog IC and mixed signal component	100,350,385	94,451,293
Discrete, logic IC	79,615,473	67,413,372
Memory	134,632,732	126,220,009
Optical components	35,557,666	33,992,470
Passive component, connector and magnetic component	25,842,925	15,446,113
Others	12,143,368	31,666,601
	$ 545,127,804	$ 532,509,958

(5) Geographical information

Information about geographic areas for the years ended December 31, 2018 and 2017 were as follows:

	Years ended December 31,			
	2018		2017	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 71,241,069	$ 10,152,035	$ 86,806,019	$ 9,858,903
Mainland China	422,474,061	1,388,951	360,488,961	1,534,054
Others	51,412,674	861,000	85,214,978	444,540
	$ 545,127,804	$ 12,401,986	$ 532,509,958	$ 11,837,497

(6) Major customer information

No single customer contributes more than 10% of the Group’s total consolidated operating revenues for the years ended December 31, 2018 and 2017.

WPG Holdings Limited and Subsidiaries

Loans to others

Year ended December 31, 2018

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 9)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	$ 61,050	$ 61,050	$ 55,500	3.50	2	$ -	Operations	$ -	None	-	$ 78,056	$ 78,056	Note 1
2	Genuine C&C (Indocina) Pte, Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	61,430	61,430	61,430	3.55	2	-	Operations	-	None	-	77,000	77,000	Note 2
3	Geniune C&C Holding Inc. (Seychelles)	Peng Yu International Limited	Other receivables - related parties	Y	122,860	122,860	122,860	1.50-3.90	2	-	Operations	-	None	-	130,462	130,462	Note 7
4	Giatek Corp. Ltd.	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	165,861	-	-	0.00	2	-	Operations	-	None	-	-	-	Note 4
5	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	307,150	215,005	215,005	3.55	2	-	Operations	-	None	-	444,788	444,788	Note 8
6	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	1,412,890	1,013,595	307,150	5.07	2	-	Operations	-	None	-	6,303,260	6,303,260	Note 3
6	World Peace International (South Asia) Pte Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	307,150	-	-	0.00	2	-	Operations	-	None	-	6,303,260	6,303,260	Note 3
6	World Peace International (South Asia) Pte Ltd.	WPG China Inc.	Other receivables - related parties	Y	614,300	307,150	307,150	4.20	2	-	Operations	-	None	-	6,303,260	6,303,260	Note 3
6	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	Other receivables - related parties	Y	1,228,600	1,228,600	-	0.00	2	-	Operations	-	None	-	6,303,260	6,303,260	Note 3
6	World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Other receivables - related parties	Y	30,715	-	-	0.00	2	-	Operations	-	None	-	6,303,260	6,303,260	Note 3

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 9)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
6	World Peace International (South Asia) Pte Ltd.	SAC Components (South Asia) Pte. Ltd.	Other receivables - related parties	Y	$ 30,715	$ -	$ -	0.00	2	$ -	Operations	$ -	None	-	$ 6,303,260	$ 6,096,557	Note 3
6	World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	Other receivables - related parties	Y	153,575	153,575	-	0.00	2	-	Operations	-	None	-	6,303,260	6,303,260	Note 3
7	World Peace International Pte Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	122,860	122,860	116,717	3.55	2	-	Operations	-	None	-	2,321,030	2,321,030	Note 3
8	WPG India Electronics Pvt Ltd	World Peace International (India) Pvt., Ltd.	Other receivables - related parties	Y	43,989	43,989	39,590	9.25	2	-	Operations	-	None	-	156,235	156,235	Note 3
9	WPG C&C Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	239,577	239,577	239,577	2.90	2	-	Operations	-	None	-	267,125	267,125	Note 7
10	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	153,575	153,575	122,860	3.55	2	-	Operations	-	None	-	1,330,846	1,330,846	Note 3
10	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	767,875	460,725	307,150	4.51	2	-	Operations	-	None	-	1,330,846	1,330,846	Note 3
10	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	460,725	153,575	-	0.00	2	-	Operations	-	None	-	1,330,846	1,330,846	Note 3
11	Yosun Hong Kong Corp. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	1,535,750	614,300	-	0.00	2	-	Operations	-	None	-	4,786,502	4,786,502	Note 7
11	Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	Other receivables - related parties	Y	614,300	614,300	414,653	3.05~3.90	2	-	Operations	-	None	-	4,786,502	4,786,502	Note 7
11	Yosun Hong Kong Corp. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	307,150	153,575	-	0.00	2	-	Operations	-	None	-	4,786,502	4,786,502	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 9)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
11	Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	Other receivables - related parties	Y	$ 860,020	$ 860,020	$ 737,160	3.34~3.85	2	$ -	Operations	$ -	None	-	$ 4,786,502	$ 4,786,502	Note 7
12	Yosun Singapore Pte Ltd	WPG Korea Co., Ltd.	Other receivables - related parties	Y	153,575	153,575	-	0.00	2	-	Operations	-	None	-	647,113	647,113	Note 8
13	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	350,000	200,000	133,000	1.55	2	-	Operations	-	None	-	421,196	421,196	Note 2
14	AECO Electronics Co., Ltd.	WPG C&C Limited	Other receivables - related parties	Y	737,160	-	-	0.00	2	-	Operations	-	None	-	788,918	788,918	Note 7
14	AECO Electronics Co., Ltd.	Silicon Application Corp.	Other receivables - related parties	Y	307,150	307,150	307,150	2.90	2	-	Operations	-	None	-	788,198	788,918	Note 7
14	AECO Electronics Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	399,295	399,295	399,295	2.90	2	-	Operations	-	None	-	788,918	788,918	Note 7
15	WPG Cloud Service Limited	WPG International (CI) Limited	Other receivables - related parties	Y	27,951	12,593	12,593	2.07	2	-	Operations	-	None	-	45,703	45,703	Note 7
16	Yosun Industrial Corp.	Trigold Holdings Limited	Other receivables - related parties	Y	150,000	150,000	150,000	1.95	2	-	Operations	-	None	-	1,905,813	3,811,627	Note 6
17	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	111,800	111,800	111,800	2.80	2	-	Operations	-	None	-	205,906	205,906	Note 7
17	Yosun South China Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	67,080	67,080	67,080	2.80	2	-	Operations	-	None	-	205,906	205,906	Note 7
18	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	183,352	183,352	183,352	2.80	2	-	Operations	-	None	-	365,697	365,697	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 9)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
18	Yosun Shanghai Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	$ 143,104	$ 143,104	$ 143,104	2.80	2	$ -	Operations	$ -	None	-	$ 365,697	$ 365,697	Note 7
19	WPG Investment Co., Ltd.	WPG Holdings Limited	Other receivables - related parties	Y	150,000	-	-	0.00	2	-	Operations	-	None	-	170,839	170,839	Note 2
20	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables - related parties	Y	1,627,895	767,875	-	0.00	2	-	Operations	-	None	-	16,611,778	16,611,778	Note 7
20	WPI International (Hong Kong) Limited	Long-Think International (Hong Kong) Limited	Other receivables - related parties	Y	46,073	-	-	0.00	2	-	Operations	-	None	-	16,611,778	16,611,778	Note 7
20	WPI International (Hong Kong) Limited	WPG America Inc.	Other receivables - related parties	Y	921,450	921,450	-	0.00	2	-	Operations	-	None	-	16,611,778	16,611,778	Note 7
20	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	921,450	921,450	-	0.00	2	-	Operations	-	None	-	6,644,711	16,611,778	Note 7
21	World Peace Industrial Co., Ltd.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	92,145	46,073	19,780	2.90~3.65	2	-	Operations	-	None	-	4,710,099	9,420,197	Note 6
21	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	1,535,750	-	-	0.00	2	-	Operations	-	None	-	4,710,099	9,420,197	Note 6
21	World Peace Industrial Co., Ltd.	Trigold Holdings Limited	Other receivables - related parties	Y	300,000	300,000	-	0.00	2	-	Operations	-	None	-	4,710,099	9,420,197	Note 6
21	World Peace Industrial Co., Ltd.	Longview Technology Inc.	Other receivables - related parties	Y	307,150	307,150	18,429	3.65	2	-	Operations	-	None	-	4,710,099	9,420,197	Note 6
22	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Other receivables - related parties	Y	200,000	200,000	200,000	1.37	2	-	Operations	-	None	-	278,050	278,050	Note 2
23	AIO Components Company Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	138,218	138,218	138,218	2.90	2	-	Operations	-	None	-	150,140	150,140	Note 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 9)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
24	Silicon Application (BVI) Corporation	Silicon Application Corp.	Other receivables - related parties	Y	$ 1,228,600	$ 1,228,600	$ 1,228,600	1.70	2	$ -	Operations	$ -	None	-	$ 1,280,738	$ 3,201,845	Note 7
24	Silicon Application (BVI) Corporation	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	122,860	122,860	122,860	1.70	2	-	Operations	-	None	-	3,201,845	3,201,845	Note 7
25	Silicon Application Company Limited	Silicon Application Corp.	Other receivables - related parties	Y	706,445	706,445	706,445	1.70	2	-	Operations	-	None	-	718,039	1,795,099	Note 7
25	Silicon Application Company Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	215,005	-	-	0.00	2	-	Operations	-	None	-	1,795,099	1,795,099	Note 7
25	Silicon Application Company Limited	WPG Korea Co., Ltd.	Other receivables - related parties	Y	307,150	-	-	0.00	2	-	Operations	-	None	-	1,795,099	1,795,099	Note 7
25	Silicon Application Company Limited	WPG Americas Inc.	Other receivables - related parties	Y	276,435	-	-	0.00	2	-	Operations	-	None	-	1,795,099	1,795,099	Note 7
25	Silicon Application Company Limited	WPG SCM Limited	Other receivables - related parties	Y	245,720	-	-	0.00	2	-	Operations	-	None	-	1,795,099	1,795,099	Note 7
25	Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	614,300	614,300	614,300	2.54~3.10	2	-	Operations	-	None	-	1,795,099	1,795,099	Note 7
25	Silicon Application Company Limited	WPG C&C Limited	Other receivables - related parties	Y	430,010	430,010	430,010	2.90	2	-	Operations	-	None	-	1,795,099	1,795,099	Note 7
26	Sertek Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	430,010	-	-	0.00	2	-	Operations	-	None	-	444,738	444,738	Note 7
26	Sertek Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	430,010	430,010	430,010	2.95	2	-	Operations	-	None	-	444,738	444,738	Note 7
27	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	Other receivables - related parties	Y	507,150	307,150	307,150	3.54	2	-	Operations	-	None	-	576,751	576,751	Note 2

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2018	Balance at December 31, 2018	Actual amount drawn down	Interest rate	Nature of loan (Note 9)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
28	Apache Communication Inc.	Frontek Technology Corporation	Other receivables - related parties	Y	$ 200,000	$ -	$ -	0.00	2	$ -	Operations	$ -	None	-	$ 399,236	$ 638,777	Note 5
28	Apache Communication Inc.	Asian Information Technology Inc.	Other receivables - related parties	Y	399,295	399,295	399,295	2.75	2	-	Operations	-	None	-	399,236	638,777	Note 5
29	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Other receivables - related parties	Y	89,440	-	-	0.00	2	-	Operations	-	None	-	448,820	448,820	Note 2
29	Genuine C&C Inc.	Hoban Inc.	Other receivables - related parties	Y	50,000	50,000	-	0.00	2	-	Operations	-	None	-	448,820	448,820	Note 2
29	Genuine C&C Inc.	Trigold Holdings Limited	Other receivables - related parties	Y	15,000	-	-	0.00	2	-	Operations	-	None	-	448,820	448,820	Note 2
30	Richpower Electronic Devices Co., Limited	WPG Americas Inc.	Other receivables - related parties	Y	614,300	614,300	-	0.00	2	-	Operations	-	None	-	2,194,138	2,194,138	Note 7
30	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	860,020	860,020	-	0.00	2	-	Operations	-	None	-	2,194,138	2,194,138	Note 7
30	Richpower Electronic Devices Co., Limited	Silicon Application Corp.	Other receivables - related parties	Y	814,300	614,300	614,300	2.54-3.10	2	-	Operations	-	None	-	877,655	2,194,138	Note 7

Note 1: Accumulated financing activities and the individual limit to any company or person should not be in excess of 100% of creditors' net assets.

Note 2: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:
(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.
(2) For short-term financing, financing activities to a single company should not be in excess of 40% of creditor's net assts.

Note 3: (1) For those borrowers which are not 100% held investee company, the individual limit amount and the accumulated financing activities to those borrowers should not be in excess of 40% of the creditor's net assets.
(2) For those borrowers which are 100% held investee company, the individual limit amount and the accumulated financing activities to those borrowers should not be in excess of 200% of the creditor's net assets.
(3) The total limit of (1) and (2) should not exceed 200% of the creditor's net assets.

Note 4: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets. Limit on loans to a single company is as follows:
(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.
(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 10% of the creditor's net assets.

Note 5: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:
(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.
(2) For short-term financing, financing activities to a single company should not be in excess of 25% of creditor's assets.

(3) The financing activities to an overseas company which is 100% directly or indirectly held by the creditor should not be restricted by (1) and (2).

Note 6: Accumulated financing activities to any company or person should not be in excess of 40% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, financing activities to a single company should not be in excess of 20% of creditor's assets.

Note 7: Accumulated financing activities to any company or person should not be in excess of 100% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 100% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 8: Accumulated financing activities to any company or person should not be in excess of 200% of creditor's net assets. Limit on loans to a single company is as follows:

(1) For business transaction to the creditor, the individual limit should not exceed the amount of business transactions; the amount of business transactions means the higher between sales and purchases.

(2) For short-term financing, the financing activities to an overseas company which is 100% directly or indirectly held by ultimate parent company should not be in excess of 200% of creditor's net assets. For borrower not fulfilling said criteria, the limit should not exceed 40% of the creditor's net assets.

Note 9: The column of 'Nature of loan' shall fill in 1. 'Business transaction or 2. 'Short-term financing'.

WPG Holdings Limited and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2018

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018	Outstanding endorsement/ guarantee amount at December 31, 2018	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	$ 27,179,385	$ 151,906	$ 76,869	$ 76,869	$ 76,869	0.14	$ 27,179,385	Y	N	N	Notes 4 and 5
1	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	6,990,488	184,290	168,933	164,033	-	4.83	6,990,488	N	N	N	Note 7
1	World Peace International Pte. Ltd.	WPG C&C Computers and Peripheral (India) Private Ltd.	Note 1	6,990,488	741,767	505,262	28,593	-	14.46	6,990,488	N	N	N	Note 7
1	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	6,990,488	3,040,785	1,044,310	237,436	-	29.88	6,990,488	N	N	N	Note 7
2	WPG South Asia Pte. Ltd.	WPG India Electronics Private Limited	Note 1	1,330,846	15,358	15,358	-	-	2.31	1,330,846	N	N	N	Note 11
3	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	9,529,067	1,517,321	1,271,601	505,491	-	13.34	19,058,135	N	N	N	Note 9
3	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	9,529,067	1,581,823	1,581,823	156,683	-	16.60	19,058,135	N	N	N	Note 9
3	Yosun Industrial Corp.	Sertek Incorporated	Note 1	9,529,067	4,914,400	2,457,200	1,001,284	-	25.79	19,058,135	N	N	N	Note 9
3	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	Note 1	9,529,067	950,000	600,000	355,728	-	6.30	19,058,135	N	N	N	Note 9
4	World Peace Industrial Co., Ltd.	VITEC WPG Limited	Note 3	11,775,247	138,217	138,217	20,272	-	0.59	18,840,395	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPI International Trading (Shanghai) Ltd.	Note 3	11,775,247	1,627,808	-	-	-	-	18,840,395	N	N	Y	Note 6
4	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	11,775,247	1,351,460	1,351,460	675,730	-	5.74	18,840,395	N	N	N	Note 6

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018	Outstanding endorsement/ guarantee amount at December 31, 2018	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
4	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	$ 11,775,247	$ 3,498,439	$ 2,576,989	$ 482,950	$ -	10.94	18,840,395	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPG China Inc.	Note 3	11,775,247	49,144	-	-	-	-	18,840,395	N	N	Y	Note 6
5	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	1,040,528	827,150	627,150	514,830	-	24.11	1,300,661	N	N	N	Note 8
6	Genuine C&C Inc.	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 3	448,820	89,440	-	-	-	-	561,025	N	N	Y	Note 10
7	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	2,155,438	866,550	866,550	62,482	-	16.08	2,694,297	N	N	N	Note 8
7	Asian Information Technology Inc.	WPG China Inc.	Note 3	2,155,438	15,358	15,358	-	-	0.29	2,694,297	N	N	Y	Note 8
7	Asian Information Technology Inc.	AIT Japan Inc.	Note 1	2,155,438	1,167,170	184,290	15,333	-	3.42	2,694,297	N	N	N	Note 8
8	Trigold Holding Limited	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	549,820	89,440	44,720	44,720	-	4.07	549,820	N	N	Y	Note 12
8	Trigold Holdings Limited	Peng Yu International Limited	Note 1	549,820	61,430	61,430	-	-	5.59	549,820	N	N	N	Note 12
8	Trigold Holdings Limited	WPI International Trading (Shanghai) Ltd.	Note 1	549,820	134,160	134,160	134,160	-	12.20	549,820	N	N	Y	Note 12

Note 1: The company and its subsidiary hold more than 50% of the investee company.

Note 2: The parent company directly owns more than 50% of the company.

Note 3: An affiliate.

Note 4: The guarantee amount should not exceed 50% of guarantor's net assets; the limit to a single company should not exceed 50% of the Company's stockholder's equity. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The limit on the Company and its subsidiaries' total loan to other companies is 60% of the Company's net assets. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets, which is based on the latest audited or reviewed financial statements.

Note 5: There are 8,999 thousand shares of WPG Investment Co., Ltd. which have been pledged for purchases for World Peace Industrial Co., Ltd. The book value of those pledged investments is $76,869.

Note 6: The cumulative guarantee amount to others should not be in excess of 80% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 50% of guarantor's net assets. For business transaction with the guarantor, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The net asset value is based on the latest audited or reviewed financial statements.

Note 7: The cumulative guarantee amount and the guarantee amount to a single company both should not be in excess of 200% of guarantor's net assets.

Note 8: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 40% of guarantor's net assets. However, guarantee amount to a single overseas affiliate should not be in excess of 40% of guarantor's net assets.

Note 9: The cumulative guarantee amount to others should not be in excess of 200% of guarantor and its subsidiaries' total net assets. The guarantee amount to a single company should not be in excess of 100% of guarantor and its subsidiaries' total net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The Company's guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the ultimate parent company should not exceed 10% of the ultimate parent company's net assets. The net asset value is based on the latest audited or reviewed financial statements.

Note 10: The cumulative guarantee amount to others should not be in excess of 50% of guarantor's net assets. The guarantee amount to a single company should not be in excess of 30% of guarantor's net assets. However, guarantee amount to a single overseas affiliate should not be in excess of 40% of guarantor's net assets.

Note 11: The cumulative guarantee amount to others should not be in excess of 200% of the Company's net assets. The guarantee amount to a single company should not be in excess of 200% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases. The guarantee amount to a subsidiary which is 90%~100% directly or indirectly held by the Company should not exceed 10% of the Company's net assets.

Note 12: The cumulative guarantee amount to others should not be in excess of 50% of the Company's net assets. The guarantee amount to a single company should not be in excess of 50% of Company's net assets. For business transaction with the Company, the guarantee amount should not exceed the amount of business transaction, which is the higher between sales and purchases.

WPG Holdings Limited and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2018

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2018 Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
WPG Holdings Limited	Vitec Holdings Co., Ltd. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	230	$ 116,263	0.02	$ 116,263	
WPG Holdings Limited	Tyche Partners L.P. - Funds	None	Financial assets at at fair value through profit or loss- non-current	-	138,217	-	138,217	
WPG Holdings Limited	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	292,878	-	292,878	
Silicon Application Corp.	Kingmax Technology Inc., etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	15,324	-	15,324	Note 2
World Peace Industrial Co., Ltd.	Silicon Line GmbH, Munich etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	26,237	-	26,237	
AECO Technology Co., Ltd.	Hua-Jie (Taiwan) Corp. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	668	6,684	3.32	6,684	
Yosun Industrial Corp.	Fortend Taiwan Scientific Corp., etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	3,442	-	3,442	
Yosun Industrial Corp.	Nichidenbo Corporation - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	267	14,132	0.15	14,132	
Genuine C&C Inc.	Systemweb Technology - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	700	8,705	9.52	8,705	
Richpower Electronic Devices Co., Ltd.	Promaster Technology Co., Ltd., etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	36,956	-	36,956	
WPG Investment Co., Ltd.	DIGITIMES Inc. etc. - Equity securities	None	Financial assets at at fair value through frofit or loss- non-current, etc.	-	125,226	-	125,226	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2018 Number of shares (in thousands)	Book value	Ownership (%)	Fair value (Note 1)	Footnote
Silicon Application (BVI) Corp.	Actiontec Electronics Inc. etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	$ 6,700	-	$ 6,700	
Asian Information Technology Inc.	MCUBE. Inc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	-	-	-	
Win-Win Systems Ltd.	Silicon Electronics Company(s) Pte. Ltd. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	180	-	-	-	
WPG South Asia Pte. Ltd.	ViMOS Technologies GmBH - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	20	664	9.00	664	
WPG China Inc.	CECI Technology Co. Ltd. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	542,510	-	542,510	

Note 1: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 2: There are 566 thousand shares of Kingmax Technology Inc. which have been pledged for purchases as of December 31, 2018.

WPG Holdings Limited and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

Year ended December 31, 2018

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2018		Addition		Disposal				Balance as at December 31, 2018	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares (thousands)	Amount	Number of shares (thousands)	Amount	Number of shares (thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (thousands)	Amount
Yosun Industrial Corp.	Nichidenbo Corporation	Note 1	Non-specific counterperties in the market	None	9,647	$ 342,472	267 (Note 2)	$ 451,559 (Note 3)	(9,647)	($ 779,899)	($ 779,899) (Note 4)	$ -	267	$ 14,132

Note 1: It is recorded as financial assets at fair value through profit or loss - non-current.
Note 2: The shares are from capital increase through capitalization of earnings of Nichidenbo Corporation.
Note 3: It refers to gain on valuation of financial assets at fair value through profit or loss.
Note 4:The carrying amount of the financial assets at fair value through profit or loss amounted to $779,899, including the cost of financial assets at fair value through profit or loss of $225,986 and valuation adjustment of $553,913.

WPG Holdings Limited and Subsidiaries

Acquisition of real estate reaching $300 million or 20% of paid-in capital or more

Year ended December 31, 2018

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment (Note 2)	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
The Company	Office building A in Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	$ 4,533,954	$ 793,442	Ji Tai Development Co., Ltd.	Non-related party	-	-	-	$ -	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None
The Company	Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	1,063,114	186,045	Lee	Non-related party	-	-	-	-	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None
The Company	Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	843,765	147,659	Wang	Non-related party	-	-	-	-	It was appraised by Honda real estate appraising firm and China real estate appraising firm	Operation needs	None

Note 1: It was the date of contract.
Note 2: For the years ended December 31, 2018 and 2017, the total amount was $885,615 and $241,531, respectively.

WPG Holdings Limited and Subsidiaries
Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more
Year ended December 31, 2018

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Same parent company	Sales	($ 385,396)	(53.08)	Note 7	Note 7	Note 7	$ 45,028	55.30	
"	Silicon Application Corp.	"	"	(113,762)	(15.67)	Note 7	Note 7	Note 7	12,735	15.64	
"	Asian Information Technology Inc.	"	"	(101,084)	(13.92)	Note 7	Note 7	Note 7	10,830	13.30	
"	Yosun Industrial Corp.	"	"	(117,712)	(16.21)	Note 7	Note 7	Note 7	11,948	14.67	
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	"	"	(7,365,181)	(6.27)	Note 3	Note 3	Note 3	525,451	2.09	
"	AECO Technology Co., Ltd.	"	"	(158,860)	(0.14)	"	"	"	-	0.00	
"	WPG Electronics (HK) Limited	"	"	(625,182)	(0.53)	"	"	"	213,864	0.85	
"	WPG China (SZ) Inc.	"	"	(878,006)	(0.75)	"	"	"	507,476	2.02	
"	WPG China Inc.	"	"	(206,433)	(0.18)	"	"	"	35,361	0.14	
"	WPG SCM Limited	"	"	(1,149,718)	(0.98)	"	"	"	189,309	0.75	
"	WPG Korea Co., Ltd.	"	"	(493,316)	(0.42)	"	"	"	210,488	0.84	
"	Genuine C&C Inc.	"	"	(132,508)	(0.11)	"	"	"	26,610	0.11	
Genuine C&C (IndoChina) Pte Ltd	P.T. WPG Electrindo Jaya	Investment under equity method	"	(201,907)	(92.57)	"	"	"	6,261	92.60	
World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	Same parent company	"	(252,670)	(0.96)	"	"	"	12,033	0.26	
"	WPG C&C (Malaysia) Sdn. Bhd	"	"	(163,081)	(0.62)	"	"	"	2,306	0.05	
"	WPG C&C Computers And Peripheral (India) Private Limited	"	"	(1,346,249)	(5.12)	"	"	"	150,373	3.21	
"	WPI International (Hong Kong) Limited	"	"	(109,037)	(0.41)	"	"	"	222	-	
"	WPG SCM Limited	"	"	(5,620,256)	(21.38)	"	"	"	1,103,970	23.56	
"	P.T. WPG Electrindo Jaya	Investment under equity method	"	(303,377)	(1.15)	"	"	"	46,818	1.00	
"	WPG C&C (Thailand) Co., Ltd.	Same parent company	"	(127,537)	(0.49)	"	"	"	32,815	0.70	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	Same parent company	Sales	($ 6,945,713)	(4.99)	Note 3	Note 3	Note 3	$ 271,719	1.13	
"	World Peace International (South Asia) Pte Ltd.	"	"	(2,627,389)	(1.89)	"	"	"	95,884	0.40	
"	WPG C&C Limited	"	"	(799,351)	(0.57)	"	"	"	80,530	0.34	
"	WPI International Trading (Shanghai) Ltd.	"	"	(121,164)	(0.09)	"	"	"	51,030	0.21	
"	WPG Electronics (HK) Limited	"	"	(310,563)	(0.22)	"	"	"	227,427	0.95	
"	WPG China (SZ) Inc.	"	"	(2,886,205)	(2.07)	"	"	"	579,458	2.42	
"	WPG China Inc.	"	"	(877,379)	(0.63)	"	"	"	47,096	0.20	
"	WPG SCM Limited	"	"	(1,012,034)	(0.73)	"	"	"	147,799	0.62	
"	WPG Korea Co., Ltd.	"	"	(130,447)	(0.09)	"	"	"	22,149	0.09	
"	Vitec WPG Limited	Parent company's investment under equity method		(126,941)	(0.09)	"	"	"	12,498	0.05	
"	Peng Yu International Limited	"	"	(512,743)	(0.37)	"	"	"	9,562	0.04	
WPG C&C Limited	WPI International (Hong Kong) Limited	"	"	(2,414,251)	(37.21)	"	"	"	-	-	
"	WPI Interational Trading (Shanghai) Ltd.	"	"	(264,153)	(4.07)	"	"	"	-	-	
"	Peng Yu International Limited	"	"	(466,417)	(7.19)	"	"	"	18,693	18.66	
Longview Technology Inc.	World Peace Industrial Co., Ltd.	"	"	(310,075)	(15.16)	"	"	"	23,116	6.92	
"	WPI International (Hong Kong) Limited	"	"	(734,714)	(35.91)	"	"	"	91,479	27.38	
"	WPG Electronics (HK) Limited	"	"	(110,160)	(5.38)	"	"	"	21,286	6.37	
Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	(505,312)	(29.75)	"	"	"	56,609	29.15	
"	WPI International (Hong Kong) Limited	"	"	(632,570)	(37.24)	"	"	"	34,466	17.75	
"	Longview Technology Inc.	"	"	(111,867)	(6.59)	"	"	"	-	-	
AECO Electronics Co., Ltd.	World Peace Industrial Co., Ltd.	"	"	(111,125)	(100.00)	"	"	"	-	-	
Silicon Application Corp.	Pernas Electronics Co., Ltd.	"	"	(2,018,826)	(2.90)	30 days after monthly billings	Note 4	Note 4	172,787	1.32	
"	WPG Electronics (HK) Limited	"	"	(3,267,963)	(4.69)	90 days after monthly billings	"	"	1,026,923	7.86	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Silicon Application Corp.	WPG China (SZ) Inc.	Same parent company	Sales	($ 1,176,448)	(1.69)	90 days after monthly billings	Note 4	Note 4	$ 218,421	1.67	
"	WPG China Inc.	"	"	(217,267)	(0.31)	"	"	"	20,734	0.16	
"	WPG SCM Limited	"	"	(130,127)	(0.19)	30 days after monthly billings	"	"	5,696	0.04	
Pernas Electronics Co., Ltd.	Silicon Application Corp.	"	"	(510,993)	(5.75)	"	"	"	40,056	2.42	
"	Everwiner Enterprise Co., Ltd.	"	"	(281,629)	(3.17)	60 days and 90 days after monthly billing	"	"	97,073	5.86	
Everwiner Enterprise Co., Ltd.	Silicon Application Corp.	"	"	(124,807)	(2.14)	30 days after monthly billings	"	"	5,630	0.32	
"	Pernas Electronics Co., Ltd.	"	"	(2,909,208)	(49.84)	90 days after monthly billings	"	"	1,016,809	58.63	
Asian Information Technology Inc.	World Peace International (South Asia) Pte Ltd.	"	"	(126,287)	(0.34)	Note 2	Note 2	Note 2	3,604	0.07	
"	WPI International (Hong Kong) Limited	"	"	(186,831)	(0.50)	"	"	"	23,574	0.46	
"	Frontek Technology Corporation	"	"	(2,735,613)	(7.26)	"	"	"	182,265	3.52	
"	Apache Communication Inc.	"	"	(1,545,503)	(4.10)	"	"	"	3,096	0.06	
"	AIT Japan Inc.	"	"	(1,022,880)	(2.71)	"	"	"	121,614	2.35	
"	WPG Electronics (HK) Limited	"	"	(100,450)	(0.27)	"	"	"	47,428	0.92	
"	WPG China (SZ) Inc.	"	"	(178,365)	(0.47)	"	"	"	70,761	1.37	
Henshen Electric Trading Co., Ltd.	Asian Information Technology Inc.	"	"	(287,033)	(27.47)	"	"	"	26,555	23.60	
"	Frontek Technology Corporation	"	"	(279,265)	(26.72)	"	"	"	3,067	2.73	
Frontek Technology Corporation	"	"	"	(1,847,872)	(7.97)	"	"	"	551,701	13.28	
"	WPG Electronics (HK) Limited	"	"	(404,258)	(1.74)	"	"	"	137,038	3.30	
"	WPG China Inc.	"	"	(130,628)	(0.56)	"	"	"	9,045	0.22	
Apache Communication Inc.	Asian Information Technology Inc.	"	"	(295,096)	(1.77)	"	"	"	96,029	2.85	
AIT Japan Inc.	"	"	"	(498,906)	(31.79)	"	"	"	13,993	6.95	
WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	"	"	(185,940)	(2.66)	Note 7	Note 7	Note 7	-	0.00	
"	WPI International (Hong Kong) Limited	"	"	(247,944)	(3.55)	"	"	"	-	0.00	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction: Purchases (sales)	Transaction: Amount	Transaction: Percentage of total purchases (sales)	Transaction: Credit term	Differences in transaction terms compared to third party transactions: Unit price	Differences in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Footnote
WPG Electronics (HK) Limited	Silicon Application Corp.	Same parent company	Sales	($ 132,683)	(1.90)	Note 7	Note 7	Note 7	$ -	0.00	
WPG China Inc.	WPG China (SZ) Inc.	"	"	(507,895)	(5.78)	90 days after monthly billings	Note 5	Note 5	49,232	2.31	
WPG Americas Inc.	World Peace Industrial Co., Ltd.	"	"	(211,270)	(1.04)	Note 3	Note 3	Note 3	14,779	0.73	
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	"	(472,702)	(66.55)	Note 7	Note 7	Note 7	-	0.00	
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	"	(735,594)	(2.99)	Note 6	Note 6	Note 6	217,507	7.67	
"	WPG China Inc.	"	"	(493,860)	(2.01)	Note 6	Note 6	Note 6	47,734	1.68	
"	Yosun Hong Kong Corp. Ltd.	"	"	(4,742,191)	(19.28)	Note 3	Note 3	Note 3	217,232	7.66	
"	Richpower Electronic Devices Co., Ltd.	"	"	(270,375)	(1.10)	"	"	"	16,187	0.57	
"	Richpower Electronic Devices Co., Limited	"	"	(167,307)	(0.68)	"	"	"	7,353	0.26	
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	"	(1,170,080)	(3.80)	Note 6	Note 6	Note 6	395,180	8.78	
"	WPG China Inc.	"	"	(2,793,024)	(9.08)	"	"	"	561,491	12.47	
Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	"	"	(663,462)	(2.16)	Note 3	Note 3	Note 3	29,885	0.66	
"	Richpower Electronic Devices Co., Limited	"	"	(934,742)	(3.04)	"	"	"	33,917	0.75	
Yosun Singapore Pte Ltd.	WPG SCM Limited	"	"	(588,260)	(11.55)	Note 6	Note 6	Note 6	23,240	2.22	
Sertek Incorporated	Yosun Industrial Corp.	"	"	(522,834)	(3.43)	Note 3	Note 3	Note 3	10,106	1.88	
"	Yosun Hong Kong Corp. Ltd.	"	"	(687,578)	(4.51)	"	"	"	25,225	4.69	
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	"	(1,148,101)	(15.94)	Note 6	Note 6	Note 6	336,269	18.37	
"	Yosun Hong Kong Corp. Ltd.	"	"	(2,104,517)	(21.66)	Note 3	Note 3	Note 3	-	0.00	
"	Richpower Electronic Devices Co., Ltd.	"	"	(215,590)	(2.22)	"	"	"	10,829	0.64	
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPI International Trading (Shanghai) Ltd.	"	"	(278,786)	(30.27)	45 days after monthly billings	"	"	42,863	65.96	
"	Peng Yu International Limited	"	"	(174,966)	(18.99)	90 days after monthly billings	Note 4	Note 4	-	0.00	
Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	"	"	(1,383,595)	(66.82)	Note 3	Note 3	Note 3	345,023	97.49	

Note 1: As the related party transactions of consolidated subsidiaries exceeding $100 million are voluminous, the related information disclosed here is from the sales aspect.
Note 2: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the end of the month of sales.
Note 3: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 days from the end of the month of sales.
Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.
Note 5: Similar to third parties.
Note 6: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60~120 days from the end of the month of sales.
Note 7: The income arose from the provision of administrative resources and management services, and the sales price and terms were determined by the parties.

WPG Holdings Limited and Subsidiaries

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

Year ended December 31, 2018

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate (Note 2)	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same parent company	$ 525,451	11.13	$ -	-	$ 525,451	$ -
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	"	213,864	2.21	-	-	185,269	-
World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	"	507,476	3.37	-	-	449,503	-
World Peace Industrial Co., Ltd.	WPG SCM Limited	"	189,309	12.06	-	-	189,309	-
World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	"	210,488	4.66	-	-	210,488	-
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	"	150,373	8.62	-	-	150,373	-
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	1,103,970	6.23	-	-	960,718	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	271,719	12.12	-	-	271,719	-
WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	"	227,427	1.24	-	-	602	-
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	"	579,458	5.40	-	-	352,335	-
WPI International (Hong Kong) Limited	WPG SLM Limited	"	147,799	8.82	-	-	147,799	-
Silicon Application Corp.	Pernas Electronics Co., Ltd.	"	172,787	11.12	-	-	172,787	-
Silicon Application Corp.	WPG Electronics (HK) Limited	"	1,026,923	3.25	-	-	852,139	-
Silicon Application Corp.	WPG China (SZ) Inc.	"	218,421	4.53	-	-	159,438	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	1,016,809	3.54	-	-	876,105	-
Asian Information Technology Inc.	Frontek Technology Corporation	"	182,265	19.78	-	-	182,265	-
Asian Information Technology Inc.	AIT Japan Inc.	"	121,614	4.96	-	-	121,614	-
Frontek Technology Corporation	Asian Information Technology Inc.	"	551,701	3.91	-	-	534,106	-

					Overdue receivables			
Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate (Note 2)	Amount	Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
Frontek Technology Corporation	WPG Electronics (HK) Limited	Same parent company	$ 137,038	2.40	$ -	-	$ 70,718	$ -
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	217,507	4.01	-	-	154,452	-
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	217,232	23.67	-	-	217,232	-
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	395,180	3.85	-	-	293,720	-
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	561,491	5.90	-	-	542,847	-
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	336,269	2.88	-	-	287,525	-
Peng Yu International Limited	WPI Interational Trading (Shanghai) Ltd.	"	345,023	8.02	-	-	345,023	-
WPG Holdings Limited	World Peace Industrial Co., Ltd.	"	186,477	0.00	-	-	-	-
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	"	257,626	0.00	-	-	257,626	-
World Peace International Pte Ltd.	World Peace International (South Asia) Pte Ltd.	"	117,074	0.00	-	-	-	-
World Peace International (South Asia) Pte Ltd.	WPG China Inc.	"	313,600	0.00	-	-	-	-
World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	"	317,340	0.00	-	-	307,150	-
World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	"	102,482	0.00	-	-	102,482	-
WPI International (Hong Kong) Limited	Trigold (Hong Kong) Company Limited	"	263,140	0.00	-	-	263,140	-
WPG C&C Limited	WPI International (Hong Kong) Limited	"	248,667	0.00	-	-	8,337	-
AIO Components Company Limited	WPI International (Hong Kong) Limited	"	138,518	0.00	-	-	-	-
AECO Electronics Co., Ltd.	World Peace Industrial Co., Ltd.	"	133,452	0.00	-	-	786	-
AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	"	403,316	0.00	-	-	-	-
AECO Electronic Co., Ltd.	Silicon Application Corp.	"	313,509	0.00	-	-	313,509	-
Silicon Application (BVI) Corp.	WPI International (Hong Kong) Limited	"	124,484	0.00			124,484	
Silicon Application (BVI) Corp.	Silicon Application Corp.	"	1,241,886	0.00	-	-	-	-
Silicon Application Company Limited	WPG C&C Limited	"	439,120	0.00	-	-	439,120	-
Silicon Application Company Limited	Silicon Application Corp.	"	711,555	0.00	-	-	-	-
Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	"	629,079	0.00	-	-	629,079	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	202,109	0.00	-	-	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 (Note 1)	Turnover rate (Note 2)	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
Apache Communication Inc.	Asian Information Technology Inc.	Same parent company	$ 407,835	0.00	$ -	-	$ 188,232	-
WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	"	308,411	0.00	-	-	33,233	-
WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	"	137,530	0.00	-	-	131,787	-
Yosun Industrial Corp.	Trigold Holdings Limited	"	150,377	0.00	-	-	-	-
Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	"	749,166	0.00	-	-	2	-
Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	"	418,862	0.00	-	-	109,915	-
Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	"	183,352	0.00	-	-	-	-
Yosun Shanghai Corp. Ltd.	WPG China Inc.	"	143,104	0.00	-	-	-	-
Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	"	111,800	0.00	-	-	-	-
Sertek Incorporated	Richpower Electronic Devices Co., Ltd	"	309,596	0.00	-	-	936	-
Sertek Limited	Yosun Hong Kong Corp. Ltd.	"	431,666	0.00	-	-	-	-
Richpower Electronic Devices Co., Limited	Silicon Application Corp.	"	629,034	0.00	-	-	-	-
Richpower Electronic Devices Pte Ltd.	Yosun Singapore Pte Ltd.	"	215,663	0.00	-	-	658	-
Genuine C&C Holding Inc. (Seychelles)	Peng Yu International Limited	"	123,264	0.00	-	-	-	-

Note 1: Balance as at December 31, 2018 includes other receivables that exceed $100,000.
Note 2: Turnover rate of 0.00 was caused by the receivables amount recorded as other receivables, and thus the turnover rate is not applicable.
Note 3: The subsequent collections are amounts collected as of March 26, 2019.

WPG Holdings Limited and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2018

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Sales	$ 385,396	Note 11	0.07
0	WPG Holdings Limited	Silicon Application Corp.	1	"	113,762	Note 11	0.02
0	WPG Holdings Limited	Asian Information Technology Inc.	1	"	101,084	Note 11	0.02
0	WPG Holdings Limited	Yosun Industrial Corp.	1	"	117,712	Note 11	0.02
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	7,365,181	Note 5	1.35
1	World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	3	"	158,860	Note 5	0.03
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	625,182	Note 5	0.11
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	"	878,006	Note 5	0.16
1	World Peace Industrial Co., Ltd.	WPG China Inc.	3	"	206,433	Note 5	0.04
1	World Peace Industrial Co., Ltd.	WPG SCM Limited	3	"	1,149,718	Note 5	0.21
1	World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	3	"	493,316	Note 5	0.09
1	World Peace Industrial Co., Ltd.	Genuine C&C Inc.	3	"	132,508	Note 5	0.02
2	World Peace International (South Asia) Pte Ltd.	World Peace Industrial Co., Ltd.	3	"	252,670	Note 5	0.05
2	World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	3	"	163,081	Note 5	0.03
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	1,346,249	Note 5	0.25
2	World Peace International (South Asia) Pte Ltd.	WPI International (Hong Kong) Limited	3	"	109,037	Note 5	0.02
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	5,620,256	Note 5	1.03
2	World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	3	"	127,537	Note 5	0.02
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	6,945,713	Note 5	1.27
3	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	"	2,627,389	Note 5	0.48

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
3	WPI International (Hong Kong) Limited	WPG C&C Limited	3	Sales	$ 799,351	Note 5	0.15
3	WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	3	"	121,164	Note 5	0.02
3	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	3	"	310,563	Note 5	0.06
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	2,886,205	Note 5	0.53
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	877,379	Note 5	0.16
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3	"	1,012,034	Note 5	0.19
3	WPI International (Hong Kong) Limited	WPG Korea Co., Ltd.	3	"	130,447	Note 5	0.02
3	WPI International (Hong Kong) Limited	Peng Yu International Limited	3	"	512,743	Note 5	0.09
4	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	2,414,251	Note 5	0.44
4	WPG C&C Limited	WPI International Trading (Shanghai) Ltd.	3	"	264,153	Note 5	0.05
4	WPG C&C Limited	Peng Yu International Limited	3	"	466,417	Note 5	0.09
5	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	"	310,075	Note 5	0.06
5	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	734,714	Note 5	0.13
5	Longview Technology Inc.	WPG Electronics (HK) Limited	3	"	110,160	Note 5	0.02
6	Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	505,312	Note 5	0.09
6	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	632,570	Note 5	0.12
6	Long-Think International (Hong Kong) Limited	Longview Technology Inc.	3	"	111,867	Note 5	0.02
30	AECO Electronics Co., Ltd.	World Peace Industrial Co., Ltd.	3	"	111,125	Note 5	0.02
7	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	2,018,826	Notes 9 and 11	0.37
7	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	3,267,963	Notes 9 and 12	0.60
7	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	1,176,448	Notes 9 and 12	0.22
7	Silicon Application Corp.	WPG China Inc.	3	"	217,267	Notes 9 and12	0.04
7	Silicon Application Corp.	WPG SCM Limited	3	"	130,127	Notes 9 and 11	0.02
8	Pernas Electronics Co., Ltd.	Silicon Application Corp.	3	"	510,993	Notes 9 and 11	0.09
8	Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	3	"	281,629	Notes 9, 10 and 12	0.05
9	Everwiner Enterprise Co., Ltd.	Silicon Application Corp.	3	"	124,807	Notes 9 and 11	0.02

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	Sales	$ 2,909,208	Notes 9 and 12	0.53
7	Asian Information Technology Inc.	World Peace International (South Asia) Pte Ltd.	3	"	126,287	Note 4	0.02
10	Asian Information Technology Inc.	WPI International (Hong Kong) Limited	3	"	186,831	Note 4	0.03
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	2,735,613	Note 4	0.50
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	1,545,503	Note 4	0.28
10	Asian Information Technology Inc.	AIT Japan Inc.	3	"	1,022,880	Note 4	0.19
10	Asian Information Technology Inc.	WPG Electronics (HK) Limited	3	"	100,450	Note 4	0.02
10	Asian Information Technology Inc.	WPG China (SZ) Inc.	3	"	178,365	Note 4	0.03
11	Henshen Electric Trading Co., Ltd.	Asian Information Technology Inc.	3	"	287,033	Note 4	0.05
11	Henshen Electric Trading Co., Ltd.	Frontek Technology Corporation	3	"	279,265	Note 4	0.05
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	1,847,872	Note 4	0.34
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	404,258	Note 4	0.07
12	Frontek Technology Corporation	WPG China Inc.	3	"	130,628	Note 4	0.02
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	295,096	Note 4	0.05
14	AIT Japan Inc.	Asian Information Technology Inc.	3	"	498,906	Note 4	0.09
15	WPG Electronics (HK) Limited	World Peace Industrial Co., Ltd.	3	"	185,940	Note 11	0.03
15	WPG Electronics (HK) Limited	WPI International (Hong Kong) Limited	3	"	247,944	Note 11	0.05
15	WPG Electronics (HK) Limited	Silicon Application Corp.	3	"	132,683	Note 11	0.02
16	WPG China Inc.	WPG China (SZ) Inc.	3	"	507,895	Notes 9 and 12	0.09
17	WPG Americas Inc.	World Peace Industrial Co., Ltd.	3	"	211,270	Notes 9 and 11	0.04
18	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	472,702	Note 10	0.09
19	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	735,594	Note 8	0.13
19	Yosun Industrial Corp.	WPG China Inc.	3	"	493,860	Note 8	0.09
19	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	4,742,191	Note 5	0.87
19	Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	3	"	270,375	Note 5	0.05
19	Yosun Industrial Corp.	Richpower Electornic Devices Co., Limited	3	"	167,307	Note 5	0.03

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
20	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	Sales	$ 1,170,080	Note 8	0.21
20	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	2,793,024	Note 8	0.51
20	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	"	663,462	Note 5	0.12
20	Yosun Hong Kong Corp. Ltd.	Richpower Electornic Devices Co., Limited	3	"	934,742	Note 5	0.17
21	Yosun Singapore Pte Ltd.	WPG SCM Limited	3	"	588,260	Note 8	0.11
22	Sertek Incorporated	Yosun Industrial Corp.	3	"	522,834	Note 5	0.10
22	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	"	687,578	Note 5	0.13
23	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	1,148,101	Note 8	0.21
24	Richpower Electornic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	3	"	2,104,517	Note 5	0.39
24	Richpower Electornic Devices Co., Limited	Richpower Electronic Devices Co., Ltd.	3	"	215,590	Note 5	0.04
25	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPI International Trading (Shanghai) Ltd.	3	"	278,786	Notes 9 and 14	0.04
25	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	3	"	174,966	Notes 9 and 12	0.03
26	Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	3	"	1,383,595	Note 5	0.25
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	525,451	Note 5	0.27
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	213,864	Note 5	0.11
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	"	507,476	Note 5	0.26
1	World Peace Industrial Co., Ltd.	WPG SCM Limited	3	"	189,309	Note 5	0.10
1	World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	3	"	210,488	Note 5	0.11
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	150,373	Note 5	0.08
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	1,103,970	Note 5	0.56
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	271,719	Note 5	0.14
3	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	3	"	227,427	Note 5	0.12
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	579,458	Note 5	0.30
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3	"	147,799	Note 5	0.08
7	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	172,787	Notes 9 and 11	0.09

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
7	Silicon Application Corp.	WPG Electronics (HK) Limited	3	Accounts receivable	$ 1,026,923	Notes 9 and 12	0.52
7	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	218,421	Notes 9 and 12	0.11
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	1,016,809	Notes 9 and 12	0.52
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	182,265	Note 4	0.09
10	Asian Information Technology Inc.	AIT Japan Inc.	3	"	121,614	Note 4	0.06
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	551,701	Note 4	0.28
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	137,038	Note 4	0.07
19	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	217,507	Note 8	0.11
19	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	217,232	Note 5	0.11
20	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	395,180	Note 8	0.20
20	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	561,491	Note 8	0.29
23	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	336,269	Note 8	0.17
26	Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	3	"	345,023	Note 5	0.18
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Other receivables	186,477	Note 13	0.10
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	257,626	Note 17	0.13
27	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd.	3	"	117,074	Note 7	0.06
2	World Peace International (South Asia) Pte Ltd.	WPG China Inc.	3	"	313,600	Note 7	0.16
2	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	3	"	317,340	Note 7	0.16
2	World Peace International (South Asia) Pte Ltd.	WPG South Asia Pte. Ltd.	3	"	102,482	Note 6	0.05
3	WPI International (Hong Kong) Limited	Trigold (Hong Kong) Company Limited	3	"	263,140	Note 15	0.13
4	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	248,667	Note 7	0.13
37	AIO Components Company Limited	WPI International (Hong Kong) Limited	3	"	138,518	Note 7	0.07
29	AECO Electronics Co., Ltd.	World Peace Industrial Co., Ltd.	3	"	133,452	Note 7	0.07
30	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	3	"	403,316	Note 7	0.21
30	AECO Electronic Co., Ltd.	Silicon Application Corp.	3	"	313,509	Note 7	0.16

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
31	Silicon Application (BVI) Corp.	WPI International (Hong Kong) Limited	3	Other receivables	$ 124,484	Note 7	0.06
31	Silicon Application (BVI) Corp.	Silicon Application Corp.	3	"	1,241,886	Note 7	0.63
32	Silicon Application Company Limited	WPG C&C Limited	3	"	439,120	Note 7	0.22
32	Silicon Application Company Limited	Silicon Application Corp.	3	"	711,555	Note 7	0.36
32	Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	3	"	629,079	Note 7	0.32
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	202,109	Note 7	0.10
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	407,835	Note 7	0.21
18	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	3	"	308,411	Note 7	0.16
18	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	3	"	137,530	Note 7	0.07
19	Yosun Industrial Corp.	Trigold Holdings Limited	3	"	150,377	Note 7	0.08
20	Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	3	"	749,166	Note 7	0.38
20	Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	3	"	418,862	Note 7	0.21
33	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	3	"	183,352	Note 7	0.09
33	Yosun Shanghai Corp. Ltd.	WPG China Inc.	3	"	143,104	Note 7	0.07
34	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	3	"	111,800	Note 7	0.06
22	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	3	"	309,596	Note 7	0.16
35	Sertek Limited	Yosun Hong Kong Corp. Ltd.	3	"	431,666	Note 7	0.22
24	Richpower Electornic Devices Co., Limited	Silicon Application Corp.	3	"	629,034	Note 7	0.32
36	Richpower Electronic Devices Pte Ltd	Yosun Singapore Pte Ltd.	3	"	215,663	Note 7	0.11
37	Genuine C&C Holding Inc. (Seychelles)	Peng Yu International Limited	3	"	123,264	Note 7	0.06

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~120 days from the end of the month of sales.

Note 5: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 30~90 days from the end of the month of sales.

Note 6: The amount receivable pertains to receipts under custody.

Note 7: Mainly accrued financing charges.

Note 8: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition. The collection period is 60~120 days from the end of the month of sales.

Note 9: The terms and sales prices were negotiated in consideration of different factors including product, cost, market and competition.

Note 10: The collection period is 60 days from the end of the month of sales.

Note 11: The collection period is 30 days from the end of the month of sales.

Note 12: The collection period is 90 days from the end of the month of sales.

Note 13: The amount receivable arose from filing of consolidated tax return.

Note 14: The collection period is 45 days from the end of the month of sales.

Note 15: The amount receivable arose from disposing subsidiaries to related parties.

WPG Holdings Limited and Subsidiaries

Information on investees

Year ended December 31, 2018

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2018					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognized by the Company for the year ended December 31, 2018 (Note 1)	Footnote
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Taiwan	Sales of electronic components	$ 15,971,669	$ 15,971,669	1,160,000,000	100.00	$ 23,538,074	$ 3,507,432	$ 3,507,432	Note 4
WPG Holdings Limited	Asian Information Technology Inc.	Taiwan	Sales of electronic /electrical components	4,063,464	4,063,464	380,000,000	100.00	5,388,595	1,004,782	1,004,782	Note 4
WPG Holdings Limited	Silicon Application Corp.	Taiwan	Sales of computer software, hardware and electronic components	4,717,962	4,717,962	428,000,000	100.00	6,836,794	1,059,303	1,059,303	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic components	14,735	14,735	3,920,000	100.00	47,871	4,302	4,302	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic components	169,071	169,071	1,087,794	100.00	497,850	59,768	59,768	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,783,583	3,783,583	124,442,727	100.00	4,503,636	284,431	284,431	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	12,144,406	13,644,406	362,074,400	100.00	13,290,333	1,503,950	1,500,434	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	427,098	7,021	7,021	Note 4
WPG Holdings Limited	Trigold Holdings Limited	Taiwan	Investment company	707,968	707,968	48,139,319	60.50	705,606	92,550	59,328	Note 4
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	British Virgin Islands	Holding company	1,132,162	1,132,162	34,196,393	100.00	3,614,811	251,911	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	British Virgin Islands	Holding company	2,774,146	2,774,146	83,179,435	100.00	16,666,606	1,866,345	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Taiwan	Sales of electronic components	364,290	364,290	33,900,000	100.00	611,031	104,736	-	Notes 2 and 5
World Peace Industrial Co., Ltd.	Chainpower Technology Corp.	Taiwan	Sales of electronic components	66,261	66,261	9,781,452	39.00	168,871	87,161	-	Notes 2 and 3

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2018	Initial investment amount: Balance as at December 31, 2017	Shares held as at December 31, 2018: Number of shares	Shares held as at December 31, 2018: Ownership (%)	Shares held as at December 31, 2018: Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognized by the Company for the year ended December 31, 2018 (Note 1)	Footnote
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	Taiwan	Sales of electronic components	$ 1,468,555	$ 1,468,555	94,600,000	100.00	$ 1,657,669	$ 10,745	$ -	Notes 2 and 5
Longview Technology Inc.	Longview Technology GC Limited	British Virgin Islands	Holding company	335,328	335,328	11,300,000	100.00	452,742	64,489	-	Notes 2 and 5
Longview Technology Inc.	Long-Think International Co., Ltd.	Taiwan	Sales of electronic components	37,302	37,302	4,000,000	100.00	47,663	2,397	-	Notes 2 and 5
AECO Technology Co., Ltd.	Teco Enterprise Holding (BVI) Co., Ltd.	British Virgin Islands	Investment company	436,280	436,280	12,610,000	100.00	789,044	15,500	-	Notes 2 and 5
Silicon Application Corp.	Silicon Application (BVI) Corp.	British Virgin Islands	Holding company	706,402	706,402	22,000,000	100.00	3,201,845	56,097	-	Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	Holding company	24,015	24,015	765,000	100.00	25,759	491	-	Notes 2 and 5
Silicon Application Corp.	SAC Components (South Asia) Pte. Ltd.	Singapore	Sales of computer software, hardware and electronic components	104,510	104,510	3,500,000	100.00	113,518	2,638	-	Notes 2 and 5
Silicon Application Corp.	Pernas Electronics Co., Ltd.	Taiwan	Sales of electronic components	959,504	959,504	73,500,000	100.00	1,479,445	548,406	-	Notes 2 and 5
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Taiwan	Sales of electronic components	343,959	343,959	28,000,000	100.00	887,387	231,982	-	Notes 2 and 5
Asian Information Technology Inc.	Frontek Technology Corporation	Taiwan	Wholesale of electronic components	1,515,256	1,515,256	214,563,352	100.00	2,601,321	400,535	-	Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Wholesale of electronic components	680,313	680,313	157,000,000	100.00	1,596,943	47,163	-	Notes 2 and 5
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	Taiwan	Wholesale of electronic components	124,521	124,521	10,000,000	100.00	121,684	10,569	-	Notes 2 and 5
Asian Information Technology Inc.	Adivic Technology Co., Ltd.	Taiwan	Import and export business for electronic components	206,200	206,200	11,760,000	49.00	35,213	(39,420)	-	Notes 2 and 3
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	British Virgin Islands	Investment company	155,558	155,558	4,703,107	100.00	321,799	2,422	-	Notes 2 and 5

				Initial investment amount		Shares held as at December 31, 2018					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2018	Balance as at December 31, 2017	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognized by the Company for the year ended December 31, 2018 (Note 1)	Footnote
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	Investment company	$ 101,862	$ 101,862	2,970,000	100.00	$ 124,071	$ 2,738	$ -	Notes 2 and 5
Yosun Industrial Corp.	Suntop Investments Limited	Cayman Islands	Investment company	1,812,188	1,812,188	50,700,000	100.00	5,199,493	236,234	-	Notes 2 and 5
Yosun Industrial Corp.	Sertek Incorporated	Taiwan	Sales of electronic /electrical components	1,616,722	1,616,722	94,828,100	100.00	1,737,298	166,714	-	Notes 2 and 5
Yosun Industrial Corp.	Pan-World Control Technologies, Inc.	Taiwan	Wholesale of machinery	19,920	19,920	1,660,000	24.24	-	-	-	Notes 2 and 3
Yosun Industrial Corp.	Eesource Corp.	Taiwan	Sales of electronic /electrical components, office machinery and equipment	11,520	11,520	1,080,000	20.00	35,250	33,379	-	Notes 2 and 3
Yosun Industrial Corp.	Yosun Japan Corp.	Japan	Sales of electronic /electrical components	-	21,037	-	0.00	-	(8,089)	-	Notes 2 and 9
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Taiwan	Sales of electronic /electrical components	2,092,631	2,092,631	85,000,000	100.00	2,240,371	305,306	-	Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic /electrical components	83,494	83,494	19,500,000	100.00	444,738	6,411	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	Hong Kong	Sales of electronic components	284,898	284,898	63,000,000	100.00	2,194,138	227,707	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Taiwan	Sales of electronic components	-	401,247	-	0.00	-	6,644	-	Notes 2 and 6
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Limited	Hong Kong	Sales of electronic components	-	1,092	-	0.00	-	(1)	-	Notes 2, 5, 6 and 7
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	222,394	5,739	-	Notes 2, 5 and 6
WPG Investment Co., Ltd.	Eesource Corp.	Taiwan	Sales of electronic /electrical components, office machinery and equipment	11,520	11,520	1,080,000	20.00	35,406	33,379	-	Notes 2 and 3

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2018	Initial investment amount: Balance as at December 31, 2017	Shares held as at December 31, 2018: Number of shares	Shares held as at December 31, 2018: Ownership (%)	Shares held as at December 31, 2018: Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income (loss) recognized by the Company for the year ended December 31, 2018 (Note 1)	Footnote
WPG Investment Co., Ltd.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	$ 50,000	$ 50,000	3,279,800	10.67	$ 48,751	$ 6,400	$ -	Notes 2 and 3
WPG Investment Co., Ltd.	Trigold Holdings Limited	Taiwan	Investment company	230	-	10,000	0.01	231	92,550	-	Note 8
WPG Investment Co., Ltd.	AutoSys Co., Ltd.	Cayman Islands	Holding company	73,000	-	5,000,000	19.40	72,558	(7,868)	-	Notes 2 and 3
WPG Investment Co., Ltd.	Beauteek Global Wellness Corporation Limited	Hong Kong	Community e-commerce trading platform and related services	13,665	-	354,400	23.08	13,665	(2,468)		Notes 2 and 3
Trigold Holdings Limited	Genuine C&C Inc.	Taiwan	Sales of computer, components and its peripheral equipment	1,093,697	1,093,697	79,569,450	100.00	1,122,050	82,653	-	Notes 2 and 5
Trigold Holdings Limited	Trigold (Hong Kong) Company Limited	Hong Kong	Holding company	78,594	768	20,200,000	100.00	56,117	36,040	-	Notes 2 and 5
Genuine C&C Inc.	Hoban Inc.	Taiwan	General investment and retail of groceries	79,999	79,999	8,000,000	100.00	13,399	(7,019)	-	Notes 2 and 5
Genuine C&C Inc.	Genuine C&C Holding Inc. (Seychelles)	Seychelles	Holding company	193,870	193,870	6,500,000	100.00	130,462	1,114	-	Notes 2 and 5
Genuine C&C Inc.	Taibaoo Creation Co., Ltd.	Taiwan	Retail of groceries	-	26,995	4,000,000	0.00	-	8	-	Notes 2, 5 and 10
Genuine C&C Inc.	Sunrise Technology Co., Ltd.	Taiwan	Manufacturing of computer and its peripheral equipment	12,636	12,636	1,682,151	5.47	11,303	6,400	-	Notes 2 and 3

Note 1: Investment income (loss) recognised by the company including realised (unrealised) gain or loss from upstream intercompany transactions and amortisation of investment discount (premium).
Note 2: Investment income (loss) recognised by each subsidiary.
Note 3: An investee company accounted for under the equity method by subsidiary.
Note 4: A subsidiary.
Note 5: An indirect subsidiary.
Note 6: Please refer to Note 20 of Note 4(3)B in the consolidated financial statements of the Company for details of simple merger of Richpower Electronic Devices Co., Ltd. and Mec Technology Co., Ltd..
Note 7: In June 2018, Mec Technology Co., Limited has remitted back the share capital and the liquidation has been completed in November 2018.
Note 8: In May 2018, WPG Investment Co., Ltd. acquired 0.01% equity shares of Trigold.
Note 9: In May 2018, Yosun Industrial Corp. disposed all its equity shares of Yosun Japan Corp.
Note 10: The liquidation of Taibaoo Creation Co., Ltd. has been completed in October 2018.

WPG Holdings Limited and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2018

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee for the year ended December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 7)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Sales of electronic /electrical components	$ 1,692,415	1	$ 1,791,850	$ -	$ -	$ 1,791,850	$ 155,627	100.00	$ 155,627	$ 2,339,247	$ -	
WPG China (SZ) Inc.	Sales of computer software and electronic components	150,188	1	106,298	-	-	106,298	43,647	100.00	43,647	711,450	-	Note 4
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	36,983	1	28,820	-	-	28,820	18,635	49.00	9,131	83,011	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Sales of electronic components	44,720	1	15,221	-	-	15,221	6,414	40.00	2,565	29,159	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services / extra work	67,080	1	18,882	-	-	18,882	18,680	29.40	5,492	37,941	-	
CECI Technology Co. Ltd.	Business e-commerce platform	2,548,705	1	-	-	-	-	126,130	4.80	2,616	-	-	Notes 8, 9 and 10
WPI International Trading (Shanghai) Ltd.	Sales of electronic components	236,506	1	19,965	267,221	-	287,186	53,370	100.00	42,045	155,908	-	
AIO (Shanghai) Components Company Limited	Sales of electronic components	-	1	-	-	-	-	(63)	-	(63)	-	-	Notes 3 and 11
Long-Think International (Shanghai) Limited	Sales of electronic components	14,808	1	143,490	-	-	143,490	2,279	100.00	2,279	29,694	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee for the year ended December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 7)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	$ 280,913	1	$ 236,506	$ -	$ -	$ 236,506	$ 6,719	100.00	6,719	$ 238,032	$ -	
Yosun South China Corp. Ltd.	Sales of electronic /electrical components	143,411	1	-	-	-	-	3,669	100.00	3,669	131,697	-	
Qegoo Technology Co., Ltd.	Business e-commerce platform	56,823	1	4,925	-	-	4,925	-	15.00	-	-	-	
Peng Yu (Shanghai) Digital Technology Co., Ltd	Sales of electronic products	100,620	1	58,182	129,157	-	187,339	49,052	100.00	22,086	111,150	-	Note 12

Note 1: Through investing in an existing company in the third area, which then invested in the investee in Mainland China, is '1'.

Note 2: Long View Technology Inc. held investments in Mainland China 100% ownership of Long-Think International Trading (Shanghai) Limited through third district transfer investment of British Virgin Islands-Long Think International (HK) Limitedas of August 31, 2012. The investment had been permitted by Investment Commission.

Note 3: WPI International (Hong Kong) Limited acquired AIO Components Company Limited as of July 1, 2010, and AIO (Shanghai) Company Limited became the Company's indirect subsidiary. The investment of USD 469 thousand in AIO (Shanghai) Company Limited had been permitted by Investment Commission.

Note 4: WPG International (Hong Kong) Limited invested in WPG (Shenzhen) Inc. in the amount of HKD 10 million, which is part of the distribution of earnings from WPG China Inc. The investment had been permitted by Investment Commission, and was excluded from the ceiling of investment amount in Mainland China.

Note 5: For paid-in capital, amount remitted from Taiwan to Mainland China/ amount remitted back to Taiwan for the year ended December 31, 2018, accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018, book value of investments in Mainland China as of December 31, 2018, accumulated amount of investment income remitted back to Taiwan as of December 31, 2018, etc., the exchange rates used were USD 1: NTD 30.715, HKD 1: NTD 3.921 and RMB 1: NTD 4.472.

Note 6: The ending balance of investment was calculated based on combined ownership percentage held by the Company.

Note 7: The investment income/loss for the year ended December 31, 2018 that was recognised by the Company was based on the financial statements audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 8: In August 2016, WPG China Inc. gained 15% of shares in the investee with its own capital.

Note 9: In December 2017, WPG China Inc. waived its right to participate in the investee's capital increase in proportion to its ownership and thus the ownership declined to 6.49%.

Note 10: In May 2018, this company disposed of 1.69% equity share. After the disposal, its shareholding ratio decreased to 4.8% and lost significant influence in June 2018, therefore, the investment was reclassified as 'financial assets at fair value through profit or loss - non-current'.

Note 11: The liquidation of this company has been completed in October 2018.

Note 12: This company's remaining 45% equity was acquired in October 2018 and became wholly owned by Trigold (Hong Kong) Company Limited.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
WPG Holdings Limited	$ 2,034,410	$ 2,138,984	$ 32,894,397
World Peace Industrial Co., Ltd. and its subsidiaries	382,145	723,581	14,153,396
Silicon Application Corp. and its subsidiaries	13,193	19,153	4,102,076
Yosun Industrial Corp. and its subsidiares	257,545	545,621	5,717,440
WPG Investment Co., Ltd.	4,925	15,001	256,259
Trigold Holdings Limited and its subsidiaries	550,034	550,034	659,783

(1) Exchange rates as of December 31, 2018 were USD 1: NTD 30.715, HKD 1 : NTD 3.921 and RMB 1 : NTD 4.472.
(2) The ceiling of investment amount of the company is calculated based on the investor's net assets.