

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**REVIEW REPORT OF INDEPENDENT ACCOUNTANTS**

**MARCH 31, 2019 AND 2018**

---

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.

## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of WPG Holdings Limited

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of WPG Holdings Limited and subsidiaries (the “Group”) as at March 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for Qualified Conclusion***

As explained in Notes 4(3)B and 6(9), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent accountants. Those statements reflect total assets (including investments accounted for using equity method) of NT\$17,752,706 thousand and NT\$19,916,871 thousand, constituting 9% and 11% of the consolidated total assets, and total liabilities of NT\$7,325,416 thousand and NT\$6,046,469 thousand, constituting 6% and 5% of the consolidated total liabilities as at March 31, 2019 and 2018, respectively, and total comprehensive income (including share of profit (loss) of associates and joint ventures accounted for using equity method and share of other comprehensive income of associates and joint

ventures accounted for using equity method) of NT\$52,322 thousand and NT\$192,243 thousand, constituting 3% and 40% of the consolidated total comprehensive income for the three months then ended, respectively.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lin, Chun-Yao

Chou, Chien-hung

---

For and on behalf of PricewaterhouseCoopers, Taiwan

May 14, 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 review 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 review 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**  
**MARCH 31, 2019, DECEMBER 31, 2018 AND MARCH 31, 2018**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2019 AND 2018 ARE REVIEWED, NOT AUDITED)**

Assets	Notes	March 31, 2019		December 31, 2018		March 31, 2018	
		Amount	%	Amount	%	Amount	%
<b>Current assets</b>							
Cash and cash equivalents	6(1)	\$ 5,572,934	3	\$ 7,116,888	4	\$ 6,645,050	4
Financial assets at fair value through profit or loss - current	6(2)	29,882	-	28,469	-	27,529	-
Current financial assets at amortised cost	6(4) and 8	195,996	-	197,942	-	50,449	-
Notes receivable, net	6(5)	3,273,312	2	2,884,889	1	4,958,323	3
Accounts receivable, net	6(5)	80,125,699	42	95,258,035	49	80,563,970	44
Accounts receivable - related parties, net	7(3)	85,304	-	82,590	-	202,173	-
Other receivables	6(7)	11,112,430	6	8,531,684	4	8,164,280	5
Other receivables - related parties	7(3)	1,594	-	1,610	-	2,053	-
Current income tax assets		51,075	-	77,016	-	35,048	-
Inventory	6(8)	69,387,325	37	64,772,967	33	62,639,283	35
Prepayments		1,636,120	1	1,507,232	1	2,116,235	1
Other current assets	8	137,268	-	515,584	-	465,452	-
		<u>171,608,939</u>	<u>91</u>	<u>180,974,906</u>	<u>92</u>	<u>165,869,845</u>	<u>92</u>
<b>Non-current assets</b>							
Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,296,495	1	1,276,064	1	1,299,163	1
Non-current financial assets at fair value through other comprehensive income	6(3)	32,035	-	32,035	-	32,035	-
Financial assets at amortised cost, net	6(4) and 8	-	-	-	-	1,000	-
Investments accounted for under equity method	6(9)	627,880	-	617,491	-	1,268,758	1
Property, plant and equipment	6(10) and 8	5,748,759	3	5,701,436	3	5,076,160	3
Right-of-use assets	6(11)	1,328,905	1	-	-	-	-
Investment property - net	6(12) and 8	1,119,310	1	1,107,246	1	1,214,664	-
Intangible assets	6(13)	5,564,134	3	5,567,934	3	5,562,390	3
Deferred income tax assets		467,006	-	482,037	-	393,601	-
Other non-current assets	6(14) and 8	370,672	-	301,715	-	508,406	-
		<u>16,555,196</u>	<u>9</u>	<u>15,085,958</u>	<u>8</u>	<u>15,356,177</u>	<u>8</u>
<b>TOTAL ASSETS</b>		<u>\$ 188,164,135</u>	<u>100</u>	<u>\$ 196,060,864</u>	<u>100</u>	<u>\$ 181,226,022</u>	<u>100</u>

(Continued)

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2019, DECEMBER 31, 2018 AND MARCH 31, 2018**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2019 AND 2018 ARE REVIEWED, NOT AUDITED)**

Liabilities and Equity	Notes	March 31, 2019		December 31, 2018		March 31, 2018	
		Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>							
Short-term borrowings	6(15)	\$ 46,045,135	24	\$ 57,221,436	29	\$ 49,133,370	27
Short-term notes and bills payable	6(16)	5,054,831	3	4,957,027	3	4,506,080	3
Financial liabilities at fair value	6(2)						
through profit or loss - current		4,169	-	5,660	-	11,812	-
Notes payable		65,043	-	35,497	-	107,949	-
Accounts payable		54,017,241	29	53,161,904	27	53,172,563	29
Accounts payable - related parties	7(3)	45	-	401	-	1,156	-
Other payables		4,517,585	2	5,333,973	3	4,511,966	2
Current income tax liabilities		1,045,068	1	803,225	-	1,081,409	1
Current lease liabilities		416,795	-	-	-	-	-
Other current liabilities	6(17)(18)	4,910,399	3	4,945,142	2	8,243,535	5
		<u>116,076,311</u>	<u>62</u>	<u>126,464,265</u>	<u>64</u>	<u>120,769,840</u>	<u>67</u>
<b>Non-current liabilities</b>							
Long-term borrowings	6(17)	13,344,060	7	13,366,171	7	6,862,299	4
Deferred income tax liabilities		502,121	-	496,996	-	467,507	-
Non-current lease liabilities		922,880	1	-	-	-	-
Other non-current liabilities		864,164	-	909,437	1	773,315	-
		<u>15,633,225</u>	<u>8</u>	<u>14,772,604</u>	<u>8</u>	<u>8,103,121</u>	<u>4</u>
Total liabilities		<u>131,709,536</u>	<u>70</u>	<u>141,236,869</u>	<u>72</u>	<u>128,872,961</u>	<u>71</u>
<b>Equity attributable to owners of parent</b>							
Capital	1 and 6(20)						
Common stock		16,790,568	9	16,790,568	8	18,250,618	10
Capital reserve	6(21)						
Capital reserve		19,454,882	10	19,454,882	10	19,569,525	11
Retained earnings	6(22)						
Legal reserve		5,274,872	3	5,274,872	3	4,544,073	3
Special reserve		4,124,936	2	4,124,936	2	-	-
Unappropriated earnings		12,620,617	7	11,316,193	6	15,126,730	8
Other equity interest							
Other equity interest	6(23)	( 2,289,006)	( 1)	( 2,602,682)	( 1)	( 5,688,440)	( 3)
Total equity attributable to owners of parent		55,976,869	30	54,358,769	28	51,802,506	29
Non-controlling interest		477,730	-	465,226	-	550,555	-
Total equity		<u>56,454,599</u>	<u>30</u>	<u>54,823,995</u>	<u>28</u>	<u>52,353,061</u>	<u>29</u>
Significant contingent liabilities and unrecognized contract commitments	7(3) and 9						
<b>TOTAL LIABILITIES AND EQUITY</b>							
<b>EQUITY</b>		<u>\$ 188,164,135</u>	<u>100</u>	<u>\$ 196,060,864</u>	<u>100</u>	<u>\$ 181,226,022</u>	<u>100</u>

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

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2019 AND 2018**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31,			
		2019		2018	
		Amount	%	Amount	%
Sales revenue	6(24), and 7(3)	\$ 111,831,933	100	\$ 123,411,802	100
Operating costs	6(8) and 7(3)	( 106,858,358)	( 95)	( 118,086,282)	( 96)
Gross profit		4,973,575	5	5,325,520	4
Operating expenses	6(28)(29) and 7(3)				
Selling and marketing		( 2,042,263)	( 2)	( 2,097,079)	( 2)
General and administrative		( 893,596)	( 1)	( 810,831)	-
Expected credit impairment gain (loss)		26,511	-	( 8,851)	-
Total operating expenses		( 2,909,348)	( 3)	( 2,916,761)	( 2)
Operating income		2,064,227	2	2,408,759	2
Non-operating income and expenses					
Other income	6(25)	65,227	-	50,795	-
Other gains and losses	6(26)	149,702	-	397,943	-
Finance costs	6(27)	( 630,819)	( 1)	( 517,960)	-
Share of profit of associates and joint ventures accounted for under equity method		6,443	-	8,294	-
Total non-operating income and expenses		( 409,447)	( 1)	( 60,928)	-
Income before income tax		1,654,780	1	2,347,831	2
Income tax expense	6(30)	( 341,927)	-	( 443,429)	-
Consolidated net income		\$ 1,312,853	1	\$ 1,904,402	2

(Continued)

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2019 AND 2018**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31,			
		2019		2018	
		Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	\$ -	-	\$ 6,203	-
Other comprehensive income that will not be reclassified to profit or loss		-	-	6,203	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements		316,117	-	( 1,437,392)	( 1)
Share of other comprehensive income of associates and joint ventures accounted for using equity method		3,859	-	6,850	-
Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(30)	( 2,225)	-	2,937	-
Other comprehensive income (loss) that will be reclassified to profit or loss		317,751	-	( 1,427,605)	( 1)
Total other comprehensive income (loss)		\$ 317,751	-	( \$ 1,421,402)	( 1)
Total comprehensive income		\$ 1,630,604	1	\$ 483,000	1
Consolidated net income attributable to:					
Owners of parent		\$ 1,304,424	1	\$ 1,890,570	2
Non-controlling interest		8,429	-	13,832	-
		\$ 1,312,853	1	\$ 1,904,402	2
Comprehensive income attributable to:					
Owners of parent		\$ 1,618,100	1	\$ 468,612	1
Non-controlling interest		12,504	-	14,388	-
		\$ 1,630,604	1	\$ 483,000	1
Earnings per share	6(31)				
Basic earnings per share		\$	0.78	\$	1.04
Diluted earnings per share		\$	0.78	\$	1.04

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2019 AND 2018  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
	Retained Earnings					Other Equity Interest						
	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences of foreign financial statements	Unrealised gains (loss) on financial assets at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Total			
<b>2018</b>												
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	-	-	-	-	( 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	-	-	-	-	1,890,570	-	-	-	1,890,570	13,832	1,904,402	
Net other comprehensive income (loss)	-	-	-	-	6,203	( 1,428,161 )	-	-	( 1,421,958 )	556	( 1,421,402 )	
Total comprehensive income (loss)	-	-	-	-	1,896,773	( 1,428,161 )	-	-	468,612	14,388	483,000	
Balance at March 31, 2018	<u>\$ 18,250,618</u>	<u>\$ 19,569,525</u>	<u>\$ 4,544,073</u>	<u>\$ -</u>	<u>\$ 15,126,730</u>	<u>(\$ 5,682,440)</u>	<u>(\$ 6,000)</u>	<u>\$ -</u>	<u>\$ 51,802,506</u>	<u>\$ 550,555</u>	<u>\$ 52,353,061</u>	
<b>2019</b>												
Balance at January 1, 2019	\$ 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	
Total consolidated profit	-	-	-	-	1,304,424	-	-	-	1,304,424	8,429	1,312,853	
Net other comprehensive income	-	-	-	-	-	313,676	-	-	313,676	4,075	317,751	
Total comprehensive income	-	-	-	-	1,304,424	313,676	-	-	1,618,100	12,504	1,630,604	
Balance at March 31, 2019	<u>\$ 16,790,568</u>	<u>\$ 19,454,882</u>	<u>\$ 5,274,872</u>	<u>\$ 4,124,936</u>	<u>\$ 12,620,617</u>	<u>(\$ 2,283,006)</u>	<u>(\$ 6,000)</u>	<u>\$ -</u>	<u>\$ 55,976,869</u>	<u>\$ 477,730</u>	<u>\$ 56,454,599</u>	

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



**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2019 AND 2018**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31,	
		2019	2018
<b><u>Cash flows from operating activities</u></b>			
Income before income tax		\$ 1,654,780	\$ 2,347,831
Adjustments			
Income and expenses			
Depreciation	6(28)	178,791	48,577
Amortisation	6(13)(28)	4,724	5,030
Expected credit impairment (gain) loss	(	26,511 )	8,851
Interest expense	6(27)	588,534	473,000
Net gain on financial assets or liabilities at fair value	6(26)		
through profit or loss	(	15,631 )	( 254,039 )
Interest income	6(25)	( 11,594 )	( 4,781 )
Share of profit of associates and joint ventures			
accounted for under equity method	(	6,443 )	( 8,294 )
Loss on disposal of property, plant and equipment	6(26)	1,827	453
Gain on disposal of investments	6(26)	-	( 2,603 )
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	(	2,230 )	6,054
Notes receivable, net	(	388,423 )	( 815,282 )
Accounts receivable, net		15,158,847	8,892,961
Accounts receivable - related parties, net	(	2,714 )	72,555
Other receivables	(	2,580,250 )	( 2,450,012 )
Other receivables - related parties		16	( 7 )
Inventories	(	4,614,358 )	( 5,166,073 )
Prepayments	(	128,888 )	( 623,537 )
Other current assets		33,286	303
Changes in liabilities relating to operating activities			
Notes payable		29,546	( 106,398 )
Accounts payable		855,337	4,262,941
Accounts payable - related parties	(	356 )	( 156 )
Other payables	(	779,565 )	( 522,270 )
Other current liabilities		65,641	( 16,932 )
Other non-current liabilities	(	46,620 )	( 46,655 )
Cash inflow generated from operations		9,967,746	6,101,517
Interest paid	(	625,358 )	( 482,824 )
Income tax paid	(	62,796 )	( 64,370 )
Interest received		11,098	1,926
Income tax refund		2,268	-
Net cash provided by operating activities		<u>9,292,958</u>	<u>5,556,249</u>

(Continued)

**WPG HOLDINGS LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**THREE MONTHS ENDED MARCH 31, 2019 AND 2018**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31,	
		2019	2018
<b><u>Cash flows from investing activities</u></b>			
Acquisition of property, plant and equipment, investment property and intangible assets	6(32)	(\$ 96,035 )	(\$ 90,548 )
Proceeds from disposal of property, plant and equipment		236	1,018
Increase in refundable deposits		( 26,601 )	( 57,710 )
Decrease in refundable deposits		7,436	1,384
Decrease (increase) in other financial assets - current		358,348	( 6,295 )
Increase in other financial assets - non-current		( 61,651 )	( 5,834 )
Acquisition of financial assets at fair value through profit or loss - non-current		-	( 22,882 )
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		-	11,103
Decrease in current financial assets at amortised cost		5,624	132,459
Increase in current financial assets at amortised cost		( 3,145 )	-
Increase in prepayments for investments		-	( 134,627 )
Net cash flows from (used in) investing activities		<u>184,212</u>	<u>( 171,932 )</u>
<b><u>Cash flows from financing activities</u></b>			
Principal repayment of lease liability		( 109,224 )	-
Increase in short-term borrowings		150,043,867	165,313,801
Decrease in short-term borrowings		( 161,215,323 )	( 169,954,037 )
Increase in long-term borrowings (including current portion of long-term liabilities)		17,507,324	9,898
Decrease in long-term borrowings (including current portion of long-term liabilities)		( 17,629,367 )	( 385,856 )
Increase in short-term notes and bills payable		9,613,812	7,748,841
Decrease in short-term notes and bills payable		( 9,516,008 )	( 7,130,366 )
Increase in guarantee deposit received		5,610	23,430
Decrease in guarantee deposit received		( 4,783 )	-
Net cash used in financing activities		<u>( 11,304,092 )</u>	<u>( 4,374,289 )</u>
Effect of exchange rate changes on cash and cash equivalents		<u>282,968</u>	<u>( 1,462,892 )</u>
Net decrease in cash and cash equivalents		( 1,543,954 )	( 452,864 )
Cash and cash equivalents at beginning of period		<u>7,116,888</u>	<u>7,097,914</u>
Cash and cash equivalents at end of period		<u>\$ 5,572,934</u>	<u>\$ 6,645,050</u>

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

WPG HOLDINGS LIMITED AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2019 AND 2018  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)  
(REVIEWED, NOT AUDITED)

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 organisation 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 March 31, 2019, 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 as reported to the Board of Directors were issued on May 14, 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 endorsed by the FSC effective from 2019 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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. The quantitative impact will be disclosed when the assessment is complete.

IFRS 16, ‘Leases’

- A. IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognise 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.
- B. The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the ‘modified retrospective approach’) when applying “IFRSs” effective in 2019 as endorsed by the FSC. Accordingly, the Group increased ‘right-of-use asset’ by \$1,435,802, increased ‘lease liability’ by \$1,453,612 and decreased other payables by \$17,810 with respect to the lease contracts of lessees on January 1, 2019.

- C. The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:
- (a) Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.
  - (b) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
  - (c) The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of \$3,896 was recognised in the first quarter of 2019.
  - (d) The exclusion of initial direct costs for the measurement of 'right-of-use asset'.
  - (e) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
  - (f) The adjustment of the 'right-of-use asset' by the amount of any provision for onerous leases.
- D. The Group calculated the present value of lease liabilities by using weighted average incremental borrowing interest rate ranging from 1.355% to 4%.
- E. The Group recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at	
December 31, 2018	\$ 1,448,331
Less: Short-term leases	( 10,790)
Less: Low-value assets	( 692)
Less: Contracts reassessed as service agreements	( 768)
Add/Less: Adjustments as a result of a different treatment of extension and termination options	6,131
Add/Less: Adjustments as a result of a different discounted interest rate of borrowings	11,400
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	<u>\$ 1,453,612</u>

- (2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group  
None.

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2018, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standards 34, 'Interim financial reporting' endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2018.

(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 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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "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.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements are consistent with those of the year ended December 31, 2018.

B. Subsidiaries included in the consolidated financial statements:

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	
WPG Holdings Limited	Silicon Application Corporation	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG Holdings Limited	WPG Korea Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
WPG Holdings Limited	WPG Electronic Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
WPG Holdings Limited	WPG International (CI) Limited	Holding company	100.00	100.00	100.00	Notes 15 and 16
WPG Holdings Limited	Asian Information Technology Inc.	Sales of electronic / electrical components	100.00	100.00	100.00	
WPG Holdings Limited	Yosun Industrial Corp.	"	100.00	100.00	100.00	
WPG Holdings Limited	WPG Investment Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 15 and 16
WPG Holdings Limited	Trigold Holdings Limited	Holding company	60.50	60.50	60.50	
WPG Investment Co., Ltd.	Trigold Holdings Limited	"	0.01	0.01	0.01	Note 2
World Peace Industrial Co., Ltd.	World Peace International (BVI) Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
World Peace Industrial Co., Ltd.	WPI Investment Holding (BVI) Company Ltd.	Holding company	100.00	100.00	100.00	

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
World Peace Industrial Co., Ltd.	Longview Technology Inc.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
World Peace Industrial Co., Ltd.	AECO Technology Co., Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
AECO Technology Co., Ltd.	Teco Enterprise Holding (B.V.I.) Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 15 and 16
Teco Enterprise Holding (B.V.I.) Co., Ltd.	AECO Electronic Co., Ltd.	Trading of electronic / electrical products	100.00	100.00	100.00	Notes 15 and 16
World Peace International (BVI) Ltd.	Prime Future Technology Limited	Holding company	100.00	100.00	100.00	Notes 15 and 16
Prime Future Technology Limited	World Peace International Pte. Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
World Peace International Pte. Ltd.	Genuine C&C (IndoChina) Pte., Ltd.	Agent and sales of electronic / electrical components	80.00	80.00	80.00	Notes 15 and 16
World Peace International Pte. Ltd.	WPG Americas Inc.	"	4.31	4.31	4.31	Note 3
World Peace International Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	100.00	100.00	100.00	
World Peace International (South Asia) Pte Ltd.	World Peace International (India) Pvt., Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
World Peace International (South Asia) Pte Ltd.	WPG C&C (Malaysia) Sdn. Bhd	"	100.00	100.00	100.00	Notes 15 and 16
World Peace International (South Asia) Pte Ltd.	WPG C&C (Thailand) Co., Ltd.	Agent and sales of information products	100.00	100.00	100.00	Notes 4, 15 and 16
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	100.00	Notes 15 and 16



<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
WPI Investment Holding (BVI) Company Ltd.	WPI International (Hong Kong) Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	
WPI Investment Holding (BVI) Company Ltd.	World Peace International (Asia) Limited	"	100.00	100.00	100.00	Notes 15 and 16
WPI International (Hong Kong) Limited	WPI International Trading (Shanghai) Ltd.	Sales of electronic /electrical products	0.00	0.00	100.00	Notes 10 and 15
WPI International (Hong Kong) Limited	WPG C&C Limited	Agent and sales of information products	100.00	100.00	100.00	Note 16
WPI International (Hong Kong) Limited	AIO Components Company Limited	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
AIO Components Company Limited	AIO (Shanghai) Components Company Limited	"	0.00	0.00	100.00	Notes 13, 15 and 16
Longview Technology Inc.	Longview Technology GC Limited	Holding company	100.00	100.00	100.00	Notes 15 and 16
Longview Technology Inc.	Long-Think International Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
Longview Technology GC Limited	Long-Think International (Hong Kong) Limited	"	100.00	100.00	100.00	Notes 15 and 16
Long-Think International (Hong Kong) Limited	Long-Think International (Shanghai) Limited	"	100.00	100.00	100.00	Notes 15 and 16
Silicon Application Corporation	Silicon Application (BVI) Corp.	Holding company	100.00	100.00	100.00	Notes 15 and 16
Silicon Application Corporation	Win-Win Systems Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
Silicon Application Corporation	SAC Components (South Asia) Pte. Ltd.	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 15 and 16
Silicon Application Corporation	Pernas Electronic Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
Pernas Electronics Co., Ltd.	Everwiner Enterprise Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	
Silicon Application (BVI) Corp.	Silicon Application Company Limited	Sales of computer software and electronic products	100.00	100.00	100.00	Notes 15 and 16
Silicon Application Company Limited	Dstar Electronic Company Limited	"	100.00	100.00	100.00	Notes 15 and 16
WPG Korea Co., Ltd.	Apache Communication Inc. (B.V.I.)	Investment company	100.00	100.00	100.00	Notes 15 and 16
Apache Communication Inc. (B.V.I.)	Apache Korea Corp.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 15 and 16
WPG International (CI) Limited	WPG International (Hong Kong) Limited	Holding company	100.00	100.00	100.00	Notes 15 and 16
WPG International (CI) Limited	WPG Americas Inc.	Agent and sales of electronic / electrical components	95.69	95.69	95.69	Note 3
WPG International (CI) Limited	WPG South Asia Pte. Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 15 and 16
WPG International (CI) Limited	WPG Cloud Service Limited	General trading	100.00	100.00	100.00	Notes 15 and 16
WPG International (CI) Limited	WPG Gain Tune Ltd.	Agent for selling electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
WPG International (Hong Kong) Limited	WPG Electronics (Hong Kong) Limited	"	100.00	100.00	100.00	Notes 15 and 16
WPG International (Hong Kong) Limited	WPG China Inc.	"	100.00	100.00	100.00	
WPG International (Hong Kong) Limited	WPG China (SZ) Inc.	Sales of computer software and electronic products	100.00	100.00	100.00	
WPG South Asia Pte. Ltd.	WPG Malaysia Sdn. Bhd	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
WPG South Asia Pte. Ltd.	WPG (Thailand) Co., Ltd.	Agent and sales of electronic / electrical components	100.00	100.00	100.00	Notes 6, 15 and 16
WPG South Asia Pte. Ltd.	WPG India Electronics Pvt. Ltd.	"	99.99	99.99	99.99	Notes 9, 15 and 16
WPG South Asia Pte. Ltd.	WPG Electronics (Philippines) Inc.	"	100.00	100.00	100.00	Notes 5, 15 and 16
WPG South Asia Pte. Ltd.	WPG SCM Limited	"	100.00	100.00	100.00	
WPG Malaysia Sdn. Bhd	WPG India Electronics Pvt. Ltd.	"	0.01	0.01	0.01	Notes 9, 15 and 16
Asian Information Technology Inc.	Apache Communication Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	
Asian Information Technology Inc.	Henshen Electric Trading Co., Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
Asian Information Technology Inc.	Frontek Technology Corporation	"	100.00	100.00	100.00	
Asian Information Technology Inc.	Fame Hall International Co., Ltd.	Investment company	100.00	100.00	100.00	Notes 15 and 16
Frontek Technology Corporation	Frontek International Limited	"	100.00	100.00	100.00	Notes 15 and 16
Fame Hall International Co., Ltd.	AIT Japan Inc.	Sales of electronic / electrical products	100.00	100.00	100.00	Notes 15 and 16
Frontek International Limited	AITG Electronic Limited	Sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
Yosun Industrial Corp.	Sertek Incorporated	"	100.00	100.00	100.00	
Yosun Industrial Corp.	Suntop Investments Limited	Investment company	100.00	100.00	100.00	
Yosun Industrial Corp.	Richpower Electronic Devices Co., Ltd.	Sales of electronic / electrical components	100.00	100.00	100.00	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Ltd.	Sales of electronic / electrical products	0.00	0.00	100.00	Notes 8 and 15
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Co., Limited	"	100.00	100.00	100.00	

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
Richpower Electronic Devices Co., Ltd.	Mec Technology Co., Limited	Sales of electronic / electrical products	0.00	0.00	0.00	Notes 8 and 12
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	"	100.00	100.00	0.00	Notes 8, 15 and 16
Mec Technology Co., Ltd.	Mec Technology Co., Limited	"	0.00	0.00	100.00	Notes 8 and 15
Mec Technology Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Sales of electronic / electrical products	0.00	0.00	100.00	Notes 8 and 15
Sertek Incorporated	Sertek Limited	Sales of electronic / electrical components	100.00	100.00	100.00	Notes 15 and 16
Suntop Investments Limited	Yosun Hong Kong Corp. Ltd.	Sales of electronic / electrical products	100.00	100.00	100.00	
Suntop Investments Limited	Yosun Singapore Pte Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
Yosun Hong Kong Corp. Ltd.	Giatek Corp. Ltd.	"	0.00	100.00	100.00	Notes 7 and 15
Yosun Hong Kong Corp. Ltd.	Yosun South China Corp. Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
Yosun Hong Kong Corp. Ltd.	Yosun Shanghai Corp. Ltd.	Warehouse business and sales of electronic components	100.00	100.00	100.00	Notes 15 and 16
Yosun Singapore Pte Ltd.	Yosun Industrial (Malaysia) Sdn. Bhd.	Sales of electronic / electrical components	0.00	0.00	100.00	Notes 12, 15 and 16
Yosun Singapore Pte Ltd.	Yosun India Private Ltd.	"	100.00	100.00	100.00	Notes 15 and 16
Trigold Holdings Limited	Genuine C&C Inc.	Sales of computer and its peripherals	100.00	100.00	100.00	
Trigold Holding Limited	Trigold (Hong Kong) Company Limited	Holding company	100.00	100.00	100.00	
Trigold (Hong Kong) Company Limited	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Sales of electronic / electrical products	100.00	100.00	55.00	Notes 11 and 16
Trigold (Hong Kong) Company Limited	WPI International Trading (Shanghai) Ltd.	"	100.00	100.00	0.00	Note 10
Trigold (Hong Kong) Company Limited	Trigolduo (Shanghai) Industrial Development Ltd.	Children's theme park	0.00	0.00	0.00	Note 14

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Main business activities</u>	<u>Ownership (%)</u>			<u>Description</u>
			<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	
Genuine C&C, Inc.	Hoban Inc.	An E-commerce company which operates B2C and O2O businesses	100.00	100.00	100.00	Notes 15 and 16
Genuine C&C, Inc.	Taibao Creation Co., Ltd.	Retail of groceries	0.00	0.00	100.00	Notes 13 and 15
Genuine C&C, Inc.	Genuine C&C Holding Inc. (Seychelles)	Holding company	100.00	100.00	100.00	
Genuine C&C Holding Inc. (Seychelles)	Genuine Trading (Hong Kong) Company Limited	"	100.00	100.00	100.00	Note 16
Peng Yu (Shanghai) Digital Technology Co., Ltd.	Peng Yu International Limited	Sales of electronic/electrical products	100.00	100.00	100.00	

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 subsidiary acquired a 0.01% equity interest in Triglod in May 2018.

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 February 2019.

Note 8: 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 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 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: Trigold (Hong Kong) Company Limited acquired 100% equity of WPI International Trading (Shanghai) Ltd. from WPI International (Hong Kong) Limited in October 2018.

Note 11: Trigold (Hong Kong) Company Limited acquired 45% equity of Peng Yu (Shanghai) Digital Technology Co., Ltd. from non-controlling interests in October 2018.

Note 12: It was liquidated in November 2018.

Note 13: It was liquidated in October 2018.

Note 14: On January 31, 2019, Trigold (Hong Kong) Company Limited and Haomao (Shanghai) Enterprise Development Co., Ltd. jointly established a new company, Trigolduo (Shanghai) Industrial Development Ltd. (Trigolduo\_SH), and the expected shareholding ratio is 70%. As of March 31, 2019, both Trigold (Hong Kong) Company Limited and Haomao (Shanghai) Enterprise Development Co., Ltd. have not remitted their capital contribution. However, the Group has substantial control over Trigolduo\_SH, therefore, Trigolduo\_SH was included in the Group's consolidated financial statements.

Note 15: The financial statements as of March 31, 2018 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.

Note 16: The financial statements as of March 31, 2019 were not reviewed by independent accountants since it did not meet the definition of significant subsidiaries.

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 March 31, 2019, December 31, 2018 and March 31, 2018, the non-controlling interest amounted to \$477,730, \$465,266 and \$550,555, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest					
		March 31, 2019		December 31, 2018		March 31, 2018	
		Amount	Ownership	Amount	Ownership	Amount	Ownership
Trigold Holdings Limited and its subsidiaries (Note)	Taiwan	\$438,925	39.49%	\$426,726	39.49%	\$449,544	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

	<u>Trigold Holdings Limited and its subsidiaries</u>		
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Current assets	\$ 5,794,076	\$ 5,379,093	\$ 3,309,255
Non-current assets	274,500	127,670	92,503
Current liabilities	( 4,786,690)	( 4,351,486)	( 2,133,774)
Non-current liabilities	( 171,142)	( 74,566)	( 64,145)
Total net assets	1,110,744	1,080,711	1,203,839
Less: Non-controlling interest	<u>12</u>	<u>-</u>	<u>( 65,760)</u>
Equity attributable to owners of the parent company	<u>\$ 1,110,756</u>	<u>\$ 1,080,711</u>	<u>\$ 1,138,079</u>

(b) Statements of comprehensive income

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue	\$ 3,088,253	\$ 2,808,749
Profit before tax	36,754	35,738
Income tax expense	( 15,621)	( 5,639)
Profit for the period	21,133	30,099
Other comprehensive income, net of tax	8,897	1,725
Total comprehensive income	<u>\$ 30,030</u>	<u>\$ 31,824</u>
Total comprehensive (loss) income attributable to non-controlling interest	( \$ 12)	\$ 3,591
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>\$ -</u>

(c) Statements of cash flows

	<u>Trigold Holdings Limited and its subsidiaries</u>	
	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Net cash used in operating activities	(\$ 1,238,510)	(\$ 77,187)
Net cash used in investing activities	( 26,096)	( 182)
Net cash provided by financing activities	993,459	78,784
Effect of exchange rates on cash and cash equivalents	11,032	875
(Decrease) increase in cash and cash equivalents	( 260,115)	2,290
Cash and cash equivalents, beginning of period	911,837	432,448
Cash and cash equivalents, end of period	<u>\$ 651,722</u>	<u>\$ 434,738</u>

(4) 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.



(5) 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 realised 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 utilised. 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.
- F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax

income of the interim period, and the related information is disclosed accordingly.

(6) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

Effective 2019

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable;
  - (b) Amounts expected to be payable by the lessee under residual value guarantees;
  - (c) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
  - (d) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date;
  - (c) Any initial direct costs incurred by the lessee; and
  - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

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 recognises 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 recognises 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(13) 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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Cash on hand and petty cash	\$ 4,014	\$ 3,851	\$ 2,952
Checking accounts deposits	966,351	2,178,616	1,226,790
Demand deposits	4,229,009	4,672,007	4,862,657
Time deposits	<u>373,560</u>	<u>262,414</u>	<u>552,651</u>
	<u>\$ 5,572,934</u>	<u>\$ 7,116,888</u>	<u>\$ 6,645,050</u>

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

<u>Items</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 22,547	\$ 22,547	\$ 22,547
Derivatives	<u>3,369</u>	<u>2,630</u>	<u>886</u>
	25,916	25,177	23,433
Valuation adjustment	<u>3,966</u>	<u>3,292</u>	<u>4,096</u>
	<u>\$ 29,882</u>	<u>\$ 28,469</u>	<u>\$ 27,529</u>
Financial liabilities at fair value through profit or loss, mandatorily measured at fair value			
Derivatives	<u>\$ 4,169</u>	<u>\$ 5,660</u>	<u>\$ 11,812</u>

Items	March 31, 2019	December 31, 2018	March 31, 2018
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 116,311	\$ 116,311	\$ 342,296
Emerging stocks	54,011	54,011	54,012
Unlisted stocks	1,379,788	1,366,555	836,162
	<u>1,550,110</u>	<u>1,536,877</u>	<u>1,232,470</u>
Valuation adjustment	( 253,615)	( 260,813)	66,693
	<u>\$ 1,296,495</u>	<u>\$ 1,276,064</u>	<u>\$ 1,299,163</u>

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

	Three months ended March 31,	
	2019	2018
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 7,979	\$ 236,684
Derivatives	7,652	17,355
	<u>\$ 15,631</u>	<u>\$ 254,039</u>

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

Derivative instruments	March 31, 2019	
	Contract amount (notional principal) (Note)	Contract period
Current items:		
Forward foreign exchange contracts		
- Sell	USD 1,000	2018.10.23~ 2019.04.05
- Sell-SWAP	USD 19,561	2019.02.11~ 2019.04.22
- Buy	USD 23,090	2018.05.08~ 2019.09.27
	EUR 1,500	2019.03.27~ 2019.04.12
- Buy-SWAP	EUR 1,300	2019.03.21~ 2019.04.12
Futures	\$ 6,300	2019.03.27~ 2019.04.17

Derivative instruments	December 31, 2018		
	Contract amount (notional principal) (Note)		Contract period
Current items:			
Forward foreign exchange contracts			
- Sell	USD	4,500	2018.10.23~ 2019.04.05
- Sell-SWAP	USD	4,400	2018.12.06~ 2019.01.17
- Buy	USD	26,960	2018.03.13~ 2019.04.05
Futures	\$	1,536	2018.12.27~ 2019.01.16

Derivative instruments	March 31, 2018		
	Contract amount (notional principal) (Note)		Contract period
Current items:			
Forward foreign exchange contracts			
- Sell	USD	3,500	2018.02.28~ 2018.04.26
	EUR	1,500	2017.12.22~ 2018.05.25
- Sell-SWAP	USD	19,000	2018.03.05~ 2018.04.27
- Buy	USD	16,215	2018.02.15~ 2018.06.28
	EUR	4,000	2018.03.09~ 2018.04.13

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 March 31, 2019 and December 31, 2018, the balance of margin in the account were \$12,882 and \$2,373, and the amount of excess margin were \$1,726 and \$2,284, respectively.

- 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).

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

<u>Items</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Non-current items:			
Equity instruments			
Unlisted stocks	\$ 38,035	\$ 38,035	\$ 38,035
Valuation adjustment	( 6,000)	( 6,000)	( 6,000)
	<u>\$ 32,035</u>	<u>\$ 32,035</u>	<u>\$ 32,035</u>

- 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 March 31, 2019, December 31, 2018 and March 31, 2018.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income amounted to \$0 for the three months ended March 31, 2019 and 2018.
- C. As at March 31, 2019, December 31, 2018 and March 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 amounted to \$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).

(4) Financial assets at amortised cost

<u>Items</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Current items:			
Time deposits	<u>\$ 195,996</u>	<u>\$ 197,942</u>	<u>\$ 50,449</u>
Non-current items:			
Time deposits	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>

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

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Interest income	<u>\$ 74</u>	<u>\$ 30</u>

- B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Notes receivable	\$ 3,273,312	\$ 2,887,235	\$ 4,995,832
Less: Allowance for uncollectible accounts	<u>-</u>	<u>( 2,346)</u>	<u>( 37,509)</u>
	<u>\$ 3,273,312</u>	<u>\$ 2,884,889</u>	<u>\$ 4,958,323</u>
Accounts receivable	\$ 81,300,016	\$ 96,447,741	\$ 81,578,023
Less: Allowance for uncollectible accounts	<u>( 1,174,317)</u>	<u>( 1,189,706)</u>	<u>( 1,014,053)</u>
	<u>\$ 80,125,699</u>	<u>\$ 95,258,035</u>	<u>\$ 80,563,970</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>March 31, 2019</u>		<u>December 31, 2018</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 75,619,831	\$ 3,261,584	\$ 88,960,278	\$ 2,837,799
One month	3,777,644	11,728	5,103,344	49,436
Two months	566,019	-	1,052,512	-
Three months	251,402	-	285,439	-
Four months	143,629	-	110,261	-
Over four months	941,491	-	935,907	-
	<u>\$ 81,300,016</u>	<u>\$ 3,273,312</u>	<u>\$ 96,447,741</u>	<u>\$ 2,887,235</u>

	<u>March 31, 2018</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 75,359,112	\$ 4,863,080
One month	2,586,255	14,530
Two months	2,569,428	31,372
Three months	199,672	86,850
Four months	51,077	-
Over four months	812,479	-
	<u>\$ 81,578,023</u>	<u>\$ 4,995,832</u>

The above ageing analysis was based on past due date.

- B. The Group has no notes and accounts receivable pledged to others as collateral.
- C. As at March 31, 2019, December 31, 2018 and March 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 receivable were \$3,273,312, \$2,884,889 and \$4,958,323, and accounts receivable were \$80,125,699, \$95,258,035 and \$80,563,970, respectively.
- D. Information relating to credit risk of accounts receivable and notes receivable is provided



in Note 12(2).

(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 March 31, 2019, December 31, 2018 and March 31, 2018, outstanding accounts receivable were as follows:

March 31, 2019							
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets	
Cathay United Bank	\$ 767,477	\$ 767,477	USD	50,000	\$ 767,477	3.25%~3.45%	Note 1
Mega International Commercial Bank	3,503,270	3,503,270	USD	159,000	2,913,593	3.35%~3.78%	Note 2
CTBC Bank	2,489,686	2,489,686	USD	69,800	1,192,004	2.99%~3.49%	Note 3
				2,527,000			
E. SUN Commercial Bank	2,674,004	2,674,004	USD	181,000	2,016,891	1.30%~3.72%	Note 4
				20,000			
Taipei Fubon Commercial Bank	905,520	905,520	USD	20,000	727,809	3.11%~3.35%	Note 5
				1,474,300			
Yuanta Commercial Bank	591,509	591,509	USD	45,000	90,441	3.57%~3.71%	Note 6
The Hong Kong and Shanghai Banking Corporation Limited	2,210,216	2,210,216	USD	84,500	859,167	3.01%~4.46%	Note 7
Standard Chartered Bank	42,008	42,008	USD	4,520	-	-	None
Taishin International Bank	4,090,463	4,090,463	\$	9,800,000	1,068,175	3.06%~3.55%	Note 8
Bank SinoPac	852,838	852,838	USD	73,900	599,865	2.70%~3.42%	Note 9
Far Eastern International Bank	79,698	79,698	USD	19,000	26,070	3.26%~3.59%	Note 10
				400,000			
Chang Hwa Bank	386,434	386,434	USD	32,200	115,420	2.42%~3.46%	Note 11
DBS Bank	4,443,291	4,443,291	USD	237,500	2,721,104	1.97%~3.89%	Note 12
Taiwan Cooperative Bank	-	-	USD	3,000	-	0%	Note 13
Hang Seng Bank	1,261,428	1,261,428	USD	128,000	1,115,638	3.43%~3.52%	Note 14
KGI Bank	525,316	525,316	\$	2,150,000	109,757	3.31%~3.51%	Note 15
ANZ Bank	686,828	686,828	USD	49,000	686,828	3.11%~3.14%	None

March 31, 2019

<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognized</u>	<u>Facilities (In thousands)</u>	<u>Amount advanced</u>	<u>Interest rate of amount advanced</u>	<u>Pledged assets</u>
Bank of Taiwan	\$ 62,417	\$ 62,417	USD 14,000	\$ 62,417	3.22%~3.31%	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 \$640,000 that were pledged to others as collateral.

Note 3: The Group has signed commercial papers amounting to USD 44,780 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 84,150 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 50,200 thousand that were pledged to others as collateral.

Note 12: The Group has signed commercial papers amounting to USD 217,500 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 provided 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, 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	3,841,432	2.36%~3.79%	Note 2
CTBC Bank	3,368,259	3,368,259	USD 69,800	2,505,229	2.44%~3.94%	Note 3
			\$ 2,827,000			
E. SUN Commercial Bank	3,302,123	3,302,123	USD 181,000	2,583,291	2.39%~3.72%	Note 4
			\$ 20,000			
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	29,432	3.10%~3.57%	Note 10
			\$ 400,000			
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 provided 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.

March 31, 2018

<u>Purchaser of accounts receivable</u>	<u>Accounts receivable transferred</u>	<u>Amount derecognized</u>	<u>Facilities (In thousands)</u>	<u>Amount advanced</u>	<u>Interest rate of amount advanced</u>	<u>Pledged assets</u>
Cathay United Bank	\$ 1,127,573	\$ 1,127,573	USD 47,500	\$ 1,127,573	2.63%~2.98%	Note 1
Mega International Commercial Bank	3,887,783	3,887,783	USD 166,900	3,298,277	2.36%~3.22%	Note 2
CTBC Bank	1,482,263	1,482,263	USD 20,000	1,047,552	2.44%~3.33%	Note 3
			\$ 3,000,000			
E. SUN Commercial Bank	2,924,809	2,924,809	USD 193,500	2,379,950	1.15%~3.23%	Note 4
			\$ 20,000			
Taipei Fubon Commercial Bank	502,534	502,534	\$ 1,474,300	481,715	2.42%~3.20%	Note 5
Yuanta Commercial Bank	488,458	488,458	USD 28,000	166,165	2.70%~3.28%	Note 6
			\$ 820,600			
The Hong Kong and Shanghai Banking Corporation Limited	1,412,754	1,412,574	USD 75,850	1,163,942	1.99%~3.80%	Note 7
Ta Chong Bank	-	-	USD 3,500	-	-	Note 8
Standard Chartered Bank	45,241	45,241	USD 4,520	-	-	None
Taishin International Bank	5,469,577	5,469,577	USD 15,000	892,323	2.41%~3.41%	Note 9
			\$ 9,800,000			

March 31, 2018

Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognized	Facilities (In thousands)	Amount advanced	Interest rate of amount advanced	Pledged assets
Bank SinoPac	\$ 592,894	\$ 592,894	USD 104,900	\$ 518,629	2.17%~2.89%	Note 10
Far Eastern International Bank	206,009	206,009	USD 19,000	68,914	2.44%~3.20%	Note 11
Chang Hwa Bank	1,818,598	1,818,598	USD 146,600	1,488,608	2.42%~3.12%	Note 12
DBS Bank	2,889,205	2,889,205	USD 217,500	2,769,885	1.97%~2.88%	Note 13
Shin Kong Bank	-	-	USD 300	-	-	Note 14
Taiwan Cooperative Bank	25,625	25,625	USD 3,000	24,344	2.41%~2.90%	Note 15
Hang Seng Bank	1,271,130	1,271,130	USD 128,000	1,160,162	2.51%~2.88%	Note 16
KGI Bank	691,445	691,445	\$ 2,150,000	568,703	2.04%~2.69%	Note 17
ANZ Bank	686,508	686,508	USD 30,000	686,508	2.25%~2.46%	None
Sumitomo Mitsui Banking Corporation	242,518	242,518	USD 15,000	242,518	2.33%	None
Bank of Taiwan	3,447	3,447	USD 21,000	3,447	2.48%~3.07%	Note 18

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 196,000 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 28,000 thousand and \$820,000 that were pledged to others as collateral.

Note 7: The Group has signed commercial papers amounting to USD 68,850 thousand that were pledged to others as collateral.

Note 8: The Group has signed commercial papers amounting to USD 3,500 thousand that were pledged to others as collateral.

Note 9: The Group has signed commercial papers amounting to USD 15,000 thousand and \$9,800,000 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 245,500 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.

Note 18: The Group has signed commercial papers amounting to USD 14,000 thousand that were pledged to others as collateral.

(7) Other receivables

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Retention amount of factoring			
accounts receivable	\$ 10,498,747	\$ 7,761,074	\$ 7,679,159
VAT refund	262,132	551,727	236,275
Others	351,551	218,883	248,846
	<u>\$ 11,112,430</u>	<u>\$ 8,531,684</u>	<u>\$ 8,164,280</u>

(8) Inventories

	<u>March 31, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation</u>	<u>Book value</u>
Inventories	\$ 66,861,039	(\$ 979,637)	\$ 65,881,402
Inventories in transit	3,505,923	-	3,505,923
	<u>\$ 70,366,962</u>	<u>(\$ 979,637)</u>	<u>\$ 69,387,325</u>

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

	<u>March 31, 2018</u>		
	<u>Cost</u>	<u>Allowance for valuation</u>	<u>Book value</u>
Inventories	\$ 60,404,872	(\$ 1,090,841)	\$ 59,314,031
Inventories in transit	3,325,252	-	3,325,252
	<u>\$ 63,730,124</u>	<u>(\$ 1,090,841)</u>	<u>\$ 62,639,283</u>

The cost of inventories recognized as expense for the year:

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Cost of goods sold	\$ 106,751,612	\$ 117,830,459
Loss on price decline in inventory	106,639	255,999
Loss (gain) on physical inventory	<u>107</u>	<u>(176)</u>
Cost of goods sold	<u>\$ 106,858,358</u>	<u>\$ 118,086,282</u>

(9) Investments accounted for under the equity method

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

<u>Investee company</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
CECI Technology Co., Ltd.	\$ -	\$ -	\$ 736,100
ChainPower Technology Corp.	175,920	168,871	163,575
Sunrise Technology Co., Ltd.	60,481	60,054	67,362
Eesource Corp.	73,218	70,656	75,495
Suzhou Xinning Bonded Warehouse Co., Ltd.	85,318	83,011	64,284
Adivic Technology Co., Ltd.	31,131	35,212	47,323
Yosun Japan Corp.	-	-	4,147
Suzhou Xinning Logistics Co., Ltd.	39,259	37,941	33,866
Gain Tune Logistics (Shanghai) Co., Ltd.	31,330	29,159	34,554
VITEC WPG Limited	45,968	46,364	39,952
AutoSys Co., Ltd.	72,211	72,558	-
Others	<u>13,044</u>	<u>13,665</u>	<u>2,100</u>
	<u>\$ 627,880</u>	<u>\$ 617,491</u>	<u>\$ 1,268,758</u>

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 March 31, 2019, December 31, 2018 and March 31, 2018, the carrying amount of the Group's individually immaterial associates amounted to \$627,880, \$617,491 and \$1,268,758, respectively.

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Profit for the period from continuing operations	\$ 6,444	\$ 8,294
Other comprehensive income - net of tax	<u>3,859</u>	<u>6,850</u>
Total comprehensive income	<u>\$ 10,303</u>	<u>\$ 15,144</u>

C. There was no impairment on investments accounted for using equity method for the three months ended March 31, 2019 and 2018.

D. The investment balance of the abovementioned investees accounted for using equity method as of and for the three months ended March 31, 2019 and 2018 were assessed based on the investees' unreviewed financial statements of the same periods.

(10) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Furniture and fixtures</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>At January 1, 2019</u>								
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)
	<u>\$ 2,295,170</u>	<u>\$1,520,810</u>	<u>\$ 3,828</u>	<u>\$ 101,186</u>	<u>\$ 358,953</u>	<u>\$ 268,967</u>	<u>\$ 1,152,522</u>	<u>\$5,701,436</u>
<u>Three months ended March 31, 2019</u>								
Opening net book amount	\$ 2,295,170	\$1,520,810	\$ 3,828	\$ 101,186	\$ 358,953	\$ 268,967	\$ 1,152,522	\$5,701,436
Additions	-	761	434	5,094	1,754	2,128	84,563	94,734
Disposals	-	( 180)	( 120)	( 458)	( 44)	( 5)	-	( 807)
Depreciation charge	-	( 13,203)	( 597)	( 10,383)	( 29,559)	( 9,300)	-	( 63,042)
Effect due to changes in exchange rates	<u>298</u>	<u>12,448</u>	<u>8</u>	<u>439</u>	<u>2,164</u>	<u>1,081</u>	<u>-</u>	<u>16,438</u>
Closing net book amount	<u>\$ 2,295,468</u>	<u>\$1,520,636</u>	<u>\$ 3,553</u>	<u>\$ 95,878</u>	<u>\$ 333,268</u>	<u>\$ 262,871</u>	<u>\$ 1,237,085</u>	<u>\$5,748,759</u>
<u>At March 31, 2019</u>								
Cost	\$ 2,297,050	\$2,132,176	\$ 17,229	\$ 451,681	\$ 639,678	\$ 442,573	\$ 1,237,085	\$7,217,472
Accumulated depreciation	-	( 600,775)	( 13,676)	( 355,803)	( 306,410)	( 179,702)	-	( 1,456,366)
Accumulated impairment	( 1,582)	( 10,765)	-	-	-	-	-	( 12,347)
	<u>\$ 2,295,468</u>	<u>\$1,520,636</u>	<u>\$ 3,553</u>	<u>\$ 95,878</u>	<u>\$ 333,268</u>	<u>\$ 262,871</u>	<u>\$ 1,237,085</u>	<u>\$5,748,759</u>



	<u>Land</u>	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Others</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
<u>At January 1, 2018</u>								
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)
	<u>\$2,277,481</u>	<u>\$1,567,959</u>	<u>\$ 6,504</u>	<u>\$ 100,979</u>	<u>\$ 155,131</u>	<u>\$ 36,039</u>	<u>\$ 898,731</u>	<u>\$5,042,824</u>
<u>Three months ended March 31, 2018</u>								
Opening net book amount	\$2,277,481	\$1,567,959	\$ 6,504	\$ 100,979	\$ 155,131	\$ 36,039	\$ 898,731	\$5,042,824
Additions	-	15	-	3,065	679	156	83,261	87,176
Disposals	-	( 30)	( 407)	( 68)	( 701)	-	-	( 1,206)
Transfer (Note)	( 17,033)	( 6,037)	-	443	-	-	-	( 22,627)
Depreciation charge	-	( 16,486)	( 580)	( 9,819)	( 11,341)	( 4,287)	-	( 42,513)
Effect due to changes in exchange rates	<u>1,672</u>	<u>11,458</u>	<u>( 11)</u>	<u>( 1,362)</u>	<u>807</u>	<u>( 58)</u>	<u>-</u>	<u>12,506</u>
Closing net book amount	<u>\$2,262,120</u>	<u>\$1,556,879</u>	<u>\$ 5,506</u>	<u>\$ 93,238</u>	<u>\$ 144,575</u>	<u>\$ 31,850</u>	<u>\$ 981,992</u>	<u>\$5,076,160</u>
<u>At March 31, 2018</u>								
Cost	\$2,263,702	\$2,100,259	\$ 18,886	\$ 430,590	\$ 440,045	\$ 207,724	\$ 981,992	\$6,443,198
Accumulated depreciation	-	( 532,616)	( 13,380)	( 337,352)	( 295,470)	( 175,874)	-	( 1,354,692)
Accumulated impairment	( 1,582)	( 10,764)	-	-	-	-	-	( 12,346)
	<u>\$2,262,120</u>	<u>\$1,556,879</u>	<u>\$ 5,506</u>	<u>\$ 93,238</u>	<u>\$ 144,575</u>	<u>\$ 31,850</u>	<u>\$ 981,992</u>	<u>\$5,076,160</u>

Note: Inventories amounting to \$443 were transferred to property, plant and equipment and property, plant and equipment amounting to (\$23,070) were transferred to investment property.

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

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Amount capitalised	\$ 3,073	\$ 2,324
Range of the interest rates for capitalisation	1.02%~1.03%	1.03%~1.04%

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

(11) Leasing arrangements-lessee

Effective 2019

- A. The Group leases various assets including buildings, business vehicles and multifunction printers. Rental contracts are typically made for periods of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

- B. The carrying amount of right-of-use assets are as follows:

	<u>Buildings and structures</u>	<u>Transportation equipment (Business vehicles)</u>	<u>Office equipment (Photocopiers)</u>	<u>Other equipment</u>	<u>Total</u>
At January 1, 2019					
Cost	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated depreciation	-	-	-	-	-
Accumulated impairment	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Three months ended March 31, 2019					
Opening net book amount	\$ -	\$ -	\$ -	\$ -	\$ -
Modified retrospective adjustments under IFRS 16	1,322,633	65,891	26,570	20,708	1,435,802
Additions	8,419	-	-	103	8,522
Depreciation charge	( 98,601)	( 6,604)	( 2,093)	( 2,642)	( 109,940)
Effect due to changes in exchange rates	( 5,651)	102	33	37	( 5,479)
Closing net book amount	<u>\$ 1,226,800</u>	<u>\$ 59,389</u>	<u>\$ 24,510</u>	<u>\$ 18,206</u>	<u>\$1,328,905</u>
At March 31, 2019					
Cost	\$ 1,325,036	\$ 65,992	\$ 26,603	\$ 20,848	\$1,438,479
Accumulated depreciation	( 98,236)	( 6,603)	( 2,093)	( 2,642)	( 109,574)
Accumulated impairment	-	-	-	-	-
	<u>\$ 1,226,800</u>	<u>\$ 59,389</u>	<u>\$ 24,510</u>	<u>\$ 18,206</u>	<u>\$1,328,905</u>

C. In the first quarter of 2019, the additions to right-of-use assets was \$8,522.

D. Information on profit or loss in relation to lease contracts is as follows:

	<u>Three months ended March 31, 2019</u>	
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$	7,423
Expense on short-term lease contracts		8,104
Expense on leases of low-value assets		413

E. In the first quarter of 2019, the Group's total cash outflow for leases was \$125,164.

(12) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2019</u>			
Cost	\$ 338,690	\$ 960,770	\$ 1,299,460
Accumulated depreciation	-	( 192,214)	( 192,214)
	<u>\$ 338,690</u>	<u>\$ 768,556</u>	<u>\$ 1,107,246</u>
<u>Three months ended March 31, 2019</u>			
Opening net book amount	\$ 338,690	\$ 768,556	\$ 1,107,246
Additions	-	126	126
Depreciation charge	-	( 5,809)	( 5,809)
Effect due to changes in exchange rates	-	17,747	17,747
Closing net book amount	<u>\$ 338,690</u>	<u>\$ 780,620</u>	<u>\$ 1,119,310</u>
<u>At March 31, 2018</u>			
Cost	\$ 338,690	\$ 981,167	\$ 1,319,857
Accumulated depreciation	-	( 200,547)	( 200,547)
	<u>\$ 338,690</u>	<u>\$ 780,620</u>	<u>\$ 1,119,310</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2018</u>			
Cost	\$ 354,034	\$ 1,013,552	\$ 1,367,586
Accumulated depreciation	-	( 183,219)	( 183,219)
	<u>\$ 354,034</u>	<u>\$ 830,333</u>	<u>\$ 1,184,367</u>
<u>Three months ended March 31, 2018</u>			
Opening net book amount	\$ 354,034	\$ 830,333	\$ 1,184,367
Transfer (Note)	17,033	6,037	23,070
Depreciation charge	-	( 6,064)	( 6,064)
Effect due to changes in exchange rates	-	13,291	13,291
Closing net book amount	<u>\$ 371,067</u>	<u>\$ 843,597</u>	<u>\$ 1,214,664</u>
<u>At March 31, 2018</u>			
Cost	\$ 371,067	\$ 1,037,630	\$ 1,408,697
Accumulated depreciation	-	( 194,033)	( 194,033)
	<u>\$ 371,067</u>	<u>\$ 843,597</u>	<u>\$ 1,214,664</u>

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

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

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Rental revenue from investment property	<u>\$ 16,298</u>	<u>\$ 18,684</u>
Direct operating expenses arising from the investment property that generated rental income during the period	<u>\$ 4,880</u>	<u>\$ 4,591</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 928</u>	<u>\$ 1,473</u>

B. The fair value of the investment property held by the Group as of March 31, 2019, December 31, 2018 and March 31, 2018 was \$1,974,702, \$1,566,519 and \$1,707,580, respectively. The fair value as of March 31, 2019, December 31, 2018 and March 31, 2018 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. Valuations were made using the income approach with key assumptions as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Discount rate	2.35%~2.75%	2.35%~2.75%	2%~2.75%
Growth rate	0%~1%	0%~1%	0%~1%
Gross margin	1.2%~3.2%	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.

(13) Intangible assets

	<u>Operating right</u>	<u>Software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2019</u>					
Cost	\$ 294,234	\$ 235,175	\$ 5,666,777	\$ 66,299	\$6,262,485
Accumulated amortisation and impairment	( 294,234)	( 208,732)	( 125,345)	( 66,240)	( 694,551)
	<u>\$ -</u>	<u>\$ 26,443</u>	<u>\$ 5,541,432</u>	<u>\$ 59</u>	<u>\$5,567,934</u>
<u>Three months ended March 31, 2019</u>					
Opening net book amount	\$ -	\$ 26,443	\$ 5,541,432	\$ 59	\$5,567,934
Additions-acquired separately	-	1,175	-	-	1,175
Disposals	-	( 1,256)	-	-	( 1,256)
Amortisation charge	-	( 4,724)	-	-	( 4,724)
Effect due to changes in exchange rates	-	305	699	1	1,005
Closing net book amount	<u>\$ -</u>	<u>\$ 21,943</u>	<u>\$ 5,542,131</u>	<u>\$ 60</u>	<u>\$5,564,134</u>
<u>At March 31, 2019</u>					
Cost	\$ 295,191	\$ 233,413	\$ 5,667,905	\$ 66,510	\$6,263,019
Accumulated amortisation and impairment	( 295,191)	( 211,470)	( 125,774)	( 66,450)	( 698,885)
	<u>\$ -</u>	<u>\$ 21,943</u>	<u>\$ 5,542,131</u>	<u>\$ 60</u>	<u>\$5,564,134</u>
<u>At January 1, 2018</u>					
Cost	\$ 285,526	\$ 228,039	\$ 5,656,517	\$ 61,668	\$6,231,750
Accumulated amortisation and impairment	( 285,526)	( 191,396)	( 121,448)	( 61,611)	( 659,981)
	<u>\$ -</u>	<u>\$ 36,643</u>	<u>\$ 5,535,069</u>	<u>\$ 57</u>	<u>\$5,571,769</u>
<u>Three months ended March 31, 2018</u>					
Opening net book amount	\$ -	\$ 36,643	\$ 5,535,069	\$ 57	\$5,571,769
Additions-acquired separately	-	69	-	-	69
Disposals	-	( 265)	-	-	( 265)
Amortisation charge	-	( 5,030)	-	-	( 5,030)
Effect due to changes in exchange rates	-	212	( 4,364)	( 1)	( 4,153)
Closing net book amount	<u>\$ -</u>	<u>\$ 31,629</u>	<u>\$ 5,530,705</u>	<u>\$ 56</u>	<u>\$5,562,390</u>
<u>At March 31, 2018</u>					
Cost	\$ 279,553	\$ 228,632	\$ 5,649,480	\$ 63,225	\$6,220,890
Accumulated amortisation and impairment	( 279,553)	( 197,003)	( 118,775)	( 63,169)	( 658,500)
	<u>\$ -</u>	<u>\$ 31,629</u>	<u>\$ 5,530,705</u>	<u>\$ 56</u>	<u>\$5,562,390</u>

The details of amortisation charge are as follows:

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Selling and marketing expenses	\$ 1,153	\$ 882
General and administrative expenses	3,571	4,148
	<u>\$ 4,724</u>	<u>\$ 5,030</u>

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Yosun subgroup	\$ 3,649,393	\$ 3,648,818	\$ 3,639,998
World Peace subgroup	1,648,455	1,648,331	1,646,424
Others	244,283	244,283	244,283
	<u>\$ 5,542,131</u>	<u>\$ 5,541,432</u>	<u>\$ 5,530,705</u>

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.

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 March 31, 2019, December 31, 2018 and March 31, 2018, the key valuations used for pre-tax discount rate were 6.40%, 6.28% and 5.90%, respectively.

C. There is no impairment loss on intangible assets.

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Overdue receivables	\$ 988,137	\$ 1,004,468	\$ 920,474
Less: Allowance for doubtful accounts	( 911,678)	( 927,792)	( 908,333)
	<u>\$ 76,459</u>	<u>\$ 76,676</u>	<u>\$ 12,141</u>

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

	<u>2019</u>	<u>2018</u>
	<u>Individual provision</u>	<u>Individual provision</u>
At January 1	\$ 927,792	\$ 1,004,043
(Reversal of) provision for impairment	( 6,097)	( 5,858)
Write-off of bad debts	( 17,858)	( 73,026)
Effect due to changes in exchange rates	7,841	( 16,826)
At March 31	<u>\$ 911,678</u>	<u>\$ 908,333</u>

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Loans for overseas purchases	\$ 10,638,965	\$ 20,559,876	\$ 15,770,036
Short-term loans	<u>35,406,170</u>	<u>36,661,560</u>	<u>33,363,334</u>
	<u>\$ 46,045,135</u>	<u>\$ 57,221,436</u>	<u>\$ 49,133,370</u>
Annual interest rates	<u>0.94%~9.30%</u>	<u>0.94%~9.25%</u>	<u>0.90%~8.76%</u>

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

(16) Short-term notes and bills payable

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Commercial papers payable	\$ 5,060,000	\$ 4,960,000	\$ 4,510,000
Less: Unamortised discount	( <u>5,169</u> )	( <u>2,973</u> )	( <u>3,920</u> )
	<u>\$ 5,054,831</u>	<u>\$ 4,957,027</u>	<u>\$ 4,506,080</u>
Annual interest rates	<u>0.49%~1.17%</u>	<u>0.49%~1.88%</u>	<u>0.48%~1.16%</u>

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

(17) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period / repayment term</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Secured bank borrowings (Note 1 and Note 2)	2012.01.02~ 2027.01.02	\$ 419,248	\$ 432,992	\$ 473,528
Unsecured bank borrowings (Note 3~Note 7 and Note 9~Note 11)	2015.11.09~ 2020.12.18	6,046,555	7,150,150	11,488,550
Commercial paper payable (Note 8)	2018.11.09~ 2021.11.09	<u>7,300,000</u>	<u>6,300,000</u>	-
		13,765,803	13,883,142	11,962,078
Less : Discount on long-term borrowings (shown as deduction to "long-term borrowings")		( 30,883)	( 25,727)	( 9,060)
Less : Current portion of long-term borrowings (shown as other current liabilities)		( <u>390,860</u> )	( <u>491,244</u> )	( <u>5,090,719</u> )
		<u>\$ 13,344,060</u>	<u>\$ 13,366,171</u>	<u>\$ 6,862,299</u>
Interest rate range		<u>1.25%~3.80%</u>	<u>1.25%~3.80%</u>	<u>1.32%~3.19%</u>

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 and plus 0.44% from January 2, 2017, plus 0.45% from January 2, 2018 and plus 1.5% from January 2, 2019.

Note 2: AIT Japan Inc., the Company's indirect subsidiary, had entered into a long-term loan agreement for a period of ten years with the Daiwa Bank, Limited on March 28, 2012, and the facility is JPY 250,000,000. The pledged assets are land, and furniture and fixtures, which amount to \$70,226 and \$66,846, respectively. The principal should be repaid in equal monthly installments (totaling 114 months) of JPY 2,193,000 from October 31, 2012 and the last monthly installment will be JPY 2,191,000.

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 repayable monthly, the principal is payable in full at maturity and the borrowings could be used and repaid any time during the valid period.

Note 4: Asian Information Technology Inc. and Frontek Technology Corporation, an indirect subsidiary, entered into a two-year borrowing contract with Yuanta Commercial Bank in December 2018 in the amount of \$300,000. The interest is repayable monthly, the principal is payable in full at maturity and the borrowings could be used and repaid any time during the valid 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:
  - i. Terminate part or all of the undrawn facility;
  - ii. Request WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;

- iii. 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;
- iv. 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:
  - i. Rescind part or all of the undrawn facility;
  - ii. Demand WPI to immediately repay all drawn principals, interest payable and other related payables as specified in the contract;
  - iii. 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.

(18) Other current liabilities

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Long-term borrowings-current portion	\$ 390,860	\$ 491,244	\$ 5,090,719
Refund liabilities	4,085,785	3,987,130	2,545,389
Others	433,754	466,768	607,427
	<u>\$ 4,910,399</u>	<u>\$ 4,945,142</u>	<u>\$ 8,243,535</u>

Under the initial application, refund liabilities were generated from sales discounts which is shown as ‘other current liabilities’.

(19) 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) For the aforementioned pension plan, the Group recognised pension costs of \$5,080 and \$3,737 for the three months ended March 31, 2019 and 2018, respectively.
  - (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2020 are \$17,567.
- 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 three months ended March 31, 2019 and 2018 were \$92,054 and \$81,888, respectively.

(20) Share capital

- A. As of March 31, 2019, 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 three months ended March 31, 2019 and 2018 are as follows:

	2019	2018
At January 1 (March 31)	1,679,057	1,825,062

(21) 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 as follows:

		2019			
		Treasury share transaction	Recognized changes in subsidiaries' equity	Changes in associates' net equity	Total
Share premium					
January 1 and March 31	<u>\$ 19,387,285</u>	<u>\$ 45,177</u>	<u>\$ 431</u>	<u>\$ 21,989</u>	<u>\$ 19,454,882</u>
		2018			
		Treasury share transaction	Recognized changes in subsidiaries' equity	Changes in associates' net equity	Total
Share premium					
January 1 and March 31	<u>\$ 19,389,875</u>	<u>\$ 45,177</u>	<u>\$ 431</u>	<u>\$ 134,042</u>	<u>\$ 19,569,525</u>

(22) 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. On April 30, 2019, the Board of Directors proposed the distribution of 2018 retained earnings and on June 21, 2018, the shareholders during their meeting resolved the distribution of 2017 retained earnings as follows:

	Years ended December 31,			
	2018		2017	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve (Reversal for)	\$ 746,201	\$ -	\$ 730,799	\$ -
special reserve	( 1,522,255)	-	4,124,936	-
Cash dividends	4,533,453	2.70	4,380,148	2.40
	<u>\$ 3,757,399</u>	<u>\$ 2.70</u>	<u>\$ 9,235,883</u>	<u>\$ 2.40</u>

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

- E. As of May 14, 2019, the appropriation of earnings for the year ended December 31, 2018 has not yet been approved by the shareholders.
- F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(29).

(23) Other equity items

	2019		
	Investments at fair value through comprehensive income	Currency translation	Total
At January 1	(\$ 6,000)	(\$ 2,596,682)	(\$ 2,602,682)
Cumulative translation differences:			
- Group	-	312,042	312,042
- Tax on Group	-	( 2,225)	( 2,225)
- Associates	-	3,859	3,859
At March 31	<u>(\$ 6,000)</u>	<u>(\$ 2,283,006)</u>	<u>(\$ 2,289,006)</u>

  

	2018			
	Investments at fair value through comprehensive income	Available-for-sale investments	Currency translation	Total
At January 1	\$ -	(\$ 129,342)	(\$ 4,254,279)	(\$ 4,124,937)
Adjustments under new standards	( 6,000)	( 129,342)	-	( 135,342)
At January 1_IFRS 9	( 6,000)	-	( 4,254,279)	( 4,260,279)
Cumulative translation differences:				
- Group	-	-	( 1,437,948)	( 1,437,948)
- Tax on Group	-	-	2,937	2,937
- Associates	-	-	6,850	6,850
At March 31	<u>(\$ 6,000)</u>	<u>\$ -</u>	<u>(\$ 5,682,440)</u>	<u>(\$ 5,688,440)</u>

(24) Operating revenue

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue from contracts with customers	<u>\$ 111,831,933</u>	<u>\$ 123,411,802</u>

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:

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Core components	\$ 31,619,797	\$ 36,663,578
Analog IC and mixed signal components	23,648,067	21,607,943
Discrete IC, logic IC	16,413,023	16,693,132
Memory	22,931,159	31,452,840
Optical components	7,204,413	7,114,937
Passive connector and magnetic components	6,429,904	4,097,710
Others	3,585,570	5,781,662
	<u>\$ 111,831,933</u>	<u>\$ 123,411,802</u>

(25) Other income

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Interest income:		
Interest income from bank deposits	\$ 11,520	\$ 4,751
Interest income from financial assets measured at amortized cost	74	30
Total interest income	11,594	4,781
Dividend income	17,515	19,440
Other income	36,118	26,574
	<u>\$ 65,227</u>	<u>\$ 50,795</u>

(26) Other gains and losses

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Loss on disposal of property, plant and equipment	(\$ 1,827)	(\$ 453)
Gain on disposal of investments	-	2,603
Currency exchange gain	144,618	158,941
Gain on financial assets and liabilities at fair value through profit or loss	15,631	254,039
Other losses	(8,720)	(17,187)
	<u>\$ 149,702</u>	<u>\$ 397,943</u>



(27) Finance costs

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Interest expense:		
Bank borrowings	\$ 584,184	\$ 475,324
Less: Capitalization of qualifying assets	( 3,073)	( 2,324)
Others	49,708	44,960
	<u>\$ 630,819</u>	<u>\$ 517,960</u>

(28) Additional information of expenses by nature

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Employee benefit expense	<u>\$ 1,855,405</u>	<u>\$ 1,802,764</u>
Depreciation charges on property and equipment (including investment property and right-of-use assets)	<u>\$ 178,791</u>	<u>\$ 48,577</u>
Amortisation charges on intangible assets and other non-current assets	<u>\$ 4,724</u>	<u>\$ 5,030</u>

(29) Employee benefit expense

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Wages and salaries	\$ 1,580,613	\$ 1,554,955
Directors' remuneration	11,081	11,200
Labor and health insurance fees	88,594	82,344
Pension costs	97,134	85,625
Other personnel expenses	77,983	68,640
	<u>\$ 1,855,405</u>	<u>\$ 1,802,764</u>

A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, 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 three months ended March 31, 2019 and 2018, employees' compensation was accrued at \$8,712 and \$4,527, respectively; while directors' and supervisors' remuneration was accrued at \$10,500 and \$10,500, 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.

Employees' compensation of \$18,108 and directors' and supervisors' remuneration of

\$42,000 as resolved by the Board of Directors on April 30, 2019 were in agreement with those amounts recognised in the 2018 financial statements. 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.

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Current tax		
Current tax on profits for the period	\$ 312,495	\$ 395,094
Prior year income tax underestimation	<u>11,500</u>	<u>11,685</u>
Total current tax	<u>323,995</u>	<u>406,779</u>
Deferred tax		
Origination and reversal of temporary differences	17,932	6,882
Impact of change in tax rate	<u>-</u>	<u>29,768</u>
Total deferred tax	<u>17,932</u>	<u>36,650</u>
Income tax expense	<u>\$ 341,927</u>	<u>\$ 443,429</u>

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

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Currency translation differences	\$ 2,225	(\$ 1,708)
Impact of change in tax rate	<u>-</u>	<u>(7,432)</u>
	<u>\$ 2,225</u>	<u>(\$ 9,140)</u>

- B. The Company's income tax returns through 2015 have been assessed and approved by the Tax Authority.

- C. 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.

(31) Earnings per share

	<u>Three months ended March 31, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,304,424	1,679,057	\$ 0.78
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,304,424	1,679,057	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	667	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,304,424	1,679,724	\$ 0.78

	<u>Three months ended March 31, 2018</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,890,570	1,825,062	\$ 1.04
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,890,570	1,825,062	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	755	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,890,570	1,825,817	\$ 1.04

(32) Supplemental cash flow information

Partial payment of cash from investing activities

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Acquisition of property, plant and equipment, investment property and intangible assets	\$ 96,035	\$ 87,245
Add: Accounts payable at the beginning of period	-	3,303
Less: Accounts payable at the end of period	-	-
Cash paid during the period for property, plant and equipment	<u>\$ 96,035</u>	<u>\$ 90,548</u>

(33) Changes in liabilities from financing activities

	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings (Note)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2019	\$ 57,221,436	\$ 4,957,027	\$ 13,857,415	\$ 76,035,878
Changes in cash flow from financing activities	( 11,171,456)	97,804	( 122,043)	( 11,195,695)
Impact of changes in foreign exchange rate	( 4,845)	-	( 452)	( 5,297)
At March 31, 2019	<u>\$ 46,045,135</u>	<u>\$ 5,054,831</u>	<u>\$ 13,734,920</u>	<u>\$ 64,834,886</u>

	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Long-term borrowings (Note)</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2018	\$ 53,773,607	\$ 3,887,605	\$ 12,326,036	\$ 69,987,248
Changes in cash flow from financing activities	( 4,335,188)	618,475	( 344,856)	( 4,061,569)
Impact of changes in foreign exchange rate	( 305,049)	-	( 31,102)	( 336,151)
At March 31, 2018	<u>\$ 49,133,370</u>	<u>\$ 4,506,080</u>	<u>\$ 11,950,078</u>	<u>\$ 65,589,528</u>

Note: Including long-term borrowings-current portion less unamortised 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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Chain Power Technology Corp.	Investee accounted for using equity method
Adivic Techology Co., Ltd.	"

Names of related parties	Relationship with the Group
Yosun Japan Corp. (Note 1)	Investee accounted for using equity method
VITEC WPG Limited	"
CECI Technology Co. Ltd. (Note 2)	"
Gain Tune Logistics (Shanghai) Co., Ltd.	"
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

	Three months ended March 31,	
	2019	2018
Sales of goods		
Others	\$ 126,667	\$ 201,356
Associates	40,648	67,395
	<u>\$ 167,315</u>	<u>\$ 268,751</u>

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

	Three months ended March 31,	
	2019	2018
Purchases of goods		
Associates	<u>\$ 388</u>	<u>\$ 9,235</u>

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Accounts receivable			
Others	\$ 69,741	\$ 53,079	\$ 170,687
Associates	<u>15,563</u>	<u>29,511</u>	<u>31,486</u>
	<u>\$ 85,304</u>	<u>\$ 82,590</u>	<u>\$ 202,173</u>

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Other receivables			
Associates	\$ 1,594	\$ 1,610	\$ 2,053

The above represents receivables from payments on behalf of others.

E. Payables to related parties

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Accounts payable			
Associates	\$ 45	\$ 401	\$ 1,156

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. Endorsements and guarantees provided to related parties

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Associates			
VITEC WPG Limited	\$ 69,345	\$ 138,217	\$ 65,486

G. Others

The Group's donations to WPG Holding Education Foundation were \$2,400 and \$1,900 for the three months ended March 31, 2019 and 2018, respectively.

(4) Key management compensation

	<u>Three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Salaries and other short-term employee benefits	\$ 84,288	\$ 56,233
Post-employment benefits	<u>791</u>	<u>897</u>
	<u>\$ 85,079</u>	<u>\$ 57,130</u>

## 8. PLEGGED ASSETS

<u>Pledged assets (Note 1)</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>	<u>Purpose of Collateral</u>
Other current assets and other non-current assets (Note 3)				
-Time deposits	\$ 42,325	\$ 44,776	\$ 42,639	Security for purchases and deposits for litigation
Financial assets at fair value though other comprehensive income - non-current (Note 2)	7,054	7,503	4,507	Security for purchases
Property, plant and equipment (including investment property)				
-Land	1,110,124	1,110,099	1,383,807	Long-term and short-term borrowings guarantee and security for purchases
-Buildings and structures	<u>572,660</u>	<u>577,146</u>	<u>625,155</u>	"
	<u>\$ 1,732,163</u>	<u>\$ 1,739,524</u>	<u>\$ 2,056,108</u>	

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 March 31, 2019, December 31, 2018 and March 31, 2018.

Note 2: As of March 31, 2019, December 31, 2018 and March 31, 2018, 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" and "financial assets at amortized cost - non-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:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Property, plant and equipment and intangible assets	<u>\$ 5,232,148</u>	<u>\$ 5,317,803</u>	<u>\$ 5,479,873</u>

B. Operating lease

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

	<u>December 31, 2018</u>	<u>March 31, 2018</u>
Not later than one year	\$ 479,813	\$ 485,290
Later than one year but not later than five years	966,724	885,507
Later than five years	<u>1,794</u>	<u>2,663</u>
	<u>\$ 1,448,331</u>	<u>\$ 1,373,460</u>

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
\$	944,933	\$ 951,889	\$ 570,206
USD	79,260,000	USD 99,001,000	USD 99,935,000

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2018.



(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2018</u>
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,326,377	\$ 1,304,533	\$ 1,326,692
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	32,035	32,035	32,035
Financial assets at amortized cost/Loans and receivables			
Cash and cash equivalents	5,572,934	7,116,888	6,645,050
Financial assets at amortized cost	195,996	197,942	51,449
Notes receivable	3,273,312	2,884,889	4,958,323
Accounts receivable (including related parties)	80,211,003	95,340,625	80,766,143
Other accounts receivable (including related parties)	11,114,024	8,533,294	8,166,333
Guarantee deposits paid	206,320	185,697	303,104
Other financial assets	145,263	503,612	450,665
	<u>\$ 102,077,264</u>	<u>\$ 116,099,515</u>	<u>\$ 102,699,794</u>
<u>Financial liabilities</u>			
Financial liabilities measured at fair value through profit or loss			
Financial liabilities held for trading	\$ 4,169	\$ 5,660	\$ 11,812
Financial liabilities at amortized cost			
Short-term borrowings	46,045,135	57,221,436	49,133,370
Short-term notes and bills payable	5,054,831	4,957,027	4,506,080
Notes payable	65,043	35,497	107,949
Accounts payable (including related parties)	54,017,286	53,162,305	53,173,719
Other accounts payable	4,517,585	5,333,973	4,511,966
Lease liabilities	1,339,675	-	-
Long-term borrowings (including current portion)	13,734,920	13,857,415	11,950,078
Guarantee deposits received	92,333	90,986	120,986
	<u>\$ 124,870,977</u>	<u>\$ 134,664,299</u>	<u>\$ 123,515,960</u>

## 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 minimise 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

#### Foreign exchange risk

- 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:

March 31, 2019

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : TWD	\$ 537,093	30.820	\$ 16,553,204
USD : RMB	11,051	6.73	340,582
USD : KRW	17,977	1,126.87	554,053
USD : JPY	4,876	110.74	150,274
HKD : USD	68,282	0.13	268,075
<u>Non-monetary items</u>			
RMB : USD	31,746	0.15	145,395
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : TWD	461,628	30.820	14,227,388
USD : RMB	81,673	6.73	2,517,159
USD : KRW	31,557	1,126.87	972,573
USD : JPY	3,903	110.74	120,295
USD : IDR	4,452	67.83	137,197
HKD : USD	33,395	0.13	131,108

December 31, 2018			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency			
<u>Financial assets</u>			
<u>Monetary items</u>			
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
 <u>Non-monetary items</u>			
RMB : USD	33,567	0.15	150,112
 <u>Financial liabilities</u>			
<u>Monetary items</u>			
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

				March 31, 2018		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Foreign currency: functional currency						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : TWD	\$	504,843		29.11	\$	14,693,448
USD : RMB		16,053		6.26		467,231
USD : HKD		5,475		7.85		159,346
USD : KRW		17,977		1,053.00		523,223
USD : JPY		6,986		106.26		203,330
USD : INR		7,731		64.85		225,002
HKD : USD		90,927		0.13		337,158
<u>Non-monetary items</u>						
RMB : USD		28,557		0.16		132,704
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : TWD		460,155		29.11		13,392,798
USD : RMB		94,011		6.26		2,736,178
USD : KRW		31,557		1,053.00		918,454
USD : JPY		5,835		106.26		169,820
HKD : USD		36,302		0.13		134,609
EUR : USD		3,090		1.23		110,831

- v. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2019 and 2018 amounted to \$144,618 and \$158,941, respectively.

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

Three months ended March 31, 2019				
Sensitivity Analysis				
	Degree of Variation		Effect on Profit or Loss	Effect on Other Comprehensive Income
Foreign currency: functional				
currency				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$	165,532	\$ -
USD : RMB	1%		3,406	-
USD : KRW	1%		5,541	-
USD : JPY	1%		1,503	-
HKD : USD	1%		2,681	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%		142,274	-
USD : RMB	1%		25,172	-
USD : KRW	1%		9,726	-
USD : JPY	1%		1,203	-
USD : INR	1%		1,372	-
HKD : USD	1%		1,311	-

Three months ended March 31, 2018				
Sensitivity Analysis				
	Degree of Variation	Effect on Profit or Loss	Effect on Other Comprehensive Income	
Foreign currency: functional currency				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	1%	\$ 146,934	\$	-
USD : RMB	1%	4,672		-
USD : HKD	1%	1,593		-
USD : KRW	1%	5,232		-
USD : JPY	1%	2,033		-
USD : INR	1%	2,250		-
HKD : USD	1%	3,372		-
 <u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : TWD	1%	133,928		-
USD : RMB	1%	27,362		-
USD : KRW	1%	9,185		-
USD : JPY	1%	1,698		-
HKD : USD	1%	1,346		-
EUR : USD	1%	1,108		-

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 and financial assets at fair value through other comprehensive income. 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 three months ended March 31, 2019 and 2018 would have increased/decreased by \$13,230 and \$13,258, 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 \$320, respectively, as a result of other comprehensive income classified as 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 three months ended March 31, 2019 and 2018, 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 three months ended March 31, 2019 and 2018 would have decreased by \$49,653 and \$32,313, 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 analysing 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 utilisation of credit limits is regularly monitored.
  - iii. Under IFRS 9, if the contract payments are past due over 30 days 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 five 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 be reasonably 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 March 31, 2019, December 31, 2018 and March 31, 2018, the provision matrix and loss rate methodology are as follows:

(i) 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
<u>March 31, 2019</u>							
Expected loss rate	0%~ 11.49%	0.001%~ 50%	5.4%~ 83.33%	13.66%~ 99.97%	40.90%~ 99.97%	100%	
Total book value	\$ 37,444,544	\$ 2,284,019	\$ 459,252	\$ 193,591	\$ 98,926	\$347,298	\$ 40,827,630
Loss allowance	\$ 108,703	\$ 49,741	\$ 67,293	\$ 65,186	\$ 79,336	\$347,298	\$ 717,557

	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
<u>December 31, 2018</u>							
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

	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
<u>March 31, 2018</u>							
Expected loss rate	0.01%~ 3.55%	0.12%~ 13.10%	2.84%~ 41.84%	6.52%~ 61.03%	15.66%~ 77.65%	100%	
Total book value	\$ 40,416,973	\$ 2,108,446	\$ 1,845,098	\$ 128,876	\$ 13,569	\$169,138	\$ 44,682,100
Loss allowance	\$ 51,332	\$ 22,944	\$ 106,734	\$ 17,645	\$ 5,439	\$169,138	\$ 373,232

(ii) Impaired and provisioned 100% allowance for loss

	Individual		
	March 31, 2019	December 31, 2018	March 31, 2018
Total book value	\$ 456,760	\$ 464,499	\$ 640,821
Loss allowance	\$ 456,760	\$ 464,499	\$ 640,821

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

	March 31, 2019	December 31, 2018	March 31, 2018
Expected loss rate	0%	0%	0%
Total book value	\$ 40,015,626	\$ 47,376,533	\$ 36,255,102
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:

	2019				
	Notes receivable	Accounts receivable			
	Individual provision	Individual provision	Group provision	Subtotal	Total
At January 1	\$ 2,346	\$ 464,499	\$ 725,207	\$1,189,706	\$1,192,052
Reversal of provision for impairment	( 2,346)	( 6,299)	( 11,769)	( 18,068)	( 20,414)
Write-offs during the period	-	( 3,092)	( 10,451)	( 13,543)	( 13,543)
Effect of foreign exchange	-	1,652	14,570	16,222	16,222
At March 31	<u>\$ -</u>	<u>\$ 456,760</u>	<u>\$ 717,557</u>	<u>\$1,174,317</u>	<u>\$1,174,317</u>

  

	2018				
	Notes receivable	Accounts receivable			
	Individual provision	Individual provision	Group provision	Subtotal	Total
At January 1_IAS 39	\$ 91,984	\$ 537,280	\$ 259,129	\$ 796,409	\$ 888,393
Adjustments under new standards	-	-	201,396	201,396	201,396
At January 1_IFRS 9	91,984	537,280	460,525	997,805	1,089,789
(Reversal of) provision for impairment	( 2,042)	( 9,039)	25,790	16,751	14,709
Write-offs during the period	-	( 28,174)	( 9,160)	( 37,334)	( 37,334)
Effect of foreign exchange	( 1,852)	( 12,145)	( 2,094)	( 14,239)	( 16,091)
Others (Note)	( 50,581)	152,899	( 101,829)	51,070	489
At March 31	<u>\$ 37,509</u>	<u>\$ 640,821</u>	<u>\$ 373,232</u>	<u>\$1,014,053</u>	<u>\$1,051,562</u>

Note: Others included decrease of recovery of write-offs of provision for impairment of accounts receivable in prior year amounting to \$489.

(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:

<u>March 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 46,171,896	\$ -	\$ -	\$ -
Short-term notes and bills payable	5,060,000	-	-	-
Financial liabilities measured at fair value through profit or loss	4,169	-	-	-
Notes payable	65,043	-	-	-
Accounts payable	54,017,241	-	-	-
Accounts payable - related parties	45	-	-	-
Other payables	4,517,585	-	-	-
Lease liabilities	460,287	429,937	466,732	55,807
Long-term borrowings (including current portion)	615,408	5,932,018	7,516,939	146,694

Non-derivative financial liabilities:

<u>December 31, 2018</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
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:

<u>March 31, 2018</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings	\$ 49,256,609	\$ -	\$ -	\$ -
Short-term notes and bills payable	4,510,000	-	-	-
Financial liabilities measured at fair value through profit or loss	11,812	-	-	-
Notes payable	107,949	-	-	-
Accounts payable	53,172,563	-	-	-
Accounts payable - related parties	1,156	-	-	-
Other payables	4,511,966	-	-	-
Long-term borrowings (including current portion)	5,290,166	347,958	6,545,622	199,449

(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(12).

C. The carrying amounts of financial instruments not measured at fair value including 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 amortised cost, short-term borrowings, short-term bills payable, notes

payable, accounts payable (including related parties), other payables, lease liabilities (including current and non-current) 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:

March 31, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 3,369	\$ -	\$ 3,369
Equity securities	166,239	32,751	1,124,018	1,323,008
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	32,035	32,035
	<u>\$ 166,239</u>	<u>\$ 36,120</u>	<u>\$ 1,156,053</u>	<u>\$ 1,358,412</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 4,169</u>	<u>\$ -</u>	<u>\$ 4,169</u>
December 31, 2018				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
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
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	32,035	32,035
	<u>\$ 157,336</u>	<u>\$ 36,305</u>	<u>\$ 1,142,927</u>	<u>\$ 1,336,568</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 5,660</u>	<u>\$ -</u>	<u>\$ 5,660</u>

March 31, 2018	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Assets</u>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 886	\$ -	\$ 886
Equity securities	672,200	41,107	612,499	1,325,806
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	32,035	32,035
	<u>\$ 672,200</u>	<u>\$ 41,993</u>	<u>\$ 644,534</u>	<u>\$ 1,358,727</u>
<u>Liabilities</u>				
<u>Recurring fair value measurements</u>				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 11,812</u>	<u>\$ -</u>	<u>\$ 11,812</u>

(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:

	<u>Listed shares</u>
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. The following chart is the movement of Level 3 for the three months ended March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
At January 1_IAS 39	\$ 1,142,927	\$ 11,191
Adjustments under new standards	<u>-</u>	<u>585,095</u>
At January 1_IFRS 9	1,142,927	596,286
Capital increase during the period	-	22,882
Disposals	-	( 8,500)
Gains on valuation	-	33,459
Effect of foreign exchange	<u>13,126</u>	<u>407</u>
At March 31	<u>\$ 1,156,053</u>	<u>\$ 644,534</u>

F. For the three months ended March 31, 2019, there was no transfer into or out from Level 3. For the three months ended March 31, 2018, transfers into Level 3 refer to the adjustments arising from the application of new standard.

G. Finance and accounting department is in charge of valuation procedures for fair value measurements being categorised 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.

H. 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:

	<u>Fair value at March 31, 2019</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity:					
Equity investment without active market	\$ 1,156,053	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

	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 March 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity:					
Equity investment without active market	\$ 644,534	Net asset value method	Net asset value		- The higher the net asset value, the higher the fair value

- I. 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 categorised within Level 3 if the inputs used to valuation models have changed:

		March 31, 2019					
				Recognized in profit or loss		Recognized in other comprehensive income	
Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instrument	Net asset value ± 1%	\$ 11,240	\$ 11,240	\$ 320	\$ 320		

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



		March 31, 2018				
		Recognized in profit or loss		Recognized in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Input	Change					
Financial assets						
Equity instrument	Net asset value	$\pm 1\%$	\$ 6,125	\$ 6,125	\$ 320	\$ 320

### 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: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Derivative financial instruments undertaken during the reporting periods: Please see Notes 6(2)B. and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

#### (2) Information on investee companies

Names, locations and other information of investee companies (including investees in Mainland China): Please refer to table 8.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- 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 three months ended March 31, 2019 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 three months ended March 31, 2019 and 2018 is as follows:

Three months ended March 31, 2019:

	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	Others	Eliminations	Total
Revenue from external customers	\$ 52,794,401	\$ 14,411,835	\$ 14,954,905	\$ 15,382,895	\$ 2,911,397	\$ 11,376,500	\$ -	\$ 111,831,933
Revenue from internal customers	3,480,300	948,982	334,344	1,236,973	176,856	809,164	( 6,986,619)	-
Total revenue	<u>\$ 56,274,701</u>	<u>\$ 15,360,817</u>	<u>\$ 15,289,249</u>	<u>\$ 16,619,868</u>	<u>\$ 3,088,253</u>	<u>\$ 12,185,664</u>	<u>( \$ 6,986,619)</u>	<u>\$ 111,831,933</u>
Segment profit	<u>\$ 1,348,975</u>	<u>\$ 373,987</u>	<u>\$ 365,059</u>	<u>\$ 334,817</u>	<u>\$ 96,826</u>	<u>\$ 147,925</u>	<u>\$ 263,723</u>	<u>\$ 2,931,312</u>
Net income	<u>\$ 622,477</u>	<u>\$ 168,165</u>	<u>\$ 202,212</u>	<u>\$ 234,008</u>	<u>\$ 20,920</u>	<u>\$ 1,342,703</u>	<u>( \$ 1,277,632)</u>	<u>\$ 1,312,853</u>

Three months ended March 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	Others	Eliminations	Total
Revenue from external customers	\$ 56,408,870	\$ 16,387,650	\$ 15,531,518	\$ 19,178,634	\$ 2,368,743	\$ 13,536,387	\$ -	\$ 123,411,802
Revenue from internal customers	<u>3,655,550</u>	<u>1,098,805</u>	<u>233,745</u>	<u>1,450,697</u>	<u>440,006</u>	<u>624,164</u>	<u>(7,502,967)</u>	<u>-</u>
Total revenue	<u>\$ 60,064,420</u>	<u>\$ 17,486,455</u>	<u>\$ 15,765,263</u>	<u>\$ 20,629,331</u>	<u>\$ 2,808,749</u>	<u>\$ 14,160,551</u>	<u>(\$ 7,502,967)</u>	<u>\$ 123,411,802</u>
Segment profit	<u>\$ 1,295,585</u>	<u>\$ 510,270</u>	<u>\$ 381,863</u>	<u>\$ 458,979</u>	<u>\$ 74,946</u>	<u>\$ 235,903</u>	<u>\$ 270,895</u>	<u>\$ 3,228,441</u>
Net income	<u>\$ 717,055</u>	<u>\$ 243,555</u>	<u>\$ 228,309</u>	<u>\$ 425,195</u>	<u>\$ 30,099</u>	<u>\$ 2,134,466</u>	<u>(\$ 1,874,277)</u>	<u>\$ 1,904,402</u>

WPG Holdings Limited and Subsidiaries

Loans to others

Three months ended March 31, 2019

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 three months ended	Balance at	Actual amount	Interest	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
					March 31, 2019	March 31, 2019	drawn down	rate		\$		-	Item	Value	\$	\$	
1	Apache Korea Corp.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	\$ 60,170	\$ 60,170	\$ 54,700	3.50	2	\$ -	Operations	\$ -	None	-	\$ 77,789	\$ 77,789	Note 1
2	Genuine C&C (Indocina) Pte, Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	61,640	61,640	61,640	3.54	2	-	Operations	-	None	-	77,610	77,610	Note 3
3	Geniune C&C Holding Inc. (Seychelles)	Peng Yu International Limited	Other receivables - related parties	Y	123,280	123,280	123,280	1.50-3.90	2	-	Operations	-	None	-	131,707	131,707	Note 7
4	Richpower Electronic Devices Pte., Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	215,740	215,740	215,740	3.12~3.54	2	-	Operations	-	None	-	449,714	449,714	Note 4
5	World Peace International (South Asia) Pte Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	1,017,060	1,017,060	-	0.00	2	-	Operations	-	None	-	6,428,402	6,428,402	Note 3
5	World Peace International (South Asia) Pte Ltd.	WPG China Inc.	Other receivables - related parties	Y	308,200	308,200	-	0.00	2	-	Operations	-	None	-	6,428,402	6,428,402	Note 3
5	World Peace International (South Asia) Pte Ltd	WPG South Asia Pte. Ltd.	Other receivables - related parties	Y	154,100	154,100	-	0.00	2	-	Operation	-	None	-	6,428,402	6,428,402	Note 3
5	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	Other receivables - related parties	Y	1,232,800	1,232,800	-	0.00	2	-	Operations	-	None	-	6,428,402	6,428,402	Note 3
6	World Peace International Pte Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	123,280	123,280	117,116	3.54	2	-	Operations	-	None	-	2,331,371	2,331,371	Note 3

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended		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
					March 31, 2019	Balance at March 31, 2019							Item	Value				
7	WPG India Electronics Pvt Ltd	World Peace International (India) Pvt., Ltd.	Other receivables - related parties	Y	\$ 45,437	\$ 45,437	\$ 40,893	10.05	2	\$ -	Operations	\$ -	None	-	\$ 170,541	\$ 170,541	Note 3	
8	WPG C&C Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	240,396	240,396	224,986	2.90	2	-	Operations	-	None	-	269,363	269,363	Note 7	
9	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	Other receivables - related parties	Y	308,200	308,200	184,920	3.54	2	-	Operations	-	None	-	1,333,270	1,333,270	Note 3	
9	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	462,300	462,300	369,840	4.53	2	-	Operations	-	None	-	1,333,270	1,333,270	Note 3	
9	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	Other receivables - related parties	Y	154,100	154,100	-	0.00	2	-	Operations	-	None	-	1,333,270	1,333,270	Note 3	
10	Yosun Hong Kong Corp. Ltd.	WPG Americas Inc.	Other receivables - related parties	Y	616,400	616,400	-	0.00	2	-	Operations	-	None	-	4,887,579	4,887,579	Note 7	
10	Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	Other receivables - related parties	Y	616,400	462,300	462,300	3.90	2	-	Operations	-	None	-	4,887,579	4,887,579	Note 7	
10	Yosun Hong Kong Corp. Ltd.	WPG Korea Co., Ltd.	Other receivables - related parties	Y	154,100	154,100	-	0.00	2	-	Operations	-	None	-	4,887,579	4,887,579	Note 7	
10	Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	Other receivables - related parties	Y	862,960	708,860	708,860	3.34~3.90	2	-	Operations	-	None	-	4,887,579	4,887,579	Note 7	
11	Yosun Singapore Pte Ltd	WPG Korea Co., Ltd.	Other receivables - related parties	Y	154,100	-	-	0.00	2	-	Operations	-	None	-	676,024	676,024	Note 4	
12	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	200,000	200,000	132,350	1.55	2	-	Operations	-	None	-	423,952	423,952	Note 2	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended		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
					March 31, 2019	March 31, 2019							Item	Value				
13	AECO Electronics Co., Ltd.	Silicon Application Corp.	Other receivables - related parties	Y	\$ 308,200	\$ -	\$ -	0.00	2	\$ -	Operations	\$ -	None	-	\$ 318,302	\$ 795,755	Note 7	
13	AECO Electronics Co., Ltd.	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	708,860	708,860	708,860	2.90	2	-	Operations	-	None	-	795,755	795,755	Note 7	
14	WPG Cloud Service Limited	WPG International (CI) Limited	Other receivables - related parties	Y	12,636	12,636	12,636	2.07	2	-	Operations	-	None	-	45,743	45,743	Note 7	
15	WPG SCM Limited	Peng Yu International Limited	Other receivables - related parties	Y	308,200	308,200	308,200	3.69	2	-	Operation	-	None	-	1,039,460	1,039,460	Note 2	
16	Yosun Industrial Corp.	Trigold Holdings Limited	Other receivables - related parties	Y	150,000	150,000	150,000	1.95	2	-	Operations	-	None	-	1,963,065	3,926,130	Note 6	
17	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	128,240	128,240	128,240	2.80	2	-	Operations	-	None	-	211,796	211,796	Note 7	
17	Yosun South China Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	68,700	68,700	68,700	2.80	2	-	Operations	-	None	-	211,796	211,796	Note 7	
18	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	Other receivables - related parties	Y	187,780	187,780	187,780	2.80	2	-	Operations	-	None	-	376,029	376,029	Note 7	
18	Yosun Shanghai Corp. Ltd.	WPG China Inc.	Other receivables - related parties	Y	160,300	160,300	160,300	2.80	2	-	Operations	-	None	-	376,029	376,029	Note 7	
19	WPI International (Hong Kong) Limited	WPG C&C Limited	Other receivables - related parties	Y	770,500	-	-	0.00	2	-	Operations	-	None	-	16,949,421	16,949,421	Note 7	
19	WPI International (Hong Kong) Limited	WPG America Inc.	Other receivables - related parties	Y	924,600	-	-	0.00	2	-	Operations	-	None	-	16,949,421	16,949,421	Note 7	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended		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
					March 31, 2019	Balance at March 31, 2019							Item	Value				
19	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	Other receivables - related parties	Y	\$ 924,600	\$ 924,600	\$ -	0.00	2	\$ -	Operations	\$ -	None	-	\$ 6,779,769	\$ 16,949,421	Note 7	
20	World Peace Industrial Co., Ltd.	Long-Think International Co., Ltd.	Other receivables - related parties	Y	46,230	46,230	17,999	3.65	2	-	Operations	-	None	-	4,857,840	9,715,680	Note 6	
20	World Peace Industrial Co., Ltd.	Trigold Holdings Limited	Other receivables - related parties	Y	300,000	300,000	300,000	1.95	2	-	Operations	-	None	-	4,857,840	9,715,680	Note 6	
20	World Peace Industrial Co., Ltd.	Longview Technology Inc.	Other receivables - related parties	Y	616,400	616,400	-	0.00	2	-	Operations	-	None	-	4,857,840	9,715,680	Note 6	
21	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	Other receivables - related parties	Y	200,000	200,000	200,000	1.37	2	-	Operations	-	None	-	297,853	297,853	Note 2	
22	AIO Components Company Limited	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	138,690	138,690	138,690	2.90	2	-	Operations	-	None	-	158,239	158,239	Note 7	
23	Silicon Application (BVI) Corporation	Silicon Application Corp.	Other receivables - related parties	Y	1,232,800	1,232,800	1,232,800	1.70	2	-	Operations	-	None	-	1,291,995	3,229,987	Note 7	
23	Silicon Application (BVI) Corporation	WPI International (Hong Kong) Limited	Other receivables - related parties	Y	123,280	-	-	0.00	2	-	Operations	-	None	-	3,229,987	3,229,987	Note 7	
23	Silicon Application (BVI) Corporation	Peng Yu International Limited	Other receivables - related parties	Y	123,280	123,280	123,280	3.70	2	-	Operation	-	None	-	3,229,987	3,229,987	Note 7	
24	Silicon Application Company Limited	Silicon Application Corp.	Other receivables - related parties	Y	708,860	708,860	708,860	1.70	2	-	Operations	-	None	-	724,769	1,811,921	Note 7	
24	Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	616,400	616,400	616,400	3.91	2	-	Operations	-	None	-	1,811,921	1,811,921	Note 7	
24	Silicon Application Company Limited	WPG C&C Limited	Other receivables - related parties	Y	431,480	-	-	0.00	2	-	Operations	-	None	-	1,811,921	1,811,921	Note 7	



No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended		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		Limit on loans granted to a single party		Ceiling on total loans granted	Footnote
					March 31, 2019	March 31, 2019						Item	Value				
24	Silicon Application Corp.	WPG China Inc.	Other receivables - related parties	Y	\$ 308,200	\$ 308,200	\$ 308,200	4.37	2	\$ -	Operation	\$ -	None	-	\$ 1,811,912	\$ 1,811,921	Note 7
24	Silicon Application Corp.	Peng Yu International Limited	Other receivables - related parties	Y	123,280	123,280	123,280	3.70	2	-	Operation	-	None	-	1,811,921	1,811,921	Note 7
25	Sertek Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	431,480	431,480	431,480	2.95	2	-	Operations	-	None	-	449,645	449,645	Note 7
26	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	Other receivables - related parties	Y	308,200	308,200	308,200	3.54	2	-	Operations	-	None	-	600,916	600,916	Note 2
27	Apache Communication Inc.	Asian Information Technology Inc.	Other receivables - related parties	Y	400,660	-	-	0.00	2	-	Operations	-	None	-	282,821	452,514	Note 5
28	Genuine C&C Inc.	Hoban Inc.	Other receivables - related parties	Y	50,000	50,000	-	0.00	2	-	Operations	-	None	-	455,259	455,259	Note 2
29	Richpower Electronic Devices Co., Limited	WPG Americas Inc.	Other receivables - related parties	Y	616,400	-	-	0.00	2	-	Operations	-	None	-	2,291,210	2,291,210	Note 7
29	Richpower Electronic Devices Co., Limited	Yosun Hong Kong Corp. Ltd.	Other receivables - related parties	Y	862,960	862,960	61,640	3.85	2	-	Operations	-	None	-	2,291,210	2,291,210	Note 7
29	Richpower Electronic Devices Co., Limited	Silicon Application Corp.	Other receivables - related parties	Y	616,400	616,400	616,400	3.91	2	-	Operations	-	None	-	916,484	2,291,210	Note 7
30	WPI International Trading (Shanghai) Ltd.	Trigolduo (Shanghai) Industrial Development Ltd.	Other receivables - related parties	Y	13,740	13,740	13,740	4.60	2	-	Operation	-	None	-	110,052	275,130	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 assets.

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 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 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.

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: 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  
Three months ended March 31, 2019

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2019	Outstanding endorsement/ guarantee amount at March 31, 2019	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
		Company name	Relationship with the endorser/ guarantor											
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	Note 1	\$ 27,988,435	\$ 154,142	\$ 154,142	\$ 77,071	\$ 77,071	0.28	\$ 27,988,435	Y	N	N	Notes 4 and 5
1	World Peace International Pte. Ltd.	WPG Americas Inc.	Note 3	7,150,066	169,510	169,510	160,053	-	4.74	7,150,066	N	N	N	Note 7
1	World Peace International Pte. Ltd.	WPG C&C Computers and Peripheral (India) Private Ltd.	Note 1	7,150,066	506,989	506,989	-	-	14.18	7,150,066	N	N	N	Note 7
1	World Peace International Pte. Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	7,150,066	1,047,880	1,047,880	244,300	-	29.31	7,150,066	N	N	N	Note 7
2	WPG South Asia Pte. Ltd.	WPG India Electronics Private Limited	Note 1	1,333,270	15,410	15,410	-	-	2.31	1,333,270	N	N	N	Note 11
3	Yosun Industrial Corp.	Yosun Singapore Pte. Ltd.	Note 1	9,815,324	1,275,948	1,275,948	425,086	-	13.00	19,630,649	N	N	N	Note 9
3	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	Note 1	9,815,324	1,217,390	1,217,390	206,954	-	12.40	19,630,649	N	N	N	Note 9
3	Yosun Industrial Corp.	Sertek Incorporated	Note 1	9,815,324	2,465,600	2,465,600	1,364,326	-	25.12	19,630,649	N	N	N	Note 9
3	Yosun Industrial Corp.	Richpower Electronic Devices Co., Limited	Note 1	9,815,324	600,000	600,000	-	-	6.11	19,630,649	N	N	N	Note 9
4	World Peace Industrial Co., Ltd.	VITEC WPG Limited	Note 3	12,144,599	69,345	69,345	49,312	-	0.29	19,431,359	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	World Peace International (South Asia) Pte. Ltd.	Note 1	12,144,599	678,040	678,040	678,040	-	2.79	19,431,359	N	N	N	Note 6
4	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Note 1	12,144,599	2,123,498	2,123,498	997,526	-	8.74	19,431,359	N	N	N	Note 6

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2019	Outstanding endorsement/ guarantee amount at March 31, 2019	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
		Company name	Relationship with the endorser/ guarantor											
5	Frontek Technology Corporation	Asian Information Technology Inc.	Note 2	\$ 1,068,630	\$ 628,200	\$ 628,200	\$ 505,836	\$ -	23.51	\$ 1,335,788	N	N	N	Note 8
6	Asian Information Technology Inc.	Frontek Technology Corporation	Note 1	2,246,090	868,840	868,840	68,698	-	15.47	2,807,612	N	N	N	Note 8
6	Asian Information Technology Inc.	WPG China Inc.	Note 3	2,246,090	15,410	15,410	-	-	0.27	2,807,612	N	N	Y	Note 8
6	Asian Information Technology Inc.	AIT Japan Inc.	Note 1	2,246,090	184,920	184,920	-	-	3.29	2,807,612	N	N	N	Note 8
7	Trigold Holding Limited	Peng Yu (Shanghai) Digital Technology Co., Ltd.	Note 1	564,735	45,800	45,800	45,800	-	4.05	564,735	N	N	Y	Note 10
7	Trigold Holdings Limited	Peng Yu International Limited	Note 1	564,735	61,640	61,640	-	-	5.46	564,735	N	N	N	Note 10
7	Trigold Holdings Limited	WPI International Trading (Shanghai) Ltd.	Note 1	564,735	137,400	137,400	137,400	-	12.16	564,735	N	N	Y	Note 10

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 \$77,071.

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 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.

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.

WPG Holdings Limited and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Three months ended March 31, 2019

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 March 31, 2019				
				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	\$ 123,217	0.02	\$ 123,217	
WPG Holdings Limited	Tyche Partners L.P. - Funds	None	Financial assets at at fair value through profit or loss- non-current	-	247,497	-	247,497	
WPG Holdings Limited	CDIB CME Fund Ltd., etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	183,598	-	183,598	
Silicon Application Corp.	Kingmax Technology Inc., etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	15,075	-	15,075	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	-	25,362	-	25,362	
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	15,655	0.16	15,655	
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	-	36,908	-	36,908	
WPG Investment Co., Ltd.	DIGITIMES Inc. etc. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current, etc.	-	125,900	-	125,900	

				As of March 31, 2019				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	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	-	\$ 6,723	-	\$ 6,723	
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	666	9.00	666	
WPG China Inc.	CECI Technology Co. Ltd. - Equity securities	None	Financial assets at at fair value through profit or loss- non-current	-	555,611	-	555,611	

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 March 31, 2019.

WPG Holdings Limited and Subsidiaries  
Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more  
Three months ended March 31, 2019

Table 4

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:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
The Company	Office building A in Taipei City Nangang Dist. Jingmao section No.70, No. 70-1	2016.12 (Note 1)	\$ 4,533,954	\$ 850,116	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	199,334	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	158,206	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, 2017 and 2018, the total amount was \$885,615 and \$241,531, respectively, and for the three months ended March 31, 2019, the amount was \$80,510.

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  
Three months ended March 31, 2019

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount		Percentage of total purchases (sales)	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
WPG Holdings Limited	World Peace Industrial Co., Ltd.	Same parent company	Sales	(\$ 108,450)	( 52.70)	Note 5	Note 5	Note 5	\$ 38,582	52.97	
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	"	"	( 862,515)	( 3.51)	Note 3	Note 3	Note 3	418,549	1.98	
"	WPG Electronics (HK) Limited	"	"	( 125,325)	( 0.51)	"	"	"	152,602	0.72	
"	WPG China (SZ) Inc.	"	"	( 405,614)	( 1.65)	"	"	"	405,860	1.92	
"	WPG SCM Limited	"	"	( 378,049)	( 1.54)	"	"	"	99,358	0.47	
"	WPG Korea Co., Ltd.	"	"	( 455,922)	( 1.86)	"	"	"	251,802	1.19	
World Peace Industrial (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	"	"	( 209,239)	( 3.10)	"	"	"	103,751	2.27	
"	WPG SCM Limited	"	"	( 892,266)	( 13.21)	"	"	"	761,157	16.64	
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	( 808,074)	( 3.01)	"	"	"	300,537	1.59	
"	World Peace International (South Asia) Pte Ltd.	"	"	( 606,975)	( 2.26)	"	"	"	272,652	1.45	
"	WPG China (SZ) Inc.	"	"	( 573,156)	( 2.14)	"	"	"	572,978	3.04	
"	WPG China Inc.	"	"	( 137,342)	( 0.51)	"	"	"	99,498	0.53	
"	WPG SCM Limited	"	"	( 229,815)	( 0.86)	"	"	"	70,862	0.38	
Longview Technology Inc.	World Peace Industrial Co., Ltd.	"	"	( 104,112)	( 18.39)	"	"	"	45,876	14.07	
"	WPI International (Hong Kong) Limited	"	"	( 324,362)	( 57.28)	"	"	"	146,004	44.79	
Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	"	( 112,902)	( 33.23)	"	"	"	39,342	24.28	
"	WPI International (Hong Kong) Limited	"	"	( 125,162)	( 36.84)	"	"	"	40,569	25.03	
Silicon Application Corp.	Pernas Electronics Co., Ltd.	"	"	( 364,516)	( 2.64)	30 days after monthly billings	Note 4	Note 4	132,864	1.21	
"	WPG Electronics (HK) Limited	"	"	( 679,992)	( 4.92)	90 days after monthly billings	"	"	824,108	7.51	
Silicon Application Corp.	WPG China (SZ) Inc.	"	"	( 180,819)	( 1.31)	90 days after monthly billings	"	"	185,160	1.69	



Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Pernas Electronics Co., Ltd.	Silicon Application Corp.	Same parent company	Sales	(\$ 113,937)	( 6.97)	30 days after monthly billings	Note 4	Note 4	\$ 38,114	3.06		
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	"	( 531,918)	( 51.49)	90 days after monthly billings	"	"	584,268	53.29		
Asian Information Technology Inc.	Frontek Technology Corporation	"	"	( 769,507)	( 10.31)	Note 2	Note 2	Note 2	479,165	10.19		
"	Apache Communication Inc.	"	"	( 244,683)	( 3.28)	"	"	"	3,065	0.07		
Frontek Technology Corporation	"	"	"	( 423,994)	( 9.03)	"	"	"	283,112	7.17		
Apache Communication Inc.	Asian Information Technology Inc.	"	"	( 146,539)	( 3.34)	"	"	"	184,896	5.84		
WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	"	"	( 117,504)	( 63.14)	Note 5	Note 5	Note 5	-	0.00		
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	"	( 109,791)	( 2.90)	Note 6	Note 6	Note 6	109,754	4.95		
"	WPG China Inc.	"	"	( 137,600)	( 3.63)	"	"	"	112,565	5.08		
"	Yosun Hong Kong Corp. Ltd.	"	"	( 615,202)	( 16.24)	Note 3	Note 3	Note 3	150,083	6.77		
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	"	( 144,432)	( 2.26)	Note 6	Note 6	Note 6	144,387	4.77		
"	WPG China Inc.	"	"	( 519,648)	( 8.12)	"	"	"	361,094	11.93		
Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	"	"	( 112,642)	( 1.76)	Note 3	Note 3	Note 3	19,624	0.65		
"	Richpower Electronic Devices Co., Limited	"	"	( 351,178)	( 5.49)	"	"	"	66,270	2.19		
Sertek Incorporated	Yosun Industrial Corp.	"	"	( 118,112)	( 3.33)	"	"	"	21,827	4.02		
"	Yosun Hong Kong Corp. Ltd.	"	"	( 188,957)	( 5.33)	"	"	"	28,709	5.29		
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	"	( 202,024)	( 14.13)	Note 6	Note 6	Note 6	262,304	17.85		
"	Yosun Hong Kong Corp. Ltd.	"	"	( 475,828)	( 20.22)	Note 3	Note 3	Note 3	89,938	5.27		
Peng Yu International Limited	World Peace Industrial Co., Ltd.	"	"	( 142,170)	( 27.48)	"	"	"	24,483	12.22		
Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	"	"	( 172,463)	( 33.34)	"	"	"	120,505	60.17		

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: The income arose from the provision of administrative resources and management services, and the sales price and terms were determined by the 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.

WPG Holdings Limited and Subsidiaries  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
Three months ended March 31, 2019

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2019 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	Same parent company	\$ 418,549	7.31	\$ -	-	\$ 418,549	\$ -
World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	"	152,602	2.74	-	-	28,685	-
World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	"	405,860	3.55	-	-	163,658	-
World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	"	251,802	7.89	-	-	207,361	-
World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	"	103,751	6.59	-	-	103,751	-
World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	"	761,157	3.83	-	-	345,872	-
WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	"	300,537	11.30	-	-	300,537	-
WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	"	272,652	13.18	-	-	272,652	-
WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	"	308,957	1.23	-	-	141,924	-
WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	"	572,978	3.98	-	-	181,813	-
Longview Technology Inc.	WPI International (Hong Kong) Limited	"	146,004	10.93	-	-	146,004	-
Silicon Application Corp.	Pernas Electronics Co., Ltd.	"	132,864	9.54	-	-	132,864	-
Silicon Application Corp.	WPG Electronics (HK) Limited	"	824,108	2.94	-	-	201,318	-
Silicon Application Corp.	WPG China (SZ) Inc.	"	185,160	3.58	-	-	78,918	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	584,268	2.66	-	-	186,092	-
Asian Information Technology Inc.	Frontek Technology Corporation	"	479,165	9.31	-	-	296,958	-
Frontek Technology Corporation	Asian Information Technology Inc.	"	283,112	4.06	-	-	127,518	-
Frontek Technology Corporation	WPG Electronics (HK) Limited	"	109,736	2.59	-	-	18,124	-
Apache Communication Inc.	Asian Information Technology Inc.	"	184,896	4.17	-	-	161,344	-
Yosun Industrial Corp.	WPG China (SZ) Inc.	"	109,754	2.68	-	-	38,614	-

		<u>Overdue receivables</u>						
Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2019 (Note 1)	Turnover rate (Note 2)	Amount	Action taken	Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
Yosun Industrial Corp.	WPG China Inc.	Same parent company	\$ 112,565	6.87	\$ -	-	\$ 47,549	\$ -
Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	"	150,083	13.40	-	-	150,083	-
Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	"	144,387	2.14	-	-	77,378	-
Yosun Hong Kong Corp. Ltd.	WPG China Inc.	"	361,094	4.51	-	-	172,057	-
Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	"	262,304	2.70	-	-	58,090	-
Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPI International Trading (Shanghai) Ltd.	"	126,157	4.26	-	-	4,870	-
Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	"	120,505	2.96	-	-	-	-
WPG Holdings Limited	World Peace Industrial Co., Ltd.	"	245,935	0.00	-	-	-	-
WPG Holdings Limited	Asian Information Technology Inc.	"	101,780	0.00	-	-	-	-
World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	"	358,347	0.00	-	-	358,347	-
World Peace Industrial Co., Ltd.	Trigold Holdings Limited	"	301,218	0.00	-	-	-	-
World Peace International Pte Ltd.	World Peace International (South Asia) Pte Ltd.	"	117,473	0.00	-	-	-	-
WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	"	223,896	0.00	-	-	92,901	-
WPG C&C Limited	WPI International (Hong Kong) Limited	"	225,240	0.00	-	-	-	-
AIO Components Company Limited	WPI International (Hong Kong) Limited	"	139,997	0.00	-	-	-	-
AECO Enterprise Co., Ltd.	World Peace Industrial Co., Ltd.	"	133,098	0.00	-	-	-	-
AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	"	716,221	0.00	-	-	-	-
Silicon Application (BVI) Corp.	Silicon Application Corp.	"	1,251,371	0.00	-	-	-	-
Silicon Application (BVI) Corp.	Peng Yu International Limited	"	124,040	0.00	-	-	-	-
Silicon Application Company Limited	Silicon Application Corp.	"	718,942	0.00	-	-	-	-
Silicon Application Company Limited	WPG China Inc.	"	308,612	0.00	-	-	-	-
Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	"	621,354	0.00	-	-	-	-
Silicon Application Company Limited	Peng Yu International Limited	"	123,419	0.00	-	-	-	-
Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	"	200,030	0.00	-	-	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2019 (Note 1)	Turnover rate (Note 2)	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	Same parent company	\$ 371,183	0.00	\$ -	-	\$ 1,343	\$ -
WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	"	196,733	0.00	-	-	104,295	-
WPG SCM Limited	Peng Yu International Limited	"	309,158	0.00	-	-	-	-
Yosun Industrial Corp.	Trigold Holdings Limited	"	151,098	0.00	-	-	-	-
Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	"	722,849	0.00	-	-	-	-
Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	"	467,776	0.00	-	-	-	-
Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	"	187,780	0.00	-	-	73,280	-
Yosun Shanghai Corp. Ltd.	WPG China Inc.	"	160,300	0.00	-	-	-	-
Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	"	128,240	0.00	-	-	-	-
Sertek Incorporated	Richpower Electronic Devices Co., Ltd	"	312,443	0.00	-	-	-	-
Sertek Limited	Yosun Hong Kong Corp. Ltd.	"	436,324	0.00	-	-	-	-
Richpower Electronic Devices Co., Limited	Silicon Application Corp.	"	621,287	0.00	-	-	-	-
Richpower Electronic Devices Pte Ltd.	Yosun Singapore Pte Ltd.	"	216,398	0.00	-	-	658	-
Genuine C&C Holding Inc. (Seychelles)	Peng Yu International Limited	"	124,571	0.00	-	-	-	-

Note 1: Balance as at March 31, 2019 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 May 14, 2019.

WPG Holdings Limited and Subsidiaries  
Significant inter-company transactions during the reporting period  
Three months ended March 31, 2019

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Sales	\$ 108,450	Note 11	0.10
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	862,515	Note 5	0.77
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	125,325	Note 5	0.11
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	"	405,614	Note 5	0.36
1	World Peace Industrial Co., Ltd.	WPG SCM Limited	3	"	378,049	Note 5	0.34
1	World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	3	"	455,922	Note 5	0.41
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	209,239	Note 5	0.19
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	892,266	Note 5	0.80
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	808,074	Note 5	0.72
3	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	"	606,975	Note 5	0.54
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	573,156	Note 5	0.51
3	WPI International (Hong Kong) Limited	WPG China Inc.	3	"	137,342	Note 5	0.12
3	WPI International (Hong Kong) Limited	WPG SCM Limited	3	"	229,815	Note 5	0.21
5	Longview Technology Inc.	World Peace Industrial Co., Ltd.	3	"	104,112	Note 5	0.09
5	Longview Technology Inc.	WPI International (Hong Kong) Limited	3	"	324,362	Note 5	0.29
6	Long-Think International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	112,902	Note 5	0.10
6	Long-Think International (Hong Kong) Limited	WPI International (Hong Kong) Limited	3	"	125,162	Note 5	0.11
7	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	364,516	Notes 9 and 11	0.33
7	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	679,992	Notes 9 and 12	0.61
7	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	180,819	Notes 9 and 12	0.16
8	Pernas Electronics Co., Ltd.	Silicon Application Corp.	3	"	113,937	Notes 9 and 11	0.10

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)
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	Sales	\$ 531,918	Notes 9 and 12	0.48
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	769,507	Note 4	0.69
10	Asian Information Technology Inc.	Apache Communication Inc.	3	"	244,683	Note 4	0.22
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	423,994	Note 4	0.38
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	146,539	Note 4	0.13
14	WPG South Asia Pte. Ltd.	World Peace International (South Asia) Pte Ltd.	3	"	117,504	Note 10	0.11
15	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	109,791	Note 8	0.10
15	Yosun Industrial Corp.	WPG China Inc.	3	"	137,600	Note 8	0.12
15	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	615,202	Note 5	0.55
16	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	144,432	Note 8	0.13
16	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	519,648	Note 8	0.46
16	Yosun Hong Kong Corp. Ltd.	Yosun Industrial Corp.	3	"	112,642	Note 5	0.10
16	Yosun Hong Kong Corp. Ltd.	Richpower Electronic Ltd.	3	"	351,178	Note 5	0.31
17	Sertek Incorporated	Yosun Industrial Corp.	3	"	118,112	Note 5	0.11
17	Sertek Incorporated	Yosun Hong Kong Corp. Ltd.	3	"	188,957	Note 5	0.17
19	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	202,024	Note 8	0.18
20	Richpower Electronic Ltd.	Yosun Hong Kong Corp. Ltd.	3	"	475,828	Note 5	0.43
22	Peng Yu International Limited	World Peace Industrial Co., Ltd.	3	"	142,170	Note 5	0.13
22	Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	3	"	172,463	Note 5	0.15
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	Accounts receivable	418,549	Note 5	0.22
1	World Peace Industrial Co., Ltd.	WPG Electronics (HK) Limited	3	"	152,602	Note 5	0.08
1	World Peace Industrial Co., Ltd.	WPG China (SZ) Inc.	3	"	405,860	Note 5	0.22
1	World Peace Industrial Co., Ltd.	WPG Korea Co., Ltd.	3	"	251,802	Note 5	0.13
2	World Peace International (South Asia) Pte Ltd.	WPG C&C Computers And Peripheral (India) Private Limited	3	"	103,751	Note 5	0.06
2	World Peace International (South Asia) Pte Ltd.	WPG SCM Limited	3	"	761,157	Note 5	0.40
3	WPI International (Hong Kong) Limited	World Peace Industrial Co., Ltd.	3	"	300,537	Note 5	0.16

Table 7, Page 18

							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)	
3	WPI International (Hong Kong) Limited	World Peace Internaitonal (South Asia) Pte Ltd.	3	Accounts receivable	\$ 272,652	Note 5	0.14	
3	WPI International (Hong Kong) Limited	WPG Electronics (HK) Limited	3	"	308,957	Note 5	0.16	
3	WPI International (Hong Kong) Limited	WPG China (SZ) Inc.	3	"	572,978	Note 5	0.30	
5	Longriew Technology Inc.	WPI International (Hong Kong) Limited	3	"	146,004	Note 5	0.08	
7	Silicon Application Corp.	Pernas Electronics Co., Ltd.	3	"	132,864	Notes 9 and 11	0.07	
7	Silicon Application Corp.	WPG Electronics (HK) Limited	3	"	824,108	Notes 9 and 12	0.44	
7	Silicon Application Corp.	WPG China (SZ) Inc.	3	"	185,160	Notes 9 and 12	0.10	
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	584,268	Notes 9 and 12	0.31	
10	Asian Information Technology Inc.	Frontek Technology Corporation	3	"	479,165	Note 4	0.25	
12	Frontek Technology Corporation	Asian Information Technology Inc.	3	"	283,112	Note 4	0.15	
12	Frontek Technology Corporation	WPG Electronics (HK) Limited	3	"	109,736	Note 4	0.06	
13	Apache Communication Inc.	Asian Information Technology Inc.	3	"	184,896	Note 4	0.10	
15	Yosun Industrial Corp.	WPG China Inc.	3	"	112,565	Note 8	0.06	
15	Yosun Industrial Corp.	WPG China (SZ) Inc.	3	"	109,754	Note 8	0.06	
15	Yosun Industrial Corp.	Yosun Hong Kong Corp. Ltd.	3	"	150,083	Note 5	0.08	
16	Yosun Hong Kong Corp. Ltd.	WPG China (SZ) Inc.	3	"	144,387	Note 8	0.08	
16	Yosun Hong Kong Corp. Ltd.	WPG China Inc.	3	"	361,094	Note 8	0.19	
19	Richpower Electronic Devices Co., Ltd.	WPG Electronics (HK) Limited	3	"	262,304	Note 8	0.14	
21	Peng Yu (Shanghai) Digital Technology Co., Ltd.	WPI Internaitonal Trading (Shanghai) Ltd.	3	"	126,157	Notes 9 and 13	0.07	
22	Peng Yu International Limited	WPI International Trading (Shanghai) Ltd.	3	"	120,505	Note 5	0.06	
0	WPG Holdings Limited	World Peace Industrial Co., Ltd.	1	Other receivables	245,935	Note 14	0.13	
0	WPG Holdings Limited	Aisa Informationa Technology Inc.	1	"	101,780	Note 14	0.05	
1	World Peace Industrial Co., Ltd.	WPI International (Hong Kong) Limited	3	"	358,347	Note 15	0.19	
1	World Peace Industrial Co., Ltd.	Trigold Holdings Limited	3	"	301,218	Note 7	0.16	
23	World Peace International Pte Ltd	World Peace International (South Asia) Pte Ltd.	3	"	117,473	Note 7	0.06	

Table 7, Page 19

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)
3	WPI International (Hong Kong) Limited	World Peace International (South Asia) Pte Ltd.	3	Other receivables	\$ 223,896	Note 6	0.12
4	WPG C&C Limited	WPI International (Hong Kong) Limited	3	"	225,240	Note 7	0.12
33	AIO Components Company Limited	WPI International (Hong Kong) Limited	3	"	139,997	Note 7	0.07
25	AECO Technology Co., Ltd.	World Peace Industrial Co., Ltd.	3	"	133,098	Note 7	0.07
26	AECO Electronic Co., Ltd.	WPI International (Hong Kong) Limited	3	"	716,221	Note 7	0.38
27	Silicon Application (BVI) Corp.	Silicon Application Corp.	3	"	1,251,371	Note 7	0.67
27	Silicon Application (BVI) Corp.	Peng Yu International Limited	3	"	124,040	Note 7	0.07
28	Silicon Application Company Limited	Silicon Application Corp.	3	"	718,942	Note 7	0.38
28	Silicon Application Company Limited	WPG China Inc.	3	"	308,612	Note 7	0.16
28	Silicon Application Company Limited	Yosun Hong Kong Corp. Ltd.	3	"	621,354	Note 7	0.33
28	Silicon Application Company Limited	Peng Yu International Limited	3	"	123,419	Note 7	0.07
9	Everwiner Enterprise Co., Ltd.	Pernas Electronics Co., Ltd.	3	"	200,030	Note 7	0.11
18	WPG South Asia Pte. Ltd.	WPG Korea Co., Ltd.	3	"	371,183	Note 7	0.20
18	WPG South Asia Pte. Ltd.	Yosun Singapore Pte Ltd.	3	"	196,733	Note 7	0.10
11	WPG SCM Limited	Peng Yu International Limited	3	"	309,158	Note 7	0.16
15	Yosun Industrial Corp.	Trigold Holdings Limited	3	"	151,098	Note 7	0.08
16	Yosun Hong Kong Corp. Ltd.	WPG Electronics (HK) Limited	3	"	722,849	Note 7	0.38
16	Yosun Hong Kong Corp. Ltd.	Peng Yu International Limited	3	"	467,776	Note 7	0.25
29	Yosun Shanghai Corp. Ltd.	WPG China (SZ) Inc.	3	"	187,780	Note 7	0.10
29	Yosun Shanghai Corp. Ltd.	WPG China Inc.	3	"	160,300	Note 7	0.09
30	Yosun South China Corp. Ltd.	WPG China (SZ) Inc.	3	"	128,240	Note 7	0.07
17	Sertek Incorporated	Richpower Electronic Devices Co., Ltd	3	"	312,443	Note 7	0.17
31	Sertek Limited	Yosun Hong Kong Corp. Ltd.	3	"	436,324	Note 7	0.23
20	Richpower Electornic Ltd.	Silicon Application Corp.	3	"	621,287	Note 7	0.33
32	Richpower Electronic Devices Pte Ltd	Yosun Singapore Pte Ltd.	3	"	216,398	Note 7	0.12
24	Genuine C&C Holding Inc. (Seychelles)	Peng Yu International Limited	3	"	124,571	Note 7	0.07

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 collection period is 45 days from the end of the month of sales.

Note 14: The amount receivable arose from filing of consolidated tax return.

Note 15: The amount receivable arose from payments to suppliers made on behalf of the associate.

WPG Holdings Limited and Subsidiaries

Information on investees

Three months ended March 31, 2019

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2019			Net profit (loss) of the investee for the three months ended March 31, 2019	Investment income (loss) recognized by the Company for the three months ended March 31, 2019 (Note 1)	Footnote
				Balance as at March 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
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	\$ 24,276,780	\$ 622,304	\$ 622,304	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	5,615,224	202,212	202,212	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	7,035,431	168,165	168,165	Note 4
WPG Holdings Limited	WPG Electronics Limited	Taiwan	Sales of electronic components	14,735	14,735	3,920,000	100.00	46,556 (	1,315) (	1,315)	Note 4
WPG Holdings Limited	WPG Korea Co., Ltd.	South Korea	Sales of electronic components	169,071	169,071	1,087,794	100.00	494,650 (	3,103) (	3,103)	Note 4
WPG Holdings Limited	WPG International (CI) Limited	Cayman Islands	Holding company	3,783,583	3,783,583	124,442,727	100.00	4,628,849	40,365	40,365	Note 4
WPG Holdings Limited	Yosun Industrial Corp.	Taiwan	Sales of electronic /electrical components	12,144,406	12,144,406	362,074,400	100.00	13,575,711	234,008	233,129	Note 4
WPG Holdings Limited	WPG Investment Co., Ltd.	Taiwan	Investment company	502,997	502,997	50,000,000	100.00	428,221	1,123	1,123	Note 4
WPG Holdings Limited	Trigold Holdings Limited	Taiwan	Investment company	707,968	707,968	48,139,319	60.50	723,962	20,932	12,973	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	3,694,469	59,452	-	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	17,004,059	280,366	-	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	622,586	9,124	-	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	175,920	16,251	-	Notes 2 and 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2019			Net profit (loss) of the investee for the three months ended March 31, 2019	Investment income (loss) recognized by the Company for the three months ended March 31, 2019 (Note 1)	Footnote
				Balance as at March 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
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	\$ 1,664,558	\$ 4,264	-	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	468,722	13,823	-	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	47,482	(181)	-	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	795,881	4,141	-	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	3,229,987	17,201	-	Notes 2 and 5
Silicon Application Corp.	Win-Win Systems Ltd.	British Virgin Islands	Holding company	24,015	24,015	765,000	100.00	26,032	185	-	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	114,842	935	-	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	1,554,430	75,073	-	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	936,896	49,508	-	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	2,671,576	56,282	-	Notes 2 and 5
Asian Information Technology Inc.	Apache Communication Inc.	Taiwan	Wholesale of electronic components	180,313	680,313	107,000,000	100.00	1,131,286	34,926	-	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	134,072	12,388	-	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	31,131	(8,331)	-	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	317,378	(4,679)	-	Notes 2 and 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2019			Net profit (loss) of the investee for the three months ended March 31, 2019	Investment income (loss) recognized by the Company for the three months ended March 31, 2019 (Note 1)	Footnote
				Balance as at March 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
Frontek Technology Corporation	Frontek International Limited	British Virgin Islands	Investment company	\$ 101,862	\$ 101,862	2,970,000	100.00	\$ 125,213	\$ 718	-	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	5,316,275	86,287	-	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	1,797,710	58,893	-	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	36,556	8,259	-	Notes 2 and 3
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	2,345,874	97,270	-	Notes 2 and 5
Sertek Incorporated	Sertek Limited	Hong Kong	Sales of electronic /electrical components	83,494	83,494	19,500,000	100.00	449,645	3,388	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Ltd.	Hong Kong	Sales of electronic components	284,898	284,898	63,000,000	100.00	2,291,210	89,599	-	Notes 2 and 5
Richpower Electronic Devices Co., Ltd.	Richpower Electronic Devices Pte., Ltd.	Singapore	Sales of electronic components	1,988	1,988	10,000	100.00	224,857	1,704	-	Notes 2 and 5
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	36,662	8,259	-	Notes 2 and 3
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	48,964	2,000	-	Notes 2 and 3
WPG Investment Co., Ltd.	Trigold Holdings Limited	Taiwan	Investment company	230	230	10,000	0.01	233	20,932	-	Notes 2 and 3
WPG Investment Co., Ltd.	AutoSys Co., Ltd.	Cayman Islands	Holding company	73,000	73,000	5,000,000	19.40	72,211	(1,790)	-	Notes 2 and 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2019			Net profit (loss) of the investee for the three months ended March 31, 2019	Investment income (loss) recognized by the Company for the three months ended March 31, 2019 (Note 1)	Footnote
				Balance as at March 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
WPG Investment Co., Ltd.	Beauteek Global Wellness Corporation Limited	Hong Kong	Community e-commerce trading platform and related services	\$ 13,665	\$ 13,665	354,400	23.08	\$ 13,044	(\$ 2,685)	\$ -	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	1,138,148	15,781	-	Notes 2 and 5
Trigold Holdings Limited	Trigold (Hong Kong) Company Limited	Hong Kong	Holding company	510,981	78,594	20,200,000	100.00	511,874	14,789	-	Notes 2 and 5
Genuine C&C Inc.	Hoban Inc.	Taiwan	An E-commerce company which operates B2C and O2O businesses	79,999	79,999	8,000,000	100.00	11,195	(2,204)	-	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	131,707	847	-	Notes 2 and 5
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	11,517	2,000	-	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.

WPG Holdings Limited and Subsidiaries  
Information on investments in Mainland China  
Three months ended March 31, 2019

Table 9

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, 2019	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income of investee for the three months ended March 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2019 (Note 7)	Book value of investments in Mainland China as of March 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
WPG China Inc.	Sales of electronic /electrical components	\$ 1,733,287	1	\$ 1,797,975	\$ -	\$ -	\$ 1,797,975	\$ 2,295	100.00	\$ 2,295	\$ 2,398,018	\$ -	
WPG China (SZ) Inc.	Sales of computer software and electronic components	153,815	1	106,434	-	-	106,434	46,656	100.00	46,656	775,455	-	Note 4
Suzhou Xinning Bonded Warehouse Co., Ltd.	Warehousing services	37,877	1	28,918	-	-	28,918	2,205	49.00	1,057	85,318	-	
Gain Tune Logistics (Shanghai) Co., Ltd.	Warehousing services / extra work	45,800	1	15,273	-	-	15,273	2,986	40.00	1,169	31,330	-	
Suzhou Xinning Logistics Co., Ltd.	Warehousing services	68,700	1	18,947	-	-	18,947	2,015	29.40	580	39,259	-	
WPI International Trading (Shanghai) Ltd.	Sales of electronic products	237,314	1	288,167	-	-	288,167	11,211	100.00	6,784	166,481	-	
Long-Think International (Shanghai) Limited	Sales of electronic components	15,165	1	143,490	-	-	143,490	535	100.00	535	29,874	-	Note 2
Yosun Shanghai Corp. Ltd.	Sales of electronic components and warehousing services	287,697	1	237,314	-	-	237,314	1,496	100.00	1,496	238,846	-	
Yosun South China Corp. Ltd.	Sales of electronic /electrical components	146,874	1	-	-	-	-	915	100.00	915	132,147	-	

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, 2019	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	Net income of investee for the three months ended March 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2019 (Note 7)	Book value of investments in Mainland China as of March 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qegoo Technology Co., Ltd.	Business e- commerce platform	\$ 57,017	1	\$ 4,941	\$ -	\$ -	\$ 4,941	\$ -	15.00	-	\$ -	\$ -	-
Peng Yu (Shanghai) Digital Technology Co., Ltd	Sales of electronic products	103,050	1	187,979	-	-	187,979	8,768	100.00	5,306	118,877	-	-

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: Except for WPG China Inc., WPG China (SZ) Inc. and WPI International Trading (Shanghai) Ltd., the investment income/loss for the three months ended March 31, 2019 that was recognised by the Company was based on the financial statements reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C. The remaining investment income/loss was measured based on unreviewed financial statements of investee during the same period.

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 three months ended March 31, 2019, accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019, book value of investments in Mainland China as of March 31, 2019, accumulated amount of investment income remitted back to Taiwan as of March 31, 2019, etc., the exchange rates used were USD 1: NTD 30.82, HKD 1: NTD 3.926 and RMB 1: NTD 4.58.

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2019	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	\$ 2,041,137	\$ 2,147,336	\$ 33,872,759
World Peace Industrial Co., Ltd. and its subsidiaries	382,961	725,564	14,596,802
Silicon Application Corp. and its subsidiaries	13,223	19,191	4,221,259
Yosun Industrial Corp. and its subsidiaries	258,426	547,486	5,889,195
WPG Investment Co., Ltd.	4,941	15,052	256,932
Trigold Holdings Limited and its subsidiaries	551,760	551,760	677,674

(1) Exchange rates as of March 31, 2019 were USD 1: NTD 30.82, HKD 1 : NTD 3.926 and RMB 1 : NTD 4.58.

(2) The ceiling of investment amount of the company is calculated based on the investor's net assets.