TATUNG CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

December 31, 2019 AND 2018

Address: 22, Sec. 3, Chung-shan N. Rd., Taipei city, Taiwan R.O.C.
Telephone: 886-2-2592-5252

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Report

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders
Tatung Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Tatung Co., Ltd. ("the Company") as of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2019 and 2018, and their parent company only financial performance and its cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, No.1090360805 letter issued by the Financial Supervisory Commission on 25 February 2020, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter–Derecognition of certain subsidiaries

As mentioned in Notes 6(9) and 6(25) in the parent company only financial statements, Green Energy Technology Co., Ltd. ("GET"), was resolved for dissolution and liquidation by the provisional shareholders' meeting on August 30, 2019. As the Company lost control of GET and its subsidiaries, the parent company only financial statements recognized the profits (losses) of derecognition. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Application of New Accounting Standards

As stated in Note 3 to the parent company only financial statements, the Company applied the International Financial Reporting Standard 16, "Leases" starting from January 1, 2019, and elected not to restate the parent company only financial statements for prior periods. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2019 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

   The Company recognized net sales in the amount of NT$17,825,749 thousand in 2019. The Company operated in various industries and the sales amount was relatively large. The sales terms varied accordingly, that the appropriateness of timing of revenue recognition on when performance obligation is satisfied would affect revenue recognized. Therefore, we considered this a key audit matter.

   Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the design and operating effectiveness of internal controls in the sales cycle; selecting samples to perform tests of details, examining contracts or sales orders; reviewing significant terms and condition of contracts; performing cut-off testing by selecting a set of samples of transactions from either side of year-end and vouching them to supporting evidences to ensure the reasonableness of revenue cut-off; performing analytical procedures on gross margin and sales from major customers; reviewing significant subsequent sales returns and discounts to verify the occurrence of sales transactions and reasonableness of the timing of revenue recognition.

   Please refer to Notes 4, 5 and 6 to the parent company only financial statements for the disclosure of the matter of operating revenues.

2. Contingent liabilities

   Chunghwa Picture Tubes Technology (Group) Co., Ltd. (“CPTTG”) filed an action in Fujian Higher People's Court against Chunghwa Picture Tubes (Bermuda) Ltd.(“CPTB”) for RMB 1.914 billion on December 29, 2018 and applied for property preservation against CPTB on January 8, 2019. On March 28, 2019, CPTTG filed an action against Tatung Co., Ltd. and CPT, which are liable for joint liabilities, and increased the amount of claim to RMB 3.029 billion on May 10, 2019. As the Company holds 39.67% shares of comprehensive shareholding percentage of CPT. And CPT has 100% ownership in CPTB according to equity method, and that whether the Company is jointly liable, are material to the parent only financial statements. The Company and CPT claimed that the amount mentioned above could possibly be solved by litigation proceedings. According to IAS 37, contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity or the amount of the obligation could not be measured reliably, therefore the Company could not recognize the liability. The assertion involved significant judgement and assessment of the management. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, obtaining and examining the supporting documents of the assertion; examining board of directors meeting minutes and legal documents; inquiring the management, the internal legal team and the external legal counsel; obtaining legal opinion from the external legal counsel to confirm the reasonableness and conformity of the accounting judgment and assessment.

Please refer to Note 9 to the parent company only financial statements for the disclosure of significant contingent liability of the Company.

3. Investment in equity method

As of December 31, 2019, the Company's investment measured with equity method is NT$ 59,090,267 thousand and was accounted for 72% of the total asset of the Company, which is deemed material to the parent company only financial statements of the Company. To examine whether the Company has substantial control over these investee companies, if it has, to confirm whether they have been treated as subsidiaries according to regulations, and been included in the consolidated financial statements. Furthermore, for the long-term equity investments that have significant influence on the invested companies, to confirm whether they were evaluated by the equity method that the above accounting treatment has a significant impact on the parent company only financial statements, therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, obtaining the latest investment structure chart regularly, querying related changes, and understanding the appropriateness of the accounting and classification of the investment measured with equity method of the Company. Evaluate the holding shares in each investment, analyze the structures of board of directors and management, and the shareholders and related investments contracts to evaluate whether the Company has complied with TIFRS for its investments.

Moreover, when confirming the investment income and loss and other comprehensive income measured with equity method, we confirmed whether the related financial statements have been certified by accountants and whether the impact of significant items of the financial statements of the investee company in the financial statements have been evaluated and whether such investments measured with equity method have been in compliance with IFRS and IAS. In addition, we sent confirmations or performed physical count to verify the existence and ownership of the investment in equity method.

Please refer to Notes 4 and 6 to the parent company only financial statements for the disclosure of the investments in equity method.

4. Non-financial Assets Impairment

As of December 31, 2019, the net value of property, plant and equipment accounted for 5% of the total asset of the Company, which is deemed material to the parent company only financial statements of the Company. The Company occurred operating loss in recent years, which indicated a possibility of impairment of property, plant and equipment as of December 31, 2019. In addition, the assessment process of impairment of aforementioned non-financial assets relied highly on the subjective judgment and involves uncertainty in estimation. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to obtaining representation letter; examining the evaluation that the Company made on impairment of property, plant and equipment and cash generating unit; obtaining information on assessing the recoverable amount and assumptions. We also examined the Company's historical information and other business' financial information to evaluate whether the assumptions such as sales growth rate, gross margin and operating profit margin applied in the cash flow forecast are reasonable, and that whether assumptions for various data are consistent. The recoverable amounts, which deducted costs of disposal from fair value, were evaluated the relevance and reliability with respect to the methodology, assumptions, source of information and significant parameters (such as market price), to confirm the reasonableness of the result of the impairment test.

Please refer to Notes 5 and 6 to the parent company only financial statements for the disclosure of property, plant and equipment of the Company as of December 31, 2019.

Other Matter – Making Reference to the Audit(s) of (a) Component Auditor(s)

We did not audit the financial statements of certain invested companies, and were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The investment in these invested companies under equity method amounted to NT$5,220,316 thousand and NT$5,222,643 thousand, accounting for 6% and 7% of total assets as of December 31, 2019 and 2018, respectively. The related shares of profits (losses) recognized from subsidiaries, the associates and joint ventures under the equity method amounted to NT$107,773 thousand and NT$145,727 thousand, accounting for 4% and (1)% of the net income (loss) before tax for the years ended December 31 2019 and 2018, respectively; and the related shares of other comprehensive income from the subsidiaries, associates and joint ventures under the equity method amounted to NT$48,004 thousand and NT$(3,344) thousand, accounting for 12% and 3% of the other comprehensive income, net, for the years ended December 31, 2019 and 2018, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (inclusive of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluated the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

Su-Wen Lin

Hsuan-Hsuan Wang

Ernst & Young, Taiwan
March 25, 2020

Notice to Readers
The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China on Taiwan.

English Translation of Parent Company only Financial Statements Originally Issued in Chinese

TATUNG CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2019 and December 31, 2018
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2019		December 31, 2018	
Contents	Amount	%	Amount	%
Current assets				
Cash and cash equivalents	$3,076,171	4	$2,076,106	3
Financial assets at fair value through profit or loss, current	15,004	-	2,023	-
Financial assets at fair value through other comprehensive income, current	343,563	-	399,417	1
Financial assets at amortised cost, current	1,741,451	2	829,428	1
Contract assets, current	133,394	-	207,800	-
Notes receivable, net	126,322	-	203,934	-
Accounts receivable, net	2,027,647	3	2,325,816	3
Accounts receivable - related parties, net	1,694,408	2	1,839,157	2
Operating lease receivables, net	132	-	-	-
Finance lease receivable, net	346,577	-	-	-
Other receivables	60,280	-	19,865	-
Other receivables - related parties	870,609	1	956,260	1
Current tax assets	12,489	-	13,945	-
Inventories	4,051,829	5	4,565,064	6
Prepayments	365,641	-	657,822	1
Non-current assets held for sale, net	287,750	-	287,750	-
Total current assets	15,153,267	17	14,384,387	18
Non-current assets				
Financial assets at fair value through other comprehensive income, non-current	152,148	-	17,324	-
Financial assets at amortised cost, non-current	346,043	1	357,761	-
Investments accounted for under the equity method	59,090,267	72	54,021,894	69
Property, plant and equipment	3,816,411	5	4,307,522	6
Right-of-use asset	295,505	-	-	-
Investment property, net	163,230	-	-	-
Intangible assets	3,413	-	12,283	-
Deferred tax assets	483,228	1	700,652	1
Other non-current assets	299,260	-	171,773	-
Refundable deposits	387,317	1	521,616	1
Long-term receivable	78,106	-	78,106	-
Long-term receivable - related parties	2,585,354	3	3,951,987	5
Long-term Finance lease receivable - related parties, net	37,866	-	-	-
Prepayments for investments, non-current	-	-	106,390	-
Total non-current assets	67,738,148	83	64,247,308	82
Total assets	$82,891,415	100	$78,631,695	100

English Translation of Parent Company only Financial Statements Originally Issued in Chinese

TATUNG CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2019 and December 31, 2018
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	December 31, 2019		December 31, 2018	
Contents	Amount	%	Amount	%
Current liabilities				
Short-term loans	$1,528,691	2	$4,601,696	6
Short-term notes and bills payable	151,794	-	251,911	-
Financial liabilities at fair value through profit or loss, current	2,808	-	-	-
Contract liabilities, current	364,576	-	402,967	1
Accounts payable	2,461,380	3	2,827,963	4
Accounts payable - related parties	347,398	-	450,407	1
Other payables	1,115,091	1	1,012,242	1
Other payables- related parties	2,097,671	3	80,513	-
Provision, current	181,225	-	84,912	-
Lease liability, current	262,267	-	-	-
Advanced receipts	588,899	1	100,181	-
Deferred revenue	18,804	-	49,794	-
Current portion of long-term loans	2,250,488	3	3,265,330	4
Other current liabilities - others	46,877	-	26,101	-
Total current liabilities	11,417,969	13	13,154,017	17
Non-current liabilities				
Long-term loans	23,526,251	28	25,290,318	32
Deferred tax liabilities	341,911	-	539,335	1
Lease liability, non-current	35,932	-	-	-
Long-term payables	-	-	23,526	-
Net defined benefit liability	545,854	1	654,149	1
Guarantee deposits	1,079	-	1,050	-
Deferred credit for investments accounted for under the equity method	10,366,111	13	5,969,177	7
Total non-current liabilities	34,817,138	42	32,477,555	41
Total liabilities	46,235,107	55	45,631,572	58
Equity				
Capital stock				
Common stock	23,395,367	28	23,395,367	30
Capital reserve	3,363,085	4	3,283,032	4
Retained earnings				
Legal reserve	36,354	-	36,354	-
Special reserve	7,738,019	10	18,327,409	23
Unappropriated earning(accumulated deficit)	2,559,762	4	(10,243,598)	(13)
Total retained earnings	10,334,135	14	8,120,165	10
Other equities				
Exchange differences on translation of foreign operations	(779,340)	(1)	(756,437)	(1)
Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	76,182	-	141,063	-
Revaluation surplus of real estate	266,779	-	-	-
Equity related to non-current assets classified as held for sale	30,954	-	30,954	-
Total other equities	(405,425)	(1)	(584,420)	(1)
Treasury stock	(30,854)	-	(1,214,021)	(1)
Equity attributable to shareholders of the parent	36,656,308	45	33,000,123	42
Total liabilities and equity	$82,891,415	100	$78,631,695	100

English Translation of Parent Company only Financial Statements Originally Issued in Chinese

TATUNG CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2019 and 2018

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

Contents	For the years ended December 31			
	2019		2018	
	Amount	%	Amount	%
Operating revenues	$17,940,959	101	$19,348,846	100
Less: Sales returns	(19,583)	-	(88,135)	-
Less: Sales allowances	(95,627)	(1)	(122,223)	-
Net operating revenues	17,825,749	100	19,138,488	100
Operating costs	(16,036,722)	(90)	(17,074,471)	(89)
Net gross profit	1,789,027	10	2,064,017	11
Unrealized gross profit	(58,855)	-	(60,493)	-
Realized gross profit	70,623	-	80,105	-
Gross profit	1,800,795	10	2,083,629	11
Operating expenses				
Sales and marketing	(905,937)	(5)	(1,125,838)	(6)
General and administrative	(1,085,563)	(6)	(698,265)	(4)
Research and development	(654,565)	(4)	(642,046)	(3)
Expected credit losses	(18,669)	-	(9,172)	-
Subtotal	(2,664,734)	(15)	(2,475,321)	(13)
Net other income and expense	82	-	-	-
Operating loss	(863,857)	(5)	(391,692)	(2)
Non-operating income and expense				
Other income	396,614	2	283,862	2
Other gains and (losses)	(99,746)	-	(330,921)	(2)
Finance costs	(749,022)	(4)	(717,637)	(4)
Expected credit (losses) gains	(1,372,670)	(8)	13,189	-
Share of profit (losses) of subsidiaries, associates and joint ventures accounted for using equity method	5,291,018	30	(9,562,250)	(50)
Subtotal	3,466,194	20	(10,313,757)	(54)
Income (loss) before income tax	2,602,337	15	(10,705,449)	(56)
Income tax benefit	273,542	2	62,543	-
Net Income (loss)	2,875,879	17	(10,642,906)	(56)
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	(15,699)	-	(37,736)	-
Revaluation surplus of real estate	56,942	-	-	-
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	67,705	-	(22,580)	-
Share of other comprehensive income of associates and joint ventures which will not be reclassified subsequently to profit or loss	326,277	2	(411,934)	(2)
Items that may be reclassified subsequently to profit or loss:				
Equity related to non-current assets classified as held for sale	-	-	30,955	-
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	(22,903)	-	342,240	2
Total other comprehensive income (loss) , net of income tax	412,322	2	(99,055)	-
Total comprehensive income (loss)	$3,288,201	19	$(10,741,961)	(56)
Earnings (loss) per share				
Basic earnings (loss) per share (NT$)	$1.24		$(4.75)	
Diluted earnings (loss) per share (NT$)	$1.24		$(4.75)	

English Translation of Parent Company only Financial Statements Originally Issued in Chinese

TATUNG CO., LTD.AND SUBSIDIARIES

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Equity Holders of the Parent										
			Retained Earnings			Other Capital Reserves					
Contents	Common Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translation of Foreign Operations	Gain or Loss from Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus of Real Estate	Equity Related to Non-current Assets Classified as Held for Sale	Treasury Stock	Total
Balance as of January 1, 2018	$23,395,367	$3,273,505	$36,354	$4,753,026	$13,855,398	$(1,098,677)	$617,279	$-	$-	$(1,629,899)	$43,202,353
Special reserve appropriated (Securities & Futures Bureau, Financial Supervisory Commission Letter No.1030006415)	-	-	-	13,855,398	(13,855,398)	-	-	-	-	-	-
Special reserve used to offset accumulated deficits	-	-	-	(281,015)	281,015	-	-	-	-	-	-
Net loss in 2018	-	-	-	-	(10,642,906)	-	-	-	-	-	(10,642,906)
Other comprehensive (loss) income in 2018	-	-	-	-	(35,631)	342,240	(436,618)	-	30,954	-	(99,055)
Total comprehensive (loss) income	-	-	-	-	(10,678,537)	342,240	(436,618)	-	30,954	-	(10,741,961)
Subsidiary disposal of parent company shares is treated as treasury shares	-	115,169	-	-	-	-	-	-	-	415,878	531,047
Changes in ownership interests in subsidiaries	-	(105,642)	-	-	114,326	-	-	-	-	-	8,684
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	39,598	-	(39,598)	-	-	-	-
Balance as of December 31, 2018	$23,395,367	$3,283,032	$36,354	$18,327,409	$(10,243,598)	$(756,437)	$141,063	$-	$30,954	$(1,214,021)	$33,000,123
Balance as of January 1, 2019	$23,395,367	$3,283,032	$36,354	$18,327,409	$(10,243,598)	$(756,437)	$141,063	$-	$30,954	$(1,214,021)	$33,000,123
Special reserve used to offset accumulated deficits	-	-	-	(10,243,598)	10,243,598	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(345,792)	345,792	-	-	-	-	-	-
Net income in 2019	-	-	-	-	2,875,879	-	-	-	-	-	2,875,879
Other comprehensive income (loss) in 2019	-	-	-	-	(26,842)	(22,903)	195,288	266,779	-	-	412,322
Total comprehensive income (loss)	-	-	-	-	2,849,037	(22,903)	195,288	266,779	-	-	3,288,201
Subsidiary disposal of parent company shares is treated as treasury shares	-	-	-	-	(762,403)	-	-	-	-	1,183,167	420,764
Changes in ownership interests in subsidiaries	-	80,053	-	-	(132,833)	-	-	-	-	-	(52,780)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	260,169	-	(260,169)	-	-	-	-
Balance as of December 31, 2019	$23,395,367	$3,363,085	$36,354	$7,738,019	$2,559,762	$(779,340)	$76,182	$266,779	$30,954	$(30,854)	$36,656,308

TATUNG CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Contents	For the year ended December 31	
	2019	2018
	Amount	Amount
Cash flows from operating activities:		
Net income (loss) before income tax	$2,602,337	$(10,705,449)
Adjustments to reconcile net income (loss) to net cash generated from operating activities:		
Depreciation expense	766,941	587,687
Amortization expense	9,111	15,939
Expected credit losses (gain)	1,391,339	(4,017)
Net gain from financial asset or liability at fair value through profit or loss	(19,936)	(25,785)
Interest expenses	749,022	717,637
Interest income	(6,324)	(17,515)
Dividend income	(31,046)	(41,753)
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method	(5,291,018)	9,562,251
Loss (gain) on disposal of property, plant and equipment	1,836	(1,017)
(Gain) loss on disposal of investments	(607,137)	198,688
Impairment loss on non-financial assets	230,197	4,782
Unrealized loss from sales	(11,768)	(19,612)
Loss from lease modification	82	-
Changes in assets and liabilities from operating activities:		
Contract assets	74,406	(2,485)
Notes receivable	77,612	58,339
Accounts receivable	69,314	(48,080)
Accounts receivable - related parties	144,749	376,067
Other receivables	(40,415)	345
Other receivables - related parties	379,194	72,159
Inventories	474,365	(748,359)
Prepayments	292,181	(463,021)
Finance lease receivable	(136,391)	-
Operating lease receivable	(132)	-
Financial assets at fair value through profit or loss	9,616	21,597
Other non-current assets	(127,487)	141,061
Long-term receivables - related parties	(58,043)	(783,832)
Contract liabilities	(38,391)	402,967
Accounts payable	(366,583)	192,031
Accounts payable - related parties	(103,009)	86,165
Other payables	132,004	(149,450)
Other payables - related parties	67,158	(598)
Provision	96,313	25,902
Advanced receipts	(38)	(230,344)
Financial liabilities at fair value through profit or loss	204	4,532
Other current liabilities - others	20,776	(7,762)
Net defined benefit liability	(123,994)	(520,612)
Long-term payables	(23,526)	-
Defferred revenue	(30,990)	49,794
Cash provided by (used in) operations	572,529	(1,251,748)
Interest received	6,324	17,515
Dividend received	8,251,167	2,140,537
Interest paid	(753,597)	(710,002)
Income taxes refund	1,455	81,111
Net cash provided by operating activities	8,077,878	277,413

Contents	For the year ended December 31	
	2019	2018
	Amount	Amount
Cash flows from investing activities：		
Disposal of financial assets at fair value through other comprehensive income	95,125	55,471
Acquisition of financial assets at amortised cost	(2,996,594)	(162,795)
Disposal of financial assets at amortised cost	2,096,289	1,036,712
Acquisition of investments accounted for using equity method	(2,844,569)	(657,790)
Disposal of investments accounted for using equity method	181,373	298,216
Cash refund capital reduction of investments accounted for under the equity method	367,000	-
Acquisition of property, plant and equipment	(326,003)	(419,498)
Disposal of property, plant and equipment	1,438	3,300
Increase in receipts in advance due to disposal of assets	488,756	100,168
Increase in deposit-out	-	(233,859)
Decrease in deposits-out	134,299	-
Acquisition of intangible assets	(241)	(4,693)
Increase in long-term receivable	-	15
Net cash (used in) provided by investing activities	(2,803,127)	15,247
Cash flows from financing activities ：		
Increase (decrease) in short-term loans	(3,073,005)	(273,742)
Increase in short-term notes and bills payable	-	149,904
Decrease in short-term notes and bills payable	(100,117)	(200,000)
Proceeds from long-term loans	1,143,273	10,021,330
Repayment of long-term loans	(3,922,182)	(9,704,052)
Increase (Decrease) in guarantee deposits	29	(705)
Decrease in long-term payables	-	(24,137)
Increase in other payables - related parties	1,950,000	-
Payments of lease liabilities	(272,684)	-
Disposal of shares of subsidiaries' equity (without losing control)	-	19,195
Net cash used in financing activities	(4,274,686)	(12,207)
Effects of exchange rate changes on cash and cash equivalents	-	-
Net increase in cash and cash equivalents	1,000,065	280,453
Cash and cash equivalents, beginning of periods	2,076,106	1,795,653
Cash and cash equivalents, end of periods	$3,076,171	$2,076,106

TATUNG CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

1. Organization operations

Established in 1918, Tatung Company (the "Company") was incorporated under the Company Act of the Republic of China ("R.O.C.") and underwent reorganization in 1939. The total capital at that time was Taiwan Yuan $180,000, later increased to Taiwan Yuan $20,000,000 after several capital injections. After the reformation of monetary system in 1949, the total capital was converted to the equivalent of New Taiwan dollars ("NTD") 200,000. As of December 31, 2019, the issued and registered capital was NTD23,395,367 thousand. The main activities of the Company are as follows:

(1) The design, manufacture, sale, installation, network system, automation system, lease, maintenance service, import, export and agency of the following products:

①Steel manufacturing machinery
②Industrial appliances
③Household appliances
④Refrigerators
⑤Air conditioners
⑥Metal processing machinery
⑦Electronic products
⑧Wire and cable
⑨Chemical industry
⑩Cookware
⑪Wood-made products
⑫Plastic products
⑬Office equipment
⑭Audio products
⑮Precision meters
⑯Transmission equipment
⑰Transportation facilities
⑱Healthcare products
⑲Microbe fermentation
⑳Construction
㉑Furniture
㉒Solar wafers
㉓Water treatment engineering
㉔Telecommunication equipment
㉕Parking facilities
㉖Automation machinery
㉗Semiconductors
㉘Real estate development and leasing

(2) Magazine publishing

(3) Customs brokerage

(4) General import/export (excluding permitted business)

(5) Development and leasing (excluding construction industry) of industrial parks on behalf of the competent authority.

The investment plans should be approved by the Board of Directors; however, the investment amount is not limited to the amount provided by Article 13 of Company Act, which states that the total investment amount shall not exceed 40% of the amount of its own paid-in capital.

The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on February 9, 1962. The Company's registered office and the main business location is at No. 22, Zhongshan North Road, Section 3, Taipei, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on March 12, 2020.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2019. The nature and the impact of each new standard and amendment that has a material effect on the Company is described below:

A. *IFRS 16"Leases"*

IFRS 16 "Leases" replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Company followed the transition provision in IFRS 16 and the date of initial application was January 1, 2019. The impacts arising from the adoption of IFRS 16 are summarized as follows:

a. Please refer to Note 4 for the accounting policies before or after January 1, 2019.

b. For the definition of a lease, the Company elected not to reassess whether a contract was, or contained, a lease on January 1, 2019. The Company was permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. That is, for contracts entered into (or changed) on or after January 1, 2019, the Company need to assess whether contracts are, or contain, leases applying IFRS 16. In comparing to IAS 17, IFRS 16 provides that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assessed most of the contracts are, or contain, leases and no significant impact arose.

c. The Company is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Company recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

(a) Leases previously classified as operating leases

For leases that were previously classified as operating leases applying IAS 17, the Company measured and recognized those leases as lease liability on January 1, 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019, and; the Company chose, amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before January 1, 2019, on a lease-by-lease basis, to measure the right-of-use asset at either:

On January 1, 2019, the Company's right-of-use asset and lease liability increased by NT$534,365 thousand and NT$534,365 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

In accordance with the transition provision in IFRS 16, the Company used the following practical expedients on a lease-by-lease basis to leases previously classified as operating leases:

i. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
ii. Rely on its assessment of whether leases are onerous immediately before January 1, 2019 as an alternative to performing an impairment review.
iii. Elect to account in the same way as short-term leases to leases for which the lease term ends within 12 months of January 1, 2019.
iv. Exclude initial direct costs from the measurement of the right-of-use asset on January 1, 2019.
v. Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(b) Please refer to Note 4 and Note 6 for additional disclosure of lessee and lessor which required by IFRS 16.

(c) As at January 1, 2019, the impacts arising from the adoption of IFRS 16 are summarized as follows:

i. The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognized in the balance sheet on January 1, 2019 was 2.06%.
ii. The explanation for the difference between: 1) operating lease commitments disclosed applying IAS 17 as at December 31, 2018, discounted using the incremental borrowing rate on January 1, 2019; and 2) lease liabilities recognized in the balance sheet as at January 1, 2019 is summarized as follows:

Operating lease commitments disclosed applying IAS 17 as at December 31, 2018	$315,232
Add: adjustments to the options to extend or terminate the lease that is reasonably certain to exercise	233,083
Subtotal	548,315
Discounted using the incremental borrowing rate on January 1, 2019	534,365
Add: the carrying value of lease payables as at December 31, 2018	-
The carrying value of lease liabilities recognized as at January 1, 2019	$534,365

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Definition of a Business - Amendments to IFRS 3	January 1, 2020
b	Definition of Material - Amendments to IAS 1 and 8	January 1, 2020
c	Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7	January 1, 2020

A. Definition of a Business - Amendments to IFRS 3

The amendments clarify the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

IFRS 3 continues to adopt a market participant's perspective to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; add guidance to help entities assess whether an acquired process is substantive; and narrow the definitions of a business and of outputs; etc.

B. Definition of a Material - Amendments to IAS 1 and 8

The main amendment is to clarify new definition of material. It states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

C. Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments include a number of exceptions, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is directly affected if the interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. Hence, the entity shall apply the exceptions to all hedging relationships directly affected by the interest rate benchmark reform.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

The amendments include:

a. highly probable requirement
When determining whether a forecast transaction is highly probable, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.

b. prospective assessments
When performing prospective assessments, an entity shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

c. IAS 39 retrospective assessment
An entity is not required to undertake the IAS 39 retrospective assessment (i.e. the actual results of the hedge are within a range of 80–125%) for hedging relationships directly affected by the interest rate benchmark reform.

d. separately identifiable risk components
For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at the inception of such hedging relationships.

The amendments also include the end of application of the exception's requirements and the related disclosures requirements of the amendments.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2020. These standards and interpretations have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 Insurance Contracts	January 1, 2021
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2022

A. IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture. The effective date of the amendments has been postponed indefinitely, but early adoption is allowed.

B. IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

a. estimates of future cash flows;
b. Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
c. a risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

C. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The abovementioned standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NTD") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in its functional currency, New Taiwan Dollars (NTD).

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated by the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of its initial transactions.

All exchange differences arising from the settlement or translation of monetary items are taken into profit or loss in the period which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset. If the differences are regarded as an adjustment to interest costs, which will be capitalized and take as part of the cost of the borrowing.
B. Foreign currency items within the scope of IAS 39 Financial Instruments: Recognition and Measurement are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign entities are translated into NTD at the closing exchange rate at the balance sheet date. Income and expenses are translated at an average rate within the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction for assets and liabilities

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
B. The Company holds the asset primarily for the purpose of trading;
C. The Company expects to realize the asset within twelve months after the reporting period;
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Company's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recignition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
    i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16 (before January 1, 2019: IAS 17), the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments* (before January 1, 2019: IAS 39 *Financial Instruments: Recognition and Measurement*).

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial assets, financial liabilities or both is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - purchase cost on weighted average cost formula

Work in progress and finished goods - cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity on weighted average cost formula, but not including borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories

(11) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the parent company only statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Company retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments under equity method

The Company's investment in its subsidiaries is presented as investments accounted for using the equity method and adjusted by necessary measurements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements.

These adjustments resulted from considering the different treatments of investments in subsidiaries under IFRS 10 Consolidated Financial Statements and under IFRS applied to different entity level. These investments may be debited or credited using the equity method, as share of profits (losses) of subsidiaries, associates and joint ventures, or share of other comprehensive income (loss) of subsidiaries, associates and joint ventures.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro-rata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in additional paid in capital and investment in associate. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 39 Financial Instruments: Recognition and Measurement. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and it carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment.
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(13) Property, plant and equipment

Property, plant and equipment is stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3～50 year
Machinery and equipment	5～20 year
Transportation equipment	2～10 year
Office equipment	2～10 year
Leasehold improvements	The shorter of lease terms or economic useful lives
Other equipment	2～15 year

Note: The Company reclassified the lease assets to right-of-use assets after the adoption of IFRS 16 from January 1, 2019.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

Investment property for self-use should be initially measured at cost, including transaction costs. The cost of a purchased investment property includes the purchase price and any directly attributable expenses. Directly attributable expenses include legal service fees, property transfer taxes and other transaction costs.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Starting from January 1, 2019, investment property is measured by fair value model and the change of fair value is recognized as profit & loss in the current period in accordance with IAS 40 "Investment property". However, those categorized held for sale and discontinued operations according to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" which met the criteria of non-current asset held for sale (including disposal group held for sale), and those met the criteria of the 53rd paragraph of IAS 40"Investment property" were excluded.

If investment property for self use is converted into investment property reported at fair value, the difference between the carrying amount recognized in accordance with IAS 16 and its fair value on the date of change of use shall be treated in accordance with the revaluation approach under IAS 16.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The accounting policy from January 1, 2019 as follow:

For contracts entered on or after January 1, 2019, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

The Company elected not to reassess whether a contract is, or contains, a lease on 1 January 2019. The Company is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(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.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement’s comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

The accounting policy before January 1, 2019 as follow:

Company as a lessee

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite live are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is disposed.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Company can demonstrate:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale
B. Its intention to complete and its ability to use or sell the asset
C. How the asset will generate future economic benefits
D. The availability of resources to complete the asset
E. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

Patents

Patents are amortized over the period of useful life.

Technical cooperation costs

The technical cooperation has been granted 3~10 years of using right depends on different items.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 years).

A summary of the policies applied to the Company's intangible assets is as follows:

	Patents	Technology Cooperation Costs	Computer software
Useful lives	Finite	Finite	Finite
Amortization method used	Amortized on a straight-line basis over the period of the patent	Amortized on a straight-line basis over the period of the technology cooperation terms	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired

(17) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment and other known factors.

Legal provisions

The Group regularly estimates the legal costs according to historical experience. If the obligation is highly likely to occur and the amount can be reasonably estimated, the Group recognizes related provisions for the legal matters

(19) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(20) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (the customer has the right to use and gains almost all of the residual benefit). The main products of the Company are cable, voltage transformer, motors and house appliances, and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company’s sale of goods is from 30 to 180 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. For some contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

Rendering of services

The Company provides maintenance services for the sale of products and other professional services. Such services are separately priced or negotiated and provided based on contract periods. As the Company provides the maintenance services over the contract period, the customers simultaneously receive and consume the benefits provided by the Company. Accordingly, the performance obligations are satisfied over time, and the related revenue are recognized by straight-line method over the contract period.

Most of the contractual considerations of the Company are collected evenly throughout the contract periods. When the Company has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

Construction contract

When the outcome of the construction contract could be reasonably estimated, revenue and costs from the construction contract would be recognized by reference to the stage of completion which was measured by reference to the proportion that contract cost incurred for work performed to date bear to the estimated total contract costs at reporting date.

When the outcome of the construction contract couldn’t be reasonably estimated, cost recovery method would be applied. Revenue could only be recognized to the same amount of costs incurred.

When the estimated total cost of the contract is reasonably possible more than total revenue forms the contract, the expected loss should be recognized as expense immediately.

The Company usually reclassifies the aforementioned contract liability to revenue within a year and hence does not lead to a significant financial component.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(23) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employee's subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(24) Income taxes

Income tax expense (benefit) is the aggregate amount of current and deferred taxes which included in the determination of current profit or loss.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

<u>Deferred tax</u>

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences ccan be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities offset, only if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments estimates and assumptions

The preparation of the Company's parent only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at balance sheet date. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Investment properties

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 10% of the total property.

(b) Operating lease commitment－Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(c) De facto control without a majority of the voting rights in subsidiaries

The Company does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these subsidiaries.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs that would be directly attributable to the disposal of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Please refer to Note 6 for more details.

(c) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

(d) Provisions

The Company regularly estimates the legal costs according to historical experience. If the obligation is highly likely to occur and the amount can be reasonably estimated, the Company recognizes related provisions for the legal. Please refer to Note 6 for more details.

(e) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company’s domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for more details on unrecognized deferred tax assets as of December 31, 2019.

(f) Accounts receivables–estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

(g) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(h) Fair value of investment properties

Fair value of investment properties is decided by valuation models such as comparative method, cost method, land development analysis approach, and direct capitalization method of income approach. The fair value of investment properties may be affected when assumptions and judgements used in the valuation models were changed. Please refer to Note 6.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2019	2018
Cash on hand & petty cash	$75,645	$40,523
Cash in banks	2,993,936	2,027,439
Time deposits	5,261	200
Cash in transit	1,329	7,944
Total	$3,076,171	$2,076,106

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

	As of December 31,	
	2019	2018
Mandatorily measured at fair value through profit or loss:		
Forward foreign exchange contracts	$-	$2,023
Open ended funds	15,004	-
Total	$15,004	$2,023
Current	$15,004	$2,023

Financial assets at fair value through profit or loss were not pledged.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

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

	As of December 31, 2019	As of December 31, 2018
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies' stocks	$156,966	$214,266
Unlisted companies' stocks	338,745	202,475
Total	$495,711	$416,741
Current	$343,563	$399,417
Non-current	152,148	17,324
Total	$495,711	$416,741

Financial assets at fair value through other comprehensive income were not pledged.

For equity instrument investments measured at fair value through other comprehensive income, the Company recognized dividends income in the amount of NTD31,046 thousand.

In consideration of the Company's investment strategy, the Company disposed the listed stock which were reported under equity instrument investments measured at fair value through other comprehensive income during the years. Upon derecognition, the fair value of the investments were NTD95,548 thousand and NTD55,471 thousand as of December 31, 2019 and 2018, respectively, and the related cumulative unrealized evaluation gain were NTD76,584 thousand and NTD39,598 thousand, respectively, which were transferred from other components of equity to retained earnings.

(4) Financial assets measured at amortized cost

	As of December 31, 2019	As of December 31, 2018
Cash in banks－reserve account	$401,391	$357,761
Pledged time deposit	1,669,564	828,127
Time deposit	16,539	1,301
Total	$2,087,494	$1,187,189
Current	$1,741,451	$829,428
Non-current	346,043	357,761
Total	$2,087,494	$1,187,189

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

The Company classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and refer to Note 12 for more details on credit risk.

(5) Notes receivable

	As of December 31,	
	2019	2018
Notes receivables arising from operating activities	$126,322	$203,934
Less: loss allowance	-	-
Total	$126,322	$203,934

Notes receivables were not pledged.

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 6(25) for more details on accumulated impairment. Please refer to Note 12 for more details on credit risk.

(6) Accounts receivable and accounts receivable-related parties

	As of December 31,	
	2019	2018
Accounts receivable	$2,075,847	$1,945,143
Installment accounts receivable	(Note)	417,326
Less: unrealized interest revenue – accounts receivables from installment sales	(Note)	(5,753)
Subtotal	2,075,847	2,356,716
Less: loss allowance	(48,200)	(30,900)
Subtotal	2,027,647	2,325,816
Accounts receivable-related parties	1,695,431	1,843,253
Less: Allowance for Sales Returns and Discounts – related parties	-	(3,315)
Subtotal	1,695,431	1,839,938
Less: loss allowance	(1,023)	(781)
Subtotal	1,694,408	1,839,157
Total	$3,722,055	$4,164,973

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

The expected recovery of the accounts receivables from installment sales is as follows:

	As of December 31,	
	2019(Note)	2018
Not later than one year		$148,796
Later than one year and not later than two years		121,655
Later than two years		146,875
Total		$417,326

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Accounts receivables were not pledged.

The Company's credit terms are generally 30-180 day. The carrying amount are NTD3,771,278 thousand and NTD4,196,654 thousand as of December 31, 2019 and 2018, respectively, please refer to Note 6(25) for more details on impairment of accounts receivables for 2019 and 2018, please refer to Note 12 for more details on credit risk.

(7) Inventory

A. The details of inventories are as follows:

	As of December 31,	
	2019	2018
Raw materials	$656,755	$718,745
Work in progress	1,792,360	1,897,303
Finished good	1,406,364	1,640,783
Inventories in transit	45,936	71,663
Property under construction	150,414	236,570
Total	$4,051,829	$4,565,064

B. The cost of inventories recognized in expenses are as follows:

	For the years ended December 31,	
	2019	2018
Cost of inventories recognized in expenses (including gain and loss from inventory valuation)	$15,110,031	$16,078,237
Loss on allowance for inventory valuation (gain from price recovery of inventory)	11,945	(3,206)
Total	$15,121,976	$16,075,031

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

The gain from price recovery of inventory in 2018 is resulted from selling stock on hand and prices were recovered of certain products, therefore the cause for the net realizable value of inventory to be lower than the cost no longer existed.

C. Inventories were not pledged.

(8) Non-current assets held for sale or Disposal groups held for sale, net

	As of December 31,	
	2019	2018
Investments accounted for using Equity method	$287,750	$287,750

In the fourth quarter of 2018, the board of directors of the Company has resolved to sell all of its shares of Tatung Electric Technology (VN) Co., Ltd. and Tatung Vietnam Co., Ltd. According to IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations, the Company recognized assets and liabilities of Tatung Electric Technology (VN) Co., Ltd. and Tatung Vietnam Co., Ltd. as non-current assets held for sale, net. As of December 31, 2019, the Company has received the consideration of NTD588,924 thousand for above transactions and recognized the amount under advanced receipts as the share transferring procedures were still ongoing.

Non-current assets held for sale were not pledged.

(9) Investments accounted for using the equity method

A. The following table lists the investments accounted for using the equity method of the Company:

	As of December 31,			
	2019		2018	
Name of investee company	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Investment in subsidiaries:				
Public entities				
Chunghwa Picture Tubes, Ltd. (Note 5)	$-	-	$(2,978,206)	28.56
Tatung System Technologies Inc. (Note 8)	546,978	42.70	509,819	53.60
Forward Electronics Co., Ltd.	215,737	12.05	237,586	12.05
San Chih Semiconductor Co., Ltd.	54,501	43.18	(88,660)	43.18
Tatung Fine Chemicals Co.	53,060	48.27	56,885	48.27
Green Energy Technology Inc. (Note 6)	-	-	(84,478)	4.54
Subtotal	870,276		(2,347,054)	

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

	As of December 31,			
	2019		2018	
Name of investee company	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Non-public entities				
Chunghwa picture tubes, Ltd. (Note 5)	$(6,421,754)	28.56	$-	-
Taiwan Telecommunication Industry Co., Ltd.	(854,584)	100.00	(855,140)	100.00
Central Research Technology Co.	40,089	100.00	49,876	100.00
Tatung Consumer Products (Taiwan) Co., Ltd.	(1,267,254)	99.10	(1,181,768)	99.10
Tatung Sm-Cyclo Co., Ltd. (Note 7)	-	-	171,223	85.33
Shang-Chih Asset Development Co.	46,394,470	100.00	43,788,755	100.00
Chunghwa Electronic Investment Co., Ltd. (Note 1)	(1,095,307)	94.01	(579,043)	93.68
Tatung Die Casting Co.	60,316	51.00	56,246	51.00
Tatung (Thailand) Co., Ltd.	531,398	99.99	515,387	99.99
Tatung Company of Japan, Inc.	1,325,962	100.00	657,401	100.00
Tatung Electronics(S) Pte. Ltd.	80,596	90.00	83,125	90.00
Tatung Singapore Information Co., Ltd.	(56,288)	100.00	(55,924)	100.00
Tatung Electric (Singapore) Pte. Ltd.	736,952	100.00	962,215	100.00
Tatung Co. of America Inc.	(524,966)	50.00	94,751	50.00
Tatung Mexico S.A de C.V.	125,033	99.99	153,528	99.99
Tatung Science and Technology Inc.	7,877	100.00	7,612	100.00
Tatung Electric Company of America, Inc.	153,009	100.00	175,002	100.00
Tatung Netherlands B.V.	(145,958)	100.00	(145,958)	100.00
TATUNG CZECH s.r.o	7,066	100.00	8,728	100.00
Tatung Medical Healthcare Technologies Co., Ltd. (Note 2)	205,107	95.85	168,971	95.56
Toes Opto-Mechatronics Co.	24,746	85.00	15,444	85.00
Shang Chih Investment Co., Ltd.	524,156	95.83	515,296	95.83
Chih Sheng Investment Co., Ltd.	206,235	100.00	19,143	100.00
Taipei Industry Corporation	74	0.00	34	0.00
Tatung Forever Energy Co., Ltd. (Note 3)	1,508,602	99.10	462,930	97.12
Absolute Alpha Limited	20,525	100.00	20,500	100.00
Leap High Limited	1,080	65.00	1,520	65.00
Tungyang Energy Co., Ltd. (Note 4)	400,205	100.00	149,431	100.00
Hsieh-Chih Industrial Library Publishing Co.	981	6.91	972	6.91
Lansong International Co., Ltd.	-	98.33	-	98.33
Shang Shin Energy Co., Ltd. (Note 4)	89,715	100.00	70	100.00
Chih Kuang Energy Co., Ltd. (Note 4)	398,174	100.00	149,932	100.00
Yau Yang Energy Co., Ltd. (Note 4)	4,937	100.00	-	-
Ting Shin Engergy Co., Ltd. (Note 4)	30,058	100.00	-	-
Zhi Shin Energy Co., Ltd. (Note 4)	39,875	100.00	-	-
Subtotal	42,551,127		45,410,259	

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

	As of December 31,			
	2019		2018	
Name of investee company	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Investment in associates:				
Listed companies				
Elitegroup Computer System Co., Ltd.	$3,585,213	27.35	$3,626,573	27.35
Non-listed companies				
Tatung-Okuma Co., Ltd.	1,394,385	49.00	1,285,832	49.00
Kuender & Co., Ltd.	62,192	50.00	63,880	50.00
Chung-Tai Technology Development Engineering Co.	12,125	22.00	13,227	22.00
Tatung Sm-Cyclo Co., Ltd. (Note 7)	248,838	49.00	-	-
Subtotal	5,302,753		4,989,512	
The balance of the investment accounted for using equity method	48,724,156		48,052,717	
Add: the credit balance of the investment accounted for using equity method	10,366,111		5,969,177	
Total	$59,090,267		$54,021,894	

B. Investments in subsidiaries:

Investments in subsidiaries were presented as investments accounted for using the equity method and adjusted by necessary measurements.

Note 1: Chunghwa Electronics Investment Co., Ltd. held a capital injection in April 2019. The Company subscribed the shares proportionately and thus the Company’s holding percentage increased to 94.01%.

Note 2: Tatung Medical Healthcare Technologies Co., Ltd. held a capital injection in May 2019. The Company subscribed to the shares proportionately and thus the Company’s holding percentage increased to 95.85%.

Note 3: Tatung Forever Energy Co., Ltd. Held capital injections in March、June、July、September、October and November 2019. The Company subscribed to the shares proportionately and thus the Company’s holding percentage increased to 99.10%.

Note 4: To expend the solar energy business, in April 2019, the Company established Ting Shin Energy Co., Ltd., Zhi Shin Energy Co., Ltd. and YAU Yang Energy Co., Ltd. with NTD100 thousand、NTD200,000 thousand and NTD50,000 thousand, respectively. The holding share percentages maintain 100%. Tungyang Energy Co., Ltd. Held a capital injection with NTD400,000 thousand; Zhi shin Energy Co., Ltd.、Yau Yang Energy Co., Ltd. and Tungyang Energy Co., Ltd., held capital reductions in September 2019, with NTD160,000 thousand、NTD45,000 thousand and NTD150,000 thousand, respectively, and no change in holding percentage; Shang Shin Energy Co., Ltd. held a capital injection in June and September 2019. With total NTD90,000 thousand, and thus the Company's holding percentage maintain 100% Chin kiang Energy Co., Ltd. held capital injections in August and December 2019 with total NTD250,000 thousand, and thus the Company's holding percentage maintain 100%; Ting Shin Energy Co., Ltd. held a capital injection in December 2019 with NTD30,000 and thus the Company's holding percentage maintain 100%.

Note 5: Chuang Picture Tubes, Ltd. resolved at its board meeting on September 18, 2019 to file bankruptcy to the court. As of December 31, 2019 the court has not announced the result of the ruling. CPT resolved to withdraw its public issuance in a provisional shareholders' meeting on December 30, 2019. The Financial Supervisory Commission issued letter No. Jin-Guan-Cheng-Fa-Zi -1090131578 on February 17, 2020 to approve the company's application to cease its status as a public company. Since the management's intention to discontinue operation was clear, CPT prepared the financial statements as of December 31, 2019 using liquidation assumption.

Note 6: Green Energy Technology Co., Ltd. ("GET") resolved at its board meeting on July 15, 2019 to withdraw its public issuance and to proceed dissolution and liquidation. At the provisional shareholders' meeting held on August 30, 2019, the Company lost control of GET. The Company recognized the gain on disposal in the amount of NTD340,922 thousand, reclassified the investment as financial assets measured at fair value through comprehensive income.

Note 7: The Company entered into a sale agreement in the third quarter of 2019 to sell 36.33% of its shares of Tatung Sm-Cyclo Co., Ltd. ("Tatung Sm-Cyclo") and such transaction was completed in the fourth quarter. The Company's shareholding percentage in Tatung Sm-Cyclo decreased from 85.33% to 49%, therefore the Company lost control of this subsidiary. However, the Company still has significant influence on the company, therefore Tatung Sm-Cyclo was recognized as investment accounted for using the equity method following derecognition. The profits (losses) from disposing of the investment or derecognition as mentioned above was NTD266,158 thousand.

Note 8: Tatung System Technologies Inc.("TSTI") approved at its shareholders' meeting on June 18, 2019 to inject capital with surplus in the form of new shares in 33,600 thousand. The Company received 1,800,906 shares from TSTI as a result of earnings distribution.

TSIT approved at its board meeting held on August 8, 2019 to increase capital with cash and issued 18,000 thousand shares of common shares at NTD14.2 per share with par value of NTD10.

The Company did not subscribe the newly issued shares and thus the Company's ownership in TSTI was reduced to 42.70%.

For the years ended December 31, 2019 and 2018, the Company received dividends from investing in subsidiaries and associates using the equity method amounting to NTD8,220,122 thousand and NTD2,098,784 thousand, respectively.

Please refer to Note 8 for investment in subsidiaries that were pledged as collateral.

C. Investments in associates:

(a) Information on the material associate of the Company:

Company name: Elitegroup Computer Systems Co., Ltd.

Nature of the relationship with the associate: Elitegroup Computer Systems Co., Ltd. is engaged in manufacturing and selling related products in the Company's industry chain. The Company invested in Elitegroup Computer Systems Co., Ltd. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Taiwan

Fair value of the investment in the associate when there is a quoted market price for the investment: Elitegroup Computer Systems Co., Ltd. is a listed entity on the Taiwan Stock Exchange (TWSE). The fair value of the investment in Elitegroup Computer Systems Co., Ltd. was NTD2,088,913 thousand and NTD1,883,071 thousand, as of December 31, 2019 and 2018, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company's interest in the associate:

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

The summarized financial information of the associate is as follows:

	As of December 31,	
	2019	2018
Current assets	$16,236,514	$16,896,467
Non-current assets	7,116,714	6,603,916
Current liabilities	(11,572,898)	(11,845,410)
Non-current liabilities	(761,566)	(483,609)
Equity	11,018,764	11,171,364
Proportion of the Company's ownership	27.35%	27.35%
Subtotal	3,013,632	3,055,368
Goodwill	614,638	614,638
Other adjustments	(43,057)	(43,433)
Carrying amount of the investment	$3,585,213	$3,626,573

	For the years ended December 31,	
	2019	2018
Operating revenue	$28,291,303	$31,796,016
Profit (loss) from continuing operations	53,061	22,014
Other comprehensive income(loss), net of income tax	(142,324)	(55,644)
Total comprehensive income (loss)	(89,263)	(33,630)

Please refer to Note 8 for more details on investments in associates under pledged.

(b) Except the associate mentioned above, other associates were not individually material. The aggregate financial information based on Company's share of other associates was as follows:

	For the years ended December 31,	
	2019	2018
Profit from continuing operations	$150,341	$105,076
Other comprehensive income, net of income tax	921	230
Total comprehensive income	151,262	105,306

(c) The associates had no contingent liabilities or capital commitments as of December 31, 2019 and 2018. Investments in associates in (b) were not pledged.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

D. The balances of certain investments accounted for under the equity method that were audited by other auditors were NTD5,220,316 thousand and NTD5,222,643 thousand as of December 31, 2019 and 2018, respectively. The shares of profit (loss) of associates accounted for using equity method and joint ventures that were audited by other auditors were NTD107,773 thousand and NTD145,727 thousand for the years ended December 31, 2019 and 2018, respectively. The shares of other comprehensive income (loss) of associates accounted for using equity method and joint ventures that were audited by other auditors were NTD48,004 thousand and NTD (3,344) thousand as of December 31, 2019 and 2018, respectively.

(10) Property, plant and equipment

A. The details of property, plant and equipment are as follows (Apply for IFRS 16):

	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2019	$550,148	$8,855,249	$395,221	$54,414	$513,436	$1,408,798	$51,383	$11,828,649
Additions	-	6,165	16,592	759	28,895	39,428	218,046	309,885
Disposals	-	(53,106)	(8,848)	(6,149)	(2,277)	(46,079)	-	(116,459)
Other changes (Note)	(518,691)	126,122	889	-	2,237	9,019	(99,520)	(479,944)
As of December 31, 2019	$31,457	$8,934,430	$403,854	$49,024	$542,291	$1,411,166	$169,909	$11,542,131
Depreciation and impairment:								
As of January 1, 2019	$(420,571)	$(5,037,479)	$(361,866)	$(49,141)	$(390,674)	$(1,261,396)	$-	$(7,521,127)
Depreciation	(7,217)	(355,626)	(18,271)	(1,907)	(52,551)	(64,535)	-	(500,107)
Impairment	-	(202,466)	-	-	(24,181)	(3,550)	-	(230,197)
Disposals	-	50,046	8,634	6,149	2,277	46,079	-	113,185
Other changes (Note)	412,403	-	123	-	-	-	-	412,526
As of December 31, 2019	$(15,385)	$(5,545,525)	$(371,380)	$(44,899)	$(465,129)	$(1,283,402)	$-	$(7,725,720)
Net carrying amount as of:								
December 31, 2019	$16,072	$3,388,905	$32,474	$4,125	$77,162	$127,764	$169,909	$3,816,411

Note 1: Including transfer from advance payments of equipment, changes of exchange rates and reclassification.

Note 2: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

B. Property, plant and equipment (Applicable to requirements fedora IFRS 16)

The details of property, plant and equipment are as follows:

	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2018	$549,999	$8,110,201	$396,328	$57,872	$486,329	$1,467,013	$548,197	$11,615,939
Additions	149	69,118	14,521	1,344	15,251	53,172	265,943	419,498
Disposals	-	(135,614)	(23,258)	(4,802)	(8,023)	(129,740)	-	(301,437)
Other changes (Note)	-	811,544	7,630	-	19,879	18,353	(762,757)	94,649
As of December 31, 2018	$550,148	$8,855,249	$395,221	$54,414	$513,436	$1,408,798	$51,383	$11,828,649
Depreciation and impairment:								
As of January 1, 2018	$(406,389)	$(4,748,696)	$(363,019)	$(52,157)	$(340,633)	$(1,317,021)	$-	$(7,227,915)
Depreciation	(14,182)	(419,650)	(22,078)	(1,775)	(57,255)	(72,747)	-	(587,687)
Impairment	-	(4,782)	-	-	-	-	-	(4,782)
Disposals	-	135,581	23,196	4,791	7,214	128,372	-	299,154
Other changes (Note)	-	68	35	-	-	-	-	103
As of December 31, 2018	$(420,571)	$(5,037,479)	$(361,866)	$(49,141)	$(390,674)	$(1,261,396)	$-	$(7,521,127)
Net carrying amount as of:								
December 31, 2018	$129,577	$3,817,770	$33,355	$5,273	$122,762	$147,402	$51,383	$4,307,522

Note 1: Including transfer from advance payments of equipment, changes of exchange rates and reclassification)

A. Components of buildings, including main building structure, electronic engineering, electrical engineering, fire engineering, air conditioning units and elevators, are depreciated by their useful lives 3~50 year.

B. Please refer to Note 8 for more details on property, plant and equipment that were pledged as collateral.

C. Assets related to Tatung University are described as follows:

The carrying amount of Hsin-She-Gong Building ("the Building") was NTD106,288 thousand. The Company provided the fund fully for the building. The ownership registration was completed, and the Company has acquired building use permit and related licenses. As the state of construction and use of Hsin-She-Gong Building on June 30, 2019 has met the definition of investment property the Company reclassified it to the investment property from property, plant and equipment. Please refer to Note 6(11).

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

On May 6, 2016, Shan-Chih Asset Development purchased the land of Hsin-She-Gong Building and completed the transfer of title. The development plans of this building will go with the overall plans of the whole factory area of the Company in the future. And the related issues, such as change of purpose of utilizing the land, urban planning and long term plans are still in the communication process between Tatung University and the Education ministry authority.

D. Part of the lands and land prepayments were held temporarily under third parties' names because of other reasons. The preservation measures have been taken to protect the assets.

E. The Company has reduced the balance of its property, plant and equipment to recoverable amount, which resulted in impairment loss in the amount of NTD230,197 thousand, recognized in the parent company only statements of comprehensive income.

F. There was no borrowing cost capitalized for property, plant and equipment in 2019 and 2018.

(11) Investment property

	For the year ended December 31,
	2019
	Buildings
Cost:	
As of January 1, 2019	$-
Transfer from property, plant and equipment	106,288
Gain on fair value adjustment	56,942
As of December 31, 2019	$163,230

As the owner-occupancy rate of Hsin-She-Gong Building was reduced, the building was reclassified from property plant and equipment to investment property according to IAS 40 "Investment property". Upon reclassification, the Company remeasured the building by using fair value model and recognized an amount of NTD56,942 thousand as gain on revaluation, net of tax, under other comprehensive income.

The Company entered into commercial property lease with respect to its investment property with terms between one to ten years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The Company recognized its investment property in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. As of December 31, 2019 , the fair value of the investment property is as below:

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

	As of December 31,
	2019
External appraisal	$163,230

The fair value of the above investment property is estimated by external real estate appraiser. The date of the appraise is on December 31, 2019, and appraise by Chonglian External real estate appraiser.

The fair value of the investment property was assessed by the abovementioned external real estate appraiser firm based on current status and market evidence. The assessment methodologies included discounted cash flow analysis method of income approach.

(1) Chonglian External real estate appraise firm: Mr Liao.

If the assets are held mainly for rental income, the assessment should take into consideration the contract signed and other comparable property in the neighboring region. In addition to income approach, the assessment should also be made with direct capitalization method or discounted cash flow analysis method.

Also, real estate appraiser firm examined comparable of our subject and took into consideration the development schedule, liquidity, risk premium of disposal in the future to decide income capitalization rate and discount rate. The significant parameters involved in the assessment are as follows:

Contract rental fee and rental price on market:

	As of December 31,
	2019
Contract rental fee (3.3 square meter/month/NTD)	$1,200
Market comparable (3.3 square meter/month/NTD)	$1,196

Main parameters:

	As of December 31,
	2019
Discount rate of disposal at year-end	2.5048%
Discount rate during analysis period	2.2996%

	For the years ended December 31,
	2019
Rental income from investment property	$5,555
Less: Direct operating expenses from investment property generating rental income (not including depreciation)	(3,271)
Total	$2,284

Note: Rental fee considered the lease term and market conditions.

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

(12) Intangible assets

Computer software cost

	Computer software
Cost:	
As of January 1, 2019	$212,273
Addition	241
Disposal	-
As of December 31, 2019	$212,514
As of January 1, 2018	$275,883
Addition	4,693
Disposal	(68,303)
As of December 31, 2018	$212,273
Amortization and impairment:	
As of January 1, 2019	$(199,990)
Amortization	(9,111)
Disposal	-
As of December 31, 2019	$(209,101)
As of January 1, 2018	$(252,354)
Amortization	(15,939)
Disposal	68,303
As of December 31, 2018	$(199,990)
Net book value:	
As December 31, 2019	$3,413
As December 31, 2018	$12,283

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31,	
	2019	2018
Operating costs	$2,149	$2,210
Operating expense	$6,962	$13,729

(13) Other non-current assets

	As of December 31,	
	2019	2018
Advance payments in equipment	$158,859	$19,739
Other non-current assets - other	140,401	152,034
Total	$299,260	$171,773

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

With respect to the above mentioned other non-current assets – other, part of the lands and land prepayments were held temporarily under third parties' names because of regulatory requirements or other reasons. As of December 31, 2019, and 2018, land under third parties that had pledged to the Company were both NTD66,367 thousand and land unsecured were NTD3,478 thousand and NTD4,669 thousand, respectively. For those lands that the Company has not secured its right over them, the Company continues handling the issue proactively.

Other non-current assets were not pledged.

(14) Long-term receivables-net

	As of December 31,	
	2019	2018
Long-term receivables	$1,430,964	$78,106
Less: loss allowance	(1,352,858)	-
Net	$78,106	$78,106

(15) Prepayments for investments

	As of December 31,	
	2019	2018
Prepayments for investments	$-	$106,390

Prepayments for investments of 2019 is resulted from the expected transfer of shares of Voltamp Power from royalty receivables. Such transaction has been completed in the fourth quarter of 2019, and the Company recognized the investment as financial assets at fair value through other comprehensive income.

(16) Short-term loans

		As of December 31,	
	Interest Rates	2019	2018
Unsecured bank loans	1.77%~2.30%	$100,000	$550,000
Secured bank loans	1.63%~2.02%	800,000	2,500,000
L/C loans	1.06%~5.20%	613,918	1,322,140
Short-term loans in foreign currency	1.15%~4.72%	-	213,751
Subtotal		$1,513,918	4,585,891
Due to employees	0.12%~0.17%	14,773	15,805
Total		$1,528,691	$4,601,696

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

The Company's unused short-term lines of credits amounted to NTD427,969 thousand and NTD628,017 thousand as of December 31, 2019 and 2018, respectively.

Certain investments accounted for using the equity method and certain property, plant and equipment were pledged as collaterals for secured bank loans. Please refer to Note 8 for more details.

(17) Short-term notes and bills payable

		As of December 31,	
Guarantors	Interest Rates	2019	2018
Unsecured domestic bills payable	0.75%~1.00%	$152,000	$252,000
Less: Unamortized discount		(206)	(89)
Net		$151,794	$251,911

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

	As of December 31,	
	2019	2018
Held for trading:		
Derivatives not designated as hedging Instruments		
Forward foreign exchange contracts	$2,808	$-
Current	$2,808	$-

(19) Deferred revenue

Government grants

	As of December 31,	
	2019	2018
Beginning balance	$49,794	$544
Received during the period	2,558	52,366
Released to the statement of comprehensive income	(33,548)	(3,116)
Ending Balance	$18,804	$49,794

The government grants related to income are recognized according to the period that the related cost was recognized as expenses in a systematic manner.

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

(20) Long-term loans

Details of long-term loans as of December 31, 2019 and 2018 are as follows:

Lenders	As of December 31, 2019	As of December 31, 2018	Interest rate (%) (Note)	Maturity date and terms of repayment
Secured Long-term loans from King's Town Bank	$-	$375,000	2.07	Effective from September 28, 2017 to September 28, 2019. (non-revolving use, used in batches, each loan use up to 2 years, cannot exceed expiry date, interest payments due monthly, only interest payments needed in the grace period of 12 months, first repayment date being the 15th months after the granted day, quarterly repayment of the 25% of the amount of the loan agreement, balance being reduced if no principal, principal being repaid upon maturity).
Unsecured long-term loans from King's Town Bank	-	112,500	2.07	Effective from September 28, 2017 to September 28, 2019. (non-revolving use, used in batches, each loan use up to 2 years, cannot exceed expiry date, interest payments due monthly, only interest payments needed in the grace period of 12 months, first repayment date being the 15th months after the granted day, quarterly repayment of the 25% of the amount of the loan agreement, balance being reduced if no principal, principal being repaid upon maturity).
Unsecured long-term loans from King's Town Bank	-	262,500	2.07	Effective from November 27, 2017 to September 28, 2019. (non-revolving use, used in batches, each loan use up to 2 years, cannot exceed expiry date, interest payments due monthly, only interest payments needed in the grace period of 12 months, first repayment date being the 15th months after the granted day, quarterly repayment of the 25% of the amount of the loan agreement, balance being reduced if no principal, principal being repaid upon maturity).
Unsecured long-term loans from King's Town Bank	-	225,000	2.07	Effective from December 29, 2017 to September 28, 2019. (non-revolving use, used in batches, each loan use up to 2 years, cannot exceed expiry date, interest payments due monthly, only interest payments needed in the grace period of 12 months, first repayment date being the 15th months after the granted day, quarterly repayment of the 25% of the amount of the loan agreement, balance being reduced if no principal, principal being repaid upon maturity).
Unsecured long-term loans from King's Town Bank	-	150,000	2.07	Effective from May 7, 2018 to September 28, 2019. (non-revolving use, used in batches, each loan use up to 2 years, cannot exceed expiry date, interest payments due monthly, only interest payments needed in the grace period of 12 months, first repayment date being the 15th months after the granted day, quarterly repayment of the 25% of the amount of the loan agreement, balance being reduced if no principal, principal being repaid upon maturity).
Secured Long-term loans from Bank SinoPac	29,167	36,944	2.51	Effective July 9, 2014 to July 9, 2020. Since the first use date, principal is repaid in 36 quarterly payments.

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

	As of December 31,		Interest rate	
Lenders	2019	2018	(%) (Note)	Maturity date and terms of repayment
Secured Long-term loans from Bank SinoPac	$17,647	$22,353	2.51~2.57	Effective February 26, 2015 to July 9, 2020. Since the first use date, principal is repaid in 36 quarterly payments.
Secured Long-term loans from Bank SinoPac	206,875	234,458	2.51~2.72	Effective April 27, 2015 to April 27, 2021. Since the first use date, principal is repaid in 48 quarterly payments.
Secured Long-term loans from Bank SinoPac	43,542	48,125	2.56	Effective June 27, 2017 to June 27, 2022. Since the first use date, principal is repaid in 48 quarterly payments.
Secured Long-term loans from Bank SinoPac	-	91,875	2.56	Effective June 27, 2017 to November 15, 2019. Since the first use date, principal is repaid in 48 quarterly payments.
Secured Long-term loans from Bank SinoPac	83,125	-	2.56	Effective June 27, 2017 to July 23, 2024. Since the first use date. Principal is repaid in 48 quarterly payments.
Unsecured long-term loans from Taiwan Cooperative Bank	-	1,100,000	2.09	Effective December 29, 2017 to December 29, 2019. The principal will be repaid upon maturity.
Unsecured long-term loans from Taiwan Cooperative Bank	1,100,000	-	2.25	Effective March 29, 2019 to March 29, 2023. Interest payments due monthly and principal is repaid form the third year in 8 equal installments per quarter.
Unsecured long-term loans from Far Eastern International Bank	-	-	2.02	Effective December 10, 2015 to December 22, 2020. Revolving use. Whenever individual project bills and receives payment in the compensation account, 77% of such deposit will be used to repay the principal.
Unsecured long-term loans from Far Eastern International Bank	-	294,172	2.02	Effective September 12, 2018 to June 19, 2020. Revolving use. Whenever individual project bills and receives payment in the compensation account, 77% of such deposit will be used to repay the principal.
Unsecured long-term loans from Far Eastern International Bank	600,449	700,000	2.02	Effective December 12, 2018 to December 5, 2020. Revolving use. Whenever individual project bills and receives payment in the compensation account, 77% of such deposit will be used to repay the principal.
Secured Long-term loans from O-Bank	20,997	33,099	2.28~2.55	Effective December 29, 2017 to December 29, 2020. The principal will be repaid in 24 monthly payments at the end of each month starting January 31, 2019. The 1st payment will be NTD750 thousand and the 2nd to 23rd payments will be NTD1,032 thousand and the remaining will be repaid on December 29, 2020.
Secured Long-term loans from O-Bank	10,043	16,000	2.28~2.55	Effective September 26, 2018 to December 29, 2020. The principal will be repaid in 24 monthly payments at the end of each month starting January 31, 2019. The 1st payment will be NTD369 thousand and the 2nd to 23rd payments will be NTD508 thousand and the remaining will be repaid on December 29, 2020.

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

Lenders	As of December 31, 2019	As of December 31, 2018	Interest rate (%) (Note)	Maturity date and terms of repayment
Secured Long-term loans from Taishin International Bank	$-	$70,000	2.51	Effective July 30, 2018 to July 28, 2023. The first payment will be on the date first six months ended, and every payment will be on every end of month, the principal will be paid evenly for 180 payments.
Secured Long-term loans from Taishin International Bank	-	92,000	2.51	Effective September 12, 2018 to July 28, 2023. For 6 months after the first use date principal is repaid in 180 monthly payments.
Secured Syndicated loans from Bank of Taiwan	15,390,000	16,200,000	1.93~2.06	Effective December 23, 2016 to December 23, 2021. The 1st repayment of principal is in 3 years after first draw. The remaining principal is repaid in 5 semi-annually repayments. The 1st to 4th payments will be 5% and the remaining 80% will be repaid in the 5th repayment.
Secured Syndicated loans from Bank of Taiwan	8,340,000	8,600,000	1.93~2.06	Effective December 23, 2016 to December 23, 2021. The 1st repayment of principal is in 3 years after first draw. The remaining principal is repaid in 5 semi-annually repayments. The 1st to 4th repayments will decrease the credit limit by 5% each, and the remaining 80% will be repaid in the 5th repayment.
Two-year loans due to stockholders and employees	14,946	14,946		
Subtotal	25,856,791	28,678,972		
Less: unamortized issuing cost	(80,052)	(123,324)		
	25,776,739	28,555,648		
Less: current portion	(2,250,488)	(3,265,330)		
Total	$23,526,251	$25,290,318		

(Note: Interest rates are rounded off to the second decimal place.)

Shan-Chih Asset Development Co. guaranteed the Company's long-term loans. As of December 31, 2019, and 2018, the balance of guarantees was NTD27,960,000 thousand and NTD28,800,000 thousand, respectively; the Company's Chairman, Wen-Yen Lin Kuo, guaranteed part of the Company's bank loans.

For the secured syndicated loans from Bank of Taiwan, the Company breached the debt covenant of liability to equity ratio as of June 30, 2019 because the Company recognized the investment loss of CPT and GET, which caused the significant increase in the credit balance of the investment accounted for using equity method(liability account). The Company has obtained waiver letter for the debt covenant on October 18, 2019, therefore there was no immediate repayment of the loans triggered by breach of covenants.

Part of the property, plant and equipment, financial assets measured at amortized cost, and investments accounted for using the equity method were pledged as collateral for secured loans. Please refer to Note 8 for more details.

(21) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2019 and 2018 were NTD68,473 thousand and NTD69,331 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 4% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandates, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NTD293,600 thousand to its defined benefit plan during the 12 months beginning after December 31, 2019.

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

As of December 31, 2019, and 2018, the durations of the defined benefits plan are 2029.

Pension costs recognized in profit or loss for the years ended December 31, 2019 and 2018:

	For the years ended December 31,	
	2019	2018
Current period service costs	$16,349	$18,986
Past service costs	45	2,489
Interest income or expense	18,937	26,786
Expected return on plan assets	(13,118)	(12,584)
Total	$22,213	$35,677

Changes in present value of defined benefit obligation and fair value of plan assets are as follows:

	As of		
	2019.12.31	2018.12.31	2018.01.01
Present value of the defined benefit obligation	$1,922,952	$2,014,580	$2,145,834
Plan assets at fair value	(1,379,720)	(1,363,053)	(973,695)
Subtotal	543,232	651,527	1,172,139
Other	2,622	2,622	2,622
Other non-current liabilities - net defined benefit liabilities(assets)	$545,854	$654,149	$1,174,761

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

Reconciliation of net defined benefit liability (asset) is as follows:

	Present value of Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2018	$2,145,834	$(973,695)	$1,172,139
Current period service costs	18,986	-	18,986
Past service costs	2,489	-	2,489
Net interest expense (income)	26,786	(12,584)	14,202
Subtotal	2,194,095	(986,279)	1,207,816
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	62,470	-	62,470
Experience adjustments	(3,267)	-	(3,267)
Return on plan assets	-	(21,466)	(21,466)
Subtotal	59,203	(21,466)	37,737
Payments from the plan	(160,182)	160,182	-
Benefits paid	(78,536)	-	(78,536)
Contributions by employer	-	(515,490)	(515,490)
As of December 31, 2018	2,014,580	(1,363,053)	651,527
Current period service costs	16,349	-	16,349
Past service cost	45	-	45
Net interest expense (income)	18,937	(13,118)	5,819
Subtotal	2,049,911	(1,376,171)	673,740
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	47,085	-	47,085
Experience adjustments	13,014	-	13,013
Return on plan assets	-	(44,400)	(44,400)
Subtotal	60,099	(44,400)	15,699
Payments from the plan	(144,651)	144,651	-
Benefits paid	(42,407)	-	(42,407)
Contributions by employer	-	(103,800)	(103,800)
As of December 31, 2019	$1,922,952	$(1,379,720)	$543,232

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

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2019	2018
Discount rate	0.690%	0.940%
Expected rate of salary increases	2.250%	2.250%

A sensitivity analysis for significant assumption as at December 31, 2019 and 2018 is, as shown below:

	Effect on the defined benefit obligation			
	2019		2018	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$47,085	$-	$50,612
Discount rate decrease by 0.25%	48,917	-	52,624	-

The sensitivity analyses above are based on a change in the actuarial assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(22) Provisions, current

	Reserve for lawsuit	Maintenance warranties	Total
As of January 1, 2019	$-	$84,912	$84,912
Arising during the period	71,999	27,639	99,638
Utilized	-	(3,325)	(3,325)
As of December 31, 2019	$71,999	$109,226	$181,225
As of December 31, 2018	$-	$84,912	$84,912

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

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgment and other known factors.

Provisions for legal matters

Provisions have been recognized for estimated legal obligations and relevant cost based on past experience. If the existing obligation is mostly likely to incur and the amount may be reasonably estimated, the provisions for legal matters is to be recognized.

(23) Equities

A. Common stock

As of December 31, 2019 and 2018, the Company's authorized capital and issued capital were NTD100,000,000 thousand and NTD23,395,367 thousand, with a par value of NTD10 dollar, totaling 10,000,000 thousand shares and 2,339,537 thousand shares, respectively. Each share is entitled to one voting right and the right to receive dividends.

As of December 31, 2019 and 2018, 1,000,000 thousand shares of the Company were issued as 50,000 thousand units of global depositary receipts ("GDR"), each GDR equaling to 20 shares. The GDR were listed on Luxembourg Stock Exchange.

B. Capital reserve

	As of December 31,	
	2019	2018
Subsidiaries disposed shares of Parent Company deemed as treasury stock transaction	$115,169	$115,169
Share of changes in net assets of subsidiaries, associates and joint ventures accounted for using the equity method	3,142,781	3,062,728
Other	105,135	105,135
Total	$3,363,085	$3,283,032

According to the Company Act, the capital reserve shall not be used except for offsetting the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2019, and 2018 the Company's subsidiaries, CPT and its subsidiaries, held 0 thousand shares and 59,653 thousand shares of the Company's stock, respectively. Chunghwa Electronics Investment Co., a subsidiary of the Company, held 0.5 thousand shares and 0.5 thousand shares of the Company's stock, respectively. The stocks mentioned above were held for financing purpose before the amendments of the Company Act on November 12, 2001.

FD, a subsidiary of the Company, purchased shares of the Company for a total of 36,236 thousand shares in 2016, and sold 28,691 thousand shares and 3,070 thousand shares in 2018 and 2017, respectively. As of December 31, 2019 and 2018 the Company's subsidiaries, FD held 4,475 thousand shares and 4,475 thousand shares of the Company's stock, respectively.

Chunghwa Electronics Investment Co., a subsidiary of the Company, sold 333 thousand shares in 2018.

CPT, a subsidiary of the Company, applied for financial structuring in December, 2018 and pledged shares of the Company, Ltd. to a bank after applying for financial structuring. The bank sold the 10,945 thousand shares pledged in 2018.

Chunghwa Picture Tubes (Bermuda) Ltd., a subsidiary of the Company, sold 59,653 thousand shares in the first three quarters of 2019.

D. Retained earnings and dividend policies:

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues
(b) Offset prior years' operation losses
(c) Appropriate 10% of the remaining amount after deducting items (a) and (b) as a legal reserve
(d) Appropriate or reverse special reserve in accordance with relevant laws or regulations
(e) After deducting items (a), (b), (c) and (d) above from the current year's earnings, the distribution of the remaining portion, if any, will be recommended by the board of directors and resolved in the stockholders' meeting.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to offset the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

Following the adoption of T-IFRS, the FSC on April 6, 2012 issued Order No. Jin-Guan-Zheng-Fa-Zi No. 1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the T-IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company’s adoption of the T-IFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed.

As of January 1, 2014, special reserve set aside for the first-time adoption of T-IFRS amounted to NTD15,894,690 thousand. Also, the Company disposed of related assets and reversed special reserves of NTD416,657 thousand to retained earnings. In 2018, the Company has changed the measurement of investment property from cost model to fair value model. The policy should be applied retrospectively to all subsidiaries of the Company based on the conformity of the Company accounting policy. As a result, the subsidiaries restated their financial statements and the Company recognized related adjustments and increase retained earnings as of January 1, 2018 according to equity method. Such retained earnings were set aside for special reserve in the amount of NTD 13,855,398 thousand according to Financial Supervisory Commission’s letter. In the shareholders’ meeting in prior years, the Company resolved to make up for its losses by special reserve of NTD21,719,645 thousand and to recover the special reserve amounted to NTD124,233 thousand. Unrecovered special reserve amounted to NTD21,595,412 thousand. To sum up, special reserve set aside for the first-time adoption of T-IFRS amounted to NTD7,738,019 thousand as of December 31, 2019.

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

Details of the 2018 deficits compensation as approved by the shareholders' meeting on June 27, 2019 is as follows:

	Deficits compensation
	2018
Special reserve to compensate deficits	$10,243,598

Please refer to Note 6(27) for more details about provision for employees' bonuses and compensation for directors and supervisors.

(24) Operating revenue

	For the years ended December 31,	
	2019	2018
Revenue from contracts with customers		
Sale of goods	$16,053,377	$17,310,546
Revenue arising from rendering of services	1,435,445	1,390,239
Other operating revenues	31,234	437,703
Subtotal	$17,520,056	$19,138,488
Leasing revenue	305,693	(Note)
Total	$17,825,749	$19,138,488

Note: The Company has adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Analysis of revenue from contracts with customers during the year is as follows:

A. Disaggregation of revenue

For the year 2019

	Electromechanical Energy Business Dept	Consumer Products Dept	Other Business Dept	Total
Sale of goods	$10,810,145	$5,235,844	$7,388	$16,053,377
Rendering of services	1,405,166	30,279	-	1,435,445
Others	28,120	2,872	242	31,234
Total	$12,243,431	$5,268,995	$7,630	$17,520,056
Timing of revenue recognition:				
At a point in time	$11,528,987	$5,268,995	$7,630	$16,805,612
Over time	714,444	-	-	714,444
Total	$12,243,431	$5,268,995	$7,630	$17,520,056

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

For the year 2018

	Electromechanical Energy Business Dept	Consumer Products Dept	Other Business Dept	Total
Sale of goods	$10,969,057	$6,337,438	$4,051	$17,310,546
Rendering of services	1,358,363	31,876	-	1,390,239
Others	429,304	1,908	6,491	437,703
Total	$12,756,724	$6,371,222	$10,542	$19,138,488
Timing of revenue recognition:				
At a point in time	$12,061,064	$6,371,222	$10,542	$18,442,828
Over time	695,660	-	-	695,660
Total	$12,756,724	$6,371,222	$10,542	$19,138,488

B. Contract balances

(a) Contract assets

	As of December 31, 2019	As of December 31, 2018
Construction contracts	$133,394	$207,800

The significant changes in the Company's balances of contract assets during the years ended December 31, 2019 and 2018 are as follows:

	For the years ended December 31, 2019	For the years ended December 31, 2018
The opening balance transferred to trade receivables	$(86,984)	$(113,138)
Change in measure of progress	161,390	115,623

2019.12.31

Items (Note 2)	Contract proceeds	Contract costs incurred	Accumulated recognized total project profit(loss)	Percentage of completion (Note 3)	Amounts billed based on construction progress	Construction contracts receivable
Percentage of completion method						
Category A	$52,115	$46,397	$2,850	40%~100%	$35,836	$13,411
Category B	7,392,031	6,200,379	(4,483)	29%~100%	6,049,555	146,341
Category C	1,089,102	1,080,067	(135,078)	86%~100%	894,833	50,156
Reclassifications (Note 1)	-	-	-		-	(76,514)
Total	$8,533,248	$7,326,843	$(136,711)		$6,980,224	$133,394

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

2018.12.31

Items (Note 2)	Contract proceeds	Contract costs incurred	Accumulated recognized total project profit(loss)	Percentage of completion (Note 3)	Amounts billed based on construction progress	Construction contracts receivable
Percentage of completion method						
Category A	$77,122	$66,697	$2,134	91%~100%	$56,228	$12,603
Category B	7,416,108	5,802,588	(20,707)	9%~100%	5,609,593	172,288
Category C	1,089,102	736,011	3,666	61%~89%	640,255	99,423
Reclassifications (Note 1)	-	-	-		-	(76,514)
Total	$8,582,332	$6,605,296	$(14,907)		$6,306,076	$207,800

(Note 1: Aging of part of construction receivables has reached an operating cycle, hence, they are reclassified to long-term receivables.)

(Note 2: Projects involving similar products have been combined as a single item.)

(Note 3: The percentage of completion varied in each project, it is therefore presented as a range)

As of December 31, 2019, the above construction projects had not generated construction retainage of construction contracts.

(b) Contract liabilities - current

	As of December 31, 2019	As of December 31, 2018
Sales of goods, rendering of services and construction contracts	$364,576	$402,967

The significant changes in the Company's balances of contact liabilities for the years ended December 31, 2019 and 2018 are as follows:

	For the years ended December 31, 2019	For the years ended December 31, 2018
The opening balance transferred to revenue	$(311,705)	$(182,671)
Increase in receipts in advance during the periods (excluding the amount incurred and transferred to revenue during the periods)	273,374	355,281

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

C. Transaction price allocated to unsatisfied performance obligations

The Company's transaction price allocated to unsatisfied performance obligations amounted to NTD364,576 thousand as at December 31, 2019. Management expects that 7.20%~93.72% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue in 2020.

The Company's transaction price allocated to unsatisfied performance obligations amounted to NTD402,967 thousand as at December 31, 2018. Management expects that 97% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue in 2019.

(25) Expected credit losses/ (gains)

	For the years ended December 31,	
	2019	2018
Operating expenses – Expected credit losses/(gains)		
Accounts receivable	$18,669	$9,172
Non-operating income and expenses - expected credit losses/(gains)		
Other receivable	1,372,670 (Note1)	(13,189)
Total	$1,391,339	$(4,017)

Note1: According to accounting standards, when derecognizing subsidiaries, the Company should assess and recognize the expected credit impairment losses when considering the loss of claim from derecognizing subsidiaries. The effect of expected credit impairment losses from derecognizing GET and its subsidiaries are as follows:

	For the years ended December 31,		
	2019		
	Company	Oher consolidated entities	Total
Consideration collected	$-	$-	$-
Reverse of differed credit for investments accounted for under the equity method	341,388	2,660,483	3,001,871
Reclassified from equity to OCI because the parent lost control of the subsidiary	(466)	(196,257)	(196,723)
Gains (losses) on disposal of investments	340,922	2,464,226	2,805,148
Expected credit losses－Account receivable of GET	(1,371,012)	(357,459)	(1,728,471)
Default loss of long-term purchase contracts	-	(1,086,951)	(1,086,951)
Gains (losses) on disposal of Investments, net	$(1,030,090)	$1,019,816 (Note2)	$(10,274)

Note2: Recognized as share of profit of subsidiaries associates and joint ventures accounted for using equity method.

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

Please refer to Note 12 for more details on credit risk.

The credit risk for the Company's financial assets measured at amortized cost are assessed as low (the same as the assessment result in the beginning of the period). Because the counterparties are banks and financial institutions with good credit rating, the loss allowance is measured at an amount of NTD0 thousand (loss ratio of 0 %).

The Company measures the loss allowance of its contract assets and receivables (including notes receivables and accounts receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2019 and 2018 is as follows:

A. The gross carrying amount of contract asset is NTD133,394 thousand, and its loss allowance amounting to NTD0 thousand which is measured at expected credit loss ratio of 0%.

B. The Company considered the receivables by counterparties' credit ratings, by geographical regions, and by industry sectors and its loss allowance is measured by using the expected credit loss ratio. The details are as follows:

2019.12.31

Optical:	Not yet due	Overdue			
	(Note 1)	1-6 months	6 months -1 year	1 year above	Total
Gross carrying amount	$1,677,334	$144,412	$45,546	$37,315	$1,904,607
Loss ratio (Note 2)	-	1.45%	20.00%	79.93%	-
Lifetime expected credit losses	-	(2,098)	(9,109)	(29,827)	(41,034)
Subtotal	1,677,334	142,314	36,437	7,488	1,863,573

Consumer products:	Not yet due	Overdue			
	(Note 1)	1-6 months	6 months -1 year	1 year above	Total
Gross carrying amount	$1,404,833	$580,887	-	$7,273	$1,992,993
Loss ratio (Note 2)	-	0.16%	-	100%	-
Lifetime expected credit losses	-	(916)	-	(7,273)	(8,189)
Subtotal	1,404,833	579,971	-	-	1,984,804
Carrying amount of accounts receivables					$3,848,377

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

2018.12.31

Optical:	Not yet due	Overdue			
	(Note 1)	1-6 months	6 months -1 year	1 year above	Total
Gross carrying amount	$2,704,136	$240,332	$21,286	$73,161	$3,038,915
Loss ratio (Note 2)	-	0.45%	34.55%	20.94%	
Lifetime expected credit losses	-	(1,077)	(7,354)	(15,318)	(23,749)
Subtotal	2,704,136	239,255	13,932	57,843	3,015,166

Consumer products:	Not yet due	Overdue			
	(Note 1)	1-6 months	6 months -1 year	1 year above	Total
Gross carrying amount	770,863	582,722	-	8,088	1,361,673
Loss ratio (Note 2)	-	0.01%	-	97.31%	
Lifetime expected credit losses	-	(61)	-	(7,871)	(7,932)
Subtotal	770,863	582,661	-	217	1,353,741
Carrying amount of accounts receivables					$4,368,907

Note 1 : The Company’s notes receivables are not overdue.
Note 2 : The loss ratio is measured by using provision matrix. However, if the counterparty has occurred financial difficulties, the loss ratio would be assessed individually.

The movement in the provision for impairment of accounts receivables and others during 2019 and 2018 is as follows:

2019.12.31

	Accounts receivable	Others (Note)
Beginning balance	$31,681	$1,232,104
Addition/(reversal) for the current periods	18,669	1,372,670
Write off	(1,574)	-
Exchange rate	447	(447)
Ending balance	$49,223	$2,604,327

2018.12.31

	Accounts receivable	Others (Note)
Beginning balance (in accordance with IAS 39)	$22,847	$1,244,985
Transition adjustment to retained earnings	-	-
Beginning balance (in accordance with IFRS 9)	$22,847	$1,244,985
Addition/(reversal) for the current period	9,172	(13,189)
Write off	(30)	-
Exchange rate	(308)	308
Ending balance	$31,681	$1,232,104

Note: Others include other receivables and long-term receivable.

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

(26) Leases

(A) Company as a lessee (applicable to the disclosure requirement under IFRS 16)

The Company leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 20 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2019	2018 (Note)
Land	$2,885	
Buildings	248,153	
Machinery and equipment	8,287	
Transportation equipment	21,073	
Office equipment	14,844	
Other equipment	263	
Total	$295,505	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

During the year ended December 31, 2019, the Company's additions to right-of-use assets amounted to NTD36,390 thousand.

b. Lease liabilities

	As of December 31,	
	2019	2018 (Note)
Current	$262,267	
Non-current	35,932	
Total	$298,199	

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

Please refer to Note 6 (28) for the interest on lease liabilities recognized during the year ended December 31, 2019 and refer to Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities as at December 31, 2019.

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the year ended December 31.	
	2019	2018 (Note)
Land	$1,717	
Buildings	235,999	
Machinery and equipment	5,313	
Transportation equipment	14,040	
Office equipment	9,370	
Other equipment	395	
Total	$266,834	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

C. Income and costs relating to leasing activities

	For the year ended December 31.	
	2019	2018 (Note)
The expenses relating to short-term leases	$1,751	
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	3,474	
The expenses relating to variable lease payments not included in the measurement of lease liabilities	68,936	
Income from subleasing right-of-use assets	-	
Gains or losses arising from sale and leaseback transactions	-	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

The portfolio of short-term leases of the Company to which it is committed at the end of the reporting period is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed above.

D. Cash outflow relating to leasing activities

During the year ended December 31, 2019, the Company's total cash outflows for leases amounting to NTD346,845 thousand.

E. Other information relating to leasing activities

(i) Variable lease payments
Some of the Company's lease agreements (e.g. leases of construction places for solar energy equipments, and of copy machines including clouds and virtual mother board property rental agreement) contain variable payment terms that are linked to certain percentages of electricity generated and usage from the leased properties, which is very common in the industry of the Company.

As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

(ii)Extension and termination options
Some of the Company's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company.

After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(B) Company as a lessee - Operating lease commitments (applicable to the disclosure requirement in IAS 17)

The Company has entered into commercial leases on lands and plants. These leases have an average life of one to twenty years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

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

Future minimum rentals payable under non-cancellable operating leases as at December 31, 2019 and 2018 are as follows:

	As of December 31,	
	2019 (Note)	2018
Not later than one year		$262,995
Later than one year and not later than five years		44,760
Later than five years		7,477
Total		$315,232

Operating lease expenses recognized are as follows:

	For the year ended December 31	
	2019 (Note)	2018
Minimum lease payments		$256,185

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(27) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2019 and 2018:

By Function / By Nature	For the years ended December 31,					
	2019			2018		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$850,004	$1,086,255	$1,936,259	$853,416	$1,099,730	$1,953,146
Labor and health insurance	78,231	100,944	179,175	77,649	100,597	178,246
Pension	35,326	55,360	90,686	39,832	65,176	105,008
Director's remuneration	-	14,400	14,400	-	23,215	23,215
Other employee benefits expense	39,324	9,776	49,100	36,441	9,847	46,288
Depreciation	548,156	218,785	766,941	502,876	84,811	587,687
Amortization	2,149	6,962	9,111	2,210	13,729	15,939

Note: (1) For the years ended December 31, 2019 and 2018, the Company employed 2,889 and 3,003 employees, respectively. Besides, 7 directors do not have adjunct position in the Company in 2019 and 2018.

(2) For the years ended December 31, 2019, and 2018, the average of employee benefits expense were NTD783 thousand and NTD762 thousand, respectively.

(3) For the years ended December 31, 2019, and 2018, the average of salaries were NTD672 thousand and NTD652 thousand, respectively.

(4) The average change rate of salaries is 3.1%

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

The Company's Article of Incorporation states that if there is a profit, the Company should set aside employee compensation no less than 1% of the profit and board member compensation no more than 2%. When the Company suffers an accumulated deficit, the profit should be retained to recover the deficit. The employee compensation should be paid out by shares or cash and should be resolved in the board of directors' meeting, with two thirds of the board members present and over half of the present members' approval. Information of the board of directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company had net income in 2019. However, there is still accumulated deficits that need to be covered, hence, the Company did not estimate employees' compensation and remuneration to directors and supervisors.

The Company suffered net loss in 2018 and thus did not estimate employees' compensation and remuneration to directors and supervisors.

(28) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2019	2018
Dividend income	$31,046	$41,753
Interest income		
Financial assets measured at amortized cost	6,324	17,515
Others	359,244	224,594
Total	$396,614	$283,862

B. Other gains and losses

	For the years ended December 31,	
	2019	2018
Gains (losses) on disposal of property, plant and equipment	$(1,836)	$1,017
Impairment loss on non-financial assets-property, plant and equipment	(230,197)	(4,782)
Gains (losses) on disposal of investments	607,137	(198,688)
Foreign exchange gains (losses), net	(2,793)	(32,558)
Gains (losses) on financial assets / financial liabilities at fair value through profit or loss	19,936	25,785
Other gains and losses	(491,993)	(121,695)
Total	$(99,746)	$(330,921)

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

C. Finance costs

	For the years ended December 31,	
	2019	2018
Interest on borrowings from bank	$676,223	$717,361
Interest on lease liabilities	8,462	(Note)
Other	64,337	276
Total finance costs	$749,022	$717,637

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(29) Components of other comprehensive income

For the year ended December 31, 2019:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense) relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(15,699)	$-	$(15,699)	$-	$(15,699)
Revaluation surplus	56,942	-	56,942	-	56,942
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	67,705	-	67,705	-	67,705
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	326,277	-	326,277	-	326,277
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	(22,903)	-	(22,903)	-	(22,903)
Total of other comprehensive income (loss)	$412,322	$-	$412,322	$-	$412,322)

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

For the year ended December 31, 2018:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense) relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(37,736)	$-	$(37,736)	$-	$(37,736)
Unrealized gain (losses) from equity instruments investment measured at fair value through other comprehensive income	(22,580)	-	(22,580)	-	(22,580)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(411,934)	-	(411,934)	-	(411,934)
To be reclassified to profit or loss in subsequent periods:					
Non-current asset held for sale (including disposal group) directly related to equity	30,955	-	30,955	-	30,955
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	342,240	-	342,240	-	342,240
Total of other comprehensive income (loss)	$(99,055)	$-	$(99,055)	$-	$(99,055)

The Company has accumulated a large amount of loss carry forward. Therefore, there was not significant deferred income tax effect resulted from other comprehensive income and changes in equity in 2019 and 2018, and thus the Company did not record related income tax.

(30) Income tax

Based on the amendments to the Income Tax Act announced on February 7, 2018, the Company’s applicable corporate income tax rate for the year ended December 31, 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%.

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

The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2019	2018
Current income tax expense (income):		
Current income tax charge	$(224,273)	$(82,543)
Adjustment in respect of current income tax of prior period	(69,269)	-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	20,000	20,000
Total income tax (income) expense	$(273,542)	$(62,543)

Income tax expenses (income) recognized in other comprehensive income

There was not significant deferred income tax effect resulted from other comprehensive income and changes in equity in 2019 and 2018, and thus the Company did not record related income tax.

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2019	2018
Accounting income (loss) before tax from continuing operations	$2,602,337	$(10,705,449)
Tax at the domestic rates applicable to profits in the country concerned	$520,467	$(2,141,090)
Tax effect of revenues exempt from taxation	(6,209)	(8,379)
Tax effect of expenses not deductible for tax purposes	(1,193,905)	2,100,505
Other	15,207	9,190
Tax effect of deferred tax assets/liabilities	615,171	91,771
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	-	(31,997)
Income tax benefit from consolidated return system	(224,273)	(82,543)
Total income tax expense (income) recognized in profit or loss	$(273,542)	$(62,543)

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

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2019

	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Deferred tax assets			
Investments accounted for using the equity method	$592,510	$(592,510)	$-
Unrealized intragroup profits and losses	12,099	(328)	11,771
Loss allowance	79,061	355,929	434,990
Others	16,982	19,485	36,467
Subtotal	700,652	(217,424)	483,228
Deferred tax liabilities			
Investments accounted for using the equity method	(291,818)	291,818	-
Provision for net defined liability	(74,794)	(24,691)	(99,485)
Unrealized gain on foreign exchange	(169,306)	(2,844)	(172,150)
Reserve for land revaluation	(3,417)	-	(3,417)
Others	-	(66,859)	(66,859)
Subtotal	(539,335)	197,424	(341,911)
Deferred tax (expense)/ income		$(20,000)	
Net deferred tax assets/(liabilities)	$161,317		$141,317
Reflected in balance sheet as follows:			
Deferred tax assets	$700,652		$483,228
Deferred tax liabilities	$(539,335)		$(341,911)

For the year ended December 31, 2018

	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Deferred tax assets			
Investments accounted for using the equity method	$452,876	$139,634	$592,510
Unrealized intragroup profits and losses	12,659	(560)	12,099
Allowance for doubtful accounts	66,892	12,169	79,061
Others	10,033	6,949	16,982
Subtotal	542,460	158,192	700,652
Deferred tax liabilities			
Investments accounted for using the equity method	(184,940)	(106,878)	(291,818)
Provision for net defined liability	-	(74,794)	(74,794)
Unrealized gain on foreign exchange	(172,786)	3,480	(169,306)
Reserve for land revaluation	(3,417)	-	(3,417)
Subtotal	(361,143)	(178,192)	(539,335)
Deferred tax (expense)/ income		$(20,000)	
Net deferred tax assets/(liabilities)	$181,317		$161,317
Reflected in balance sheet as follows:			
Deferred tax assets	$542,460		$700,652
Deferred tax liabilities	$(361,143)		$(539,335)

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

The following table contains information of the unused tax losses of the Company:

	Tax losses for	Unused tax losses as of December 31,		Expiration
Year	the period	2019	2018	year
2018	$754,142	$323,481	$323,481	2028
2017	816,341	515,737	480,197	2027
2016	846,523	212,169	325,961	2026
2015	426,620	-	-	2025
2014	688,016	284,856	371,121	2024
2013	1,246,937	1,136,989	1,136,989	2023
2012	247,968	-	-	2022
2010	2,041,023	1,781,104	1,781,104	2020
2009	1,782,046	1,627,157	1,627,157	2019
	$8,849,616	$5,881,493	$6,046,010	

Unrecognized deferred tax assets

As of December 31, 2019, and 2018, the Company's unrecognized deferred tax assets amounted to NTD3,976,168 thousand, and NTD4,013,880 thousand, respectively.

The assessment of income tax returns

As of December 31, 2019, the assessment of the income tax returns of the Company through 2016.

(31) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31, 2019	For the years ended December 31, 2018
Basic and diluted earnings (loss) per share:		
Net income (loss) (in thousands of NTD)	$2,875,879	$(10,642,906)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share (in thousands)	2,310,335	2,238,595
Basic and diluted earnings (loss) per share	$1.24	$(4.75)

There were no other transactions involving ordinary shares or potential ordinary shares between the balance sheet date and the issuance date of the financial statements.

7. Related party transactions

Related parties and relationship

Name of related parties	Relationship with the Company
Tatung University	Significant influence over the Company
Tatung Senior High School	Significant influence over the Company
Chunghwa Picture Tubes, Ltd. (“CPT”)	Subsidiaries
Tatung System Technologies Inc. (“TSTI”)	Subsidiaries
Forward Electronics Co., Ltd. (“FD”)	Subsidiaries
San Chih Semiconductor Co., Ltd.(“SCSC”)	Subsidiaries
Tatung Fine Chemicals Co., Ltd.	Subsidiaries
Central Research Technology Co.	Subsidiaries
Tatung Consumer Products (Taiwan) Co., Ltd.	Subsidiaries
Shan-Chih Asset Development Co. (“SCAD”)	Subsidiaries
Tatung Die Casting Co.	Subsidiaries
Tatung (Thailand) Co., Ltd.	Subsidiaries
Tatung Co. of Japan Inc.	Subsidiaries
Tatung Electronics (S) Pte. Ltd.	Subsidiaries
Tatung Co. of America Inc.	Subsidiaries
TMX Logistics, Inc	Subsidiaries
Tatung Electric Company of America, Inc.	Subsidiaries

Name of related parties	Relationship with the Company
TATUNG CZECH S.R.O	Subsidiaries
Tatung Medical Healthcare Technologies Co., Ltd.	Subsidiaries
Toes Opto-Mechatronics Co.	Subsidiaries
Tatung Vietnam Co. Ltd.	Subsidiaries
Tatung Electric Technology (VN) Co., Ltd.	Subsidiaries
Shan Chih Investment Co., Ltd.	Subsidiaries
Chih Sheng Investment Co., Ltd.	Subsidiaries
Taipei Industry Corporation	Subsidiaries
Tatung Forever Energy Co., Ltd.	Subsidiaries
Tatung Forestry and Construction Co.	Subsidiaries
Sheng Yang Energy Co., Ltd.	Subsidiaries
Tungyang Energy Co., Ltd.	Subsidiaries
Tatung (Shanghai) Co., Ltd	Subsidiaries
Tatung Information Technology (Jiangsu) Co., Ltd.	Subsidiaries
HEDA Biotechnology Co., Ltd.	Subsidiaries
Tisnet Technology Inc.	Subsidiaries
Chyun Huei Commercial Technologies Inc.	Subsidiaries
Tatung Compressors (ZHONGSHAN) Co., Ltd.	Subsidiaries
Chunghwa Electronics Development Co., Ltd.	Subsidiaries
Tatung Science and Technology, Inc.	Subsidiaries
Green Energy Technology Inc. (“GET”)	Note 1
Hsieh-Chih Industrial Library Publishing Co.	Associates
Gintung Energy Co., Ltd.	Associates
Weifang Great Energy Trading Co., Ltd.	Associates
Tatung SM-Cyclo Co.	Associates
Tatung Okuma Co., Ltd.	Associates
Elitegroup Computer Systems Co., Ltd.	Associates
Kuender Co., Ltd.	Associates
Nature Worldwide Technology Corp.	Associates
The United Employees’ Welfare Committee of Tatung	Other related party
The Employee Welfare Committee of Tatung Company	Other related party
The Employee Welfare Committee of Tatung Consumer Products (Taiwan) Co., Ltd.	Other related party
Association of Tatung Company (Taoyuan)	Other related party

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

If the transaction amount of single related party doesn't reach 10% of the transaction total amount, it will be combined to present with others.

Note 1: Green Energy Technology Co., Ltd. ("GET") resolved at its board meeting to withdraw its public issuance and passed the liquidation proposal on July 15, 2019. The dissolution and liquidation proposal was approved by the provisional shareholders' meeting on August 30, 2019. The liquidator assumed office on August 30, 2019. As the Company lost control of GET and its subsidiaries, they were no longer related parties to the Company.

Note 2: Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. were no longer the subsidiaries of the Group since August 30, 2019. However, the Company had significant influence on Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. They still were associates accounted for using equity method.

Note3: The Company entered into a contract to sell 36.33% shares of Tatung Sm-Cyclo Co., Ltd. in the third quarter of 2019 and such transaction was completed in the fourth quarter of 2019. The Company's shareholding percentage decreased from 85.33% to 49%, therefore the Company lost control of Tatung Sm-Cyclo Co., Ltd. However, the Company had significant influence on Tatung Sm-Cyclo Co., Ltd. so they still were associates accounted for using equity method.

(1) Sales (including leasing revenue)

	For the years ended December 31,	
	2019	2018
Entity with joint control or significant influence over the Company	$1,274	$1,887
Subsidiaries		
Tatung Consumer Products (Taiwan) Co., Ltd.	2,877,503	3,178,567
Others	670,610	1,246,700
Associates	58,444	67,497
Other related parties	4,449	398
Total	$3,612,280	$4,495,049

The sales price to related parties was determined through mutual agreement based on market conditions. The collection terms for domestic related parties were 90 days, equivalent to those for domestic third parties; the collection terms for foreign related parties were 30-180 days, equivalent to these for foreign third parties.

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

(2) Purchase

	For the years ended December 31,	
	2019	2018
Subsidiaries		
Tatung Co. of Japan, Inc.	$584,722	$439,552
Gintung Solar Energy Co., Ltd. (Note)	385,051	235,005
Other	874,584	908,308
Associates		
Elitegroup Computer Systems Co., Ltd.	446,732	492,473
Gintung Solar Energy Co., Ltd. (Note)	50,770	-
Other	13,637	-
Total	$2,355,496	$2,075,338

Note: Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. were no longer subsidiaries of the Group since August 30, 2019. However, the Company had significant influence on Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. They still were associates accounted for using equity method.

The purchase price from related parties was determined through mutual agreement based on market conditions. The payment terms to related parties and third parties for domestic purchases were both net 30-150 days, while the terms for overseas purchases were both net 30-120 days.

(3) Contract assets - current

	As of December 31,	
	2019	2018
Subsidiaries	$4,786	$10,321
Less: loss allowance	-	-
Net	$4,786	$10,321

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

(4) Accounts receivable – related parties

	As of December 31,	
	2019	2018
Entity with joint control or significant influence over the Company	$46	$13
Subsidiaries		
Tatung Consumer Products (Taiwan) Co., Ltd.	1,562,795	1,543,886
Others	118,993	288,816
Associates	13,597	10,538
Total	1,695,431	1,843,253
Less: loss allowance	(1,023)	(781)
Sales returns and allowances	-	(3,315)
Net	$1,694,408	$1,839,157

(5) Others receivable – related parties (current and non-current)

	As of December 31,	
	2019	2018
Reclassified from accounts receivable due to over-due:		
Entity with joint control or significant influence over the Company	$281	$876
Subsidiaries (Note 3)		
Chunghwa Picture Tubes, Ltd. (Note 2)	2,064,595	2,067,050
Tatung Information Technology (Jiangsu) Co., Ltd	518,235	540,816
Green Energy Technology Inc.	(Note 1)	1,330,440
Shan-Chih Asset Development Co.	269,724	483,104
Others	668,955	532,376
Associates	5,295	6,057
Total	3,527,085	4,960,719
Less: loss allowance	(71,122)	(52,472)
Net	3,455,963	4,908,247
Non-current portion (Reclassified as non-current assets)	(2,585,354)	(3,951,987)
Current portion	$870,609	$956,260

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

Note 1: Green Energy Technology Co., Ltd. (“GET”) resolved to withdraw its public issuance and passed the proposal to liquidate the company at the board meeting held on July 15, 2019. The proposal for dissolution and liquidation of the company was passed by the provisional shareholders’ meeting held on August 30, 2019. The liquidator assumed office on August 30, 2019. As the Company lost control of GET and its subsidiaries, they were no longer the related parties to the Company.

Note 2: The Company provided an endorsement in the amount of NTD2 billion to Chunghwa Picture Tubes, Ltd. for its bank loans. As Chunghwa Picture Tubes, Ltd. applied for financial structuring, banks offset the NTD2 billion endorsement against the loans. Hence, the endorsement provided by the Company had become a claim against Chunghwa Picture Tubes, Ltd. and was recognized as financing provided to Chunghwa Picture Tubes, Ltd.

Note 3: In accordance with IFRS, the receivables and payables from subsidiaries were all written off when preparing the consolidated financial statements and therefore the Company recognized the investment losses in accordance with accounting standards for the allowance loss if any when preparing the parent company only financial statements.

(6) Prepayments

	As of December 31,	
	2019	2018
Subsidiaries		
Tatung (Shanghai) Co., Ltd	$37,073	$-
Gintung Energy Co., Ltd.	(Note)	285,839
Other	51,711	7,067
Associates		
Gintung Solar Energy Co., Ltd.	105,193	(Note)
Total	$193,977	$292,906

Note: Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. were no longer the subsidiaries of the Group since August 30, 2019. However, the Company had significant influence on Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd, therefore they still were associates accounted for using equity method.

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

(7) Prepayments for business facilities

	As of December 31,	
	2019	2018
Subsidiaries		
Gintung Solar Energy Co., Ltd.	(Note)	$15,597
Other	$5,800	-
Associates		
Gintung Solar Energy Co., Ltd.	123,666	(Note)
Total	$129,466	$15,597

Note: Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. were no longer the subsidiaries of the Group since August 30, 2019. However, the Company had significant influence on Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd, therefore they still were associates accounted for using equity method.

(8) Contract liabilities - current

	As of December 31,	
	2019	2018
Subsidiaries	$-	$16

(9) Accounts payable – related parties

	As of December 31,	
	2019	2018
Subsidiaries		
Tatung System Technologies Ltd.	$17,495	$133,376
Tatung Information Technology (Jiangsu) Co., Ltd.	41,168	47,027
Tatung Co. of Japan, Inc.	4,541	5,305
Tatung Forestry and Construction Co.	50,584	-
Others	74,484	93,669
Associates		
Elitegroup Computer Systems Co., Ltd.	130,504	171,030
Other	28,622	-
Total	$347,398	$450,407

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

(10) Other payable– related parties (Non-financial provided)

	As of December 31,	
	2019	2018
Entity with joint control or significant influence over the Company	$573	$207
Subsidiaries		
Tisnet Technology Inc.	10,555	20,570
Tatung System Technologies Inc.	18,717	18,291
Tatung Consumer Products (Taiwan) Co., Ltd.	21,591	15,756
Tatung Forever Energy Co., Ltd.	63,662	9,442
Others	9,758	8,780
Associates	22,765	7,417
Other related parties	50	50
Total	$147,671	$80,513

(11) Other payables (Financing provided)

As of December 31,2019

	Maximum balance	Ending balance	Interest payable	Interest expense	Interest rate
Subsidiaries					
Shan-Chih Asset Development Co.	$2,450,000	$1,950,000	$-	$64,160	3.5%

As of December 31,2018

None.

(12) Acquisition of property, plant and equipment and intangible assets

	Acquisition proceeds	
	2019	2018
Subsidiaries		
Tatung Forever Energy Co., Ltd.	$64,721	$87,200
Gintung Solar Energy Co., Ltd.	22,283	16,788
Others	33,381	19,589
Associates		
Gintung Solar Energy Co., Ltd.	47,240	(Note)
Other	227	619
Total	$167,852	$124,196

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

Note: Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd. were no longer the subsidiaries of the Group since August 30, 2019. However, the Company had significant influence on Gintung Energy Co., Ltd. and Weifang Great Energy Trading Co., Ltd, therefore they still were associates accounted for using equity method.

(13) Lease

Right-of-use

	As of December 31,	
	2019	2018 (Note)
Subsidiaries		
Shan-Chih Asset Development Co.	$219,439	
Other	30,640	
Other related parties	375	
Total	$250,454	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Lease liabilities (current and non-current)

	As of December, 31	
	2019	2018 (Note)
Subsidiaries		
Shan-Chih Asset Development Co.	$221,700	
Other	31,073	
Other related parties	379	
Net	253,152	
Non-current portion	(9,442)	
Current portion	$243,710	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

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

Interest expense

	As of December, 31	
	2019	2018 (Note)
Subsidiaries		
Shan-Chih Asset Development Co.	$6,624	
Other	784	
Other related parties	13	
Total	$7,421	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(14) Compensation of key management personnel

	For the years ended December 31,	
	2019	2018
Short-term employee benefits	$33,861	$37,066
Post-employment benefits	280	154
Total	$34,141	$37,220

(15) Operating expense－rent expenditure

	For the years ended December 31,	
	2019	2018
Entity with joint control or significant influence over the Company	$30	$30
Subsidiaries		
Tatung System Technology Inc.	402	1,024
Chyun Huei Commercial Technology Inc.	385	204
Tisnet Technology Inc.	702	2,449
Shan-Chih Asset Development Co.	-	125,815
Others	-	53
Total	$1,519	$129,575

There were no significant differences in terms of rental between related parties and arm’s length transactions. The rent was decided by the local market, location, floor, and size.

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

(16) Notes endorsement and guarantee

The balances of guarantees that the Company provided for related parties as of December 31, 2019 and 2018 were as follows:

Name of related parties	Purpose	December 31, 2019
Tatung Company of Japan, Inc.	Pledged for financing	NTD 1,119,320 thousand
San Chin Semiconductor Co., Ltd.	Pledged for financing	NTD 60,000 thousand

Name of related parties	Purpose	December 31, 2018
Tatung Company of Japan, Inc.	Pledged for financing	NTD 1,553,200 thousand

The chairman of the Company guaranteed part of the bank loans for the Company.

Please refer to Note 6 (20) for more details

8. Assets pledged as security

The following table lists assets of the Company pledged as collateral:

	Carrying amounts as of December 31,		
	2019	2018	Purpose of pledge
Machines and other Equipment	$936,751	$1,004,494	Loans
Financial assets measured at amortized cost	2,070,955	1,185,888	Construction security deposit and loans
Investments accounted for under the equity method	1,685,100	1,998,052	Loans and commodity tax controversy
Total	$4,629,806	$4,188,434	

In addition to the pledged assets listed above, the Company pledged the property, plant and equipments of subsidiaries as collateral for loans.

9. Commitments and contingencies

(1) The promissory notes issued by the Company to secure bank loans, construction performance bond and tariff guarantee amounted to NTD1,667,798 thousand.

(2) The Company's unused letters of credit for importing raw materials and machinery amounted to NTD15,911 thousand, USD6,137 thousand, EUR3,183 thousand, JPY11,581 thousand, and RMB1,624 thousand.

(3) Performance bond issued by financial institutions amounted to NTD423,931 thousand.

(4) The Company applied credit lines to Mega International Commercial Bank, Bank of 'Taiwan, Chang Hwa Bank, and First Commercial Bank on behalf of Tatung Co., of Japan, Inc. by issuing the promissory notes amounted to NTD492,800 thousand, JPY1,200,000 thousand, JPY650,000 thousand and JPY420,000 thousand, respectively.

(5) The Company applied for credit lines to Hua Nan Commercial Bank on behalf of San Chih Semiconductor Co., Ltd. and posted guarantee in the amount of NTD60,000 thousand. As of December 31, 2019, the balance of the guarantee provided by the Company amounted to NTD56,000 thousand. As the same time, the guarantee amount decrease to NTD56,000 thousand.

(6) As of December 31, 2019, the significant contingencies and unrecognized contract commitments of the Company are as follows:

A. This trial is the merger of three trial into one case. The Company filed actions against two contractors: King Pro Group ("King Pro") and J Ka Hung Exhibition Co., Ltd. ("Ka Hung") for failure to perform the engineering contract while King Pro and Ka Hung jointly filed an action against the Company for the repayment of construction funds. The company registration database from the Ministry of Economic Affairs showed that King Pro was closed and Ka Hung has been ordered to be dissolved and liquidated, and neither King Pro nor Ka Hung registered any asset. In addition, because King Pro and Ka Hung had disputes about the damages caused by the re-contracting of the Company, the Company then requested the court for an appraisal. The documents that the court demanded the Company to provide was not easy to find because it was old information and employees of the contractor changed. Furthermore, the appraisal fee and the cost of selecting a liquidator for Ka Hung are still required in the litigation process. Even if the Company wins all or part of the action, the defendant had no assets to carry out the compulsory enforcement, so the attorney proposed to withdraw the actions against King Pro and Ka Hung, to retrieve the provisional seizure security and withdraw the action to receive 2/3 refund the litigation fee. There would be no further cost from the appraisal and selection of a liquidator. So the Company focused on defending the cases against King Pro and Ka Hung for the return of the project fee. At present, the attorney has filed to the court to change the date of the court session. After the Company has internal discussion on the case, they will report the conclusion to the court.

B. The Company was engaged in a construction project with Taiwan Railways Administration, MOTC (“Taiwan Railways”). There is still a dispute regarding the overdue fine charged by Taiwan Railways as the Company did not complete the project on time. The Company had engaged an attorney to file a mediation to the Public Construction Commission. The Company engaged in integration of logistics system (“Taiwan Railways- Case A”) and inspection of completion of the project was rejected by Taiwan Railways for more than 3 years because the requirements changed and that Case A needed to be integrated with the accounting system (“Taiwan Railways- Case B”). The Company filed to the Taipei District Court on August 8, 2018 to claim inspection of Case A and the final payment. The Company was engaged in the integration of accounting system (“Taiwan Railways- Case B”). Because the requirements changed frequently and inspection of completion was rejected, so the Company filed to the Taipei District Court to request inspection of completion of Case B and the final payment. Both cases are undergoing the appraisal process and waiting for a result. No major development as of now.

C. The Company and Toshiba Electronics Components Taiwan Corporation (“Toshiba”) signed a contract regarding “the purchase and the assembly of motor and fan of the Taiwan Railways TILTING train and EMU800 train”. The Company completely followed the blueprint of Toshiba, but Toshiba claimed that the products were faulty and claimed damages amounting to NTD58,125 thousand, requiring the Company to pay. The Chinese Arbitration Association, Taipei made a judgement that it wouldn’t handle this case because it had no jurisdiction. Toshiba also filed an arbitration in Tokyo. The Japan Commercial Arbitration Association issued the final arbitration award on June 14, 2019 and considered that there was no further investigation needed and made the final judgement. Both parties reached a settlement on November 11, 2019 and Toshiba withdrew the action.

D. Hwang Chang General Contractor Co., LTD (“Hwang Chang”) was engaged in a construction project led by the East District Project Office of the Department of Rapid Transit Systems, Taipei City Government: “Taipei Urban Metro System Circular Line Sections CF640 to CF641A Electricity, Plumbing and Environmental Control Construction.” Such project was outsourced to the Company on August 3, 2014. However, the Company deemed that Hwang Chang delayed in delivering the construction site for about a year during the contract period. The Company could not start the construction and collect payments following the delay. Hence, the construction cost was a lot higher than expected. The Company terminated the contract after giving notice to Hwang Chang. Afterwards, Hwang Chang claimed against the Company for damages of price differences between contract prices with other subcontractors. The Company lost in the first instance and appealed. Both parties reached a settlement on January 9, 2020.

E. On March 31, 2015, the Company outsourced the “Office relocation and expansion of Taiwan Taoyuan District Court and new construction project of Dang Cheng Building” to Da Hong Chung Technical Engineering Co., Ltd (“Da Hong Chung”). The Company deemed that Da Hong Chung did not assign sufficient workers as contracted and hence delayed the construction progress. The Company notified Da Hong Chung to increase manpower for the project. However, Da Hong Chung refused to do so because it claimed that the Company had not paid the additional construction fee. The Company terminated the contract on October 19, 2017 and would claim damages against Da Hong Chung for the delay when the construction is completed. Da Hong Chung filed a legal action to the Taiwan Taipei District Court to claim its construction receivable in February 2018. The case was transferred to an appraisal and waiting for a response.

F. United Aerotech System Corporation filed a legal action against the Company on January 6, 2010, claiming payments of consultant fees amounting to NTD1,490 thousand. Both parties reached a settlement in 2017. However, on March 12, 2018, the Company received the indictment from United Aerotech System Corporation claiming consulting fee amounting to NTD32,643 thousand. The Company had appointed attorneys to handle the issue. The court has required United Aerotech System Corporation to present detailed evidence and to explain the reasons and necessity. The court declared the Company was the prevailing party on September 27, 2019 and United Aerotech System Corporation filed for a trial. Both parties could not reach a settlement on March 10, 2020. The judge urged if the trial could be concluded by mediation, so the next mediation court will be held on April 30, 2020.

G. The Company was engaged in a smart electrical meter project with Taiwan Power Company, (“Taiwan Power”). The Company delivered the products according to the purchase contracts signed and finished the inspection and acceptance, and payment collection. However, there is still a dispute regarding the warranty coverage of “Meter Interface Unit” of the smart electrical meter. The mediation Committee was held on July 27, 2018, the Company agreed with the mediation, but Taiwan Power did not. Hence, the Company turned to the Public Construction Commission and it was determined by members in the appeals committee that the Company was not responsible for the warranties. Therefore, the claim of Taiwan Power was groundless. Because Taiwan Power still requires the Company to perform its warranty obligations, the Company has filed an action. In this case, because the two parties could not reach a consensus on the mediation process on February 20, 2020, this case was transferred to the civil court, pending a court opening notice.

H. Based on the “Related party transaction percentage of listed companies after the completion of acquisition and the commitment of future sales of listed companies” signed on September 11, 2014 by Chunghwa Picture Tubes (Bermuda) Ltd. (“CPTB”) and Chunghwa Picture Tubes Technology (Labuan) Ltd.("CPTTG (L)”), CPTTG filed an action against Chunghwa Picture Tubes (Bermuda) Ltd. (“CPTB”) in December 2018 in the Higher People's Court of Fujian, claiming payment in the amount of RMB 1.914 billion. On March 28, 2019, the Company and Chunghwa Picture Tubes Ltd. (“CPT”) were added as defendants in the above-mentioned litigation. The Company received documents through EMS mail from the Higher People's Court of Fujian the following day, including the “Civil complaint”, “Notification of response”, “Notification of proof”, ”Evidence list”, “Supplemental evidence list”, “Notification of service address of the party”, “Return of service certificate”, “Summons”, “Notification of members of the panel of judges”. The above-mentioned "Civil Complaint" made the following claims:

(1) CPTB, Defendant One, shall pay RMB 1.914 billion to CPTTG.
(2) The Company, i.e. Defendant Two, and CPT, i.e. Defendant Three, shall be joint liable for the above-mentioned compensation in the amount of RMB 1.914 billion.
(3) All court costs and expense shall be borne by the three defendants.

The above-mentioned documents showed that the exchange of evidence was made on May 21, 2019, and the court hearing time was set on May 22, 2019.

On May 10, 2019, the Company inquired about CPTTG's 2019-054 "Progress Announcement on the Filing of Litigation" and learned that CPTTG (L) has applied to the Higher People's Court of Fujian to increase the amount of the claim to RMB 3,029,027,800 based on its 2018 audit results. In addition, the content of CPTTG announcement also stated that due to the objection regarding jurisdictional raised by the Company and CPT, the original evidence exchange time set on May 21, 2019 and the hearing time set on May 22, 2019 will be postponed.

The Company re-checked CPTTG's 2019-114 “Progress Announcement on the Filing of Litigation” on July 19, 2019 and learned that Civil Ruling 2019-Min-Min-Chu No. 1-1 and Civil Ruling 2019-Min-Min-Chu No. 1-2 have been served by the Higher People's Court of Fujian.

According to CPTTG 2019-018 announcement, CPTTG filed property preservation to the court against CPTB on January 8, 2019, and submitted the supplement document on January 16, 2019.

The above-mentioned Civil Ruling 2019-Min-Min-Cchu No. 1-1 was the decision made by the court which approved CPTTG's application to preserve CPTB's property; Civil Ruling 2019-Min-Min-Chu No. 1-2 was the decision made by the court regarding the application for jurisdictional objections filed by CPT and the Company. The decision was as follows:

(a) The objection regarding jurisdiction raised by the Company and CPT was dismissed.
(b) The fee for the jurisdiction objections was RMB 100, which shall be borne by the Company and CPT jointly at RMB 50 each.

On August 27, 2019, the Company inquired about CPTTG's Shenzhen Stock Exchange 2019-130 "Progress Announcement on the Filing of Litigation" and learned that the Company has been served the "Civil Appeal Brief" and CPT has been served the "Jurisdiction Objection Appeal Brief" sent by the court

On October 8, 2019, the Fujian New-Stone Law Firm which was retained by the Company and received the Notice of Acceptance of Appeal Case 2019-Zui-Gao-Yuan-Min-Xia-Zhong-No. 467 sent by the Higher People's Court of China. The Court accepted this appeal case following a review and notified the Company to submit a copy of the business license and the legal representative's identity certificate; if any litigious agent was engaged, a power of attorney shall be submitted.

On October 11, 2019, the Company inquired about CPTTG 's Shenzhen Stock Exchange 2019-140 "Progress Announcement on the Filing of Litigation" and learned that the company received an Appeal Notification 2019-Zui-Gao-Fa-Min-Xia-Zhong No.467 to notify the company to respond.

With respect to whether the Company shall be held jointly liable, the Company deemed that: In 2009, the Company, CPT, CPTB and CPTTG (L) made various commitments to CPTTG following the asset reorganization as shown in the following table. However, the Company only signed the commitment letters from No. 7 to No. 12 and No. 19 in the table. In addition, in 2014, with approval from the shareholders' meeting, CPTTG changed the "Commitment about not reducing shareholding interest in the listed company." and " Commitment of the proportion of related party transactions of listed companies after the acquisition". The original commitments therefore expired and the amendment to the previous commitments in 2014 were only executed by CPTB and CPTTG (L). Neither the Company nor CPT were involved. So, the Company believed that this joint liability was no longer effective. Furthermore, CPTB has lost control of CPTTG.

CPTTG's ground for the claim was the recognition of the loss allowance. The timing of the recognition was after CPT lost control, during which time the commitment already expired. The claim against CPTB remained doubtful, and CPT's receivables were payables of CPTTG, which were not related to the Company. As a result, according to IAS 37, it is not sufficient for the Company to evaluate whether there is any obligation that will lead to economic benefit outflow, and thus the Company did not recognize provisions for contingent liabilities.

In addition, the Company was of the view that the Court of the People's Republic of China had no jurisdiction over this case. Therefore, according to Article 127 of the Civil Procedure, an application for jurisdiction objection has been filed. On January 20, 2020, the Company received Civil Ruling 2019-Zui-Gao-Fa-Min-Xia-Zhong-No. 467 served by the Higher People's Court of the People's Republic of China.

The Supreme People's Court of the People's Republic of China ruled that the decision of the original trial (namely Civil Ruling 2019-Min-Min-Chu No. 1-2 made by Fujian Higher People's Court) shall be maintained as the facts were clear and laws were appropriately applied. The Company has made an announcement immediately and will discuss with the lawyer for the follow-up measures to protect the rights and interests of the Company, CPT and shareholders.

Since the case is at the procedural stage of determining jurisdiction, it has not entered into substantial litigation, and the counterparty has not fully proved the amount of claim, which currently has no impact on the Company.

The contents, contracting parties, signed date, expiration and execution and current status of each commitment in 2009 are summarized below:

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

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
1. Commitment about not reducing shareholding interest in the listed company. CPTB and CPTL made a commitment that from completing the acquisition to production of new next-generation LCD panel, CPTB and CPTTG(L) will not reduce their shareholding interests in Mindong Electric (Group) Co., Ltd.	CPTB and CPTTG(L)	December 31, 2008	On September 11, 2014, the special shareholders meeting of CPTTG approved by majority votes the revision to the commitments. This commitment was no longer vaild. No commitment was breached.
2. Commitment of not transferring shares of Mindong Electric (Group) Co., Ltd. in 3 years CPTB and CPTTG(L) committed that they will not transfer shares of Mindong Electric (Group) Co., Ltd. in the 3 years following Mindong Electric (Group) Co., Ltd.'s end of private issue.	CPTB and CPTTG(L)	January 16, 2009	Expired upon 3 years following CPTTG's public offering (2012). This commitment was no longer vaild. No commitment was breached.
3. Commitment of the performance after public issues CPTB and CPTTG (L) committed that as long as the legal and policy factors around the operating environment of the 4 LCM Companies remain unchanged, the ROE of Mindong Electric (Group) Co., Ltd. will not be less than 10% when the proportion of related party transactions of Mindong Electric (Group) Co., Ltd. had not been reduced to below (and not including) 30% after the acquisition within one accounting year. CPTB will make up the difference by cash if the ROE is less than 10%. If the proportion of related party transactions of Mindong Electric (Group) Co., Ltd. recovered to more than 30% (including 30%) of all transactions in the subsequent accounting year, CPTB and CPTTG (L) commit that the ROE will not be less than 10%. CPTB will also make up the difference by cash if the ROE is less than 10%.	CPTB and CPTTG(L)	January 16, 2009	On the September11, 2014, the CPTTG Annual Shareholder Meeting passed the revised commitments. This commitment was no longer vaild. No commitment was breached.

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

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
4. Commitment about the profitability of Mindong Electric (Group) Co., Ltd. in the next 3 years CPTB and CPTTG (L) committed that after the asset settlement date of Mindong Electric (Group) Co., Ltd. in 2009, the consolidated net income attributable to owners of parent will not be less than the amount calculated below: RMB0.295 billion/ 12 * M (M: the numbers of months that the assets were acquired by the listed company.) In 2010, the consolidated net income attributable to owners of parent was not less than RMB0.346 billion; In 2011, the consolidated net income attributable to owners of parent was not less than RMB0.346 billion. If Mindong Electric (Group) Co., Ltd. could not meet the performance goal, CPTB will make up the shortfall by cash.	CPTB and CPTTG(L)	January 16, 2009	Expired on December 31, 2011. This commitment was no longer vaild. No commitment was breached.
5. Commitment of the proportion of related party transactions of listed companies after the acquisition CPTB and CPTTG (L) committed that from the day the acquisition was completed until December 31, 2010, the proportion of related party transactions of Mindong Electric (Group) Co., Ltd. would be reduced to below 30% (not including 30%) and would maintain the same level in the subsequent years. If the proportion of related party transactions is not reduced to lower than 30% (not including 30%) by December 31, 2010, CPTB will give 4,546,719 shares to all shareholders (except for CPTB and CPTTG(L)) of Mindong Electric (Group) Co., Ltd.	CPTB and CPTTG(L)	January 16, 2009	Expired on December 31,2010. This commitment was no longer vaild. No commitment was breached.
6. Supplementary commitment of the proportion of related party transactions after listed CPTB and CPTTG(L) committed that after the material asset restructuring, the proportion of related party transactions will be lower than 60% in December 2009; the proportion of related party transactions will be lower than 30% (not including 30%) in December 2010; the proportion of related party transactions will continue to be lower than 30% (not including 30%) from 2011.	CPTB and CPTTG(L)		On the September11, 2014, the CPTTG Annual Shareholder Meeting passed the revised commitments. This commitment was no longer vaild. No commitment was breached.

Commitments listed/Contents	Contracting parties	Signed Date	Expiration and Execution
7. Commitment letter regarding restriction and reduction of related party transactions (A) The Company, CPT, CPTB, CPTTG (L) and their subsidiaries should strictly follow the fair and reasonable standard and guarantee that they do not harm the shareholders' interest when making transactions with Mindong Electric (Group) Co., Ltd. (B) The Company, CPT, CPTB, CPTTG(L) and their subsidiaries should strictly follow the "Stock Listing Rules of the Shenzhen Stock Exchange", "Articles of Association of Mindong Electric (Group) Co., Ltd.", and "Decision system of related party transactions" when making transactions with Mindong Electric (Group) Co., Ltd. (C) As the business integration of Mindong Electric (Group) Co., Ltd. continues, the Company, CPT, CPTB, CPTTG (L) and their subsidiaries should reduce the related party transactions with Mindong Electric (Group) Co., Ltd. (D) After the restructure, Mindong Electric (Group) Co., Ltd. started to manufacture LCD panel for CPT and its subsidiaries, as a result, there were more related party transactions between Mindong Electric (Group) Co., Ltd. and CPT Group. The Company, CPT, CPTB and CPTTG(L) committed that the intercompany OEM price should refer to market price if the OEM rate is available, or the price Mindong Electric (Group) Co., Ltd. manufactures for other third parties or cost mark-up if the OEM rate is not available to make sure the OEM profit is generated reasonably.	CPTB, CPTTG (L), CPT and the Company	January 16, 2009	If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitments shall expire. No commitment was breached.

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
8. Commitment of non-competition with listed companies in the industry CPTB, CPTTG (L), CPT and the Company confirmed that CPTF Optronics Co., Ltd. produced small and medium size LCD module. The small and medium size LCD moduleproduced by CPTF Optronics Co., Ltd. and the large size LCD modulesproduced by the 4 LCM Companies do not compete. Additionally, from then on, the Company, CPT, CPTB, CPTTG (L) and their subsidiaries cannot engage in similar business as Mindong Electric (Group) Co., Ltd. and its subsidiaries within and outside China, including investment, acquisition and combination with other entities that engage in similar business as Mindong Electric (Group) Co., Ltd. The Company, CPT, CPTB, CPTTG (L) and their subsidiaries cannot engage in similar business that Mindong Electric (Group) Co., Ltd. and its subsidiaries newly invested in, including investment with de facto control, acquisition and combination with other entities, within China.	CPTB, CPTTG (L), CPT and the Company	January 16, 2009	If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitments shall expire. No commitment was breached.
9. Commitment about the operation independence of the listed company CPTB, CPTTG(L), CPT and the Company committed to keep Mindong Electric (Group) Co., Ltd.'s assets, employees, finance, organization and business independent. Specifically: (A) Maintain Mindong Electric (Group) Co., Ltd.'s and its subsidiaries' assets independent and intact: Mindong Electric (Group) Co., Ltd. and its subsidiaries will have the abilities of production; build operating systems; own property, plant and equipment related to manufacture; have the right to use trademark, patent and knowledge. (B) Independence of employees: ① All management, such as general manager, vice president, finance manager and board secretary of Mindong Electric (Group) Co., Ltd. do not serve other positions (except for directors or Supervisor) and receive payroll from other entities held by the undersigned of the commitment.	CPTB, CPTTG (L), CPT and the Company	January 16, 2009	No commitment was breached.

Commitments listed/Contents	Contracting parties	Signed Date	Expiration and Execution
② The finance personnel of Mindong Electric (Group) Co., Ltd. do not serve other positions in other entities held by the undersigned of the commitment. (C) Independence of finance: ① Mindong Electric (Group) Co., Ltd. will establish an independent financial system to make independent financial decisions, have a financial accounting system in place and a financial management system that governs the branches and subsidiaries. ② Mindong Electric (Group) Co., Ltd. does not share bank accounts with the undersigned of the commitment and its subsidiaries. (D) Independence of organization: Mindong Electric (Group) Co., Ltd. will establish a well-defined and structured internal division to exercise independently the managing capacity, which will not involve any division controlled by Mindong Electric (Group) Co., Ltd. and its subsidiaries. (E) Independence of business:The undersigned of the commitment will strictly follow the “Commitment of non- competition in the industry” to keep the operation independent of Mindong Electric (Group) Co., Ltd. by avoiding the unfair related party transactions with the undersigned of the commitment.			
10. Commitment about the information disclosure CPTB, CPTTG (L), CPT and the Company committed that after Mindong Electric (Group) Co., Ltd. was approved of private issuance of shares, if the Company, CPT, CPTB and CPTTG(L) make any decisions related to business or any controls over Mindong Electric (Group) Co., Ltd., according to the responsibility of information disclosure under China regulations, they shall inform Mindong Electric (Group) Co., Ltd. and disclose the same content in R.O.C.	CPTB, CPTTG (L), CPT and the Company	January 16, 2009	If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitments shall expire. No commitment was breached.

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
11. Supplementary commitment of changes in business model of Shenzhen Huaxianjing Technology Co., Ltd. CPTB, CPTTG(L), CPT and the Company committed that, to comply with the "Commitment of non-competition in the industry", the changes in business model of Shenzhen Huaxianjing Technology Co., Ltd. would not cause competition. In addition, the "Commitment about the profitability of Mindong Electric (Group) Co., Ltd. in the next 3 years" and the "Commitment of the company's performance after it is listed" state that the net income of Mindong Electric (Group) Co., Ltd. will not be affected by the changes in business model of Shenzhen Huaxianjing Technology Co., Ltd. The related party transactions of Shenzhen Huaxianjing Technology Co., Ltd. under the new business model also follow "Commitment letter for the regulation and reduce of related party transactions" and "Supplementary commitment of the proportion of related party transactions after listed". CPT still grants patents based on "Commitment about the use of patent" after the changes in business model of Shenzhen Huaxianjing Technology Co., Ltd.	CPTB, CPTTG (L), CPT and the Company	March 31, 2009	If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitments shall expire. In addition, on April 9, 2013, the CPTTG 2012 Annual Shareholder Meeting passed the resolution "Regarding the sale of shareholding in the subsidiary," by which it sold its 75% shareholding in Shenzhen Huaxianjing Technology Co., Ltd. to China Star Optoelectronics International (HK) Limited. As such, this commitment was no longer valid. No commitment was breached.

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

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
12. Commitment and supplementary commitment about CPTF Visual Display (Fuzhou) Ltd. (“FVD”) and Fujian Huaxianjing Technology Co., Ltd. providing entrusted loans and guarantee for Xiamen Overseas Chinese Electronic Co., Ltd.CPTB, CPTTG (L), CPT and the Company committed that the entrusted loans and guarantee FVD and Fujian Huaxianjing Technology Co., Ltd. provided for Xiamen Overseas Chinese Electronic Co., Ltd. before the restructure of Mindong Electric (Group) Co., Ltd. would not cause damage to FVD’s and Fujian Huaxianjing Technology Co., Ltd.’s interests or affect Mindong Electric (Group) Co., Ltd shareholders’ interests. If any loss incurs, CPTB will make up for the loss by cash.	CPTB, CPTTG (L), CPT and the Company	March 31, 2009、July 7, 2009	No commitment was breached
13. Commitment about composition of board of directors of listed companies. CPTB made a commitment that after the restructuring, Mindong Electric (Group) Co., Ltd. would modify its articles of incorporation. The board of directors would be composed of 9 directors, including 5 independent directors who are based in China. During the period serving as the controlling shareholders of Mindong Electric (Group) Co., Ltd., half of the directors of the board are independent and are based in China and the directors will not make any modification to the listed companies’ articles of incorporation that contradicts with the above commitment.	CPTB	July 7, 2009	No commitment was breached.
14. Commitment about share repurchase CPTB made a commitment that if it fails to fulfill the obligation of sales reimbursement according to “Commitment about profitability of Mindong Electric (Group) Co., Ltd in the future 3 years.”, the board of directors of Mindong Electric (Group) Co., Ltd. are entitled to repurchase shares of CPTB to the extent permitted by applicable law to compensate the minority shareholders of Mindong Electric (Group) Co., Ltd. CPTB will recuse itself when discussing the share repurchase case during the board meeting of Mindong Electric (Group) Co., Ltd. to the extent permitted by applicable law and pursuant to the Articles of Incorporation of Mindong Electric (Group) Co., Ltd.	CPTB	July 27, 2009	Expired as of December 31, 2011. This commitment was no longer vaild. No commitment was breached.

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
15. Commitment about patents licensing CPT made a commitment that:A. It has already acquired the technology and patents required for manufacturing LCD module and has obtained necessary licensing. After restructuring of Mindong Electric (Group) Co., Ltd., CPT agreed to grant Mindong its patents related to the manufacturing of LCD module that it previously applied, gained approval or made public. Other related patents acquired later by CPT will also be granted to Mindong Electric (Group) Co., Ltd. The licensing is irrevocable and the effective period of the license is the effective period of the patent. If Mindong Electric (Group) Co., Ltd. utilized the patents mentioned above because of orders to manufacture LCD module from CPT or other entities controlled by CPT, CPT agreed to waive the patent fee. However, if the orders are from third parties, CPT would charge patent fee and the amount would be assessed by third party professional institution. Also, the amount would be approved by the board of directors of listed companies in China or shareholders meeting according to applicable law and the “Related transaction decision procedures ” established by listed companies in China. C. After restructuring Mindong Electric (Group) Co., Ltd., with respect to orders to manufacture LCD module from CPT or other entities controlled by CPT, CPT represented that Mindong Electric (Group) Co., Ltd. will not infringe the patents CPT owned and acquired from third parties by performing the contracts. If Mindong Electric (Group) Co., Ltd. is accused of infringing the abovementioned patents by third parties because of performing the contract, CPT would be held jointly liable for the related legal responsibilities. Also, the damage caused by Mindong Electric (Group) Co., Ltd. would be indemnified by CPT.	CPT	January 16, 2009	No commitment was breached.

Commitments listed/Contents	Contracting parties	Signed Date	Expiration and Execution
16. Supplementary commitment about the patent licensing CPT committed that for utilization of the applied, approved or public patents when Mindong Electric (Group) Co., Ltd. and its subsidiaries manufacture LCD module, CPT agreed to waive the patent fee. The supplementary commitment is effective from the day the restructuring of Mindong Electric (Group) Co., Ltd. took effect and will remain effective as long as CPT is the substantial controller of Mindong Electric (Group) Co., Ltd. However, if CPT is deemed to have lost control of Mindong Electric (Group) Co., Ltd. by the China Securities Regulatory Commission or Shenzhen Stock Exchange, the supplementary commitment will expire immediately.	CPT		If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitments shall expire. No commitment was breached.
17. Supplementary commitment about utilization of goodwill and patent licensing Contents: CPT committed that: A. After the restructuring of material assets of Mindong Electric (Group) Co., Ltd. the company and its subsidiaries do not have to pay any charges from the impact of CPT's goodwill. Mindong Electric (Group) Co., Ltd. and its subsidiaries will establish their own goodwill and gradually lessen the impact of CPT's goodwill on Mindong Electric (Group) Co., Ltd. and its subsidiaries. B. If CPT transfers its own patent registered in China, Mindong Electric (Group) Co., Ltd. will have the priority to buy it under the same terms. If such patent is transferred to any third party, CPT will assure Mindong Electric (Group) Co., Ltd. and its subsidiaries the effectiveness of the patent licensing. Also, per the transfer contracts, the transferee shall not interfere with the licensing of patents to Mindong Electric (Group) Co., Ltd. and its subsidiaries.	CPT		If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitment shall expire. No commitment was breached.

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
C. If CPT loses its patent and hence causes damage to Mindong Electric (Group) Co., Ltd. and its subsidiaries, CPT will be held accountable for the total cost for them to obtain legal right of use of such patent or alternative technology. D. If Mindong Electric (Group) Co., Ltd. and its subsidiaries require patent licensing from third parties because of manufacturing needs in the future, CPT will help them obtain related patent licensing using its industry status and experience. E. The supplementary commitment is effective from the day the restructuring of Mindong Electric (Group) Co., Ltd. takes effect and will remain effective as long as CPT is the substantial controller of Mindong Electric (Group) Co., Ltd. However, if CPT is deemed to have lost control of Mindong Electric (Group) Co., Ltd. by the China Securities Regulatory Commission or Shenzhen Stock Exchange, the supplementary commitment will expire immediately.			
18. Commitment about CPT's joint liability CPT committed that it assumes joint and several liability with respect to the commitment made by CPTB and CPTTG(L) about the shareholding interest of Mindong Electric (Group) Co., Ltd. sales performance and related party transactions. If CPTB and CPTTG(L) fail to adhere to the above commitment and need to make compensation, CPT would assume joint and several liability for such compensation.	CPT	January 16, 2009	No commitment was breached.

Commitments listed/Contents	**Contracting parties**	**Signed Date**	**Expiration and Execution**
19. "Commitment letter" about assuming joint and several liability Tatung Co., Ltd and CPT committed that with respect to the written commitment submitted by CPTB and CPTTG(L) to the China Securities Regulatory Commission for the private issue of Mindong Electric (Group) Co., Ltd., Tatung Co., Ltd and CPT will assume joint and several liability.	CPT TATUNG	July 7, 2009	If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitment shall expire. Part of the commitment has been expired and replaced by new commitment approved in CTPTG's shareholders' meeting on September 11, 2014 The Company did not issue new commitment or undertaking to bear the joint and several liability for the new commitment. No commitment was breached.

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

Commitments listed/Contents	Contracting parties	Signed Date	Expiration and Execution
20. Commitment about the restructuring party not reducing the shareholding interest of listed companies. CPTB 、CPTTG(L) approved the revision of the commitments :CPTB and CPTTG(L) withdrew the commitment that during the period from the completion of acquisition and second generation (above 7G) of largesize LCD panel product lines being injected to Mindong Electric (Group) Co., Ltd., CPTB and CPTTG(L) will not reduce their shareholding percentage of Mindong Electric (Group) Co., Ltd. The supplementary commitment of CPTB and CPTTG(L) "Motion of revising commitment of shareholders" was approved by at the shareholders meeting of CPTTG. After the completion of transfer of paid-in capital to share capital, shares of CPTB and CPTTG(L) will be listed and be entitled with the outstanding rights. Also, in the first 18 months after the "Motion of revising commitment of shareholders" is approved at the shareholders meeting of CPTTG, CPTB and CPTTG(L) will not decrease their shareholding of CPTTG.	CPTB CPTTG(L)	September 11, 2014	The revision expired on March 11, 2016 and is no longer applicable. No commitment was breached.
21. Related party transaction percentage of listed companies after the completion of acquisition and the commitment of future sales of listed companies. Revision of CPTB and CPTTG(L)'s commitment: Starting from 2014, during any account year, if the amount of related party transactions accounts for more than 30% of the sales during the same period and of the same transaction category (limited to materials purchase, sale of products and rendering of service involved in daily operations), the shareholders will need to assure that simulated consolidated calculation of rate of return of net assets of LCD module companies(please see below for specific scope) owned by CPTTG is not less than 10% (the calculation of rate of	CPTB CPTTG(L)	September 11, 2014	If confirmed by the China Securities Regulatory Commission or Shenzhen Stock Exchange that the control of Mindong Electric (Group) Co., Ltd. has been lost, the above commitment shall expire.

Commitments listed/Contents	Contracting parties	Signed Date	Expiration and Execution
return of net assets does not include Kornerstone Materials Technology Co. Ltd., a subsidiary and other companies that are expected to be acquired and merged and invested in the future). Also, CPTB and CPTTG will make up for the insufficient portion by cash. The commitment will expire from the shareholders of CPTB and CPTTG(L) lost control of the company. The simulated consolidated scope for calculating net assets of LCD module companies' rate of return of net assets is as follows: ① Net assets of CPTF Optronics Co., Ltd. and its subsidiaries ② Net assets of CPTW ③ Net assets of FDT ④ Net assets of CPT TPV Optical (Fujian) Co., Ltd. ⑤ Net assets of CPTTG(L) ⑥ Net assets of CPTTG less net assets increased from financing after this motion was approved at the shareholders meeting ⑦ When the above LCD module companies are no longer included in the consolidation because of being sold or shareholding percentage decrease, they will not be included in the calculation. The simulated consolidated scope for calculating net income of LCD module companies' rate of return of net assets is as follows: ① Net income of CPTF Optronics Co., Ltd. and its subsidiaries ② Net income of CPTW ③ Net income of FDT ④ Net income of CPT TPV Optical (Fujian) Co., Ltd. ⑤ Net income of CPTTG(L) ⑥ Net income of CPTTG ⑦ When LCD module companies are no longer included in the consolidation because of being sold or shareholding percentage reduced, they will not be included in the calculation.			

I. Hemlock Semiconductor Corporation ("Hemlock"), a supplier of silicon raw material, filed an action against Green Energy Technology Inc. ("GET") and Tatung Co. of America Inc. ("TUS"). A settlement was reached on September 21, 2018. The SUPPLY AGREEMENT, SETTLEMENT AGREEMENT, and LETTER AGREEMENT were signed upon settlement. GET would purchase raw material from Hemlock Semiconductor Corporation. Hemlock Semiconductor Corporation has withdrawn the action.

GET Group and TUS entered into a long-term purchase contract for materials with Hemlock in September 2018. Both parties agreed the minimum amount and purchase price from 2019 to 2029. The purchase quantity in 2019 was 5,000 tons. According to the contract, there is a non-cancellable installed prepayment in the amount of USD35,000 thousand in 10 years. The first payment of USD5,000 thousand was due on January 31, 2019, the second of USD 2,500 thousand was due on July 31, 2019. GET and TUS did not make the payment as scheduled. If failing to make the prepayments according to the contract, they could possibly face a claim as much as USD463,401 thousand. GET Group has recognized provisional loss in the amount of USD35,000 thousand (NTD1,075,025 thousand) under provision-noncurrent. As Hemlock was aware that GET had decided to file for liquidation to close down business in Taiwan, Hemlock still proposed a settlement of USD35,000 thousand to GET and TUS, but there was no conclusion. TUS filed an application for bankruptcy reorganization with the bankruptcy court on September 30, 2019 (Chapter 11). GET was ruled bankrupt by Taipei District Court on February 21, 2020. As of today, Hemlock did not make any claim against GET and TUS. Because TUS has a possible obligation to a long-term purchase contract for materials, the Group transferred USD35,000 of provision to TUS when assets and liabilities of GET are excluded due to loss of control over GET.

10. Significant disaster loss

None.

11. Significant subsequent events

(1) Xintong Investment Consulting Co., Ltd. applied for an injunctive relief with the Taiwan High Court on November 22, 2019, requesting that the chairman, directors and independent directors of the Company be prohibited from exercising the rights of the chairman, directors and company seal, and that three impartial professionals are appointed as temporary managers of the Company, to serve as chairman and board of directors. The Company received a notice from the Taipei District Court on January 7, 2020 and has appointed attorneys to work with the court. Subsequently, the case was transferred to the Taipei District Court for adjudication by the Taiwan High Court due to jurisdictional errors and was rejected by the Taipei District Court on February 27, 2020.

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

(2) Because of operation needs, the Company entered into a real estate lease contract (including land and buildings) with Shan-Chih Asset Development Co. with approval from the board of directors on February 13, 2020. The leased area increased by 12,334 square meters. The use-right-asset of real estate was adjusted to NTD224,050 thousand.

(3) The Company has signed a contract to sell 100% shares of Tatung Mexico S.A de C.V. on March 6, 2020. The buyer has paid 60% of the down payment according to the contract. Such transaction is expected to be completed within a year. The transaction was still ongoing as of the report date of the financial statement.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2019	2018
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	$15,004	$2,023
Financial assets at fair value through other comprehensive income (including non-current)	495,711	416,741
Financial asset amortized at cost:		
Cash and cash equivalents (excluding cash on hand and petty cash)	3,000,526	2,035,583
Financial asset amortized at cost (including non-current)	2,087,494	1,187,189
Contract asset	133,394	207,800
Notes receivable (including related parties)	126,322	203,934
Accounts receivable (including related parties)	3,722,055	4,164,973
Other receivables (including related parties) (including non-current)	3,594,349	5,006,218
Operating lease receivable (including related parties)	132	(Note)
Finance lease receivable (including related parties) (including non-current)	384,443	(Note)
Deposits out	387,317	521,616
Subtotal	13,436,032	13,327,313
Total	$13,946,747	$13,746,077

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

Financial liabilities

	As of December 31, 2019	As of December 31, 2018
Financial liabilities at amortized cost:		
Short-term loans	$1,528,691	$4,601,696
Short-term notes and bills payable	151,794	251,911
Payables (including related parties) (including non-current)	6,021,540	4,394,651
Long-term loans (including the current portion)	25,776,739	28,555,648
Lease liability (including non-current)	298,199	(Note)
Deposits in	1,079	1,050
Subtotal	33,778,042	37,804,956
Financial liabilities at fair value through profit or loss:		
Held-for-trading	2,808	-
Total	$33,780,850	$37,804,956

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(2) Financial risk management objectives and policies

The Company's risk management objectives are to manage market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on policy and risk preference.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, due approval process by the board of directors and audit committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise of currency risk, interest rate risk, and other price risk (such as equity price risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not consider the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD, JPY and RMB.

The information of the sensitivity analysis is as follows:

A. When NTD appreciates or depreciates against USD by 1%, the profit for the years ended December 31, 2019 and 2018 will decrease (increase) by NTD11,434 thousand and NTD9,629 thousand respectively.

B. When NTD appreciates or depreciates against JPY by 1%, the profit for the years ended December 31, 2019 and 2018 would will decrease (increase) by NTD1,899 thousand and NTD710 thousand respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the balance sheet date, a change of 10 basis points of interest rate could cause the profit for the years ended December 31, 2019 and 2018 to increase (decrease) by NTD26,536 thousand and NTD32,654 thousand, respectively.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while unlisted equity securities are classified under measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's board of directors reviews and approves all equity investment decisions.

For 2019, a change of 1% in the price of the listed companies' stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NTD1,570 thousand and NTD2,143 thousand on the equity attributable to the Company.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for contract assets, accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2019 and 2018, top ten customers' receivables represented 81.17% and 81.23% of the total account's receivables of the Company, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

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

Non-derivative financial liabilities

	Less Than 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
December 31, 2019					
Loans (including contracted interests)	$4,413,156	$23,878,108	$150,763	$49,242	$28,491,269
Short-term notes and bills payable	152,000	-	-	-	152,000
Payables (including related parties) (including non-current portion)	6,021,540	-	-	-	6,021,540
Deposit-in	1,079	-	-	-	1,079
Lease liabilities (Note 1)	269,206	25,112	6,257	6,642	307,217
December 31, 2018					
Loans (including contracted interests)	$8,638,339	$25,838,654	$48,975	$121,553	$34,647,521
Short-term notes and bills payable	252,000	-	-	-	252,000
Payables (including related parties) (including non-current portion) (Note 2)	4,381,207	13,444	-	-	4,394,651
Deposit-in	1,050	-	-	-	1,050

Note:

1. The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.
2. Including cash flows resulted from short-term leases or leases of low-value assets.

Derivative financial liabilities

	Less Than 1 Year	2-3 Years	4-5 Years	More than 5 Years	Total
December 31, 2019					
Flow-in	$-	$-	$-	$-	$-
Flow-out	(2,808)	-	-	-	(2,808)
Net	$(2,808)	$-	$-	$-	$(2,808)
December 31, 2018					
Flow-in	$2,023	$-	$-	$-	$2,023
Flow-out	-	-	-	-	-
Net	$2,023	$-	$-	$-	$2,023

The above tables about the disclosures of derivative financial instruments used the undiscounted net cash flow.

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

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for 2019

	Other payables-related parties	Short-term notes and bills payable	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Total liabilities from financing activities
January 1, 2019	$-	$251,911	$4,601,696	$28,555,648	$534,365	$33,943,620
Cash flows	1,950,000	(100,117)	(3,073,005)	(2,778,909)	(272,684)	(4,274,715)
Other (Note)	-	-	-	-	36,518	36,518
December 31, 2019	$1,950,000	$151,794	$1,528,691	$25,776,739	$298,199	$29,705,423

(Note: Others are from the changes of the exchange rates and changes from non-cash)

Reconciliation of liabilities of 2018:

	Short-term notes and bills payable	Short-term borrowings	Long-term borrowings (including current portion)	Total liabilities from financing activities
January 1, 2018	$301,848	$4,875,438	$28,238,370	$33,415,656
Cash flows	(50,096)	(284,670)	317,278	(17,488)
Other (Note)	159	10,928	-	11,087
December 31, 2018	$251,911	$4,601,696	$28,555,648	$33,409,255

(Note: Others are from the changes of the exchange rates and changes from non-cash)

(7) Fair value of financial instruments

A. the methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, lease liabilities and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. The carrying amount of the Company’s financial instruments measured at amortized cost such as cash and cash equivalents, receivables, financial assets at amortized cost, payables, long-term and short-term loans, short-term notes and bills payable, deposits-out, deposits-in and lease liabilities approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as at December 31, 2019 and 2018 is as follows:

Forward exchange contracts

Forward foreign exchange contracts to manage exposure part partial transactions, but not designated as hedging instruments:

December 31, 2019

	Currency	Period	Amount (thousands)
Buying currency exchange forward	Buy USD Sell NTD	2019.10~2020.04	USD7,000

December 31, 2018

	Currency	Period	Amount (thousands)
Buying currency exchange forward	Buy USD Sell NTD	2018.07~2019.06	USD26,950
	Buy USD Sell NTD	2018.07~2019.05	USD8,000

Exchange options

December 31, 2019

The following table refers to the related conditions with regard to the Company's unsettled exchange options on December 31, 2019.

Counterparty bank	Foreign exchange rate	Foreign exchange rate on the date of settlement FX	Term of settlement (USD in thousands)
A	USD/TWD	FX <30.85	Executing price at 30.85 to buy USD 1,000
A	USD/TWD	FX <30.72	Executing price at 30.72 to buy USD 1,000
A	USD/TWD	FX <30.40	Executing price at 30.40 to buy USD 1,000

As of December 31, 2019, the unsettled foreign exchange options contracts amounted to USD3,000 thousand, with a fair value of NTD (205) thousand (including royalties amounted to NTD205 thousand and unrealized gain amounted to NTD0 thousand), recognized as financial liabilities carried at fair value through profit or loss - current.

December 31, 2018

There was no unsettled exchange option in 2018, and the settled amount were USD 100,100 thousand and EUR 3,500 thousand.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1– Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
Open-end funds	$15,004	$-	$-	$15,004
Financial assets at fair value through other comprehensive income:				
Equity instrument measured at fair value through other comprehensive income	156,965	-	338,746	495,711
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Forward exchange contracts	-	(2,808)	-	(2,808)

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

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
Forward exchange contracts	$-	$2,023	$-	$2,023
Financial assets at fair value through other comprehensive income:				
Equity instrument measured at fair value through other comprehensive income	214,266	-	202,475	416,741

Transfers between Level 1 and Level 2 during the period

There were no transfers between Level 1 and 2 for the years ended December 31, 2019 and 2018.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Asset
	At fair value through other comprehensive income
	Stocks
January 1, 2019	$202,475
During 2019	
During 2018 Amount recognized in OCI:	
(presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	29,881
Acquisition/issuance, 2019	106,390
Disposal/liquidation, 2019	-
Exchange differences	-
December 31, 2019	$338,746

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

	Asset
	At fair value through other comprehensive income
	Stocks
January 1, 2018	$190,613
During 2018 Amount recognized in OCI:	
Amount recognized in OCI:	
(presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	11,862
Acquisition/issuance, 2018	-
Disposal/liquidation, 2018	-
Exchange differences	-
December 31, 2018	$202,475

Information on significant unobservable inputs to valuation in Level 3

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at December 31, 2019:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	25%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NTD3,387 thousand

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

As at December 31, 2018:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	25%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NTD2,001 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's investment and accounting department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyzes the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date to ensure that the valuation result is reasonable.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments accounted for using the equity method (please refer to Note 6 (9))	$2,088,913	$-	$-	$2,088,913

As at December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments accounted for using the equity method (please refer to Note 6 (13))	$2,607,329	$-	$-	$2,607,329

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

(10) Significant assets and liabilities denominated in foreign currencies

The exchange rates used to translate assets and liabilities denominated in foreign currencies are disclosed as follows:

Foreign currency-dollar, NTD-thousands

		As of December 31, 2019		
		Foreign currency	Exchange rate	NTD
Financial Assets - Monetary items				
	USD	$76,541,469	29.98000	$2,292,015
	JPY	716,813,025	0.27600	197,840
	EUR	512,025	33.5900	17,199
	HKD	1,446,203	3.84900	5,566
	THB	6,319,937	1.00980	6,382
Non-Monetary items				
	USD	(11,077,120)	29.98000	(332,092)
	RMB	161,469,090	4.30500	695,124
	THB	527,184,908	1.00980	532,351
	JPY	4,804,211,102	0.27600	1,325,962
	SGD	3,617,406	22.28000	80,596
	MXN	78,859,777	1.58551	125,033
	VND	217,392,123,852	0.00132	287,750
Financial Liabilities - Monetary items				
	USD	38,312,103	29.9800	1,148,597
	THB	12,666,849	1.00980	12,791
	JPY	28,846,452	0.27600	7,962
	EUR	1,312,162	33.59000	47,030
	RMB	115,426	4.30500	497

		As of December 31, 2018		
		Foreign currency	Exchange rate	NTD
Financial Assets - Monetary items				
	USD	$43,160,604	30.1750	$1,325,678
	JPY	282,723,818	0.27820	78,654
	EUR	501,529	35.2000	17,654
	RMB	1,596,628	4.47532	7,145

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

		As of December 31, 2018		
		Foreign currency	Exchange rate	NTD
Non-Monetary items				
	USD	9,377,204	30.1750	288,021
	RMB	203,865,367	4.47532	912,362
	THB	540,880,985	0.95320	515,568
	JPY	2,363,052,019	0.27820	657,401
	SGD	3,697,742	22.4800	83,125
	MXN	98,457,011	1.55934	153,528
	VND	217,392,123,852	0.00132	287,750
Financial Liabilities - Monetary items				
	USD	74,508,870	30.1750	2,288,540
	THB	10,437,198	0.95320	9,949
	JPY	27,336,462	0.27820	7,605
	EUR	174,353	35.2000	6,137
	RMB	1,452,028	4.47532	6,498

The Company has various kinds of foreign currency transactions, and hence it’s impractical to disclose the foreign exchange information of monetary financial assets and liabilities by each significant foreign currency. For the years ended 2019 and 2018, the foreign currency exchange losses were NTD2,793 thousand and NTD32,558 thousand, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Company’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(12) With respect to the case regarding Nature Worldwide Technology Co., the former chairman Wei-Shan Lin was sentenced to imprisonment and penalties by the Taiwan High Court on August 23, 2017. Wei-Shan Lin appealed to the Supreme Court of the ROC. The Supreme Court rejected the appeal on May 29, 2019 and on 2018 No.1831 sustained the original judgement.

Wei-Shan Lin resigned as the director and chairman of the Company on February 1, 2018. The Company's operations, finance and business were not affected by the above personal cases and will continue as usual.

(13) With respect to the controversies between the Company and shareholders, such as exercise of disgorgement, 2017 shareholders' meeting resolution effectiveness, exercise of shareholders 'voting right, appointment of inspector, injunctive relief, application for convening a special meeting of shareholders by minority shareholders etc., the Company has responded to the court and the Ministry of Economic Affairs separately. Before receiving any court, judgment and ruling of the Ministry of Economic Affairs, the Company shall exercise its rights in accordance with the law to protect the rights and interests of the Company and its shareholders. If there is any further development, it will be announced to the public as material information according to law. The Company's operations, finance and business were not affected by the above personal cases and will continue as usual.

13. Other disclosure

(1) Information at significant transactions:

A. Financing provided to others: refer to Attachment 1.

B. Endorsement/Guarantee provided to others: refer to Attachment 2.

C. Securities held: refer to Attachment 3.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: refer to Attachment 4.

E. Acquisition of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock: None.

F. Disposal of real estate up to the amount exceeding the lower of NTD300 million or 20% of capital stock: None.

G. Related party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock: refer to Attachment 6.

H. Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock: refer to Attachment 7.

I. Engaging in derivative transactions: refer to Note 6 and Note 12 in the parent company only financial statements.

J. Intercompany Relationships and Significant Intercompany Transactions: refer to Attachment 10.

(2) Information on investees:

A. Of the investee company directly or indirectly has significant influence or control over, their investee companies' information: refer to Attachment 8.

B. Of the investee company who directly or indirectly has control, the following information is disclosed:

(a) Financing provided to others: refer to Attachment 1.

(b) Endorsement/Guarantee provided to others: refer to Attachment 2.

(c) Securities held: refer to Attachment 3.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: refer to Attachment 4.

(e) Acquisition of real estate in the amount exceeding the lower of NTD300 million or 20% of capital stock: None.

(f) Disposal of real estate up to the amount exceeding the lower of NTD300 million or 20% of capital stock: refer to Attachment 5.

(g) Related party transactions for purchases and sales amounts exceeding the lower of NTD100 million or 20% of capital stock: refer to Attachment 6.

(h) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of capital stock: refer to Attachment 7.

C. Information on investments in mainland China:

(a) The investee company name, main business, paid-in capital, investment, capital outflow, ownership, investment gains and losses, ending balance of investment, repatriation of investment income and have to go to the mainland investment limit scenario: refer to Attachment 9.

(b) With the investee companies directly or indirectly through a third country following the occurrence of significant transactions, prices, payment terms and unrealized gains and losses were as follows:

i. Ending balance and percentage, purchase amount and percentage of related payables: refer to Attachment 6.
ii. Sales amount and percentage of the balance and percentage of the related receivables: refer to Attachment 6.
iii. Gains and loss on the transaction amount of property: None.
iv. Endorsement guarantees or collateral ending balance and purpose: refer to Attachment 2.
v. The highest balance of financing, the total ending balance, and interest rate range and current total interest: refer to Attachment 1.
vi. Other transactions that have a significant impact on the profit or loss or financial position of the current period, such as the provision of services or received, etc.: None.

ATTACHMENT 1

Financing provided to others

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related Party (Note 18)	Maximum balance for the period (Note 3)	Ending balance (Note 8)	Actual amount provided	Interest rate	Nature of financing (Note 4)	Amount of sales to (purchases from) counter-party (Note 5)	Reason for financing (Note 6)	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 7)	Limit of total financing amount (Note 7)	Note
													Item	Value			
0	Tatung Co., Ltd	San Chih Semiconductor Co., Ltd.	Other receivables - related parties	Yes	$20,000	$20,000	$20,000	2.20%	2	$-	Business turnover	$-	Wafer factory holding by San Chih Semiconductor Co., Ltd.	246,895	14,662,523	14,662,523	
0	Tatung Co., Ltd	Chunghwa Picture Tubes, Ltd.	Long-term receivables- related parties	Yes	1,995,145	1,995,145	1,995,145	0.00% (Note 11)	2	-	Loan repayment	-	Equipment Shares (Note 10)	2,613,647	14,662,523	14,662,523	(Note 9)
1	Shan-Chih Asset Development Co.	Tatung Co., Ltd	Other receivables - related parties	Yes	2,450,000	1,950,000	1,950,000	3.50%	2	-	Business turnover	-	None	-	5,805,404	11,610,808	
		Nature Worldwide Technology Corp.	Other receivables - related parties	Yes	68,991	68,991	68,991	3.00%	2	-	Business turnover	68,991	None	-	5,805,404	11,610,808	(Note 12)
		Tatung InfoComm Co., Ltd.	Long-term receivables	No	611,367	611,359	611,359	2.00%	2	-	Business turnover	611,359	None	-	5,805,404	11,610,808	(Note 13)
2	Shan-Chih Investment Co., Ltd	Nature Worldwide Technology Corp.	Other receivables - related parties	Yes	929,577	929,577	929,577	3.10%	2	-	Business turnover	929,577	None	-	165,962	165,962	(Note 14)
3	Chih Sheng Investment Co., Ltd.	HEDA Biotechnology Co.,Ltd.	Other receivables - related parties	Yes	20,000	20,000	20,000	2.00%	2	-	Business turnover	20,000	None	-	12,585	50,338	(Note 15)
4	Taipei Industry Corporation	Green Energy Technology Inc.	Other receivables	Yes	200,000	200,000	200,000	3.00%	2	-	Business turnover	200,000	Machinery, equipment	289,673	308,458	308,458	(Note 16)
5	Tatung Coatings (Kunshan) Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	Other receivables - related parties	Yes	16,108 (CNY 3,500)	-	-	Kunshan lending rates+0.25%	2	-	Business turnover	-	None	-	77,317	77,317	
6	Huaian Tatung Advanced Technology Materials Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	Other receivables - related parties	Yes	13,563 (CNY 3,000)	6,458 (CNY 1,500)	6,458 (CNY 1,500)	Huaian lending rates+0.25%	2	-	Business turnover	-	None	-	37,132	37,132	
6	Huaian Tatung Advanced Technology Materials Co., Ltd.	Tatung Coatings (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	8,395 (CNY 1,950)	8,395 (CNY 1,950)	8,395 (CNY 1,950)	Huaian lending rates+0.25%	2	-	Business turnover	-	None	-	37,132	37,132	
7	Shang Chih International Chemical Industry Co. Ltd.	Tatung Fine Chemicals Co., Ltd.	Other receivables - related parties	Yes	2,074 (USD68)	2,039 (USD68)	2,039 (USD68)	Shanghua lending rates+0.25%	2	-	Business turnover	-	None	-	47,560	47,560	

Note 1: The Company and its subsidiaries are coded as follows:

(i) The Company is coded "0".

(ii) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they are recognized as in the financial statements, certain transactions such as the account receivables –related parties and advances are included herein.

Note 3: Maximum balance of financing provided to others for the current year.

Note 4: Nature of financing is coded as follows: operational funding is coded"1"; short-term financing is coded "2".

Note 5: Total amount of the financing is disclosed herein if the financing is related to business transactions. Total amount of financing shall refer to the amount the lender provides to the borrower within the past year.

Note 6: The reasons and counterparties of the financing are addressed herein as the financing was associated with short-term capital needs.

Note 7: Financing to individual counter-party shall not exceed 25%~40% of the net assets values from the latest financial statements. Total financing amount shall not exceed 40% of the audited/reviewed net assets value of the most current period.

Note 8: If a public company brings the financing proposal to the board of directors according to Article 14-1, the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,the company still needs to disclose the amount resolved by the board in the balance to disclose the risk, even if the funds are not appropriated yet. When the funds are repaid afterwards, the company should disclose the amount returned to reflect the risk adjustment.

If a public company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Article 14-2, Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount resolved by the board in the balance.

Note 9: As of November 30, 2018, the Company provided endorsement in the amount of TWD2 billion to Chunghwa Picture Tubes, Ltd. for its bank loans. As Chunghwa Picture Tubes, Ltd. applied for financial structuring on December 13, 2018, banks claimed maturity of the loans and offset the TWD2 billion security against the loans.

As of December 31, 2018, the Company had a claim against Chunghwa Picture Tubes, Ltd. in the amount of TWD1,995,145 thousand and such amount was recognized as financing provided to Chunghwa Picture Tubes, Ltd. according to the resolutions of the board of directors of Tatung Co., Ltd on December 27, 2018.

Regarding the long-term receivable-Chunghwa Picture Tubes, Ltd., the Company received rulings of orders of payment on July 22, 2019, however, Chunghwa Picture Tubes, Ltd. raised an objection on September 6, 2019. Thus, the Company refiled the payment order on November 1, 2019,

After the Taiwan Taoyuan district court delivered the final ruling of payment orders, Chunghwa Picture Tubes, Ltd. did not pursue an appeal, and then the Company received the finalized ruling of payment orders on February 13, 2020 which demanded Chunghwa Picture Tubes, Ltd. to pay NTD1,995,145 thousand with interest at 5% annually to the Company.

Note 10: The value of collaterals shall refer to the value of equipment, which was located in Chunghwa Picture Tubes, Ltd.'s plants in Longtan and Yang Mei, and the 100% shares of Chunghwa Picture Tubes (Bermuda) Ltd. The appraisal value of collaterals was TWD 2,517,392 thousand which was appraised by Grand Elite Property Appraisal Co., Ltd.

Note 11: Since Chunghwa Picture Tubes, Ltd. raised an objection against the Company's petitions for orders of payment on September 6, 2019, the interest rate could not be determined as of December 31, 2019. Aftering receiving the finalized ruling of orders of payment on February 13, 2020, the Ccompany was entitled to claim TWD1,995,145 thousand with interest at 5% annually.

Note 12: Of the claim Shan-Chih Asset Development Co. has against Nature Worldwide Technology Corp., TWD120,000 thousand was received on June 10, 2013 while the remaining is still in litigation.

Note 13: The financing provided by Shan-Chih Asset Development Co. to Tatung InfoComm Co., Ltd. used to be the the financing provided by Tatung Co., Ltd to Tatung InfoComm Co., Ltd. Such claim was sold to Shan-Chih Asset Development Co. for TWD53,000 thousand on December 29, 2017.

Hence, the financing was disclosed under Shan-Chih Asset Development Co. and Shan-Chih Asset Development Co. is the one collecting payments. According the execution which issued by Taichung District court No.98353 on October 2, 2019, the company was received NTD8 thousand on November 22, 2019.

Note 14: Shan-Chih Investment Co., Ltd has provided financing to Nature Worldwide Technology Corp. more than the limit. Nature Worldwide Technology Corp. is currently under liquidation procedures and such situation would be remediated when the liquidation is completed.

Shan-Chih Investment Co., Ltd provided financing to Nature Worldwide Technology Corp. in the amount of TWD948,722 thousand, including principal of TWD690,800 thousand, other receivables and compensations.

As of December 31, 2010, Shan-Chih Investment Co., Ltd's other receivables from Nature Worldwide Technology Corp. were netting against its credit balance of investment.

According to the letter from New Taipei Branch, Administrative Enforcement Agency, Ministry of Justice, Shan-Chih Investment Co., Ltd received TWD25,659 thousand from the distribution executed by New Taipei Branch, Administrative Enforcement Agency, Ministry of Justice.

Note 15: Chih Sheng Investment Co., Ltd. has provided financing of NTD28,000 thousand to HEDA Biotechnology Co.,Ltd. in September 2011. However, HEDA Biotechnology Co.,Ltd. failed to repay on time.

After Chih Sheng Investment Co., Ltd's notice, HEDA Biotechnology Co.,Ltd. repaid NTD8,000 thousand in October 2012 while HEDA Biotechnology Co.,Ltd. was unable to repay the remaining TWD20,000 thousand.

Hence, Chih Sheng Investment Co., Ltd. had recognized such amount as loss allowance in 2014. Chih Sheng Investment Co., Ltd. continues to negotiate with other shareholders to reach a consensus to support HEDA Biotechnology Co.,Ltd. with liquidation procedures.

However, if the liquidation fails, Chih Sheng Investment Co., Ltd. will continue to negotiate with other shareholders for other solutions.

Note 16: Taipei Industry Corporation provided financing of NTD200 million to Green Energy Technology Inc. in April 2018, acquiring equivalent amount of machinery and equipment as collateral and created pledge on the collateral. The financing expired on December 25, 2018. However, Green Energy Technology Inc. failed to repay on time.

Taipei Industry Corporation had sent legal attest letters for the repayments on January 3, 2019 and will file an action to the Court for enforcement.

Note 17: The value of collaterals was measured while acquired.

Note 18: As Green Energy Technology Co., Ltd's shareholders' meeting approved the liquidation proposal, it is no longer a related party of the Group.

ATTACHMENT 2

Endorsement/Guarantee provided to others

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

No. (Note 1)	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 3)	Guarantee provided by parent company (Note 7)	Guarantee provided by a subsidiary (Note 7)	Guarantee provided to subsidiaries in Mainland China (Note 7)
		Company name	Relationship (Note 2)										
0	Tatung Co., Ltd	Tatung Co. of Japan, Inc.	2	$9,164,077	$2,188,000	$1,119,320	$826,620	$-	3.05%	$18,328,154	Y	N	N
		San Chih Semiconductor Co., Ltd.	2	9,164,077	60,000	60,000	56,000	56,000	0.16%	18,328,154	Y	N	N
1	Shan-Chih Asset Development Co.	Chih Sheng Realty Co., Ltd.	2	7,256,755	80,000	80,000	80,000	-	0.28%	14,513,510	N	N	N
		Tatung Co., Ltd	3	72,567,552	29,900,000	27,960,000	25,853,311	41,779,275	96.32%	72,567,552	N	Y	N
2	Huaian Tatung Advanced Technology Materials Co., Ltd.	Tatung Fine Chemicals Co., Ltd.	3	55,697	103,553 (Note 10)	45,203	37,000	40,898	73.04%	55,697	N	N	N
3	Tatung Coatings (Kunshan) Co., Ltd.	Tatung Fine Chemicals Co., Ltd.	3	115,976	104,544	43,050	18,000	21,525	33.41%	115,976	N	N	N
4	Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	2	438,505	94,800 (USD3,000) (Note 9)	-	-	-	-	730,841	N	N	N
5	Suzhou Forward Electronics Technology Co., Ltd.	Forward Electronics Co., Ltd.	3	349,035	340,000	-	-	-	-	581,724	N	N	N
6	Tatung System Technologies Inc.	Chyun Huei Commercial Technologies Inc.	2	262,379	127,074	55,976	55,976	-	4.27%	655,948	N	N	N
		Tisnet Technology Inc.	2	262,379	70,000	-	-	-	-	655,948	N	N	N
		TSTI Technologies (Shanghai) Co., Ltd.	2	262,379	74,040	-	-	-	-	655,948	N	N	Y
7	Chyun Huei Commercial Technologies Inc.	Tatung System Technologies Inc.	3	22,833	8,000	8,000	1,346	-	7.01%	57,083	N	N	N

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. An investee company that has a business relationship with Tatung Co., Ltd
2. A investee in which Tatung holds directly and indirectly over 50% of voting shares.
3. An investee in which Tatung and its subsidiaries directly and indirectly hold over 50% of voting shares.
4. A investee in which Tatung holds directly and indirectly over 90% of voting shares.
5. An investee that has provided guarantees to Tatung Co.,Ltd, and vice versa, due to contractual requirements.
6. An investee in which Tatung conjunctly invests with other shareholders, and for which Tatung has provided endorsement/guarantee in proportion to its shareholding percentage.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Individual endorsement or guarantee shall not exceed 20% to 50% of the provider's net assets value, however, no limits for the counter-party who is a company 100% directly or indirectly owned.

Total endorsement or guarantee for others shall not exceed 50% of the provider's net assets value. The Group total endorsement or guarantee for others shall not exceed 50% of the Company's net assets value.

Shan-Chih Asset Development Co: Endorsement or guarantee provided to the Company shall not exceed 250% of Shan-Chih Asset Development Co's net assets value in the prior year. Endorsement or guarantee provided to investees shall not exceed 50% of Shan-Chih Asset Development Co's net assets value.

Shan-Chih Asset Development Co. is a 100% owned subsidiary of Tatung Co., Ltd incorporated by the split-up of the parent company's real property according to Business Mergers And Acquisitions Act in 2003.

Hence, it's reasonable and necessary that Shan-Chih Asset Development Co's real properties are pledged as collateral for loans of Tatung Co., Ltd in the amount exceeding 50% of the Company's net assets value.

Note 4: The maximum amount of endorsement or guarantee provided to others for current year.

Note 5: Should be the amount approved by the board of directors, but should be the amount approved by the chairperson when he/she is authorized by the board of directors according to Article 12 (8) of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Should enter actual amount receiving party provided within the limit amount of guarantee/endorsement.

Note 7: A company is coded "Y" when a subsidiary is endorsed by the listed parent company, or a listed parent company is endorsed by a subsidiary, or a company with an endorsement in Mainland China.

Note 8: Calculated based on the ending exchange rate.

Note 9: Exchange rate is based on the day when the trasaction occurs.

Note 10: Huaian Tatung Advanced Technology Materials Co., Ltd. provided guarantee to Tatung Fine Chemicals Co., Ltd. which exceeded endorsement/guarantee limits due to the double entry because the board meeting was held earlier than the due date of previous quarantee. The endorsement quarantee did not exceed the limits substantially.

a. Previous loan endorsement credit line was RMB12 million, and it was terminated on Februrary 14, 2019.
b. The renewed loan endorsement credit line from February 15, 2019 was RMB 9 million, and the news was released on January 10, 2019.
c. The renewed loan endorsement credit line was RMB1.5 million from February 15, 2019, which was released to the public on January 30, 2019.

ATTACHMENT 3

Securities held for the year ended December 31, 2019 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending balance				Note
				Units (in thousands)/ bonds/shares (in thousands)	Book value (Note 3)	Percentage of ownership (%)	Market value/ net assets value	
Tatung Co., Ltd	Stock—Taiwan Sugar Co.,Ltd	-	Financial assets at fair value through other comprehensive income, current	1,391	75	-	75	
	Stock—Taiwan Power Co.,Ltd	-	Financial assets at fair value through other comprehensive income, current	2,104	14	-	14	
	Stock—Tongya Telecommunication Industry Co., Ltd	-	Financial assets at fair value through other comprehensive income, current	19,800	37,457	9.90	37,457	
	Stock—Chung Hwa Trading Development Co.	-	Financial assets at fair value through other comprehensive income, current	49,984	500	0.08	500	
	Stock—Chi Yeh Chemical Co.	-	Financial assets at fair value through other comprehensive income, current	125,000	5,828	0.63	5,828	
	Stock—United Electric Industry Co.Ltd	-	Financial assets at fair value through other comprehensive income, current	1,615,732	14,512	2.77	14,512	
	Stock—Asia-Pacific Thechnology & Intellectual Property Services Inc.	-	Financial assets at fair value through other comprehensive income, current	140,000	-	-	-	
	Stock—Scientific Pharmaceutical Elite Co.Ltd	-	Financial assets at fair value through other comprehensive income, current	600,000	2,917	5.45	2,917	
	Stock—Taiwan Otis Elevator Co.	-	Financial assets at fair value through other comprehensive income, current	20,000	125,294	10.00	125,294	
	Stock—Taiwan Cogeneration Co.	-	Financial assets at fair value through other comprehensive income, current	4,727,920	141,365	0.80	141,365	
	Stock—Rechi Precision Co., Ltd	-	Financial assets at fair value through other comprehensive income, current	679,761	15,601	0.13	15,601	
	Stock—Tatung Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	1,027,056	43,458	2.51	43,458	
	Stock—Yi Chi Associated Trading Co.	-	Financial assets at fair value through other comprehensive income, non-current	30,000	300	6.67	300	
	Stock—Chih Yi Health Co.Ltd	-	Financial assets at fair value through other comprehensive income, non-current	200,000	2,000	20.00	2,000	
	Stock—Green Energy Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	19,723,865	-	4.54	-	(Note7)
	Stock－VOLTAMP POWER SAOC	-	Financial assets at fair value through other comprehensive income, non-current	1,366,588	106,390	18.55	106,390	
	Fund—FSITC Global Wealthy Nations Bond Fund Acc TWD N.	-	Financial assets at fair value through profit or loss, current	1,500,000	15,004	-	15,004	
Chih De Investment Co., Ltd.	Stock－Elite Semiconductor Memory Technology Inc.	-	Financial assets at fair value through profit or loss, current	2,000	78	-	78	
	Stock－Taiwan Styrene Monomer Corporation	-	Financial assets at fair value through profit or loss, current	5,000	104	-	104	
	Stock－Walton Advanced Engineering Inc.	-	Financial assets at fair value through profit or loss, current	10,000	116	-	116	
	Stock－BenQ Materials Corporation	-	Financial assets at fair value through profit or loss, current	5,000	94	-	94	
	Stock－Nien Hsing Textile Co., Ltd	-	Financial assets at fair value through profit or loss, current	2,475	52	-	52	

ATTACHMENT 3-1

Securities held for the year ended December 31, 2019 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending balance				Note
				Units (in thousands)/ bonds/shares (in thousands)	Book value (Note 3)	Percentage of ownership (%)	Market value/ net assets value	
San Chih Semiconductor Co., Ltd.	Stock—Crystal Applied Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	70,897	$-	0.07	$-	
	Stock—Phecda Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	1,000,000	-	3.51	-	
	Stock—Green Energy Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	91,589,274	-	21.10	-	(Note7)
Forward Electronics Co., Ltd.	Stock—Lastertech Co., Ltd.	-	Financial assets at fair value through profit or loss, current	4,484,582	136,107	5.92	136,107	
	Stock－Tatung Co., Ltd	Parent-subsidiary	Financial assets at fair value through other comprehensive income, non-current	4,475,000	93,975	0.19	93,975	(Note6)
Suzhou Forward Electronics Technology Co., Ltd.	Stock—Nanjing Global Display Technology Co.,Ltd.	-	Financial assets at fair value through profit or loss, non-current	-	-	17.29	-	
	Capital-guaranteed financial product	-	Financial assets at fair value through profit or loss, current	-	210,945 (RMB 49,000)	-	210,945 (RMB 49,000)	
	Capital-guaranteed financial product	-	Financial assets at fair value through profit or loss, current	-	271,215 (RMB 63,000)	-	271,215 (RMB 63,000)	
	Capital-guaranteed financial product	-	Financial assets at fair value through profit or loss, current	-	215,250 (RMB 50,000)	-	215,250 (RMB 50,000)	
	Capital-guaranteed financial product	-	Financial assets at fair value through profit or loss, current	-	21,525 (RMB 5,000)	-	21,525 (RMB 5,000)	
Chih Sheng Investment Co., Ltd.	Stock—Tatung Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	2,727,272	115,368	6.65	115,368	
	Stock—Lastertech Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	804,000	24,401	1.06	24,401	
	Stock—Tatung Atherton Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	1,000,000	35,935	10.00	35,935	
	Stock—Green Energy Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	33,960,610	-	7.83	-	(Note7)
Chih Sheng Holding Co., Ltd.	Stock—Can Yang Investments Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	1,087,235	15,443	1.43	15,443	
Shan-Chih Asset Development Co.	Stock—Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	148,186	3,260	-	3,260	
	Stock—Cathay Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	42,997	1,830	-	1,830	
	Stock–Yuanta Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	3,887	78	-	78	
	Stock—CTBC Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	747,636	16,747	-	16,747	
	Stock—Green Energy Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	13,253,936	-	3.05	-	(Note7)
	Stock—Tatung System Technologies Inc.	Affiliated company	Financial assets at fair value through other comprehensive income, non-current	179	3	-	3	(Note6)
	Stock—Chunghwa Electronics Investment Co., Ltd.	Affiliated company	Financial assets at fair value through other comprehensive income, non-current	562,355	257	0.19	257	(Note6)
	Claim－Tatung InfoComm Co., Ltd.	-	Other financial assets, non-current	-	53,000	-	53,000	(Note6)
	Bond—FSITC Global Wealthy Nations Bond Fund Acc TWD N.	-	Financial assets at fair value through profit or loss, current	-	3,000	-	3,000	
Chih Sheng Realty Co., Ltd.	Stock–Chunghwa Picture Tubes, Ltd.	Affiliated company	Financial assets at fair value through other comprehensive income, non-current	141,871,033	-	2.19	-	(Note6)
Shan Chih Investment Co., Ltd.	Stock—Tatung System Technologies Inc.	Affiliated company	Financial assets at fair value through other comprehensive income, non-current	567,472	9,732	0.80	9,732	(Note6)
	Stock—Green Energy Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	1,278,173	-	0.29	-	(Note7)
	Stock—Tatung Technology Inc.	-	Financial assets at fair value through other comprehensive income, non-current	1,027,056	43,458	2.51	43,458	
	Stock—Lastertech Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	3,868,008	117,394	5.10	117,394	
Tatung Company of Japan, Inc.	Stock－Fanuc Co.	-	Financial assets at fair value through other comprehensive income, non-current	1,000	5,611	-	5,611	
	Stock－Toyota Motor Co.	-	Financial assets at fair value through other comprehensive income, non-current	1,500	3,194	-	3,194	
	Stock－SONY Co.	-	Financial assets at fair value through other comprehensive income, non-current	4,400	8,988	-	8,988	
	Stock－Total 47 listed companies	-	Financial assets at fair value through other comprehensive income, non-current	109,184	64,088	-	64,088	

ATTACHMENT 3-2

Securities held for the year ended December 31, 2019 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Holder	Type and name of securities (Note 1)	Relationship (Note 2)	Financial statement account	Ending balance				Note
				Units (in thousands)/ bonds/shares (in thousands)	Book value (Note 3)	Percentage of ownership (%)	Market value/ net assets value	
Chunghwa Electronics Investment Co., Ltd.	Stock－Tatung Co., Ltd	Parent-subsidiary	Financial assets at fair value through other comprehensive income, non-current	586	12	-	12	(Note6)
	Stock－Pegatron Corporation	-	Financial assets at fair value through profit or loss, current	1,000	68	-	68	
	Stock－E.SUN Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss, current	15,000	419	-	419	
	Stock－Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss, current	1,000	100	-	100	
	Stock－Taiwan Semiconductor Manufacturing Company		Financial assets at fair value through profit or loss, current	3,000	993	-	993	
	Stock－Yuanta FTSE4Good TIP Taiwan ESG ETF		Financial assets at fair value through profit or loss, current	1,000	24	-	24	
Chunghwa Picture Tubes (Bermuda) Ltd.	Stock－Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income, non-current	701,649,121	5,653,976	25.37	5,653,976	(Note4)(Note5)
	CPT TPV Optical (Fujian) Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income, non-current	-	17,574	5.00	17,574	
Chunghwa Picture Tubes (Malaysia) Sdn.Bhd.	Mines Golf Resort Berhad	-	Financial assets at fair value through other comprehensive income, non-current	5,000,000	-	5.26	-	
Tatung Fine Chemicals Co., Ltd.	Stock－Hsieh Chih Industrial Library Publishing Co.	Affiliated company	Financial assets at fair value through other comprehensive income, non-current	1	-	0.03	-	
	Stock－Taiwan Smith Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	400,000	-	4.43	-	
Goldmax Asia Pacific Ltd	Kornerstone Materials Technology Co. Ltd.	Other related party	Financial assets at fair value through other comprehensive income, non-current	-	68,073	3.35	68,073	

Note 1: Securities are stocks, bonds, beneficiary certificates and derivative securities of the aforementioned items within the scope of IFRS 9 *Financial Instruments* .

Note 2: Only related parties are required to disclose such information.

Note 3: For financial assets measured at fair value, the book value should be the fair value deducted by the carrying value of accumulated impairment loss. For financial assets not measured at fair value, the book value should be the original cost or amortized cost deducted by the carrying value of accumulated impairment loss.

Note 4: If securities are restricted because of being used as collaterals, being pledged or other reasons, such restriction should be disclosed. Please refer to Note 6 and Note 8 for more details.

Note 5: Shares of Chunghwa Picture Tubes Technology (Group) Co., Ltd. were measured by market price on December 31, 2019 with consideration of certain assumptions, such as liquidation discount rate. The liquidation discount rate was considered as the shares of CPTTG have been forzen by court.

Note 6: All transactions are eliminated in the consolidated financial statements.

Note 7: After Green Energy Technology Co., Ltd's shareholders' meeting approved the liquidation proposal, the Group lost control of the company and the shares were reclassified to financial assets at fair value through other comprehensive income, non-current.

ATTACHMENT 4

Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock.

Buyer/seller	Type and name of securities (Note 1)	Financial statement account (Note 2)	Counter-party (Note 3)	Relationship (Note 3)	Beginning balance		Addition (Note 4)		Disposal (Note 4)				Ending balance		Note
					Shares/units	Amount	Shares/units	Amount	Shares/units	Amount	Cost	Gain (Loss) from disposal	Shares/units	Amount	
Tatung Co., Ltd	Stock–Tungyang Energy Co., Ltd.	Investments accounted for under the equity method	Cash increase	Parent-subsidiary	15,000,000	$149,431	40,000,000	$400,000	15,000,000 (Note6)	$-	$150,000	$-	40,000,000	$400,205 (Note3)	
	Stock–Tatung Forever Energy Co., Ltd.	Investments accounted for under the equity method	Cash increase	Parent-subsidiary	48,558,308	462,930	110,000,000	1,100,000	-	-	-	-	158,558,308	1,508,602 (Note3)	
	Stock–Tatung Co. of Japan, Inc.	Investments accounted for under the equity method	Cash increase	Parent-subsidiary	15,000	657,401	1,800,000	529,470	1,800,000 (Note7)	-	-	-	15,000	1,325,962 (Note3)	
Chunghwa Picture Tubes (Bermuda) Ltd.	Stock－Tatung Co., Ltd	Financial assets at fair value through other comprehensive income, non-current	-	-	59,652,985	1,545,013	-	-	59,652,985	1,267,063	3,169,340	(1,902,277) (Note5)	-	-	
Chunghwa Picture Tubes (Bermuda) Ltd.	Chunghwa Picture Tubes Technology(Group) Co., Ltd.	Financial assets at fair value through other comprehensive income, non-current	-	-	729,289,715	6,103,315,065	-	-	27,640,594	321,315	287,781	33,534	701,649,121	5,653,976	

Note 1: Securities are stocks, bonds, beneficiary certificates and derivative securities of the aforementioned items within the scope of IFRS 9 *Financial Instruments*.

Note 2: The beginning balance of financial assets at fair value through other comprehensive income, non-current was measured by fair value based on the current period and investments accounted for under the equity method was measured under equity method.

Note 3: All transactions are eliminated in the consolidated financial statements.

Note 4: Only securities accounted for using the equity method are required to disclose such information.

Note 5: Chunghwa Picture Tubes (Bermuda) Ltd. disposed of shares of Tatung Co., Ltd and should be deemed as treasure stock trading. Gain(loss) on disposal of investments should be booked as retained earnings while preparing the consolidated financial statement.

Note 6: The disposal of investment accounted for under the equity method was due to capital reduction on September 3, 2019.

Note 7: The disposal of investment accounted for under the equity method was due to capital reduction on December 17, 2019.

ATTACHMENT 5

Disposal of property at costs of at least NT$300 million or 20% of the paid-in capital

(Amounts in Thousands of New Taiwan Dollars, Unless specified Otherwise)

Company disposal of property	Types of property	Transaction date	Original acquisition date	Carrying amount(Note 4)	Transaction amount	Collection term	Gain (Loss) from disposal	Counter-party	Relationship	Disposal purpose	Price reference	Other term
Shan-Chih Asset Development Co.	Land、Construction in progress	February 26,2019	September 2003 and March 2010	$1,545,727	$7,078,000	Money received	$5,535,273 (Note 5)	Pegatron Corporation	Non-relationship	Assets activation and supporting parent company's operating demand	Refer to the appraisal results from Savills property appraisal Co. and Honda real estate Co. as below: The appraisal results from Savills property appraisal Co.：TWD 4,377,571 thousand. The appraisal results from Honda real estate Co.：TWD 4,377,571 thousand.	NA
	Land、Building	March 7,2019	December 2003 ,September 2011 and October 2011	1,103,190	5,065,600	Money received	3,962,410 (Note 5)	Highwealth Construction Co.	Non-relationship	Assets activation and supporting parent company's operating demand	Refer to the appraisal results from REPRO property appraisal Co. and LianBang real estate Co. as below: The appraisal results from Savills property appraisal Co.：TWD 4,766,000 thousand. The appraisal results from LianBang real estate Co.：TWD 4,268,018 thousand.	NA

Note 1: If assets that are disposed of are required to be appraised pursuant to the law, the Company should state appraisal result in Price reference column.

Note 2: Transaction date shall refer to the date of contract execution signed by seller and buyer.

Note 3: The paid-in capital shall refer to the paid-in capital of the parent company. If securities issuers issued no-par value stocks or stocks with par value that are not TWD10 per share, the criteria shall be 10% of the amount attributable to parent company's equity.

Note 4: The carrying amount included property, plant and equipment, construction in progress and related expenses.

Note 5: The net amount of gain (Loss) from disposal have been eliminated land value incremental tax and related expenses.

ATTACHMENT 6

Related party transactions for purchases and sales amounts exceeding NT$100 million or 20% of capital stock

Purchaser (seller)	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount (Note 1)	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance (Note 1)	Percentage of total receivables (payable)	
Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	Parent-subsidiary	Sales	$(2,877,503)	(16.14)	-	No significant difference	Note 7	$1,562,823	40.10	
	Tatung Co. of Japan, Inc.	Parent-subsidiary	Sales	(345,019)	(1.94)	-	〃	〃	65,001	1.67	
	Tatung Electric Company of America, Inc.	Parent-subsidiary	Sales	(190,839)	(1.07)	-	〃	〃	27,936	0.72	
	Tatung Co. of Japan, Inc.	Parent-subsidiary	Purchases	584,722	4.51	-	〃	〃	(4,541)	(0.16)	
	Tatung (Shanghai) Co.,Ltd	Parent-subsidiary	Purchases	129,994	1.00	-	〃	〃	(24,285)	(0.86)	
	Tatung Forestry and Construction Co.	Parent-subsidiary	Purchases	136,992	1.06		〃	〃	(50,584)	(1.80)	
	Elitegroup Computer Systems Co., Ltd.	Company in associates	Purchases	446,732	3.44	-	〃	〃	(130,504)	(4.65)	
	Gintung Energy Co., Ltd.	Company in associates	Purchases	435,821	3.36	-	〃	〃	(18,336)	(0.65)	
Tatung Co. of Japan, Inc.	Tatung Co., Ltd	Parent-subsidiary	Sales	(585,707)	(46.44)	60	〃	〃	50,050	3.53	
	Tatung Co., Ltd	Parent-subsidiary	Purchases	354,857	30.99	60	〃	〃	(58,270)	(70.03)	
Tatung Electric Company of America, Inc.	Tatung Co., Ltd	Parent-subsidiary	Purchases	190,479	91.33	120	〃	〃	(27,985)	(99.11)	
Gintung Energy Co., Ltd.	Tatung Co., Ltd	Company in associates	Sales	(394,908)	(37.24)	60	〃	〃	75,749	31.52	(Note2)
Tatung Consumer Products (Taiwan) Co., Ltd.	Tatung Co., Ltd	Parent-subsidiary	Purchases	2,901,823	73.82	90	〃	〃	(1,845,440)	(90.96)	
Tatung (Shanghai) Co.,Ltd	Tatung Co., Ltd	Parent-subsidiary	Sales	(129,011)	(25.93)	60	〃	〃	22,204	4.51	
Tatung Forestry and Construction Co.	Tatung Co., Ltd	Parent-subsidiary	Sales	(136,992)	(95.31)	-	〃	〃	50,584	100.00	
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Parent-subsidiary	Sales	(1,347,175)	(85.49)	-	〃	〃	560,998	85.82	
	Tatung Co., Ltd	Parent-subsidiary	Purchases	537,632	38.56	-	〃	〃	(175,168)	(46.71)	
Shan-Chih Asset Development Co.	Tatung Co., Ltd	Parent-subsidiary	Sales	(223,829)	(5.66)	-	〃	〃	2	-	
Tatung System Technologies Inc.	Tatung Co., Ltd	Parent-subsidiary	Sales	118,017	3.51	30-90	〃	30-120	36,724	4.30	
Forward Development Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	Parent-subsidiary	Purchases	153,705	100.00	90	〃	No significant difference	(13,708)	(100.00)	
Suzhou Forward Electronics Technology Co., Ltd.	Forward Development Co., Ltd.	Parent-subsidiary	Sales	(153,705)	(36.75)	120	〃	No significant difference	13,708	19.30	

Note 1: The transactions among the consoldiated entities were writed-off in the consolidated financial statements.

Note 2: The sales transactions between Gintung Energy Co., Ltd. and Tatung Co., Ltd were disclosed as of August 30, 2019, since Gintung Energy Co., Ltd. was no longer a subsidiary of the Group on August 30 ,2019.

ATTACHMENT 7

Receivables from related parties with amounts exceeding NT$100 million or 20% of capital stock.

Company recorded as receivable	Related party	Relationship	Ending balance (Note 1)	Turnover rate	Overdue receivables		Amount received in subsequent period	Loss allowance
					Amount	Collection status		
Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	Parent-subsidiary	$1,849,741	1.85	$-	-	$-	$-
	Tatung Information Technology (Jiangsu) Co., Ltd.	Parent-subsidiary	519,352	-	516,959	Debt Collection	-	-
	Tatung Forever Energy Co., Ltd.	Parent-subsidiary	177,184	-	-	-	-	-
	Shan-Chih Asset Development Co.	Parent-subsidiary	269,738	-	-	-	-	-
Tatung Co. of Japan, Inc.	Chunghwa Picture Tubes, Ltd.	Company in associates	1,295,772	0.03	1,295,772	Tatung Co. of Japan, Inc. has given numerous notice to Chunghwa Picture Tubes, Ltd. for its claim of accounts receivable and accrued expenses as of December 31, 2019. Since April 2019, Tatung Co. of Japan, Inc. has applied to court for ruling of orders of payments, and received appoval by the court on January 30, 2020.	-	-
Chunghwa Picture Tubes, Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Parent-subsidiary	883,828	-	883,828	-	-	-
	Vibrant Display Technology CO., Ltd.	Other related party	157,513	-	157,513	-	-	-
Chunghwa Picture Tubes (Bermuda) Ltd.	CPTF Optronics (Shen-Zhen) Co., Ltd.	Parent-subsidiary	2,219,565	-	2,219,565	-	-	-
	CPTF Optronics Co., Ltd.	Other related party	867,764	-	867,764	-	-	-
	Chunghwa Picture Tubes Technology (Group) Co., Ltd.	Other related party	286,891	-	286,891	-	-	-
Chunghwa Picture Tubes (Malaysia) Sdn.Bhd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Other related party	5,511,086	-	5,511,086	-	-	-
CPTF Optronics (Shen-Zhen) Co., Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Parent-subsidiary	1,583,114	-	1,583,114	-	-	-
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Parent-subsidiary	560,998	3.84	-	-	-	-

Note 1: All transactions are eliminated in the consolidated financial statements. The ending balance included account receivable-related parties, other receivables- related parties, long-term receivable-related partied and long-term finance lease receivable-related partie

Note 2: The nature of long-term receivable-Chunghwa Picture Tubes, Ltd. was financing provided. It was disclosed in Attachment 1.

ATTACHMENT 8

Names, locations and related information of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized (note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
Tatung Co., Ltd	Chunghwa Picture Tubes, Ltd.	Taoyuan City,Taiwan	Manufacture, research and sale of picture tubs and TFT-LCD products	$6,992,774	$6,992,774	1,850,745,168	28.56	$(6,421,754)	$(11,955,010)	$(3,414,594)	
	San Chih Semiconductor Co., Ltd.	Taipei City, Taiwan	Manufacture and sales of semiconductors and chips	920,981	920,981	49,913,576	43.18	54,501	(193,969)	47,494	(Note7)
	Forward Electronics Co., Ltd.	New Taipei City, Taiwan	Manufacture and sales of backlight modules, variable resistors, encoders, wireless devices, LED lighting	314,095	314,095	18,955,623	12.05	215,737	(125,940)	(15,168)	
	Tatung System Technologies Inc.	Taipei City, Taiwan	Software and hardware service and system integration	247,655	247,655	37,819,027	42.70	546,978	102,702	53,782	
	Tatung Fine Chemicals Co., Ltd.	Taipei City, Taiwan	The manufacturing and sale of household coatings, industrial coatings and chemical products	392,316	392,316	37,458,319	48.27	53,060	988	247	
	Green Energy Technology Inc.	Taoyuan City,Taiwan	Manufacture of electrical parts and retail sales and wholesale of electrical materials	-	300,000	-	-	-	(5,561,760)	(257,147)	(Note4)(Note5)(Note8)
	Chih Sheng Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	1,500,000	1,500,000	150,000,000	100.00	206,235	170,995	102,198	
	Shan Chih Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	2,119,350	2,119,350	77,627,119	95.83	524,156	(25,524)	(17,236)	
	Chunghwa Electronics Development Co., Ltd.	Taipei City, Taiwan	Investment holding	2,567,447	2,397,447	297,626,267	94.01	(1,095,307)	(1,004,404)	(949,447)	
	Shan-Chih Asset Development Co.	Taipei City, Taiwan	The development and leasing of real estate	14,840,192	14,840,192	5,220,064	100.00	46,394,470	9,741,949	10,453,660	
	Taiwan Telecommunication Industry Co., Ltd.	Taipei City, Taiwan	Telecommunication devices.	2,462,471	2,462,471	675,000	100.00	(854,584)	559	556	
	Tatung Information (Singapore) Pte. Ltd.	Singapore	Investment holding	1,625,465	1,625,465	86,049,842	100.00	(56,288)	8,552	(2,062)	
	Tatung Electric (Singapore) Pte. Ltd.	Singapore	Investment holding	676,331	676,331	33,098,675	100.00	736,952	(224,680)	(195,988)	
	Tatung Mexico S.A de C.V.	Mexico	Manufacture of electronic products	503,289	503,289	1,005,825	99.99	125,033	(35,041)	(35,041)	
	Tatung Co. of Japan, Inc.	Japan	Sales and purchase of electronic parts, home appliances and IT products	531,373	1,903	15,000	100.00	1,352,962	140,469	140,469	
	Tatung Electronics (S) Pte. Ltd.	Singapore	Purchases, sales and services of raw material	48,276	48,276	3,600,000	90.00	80,596	(2,075)	(1,821)	
	Tatung (Thailand) Co., Ltd.	Thailand	Manufacturing and sales of IT products, home appliances and AI meter	974,283	974,283	105,599,998	99.99	531,398	(13,708)	(14,172)	
	Tatung Consumer Products (Taiwan) Co., Ltd.	Taipei City, Taiwan	Sales of home appliances	1,145,500	1,145,500	49,650,000	99.10	(1,267,254)	(86,327)	(85,575)	
	Toes Opto-Mechatronics Co.	Taipei City, Taiwan	The manufacturing of various automatic equipment	170,000	170,000	17,000,000	85.00	24,746	10,628	9,302	
	Tatung SM-Cycle Co.	New Taipei City, Taiwan	Manufacture of speed reducers, speed aviators	244,277	71,220	3,675,000	49.00	248,838	46,163	34,807	(Note6)
	Tatung Die Casting Co.	New Taipei City, Taiwan	Manufacturing and sales of casting mold	7,880	7,880	153,000	51.00	60,316	18,176	9,319	
	Tatung Medical Healthcare Technologies Co., Ltd.	Taipei City, Taiwan	Design and sales of medical instruments	432,172	407,174	36,424,239	95.85	205,107	12,126	11,657	
	Central Research Technology Co.	Taipei City, Taiwan	EMCIRF testing and certification services	120,000	120,000	6,612,155	100.00	40,089	(9,949)	(9,787)	
	TATUNG CZECH s.r.o	Czech Republic	Sales of AI meters and energy saving products in the EU	342,448	342,448	-	100.00	7,066	(1,427)	(1,427)	
	Absolute Alpha Limited	British Virgin Islands	Investment holding	3,190	3,190	50,000	100.00	20,525	25	25	
	Tatung Co. of America Inc.	U.S.A.	The sale and servicing of IT and household electronics products in the US	45,115	45,115	1,750,000	50.00	(524,966)	(1,273,244)	(636,622)	
	Tatung Electric Company of America, Inc.	U.S.A.	Sales and service of motors	121,184	121,184	1,000,000	100.00	153,009	3,859	3,859	
	Tatung Science and Technology, Inc.	U.S.A.	The sale and purchase of IT products	632,934	632,934	6,872,000	100.00	7,877	465	465	
	Elitegroup Computer Systems Co., Ltd.	Taipei City, Taiwan	The manufacturing, design and sales of IT products	5,007,151	5,007,151	152,475,397	27.35	3,609,880	46,274	(12,009)	
	Tatung Okuma Co., Ltd.	Taipei City, Taiwan	Sales and production of working machine	49,000	49,000	8,428,000	49.00	1,394,385	263,887	129,305	
	Kuender Co., Ltd.	Taipei City, Taiwan	Conversion of plastic module	26,500	38,500	9,136,000	50.00	37,525	(1,179)	12,300	
	Hsieh-Chih Industrial Library Publishing Co.	Taipei City, Taiwan	The publishing and sales of Hsieh Chih Industrial Library	2,420	2,420	242	6.91	981	151	10	
	Chung-Tai Technology Development Engineering Co.	New Taipei City, Taiwan	Construction of telecom cable	88,000	88,000	2,200,000	22.00	12,125	(5,194)	(1,102)	
	Tatung Forever Energy Co., Ltd.	Taipei City, Taiwan	Solar energy related business	1,585,583	485,583	158,558,308	99.10	1,508,602	(37,691)	(53,371)	
	Taipei Industry Corporation	Taipei City, Taiwan	Production and sales of mixing concrete	19	19	69	0.00	74	(136,728)	40	
	LEAP HIGH LTD	Samoa	Investment holding	12,498	12,498	263,250	65.00	1,080	(678)	(440)	
	Tungyang Energy Co., Ltd.	Taipei City, Taiwan	Solar energy related business	400,000	150,000	40,000,000	100.00	400,205	839	774	
	Shang Shin Energy Co., Ltd.	Tainan City,Taiwan	Solar energy related business	90,100	100	9,010,000	100.00	89,715	(355)	(355)	
	Chih Kuang Energy Co., Ltd.	Tainan City,Taiwan	Solar energy related business	400,000	150,000	40,000,000	100.00	398,174	(1,693)	(1,758)	
	Ting Xin Energy Co.,Ltd.	Taipei City, Taiwan	Solar energy related business	30,100	-	3,010,000	100.00	30,058	(42)	(42)	
	Zhi Shin Energy Co.,Ltd.	Taipei City, Taiwan	Solar energy related business	40,000	-	4,000,000	100.00	39,875	(125)	(125)	
	Yao Yang Energy Co.,Ltd.	Taipei City, Taiwan	Solar energy related business	5,000	-	500,000	100.00	4,937	(63)	(63)	
	Lansong International Co., Ltd.	Cambodia	Forestry	1,271,592	1,271,592	-	98.33	-	-	242	
	Tatung Netherlands B.V.	Netherlands	The sales of digital products	178,579	178,579	11,030	100.00	(145,958)	-	-	

ATTACHMENT 8-1

Names, locations and related information of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized (note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
Forward Electronics Co., Ltd. ("FD")	Forward Development Co., Ltd.	British Virgin Islands	Investment holding	640,997	658,256	-	100.00	1,313,260	11,880	11,923	(Note3)(Note9)(Note10)
	Gintung Energy Co., Ltd.	Taoyuan City,Taiwan	The manufacturing and sale of solar module and related component	355,296	355,296	5,398,269	14.59	-	(261,889)	(18,158)	(Note2)
San Chih Semiconductor Co., Ltd.	Green Energy Technology Inc.	Taoyuan City,Taiwan	Manufacture of electrical parts and retail sales and wholesale of electrical materials	-	2,477,692	-	-	-	(5,561,760)	(1,156,000)	(Note5)(Note8)
	GREATER POWER LIMITED	Hong Kong	Investment holding	446,482	446,482	13,760,000	100.00	-	(148,766)	(148,766)	
	Chih De Investment Co., Ltd.	Taipei City, Taiwan	Investment holding	1,000	1,000	100,000	100.00	1,012	31	31	
GREATER POWER LIMITED	ULTRA ENERGY HOLDINGS LIMITED	Hong Kong	Investment holding	446,482	446,482	13,760,000	19.77	-	(800,222)	(120,043)	
Tatung System Technologies Inc.	Chyun Huei Business Technology Inc.	Taipei City, Taiwan	Information software service	42,740	42,740	8,000,000	100.00	114,165	16,386	16,386	
	Tisnet Technology Inc.	Taipei City, Taiwan	Software design and development	62,590	62,590	5,500,000	100.00	60,722	6,727	6,727	
	I Torch Technology Co., Ltd.	Taitung City, Taiwan	The computer package software,equipment management and information technology consultant	5,000	-	500,000	20.00	4,644	(1,779)	(356)	
Chunghwa Picture Tubes, Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	Bermuda	Investment holding	3,779,727	3,779,727	131,900,000	100.00	6,086,842	(195,855)	(195,855)	
Chunghwa Picture Tubes (Bermuda) Ltd.	Goldmax Asia Pacific Ltd.	Hong Kong	Investment holding	18,636	18,636	601,303	4.75	18,636	(13,396)	-	
Tatung Fine Chemicals Co., Ltd.	Shang Chih International Chemical Industry Co., Ltd.	British Virgin Islands	Investment holding	$84,647	$84,647	-	100.00	$63,168	$(1,307)	$(1,307)	
Shan-Chih Asset Development Co.	Tatung Forestry and Construction Co.	Taipei City, Taiwan	The design and construction of structural engineering	221,405	221,405	22,198,040	99.77	274,154	8,125	6,710	
	Taipei Industry Corporation	Taipei City, Taiwan	Production and sales of mixing concrete	1,058,450	1,058,450	1,362,055	50.61	1,648,255	(136,728)	(69,199)	
	Shan-Chih Asset International Holding Corp.	Samoa	Investment holding	2,261,982	2,261,982	72,900,000	100.00	833,332	(35,946)	(35,946)	
	Chih Sheng Realty Co., Ltd.	Taipei City, Taiwan	Realty management	592,950	592,950	59,294,950	100.00	260,156	12,013	12,013	
	Hsieh-Chih Industrial Library Publishing Co.	Taipei City, Taiwan	Publishing and sales	9,960	9,960	3,201	91.46	12,714	88	72	
Shan-chih Asset International Holding Co.	San-Chih Asset International(Hong Kong) Holding,.Ltd.	Hong Kong	Investment holding	1,200,480	1,200,480	40,000,000	100.00	566,492	(37,506)	(37,506)	
Chih Sheng Investment Co., Ltd.	HEDA Biotechnology Co., Ltd.	Taipei City, Taiwan	Produce, food and groceries retail	12,000	12,000	12,000,000	52.17	-	-	-	
	Chunghwa Electronics Development Co., Ltd.	Taipei City, Taiwan	Investment holding	181,800	181,800	18,384,477	5.81	(80,132)	(1,004,404)	(58,329)	
	Tatung Fine Chemicals Co., Ltd.	Taipei City, Taiwan	The manufacturing and sale of household coatings, industrial coatings and chemical products	57,044	57,044	3,796,537	4.89	6,297	988	48	
	Chih Sheng Investment (BVI) Co., Ltd.	British Virgin Islands	Investment holding	508,337	508,337	16,862,590	100.00	(10,004)	55	55	
	Green Energy Technology Inc.	Taoyuan City,Taiwan	Manufacture of electrical parts and retail sales and wholesale of electrical materials	-	881,501	-	-	-	(5,561,760)	(428,629)	(Note5)(Note8)
Chih Sheng Investment (BVI) Co., Ltd.	Chih Sheng Holding Co., Ltd.	British Virgin Islands	Investment holding	542,219	542,219	16,812,590	100.00	(297)	109	109	

ATTACHMENT 8-2

Names, locations and related information of investee companies (excluding investment in Mainland China)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized (note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
Chih Sheng Holding Co, Ltd	Chih Sheng Holding HK Limited	Hong Kong	Investment holding	200,111	200,111	6,205,310	100.00	(35,462)	240	240	
	Goldmax Asia Pacific Ltd.	Hong Kong	Investment holding	193,500	193,500	6,000,000	46.51	31,477	(171)	(80)	
Chunghwa Electronics Development Co., Ltd.	Shan Chih Investment Co., Ltd.	Taipei City, Taiwan	Manufacturing & Investment holding	92,918	92,918	3,376,213	4.17	16,298	(25,517)	(1,064)	
	Forward Electronics Co., Ltd.	New Taipei City, Taiwan	The manufacturing and sale of electronics	36,550	36,550	10,114,750	6.43	94,889	(131,626)	(8,378)	
	Chunghwa Picture Tubes, Ltd.	Taoyuan City,Taiwan	Manufacture, research and sale of picture tubs and TFT-LCD products	3,977,935	3,991,703	577,821,932	8.92	(1,515,331)	(11,955,010)	(1,066,119)	
	San Chih Semiconductor Co., Ltd.	Taipei City, Taiwan	Manufacture and sales of semiconductors and chips	296,479	296,479	16,067,651	13.90	17,279	(196,668)	(27,336)	
	Tatung Fine Chemicals Co., Ltd.	Taipei City, Taiwan	The manufacturing and sale of household coatings, industrial coatings and chemical products	17,338	17,338	1,138,960	1.47	1,889	988	15	
Toes Opto-Mechatronics Co.	Gintung Energy Co., Ltd.	Taoyuan City,Taiwan	The manufacturing and sale of solar module and related component	28,600	28,600	438,600	1.18	-	(261,889)	(1,469)	
Shan Chih Investment Co., Ltd.	Shan-Chih International Holding Co.	Samoa	Investment holding	247,118	247,118	7,500,000	100.00	232,469	(26,805)	(26,805)	
Tatung Medical Healthcare Technologies Co., Ltd.	Cloud Care Technologies Co., Ltd.	Taipei City, Taiwan	Service of information software	1,600	1,600	160,000	40.00	1,997	489	196	
	Tatung Medical&Healthcare Technologies Inc.	Samoa	Investment holding	-	2,993	100,000	100.00	-	(168)	(168)	
	Insured Pharmaceuticals Co., Ltd.	Taipei City, Taiwan	Pharmaceuticals and warehousing and transportation service	35,000	35,000	3,500,000	100.00	29,950	(114)	(1,080)	
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Taipei City, Taiwan	Solar energy related business	1,200,000	400,000	120,000,000	100.00	1,215,508	17,042	17,042	
Tatung Mexico S.A de C.V.	TMX Logistics, Inc.	U.S.A	Hub Service	83,160	83,160	2,694,403	100.00	(30,442)	(39,729)	(39,729)	
	TMX Technologies, Inc.	U.S.A	Technologies & Business	70,191	70,191	2,250	100.00	4,661	2,118	2,118	
Absolute Alpha Limited	Tatung Information Technologies Corp.	U.S.A	The sale of electronic products	1,595	1,595	50,000	100.00	19,491	48	48	
Tatung Information (Singapore) Pte. Ltd.	Myanmar Tatung Co., Ltd.	Myanmar	Sales and customer service of solar energy, industrial motor, home appliances, industrial air conditioner	13,133	13,133	425,099	100.00	1,974	(923)	(923)	
	Tatung Myanmar JV Holding Co., Ltd.	British Virgin Islands	Investment holding	4,841	4,841	150,000	100.00	1,983	(1087)	(1087)	
Tatung Myanmar JV Holding Co., Ltd.	LIN HTET LIN Co., Ltd.	Myanmar	Solar energy related business	4,841	4,841	73,500	49.00	2,158	(1,864)	(912)	
Tatung (Thailand) Co., Ltd.	Myanmar Tatung Co., Ltd.	Myanmar	Sales and customer service of solar energy, industrial motor, home appliances, industrial air conditioner	-	-	1	-	-	(923)	-	
Leap High Limited	Tatung Middle East Purification of Potable Water L.L.C.	Dubai	Sales of water generators in Middle East	-	11,716	-	-	-	(1,231)	(602)	(Note11)

Note 1: The transactions among the consoldiated entities were written off in the consolidated financial statements.

Note 2: The equity attribuable to shareholders of Gintung Energy Co., Ltd. was negtive, thus, the Company recognized shares of loss of associates accounted for using equity method of TWD18,158 thousand, hence, the ending balance of investments accounted for under the equity menthod was zero.

Note 3: Including equipment priced as investment of TWD75,115 thousand (USD2,282 thousand).

Note 4: The Company recognized shares of loss of Green Energy Technology Co., Ltd accounted for using equity method as of end of August, because its stockholders approved the liquidation proposal therefore the Company lost control.

Note5: The share of loss of associates accounted for using equity method excluded loss on disposal of investments.

Note 6: Since the Company sold 36.33% of its shares in the third quarter and completed share transfer in the fourth quarter, the Company's ownership in Tatung SM-Cycle Co. reduced from 85.33% to 49%. However the Company still exercises significant control over the entity therefore the investment was accounted for using the equity method.

Note 7: Since Green Energy Technology Co., Ltd's shareholders' meeting approved the liquidation proposal, San Chih Semiconductor Co., Ltd. recognized gain on disposal of investments because its equity attributable to shareholders turned positive due to losing control. The ending balance of investments accounted for under the equity method of the company also turned positive.

Note 8: After Green Energy Technology Co., Ltd's shareholders' meeting approved the liquidation proposal, the company's shares were reclassified as financial assets at fair value through other comprehensive income, non-current due to loss of control.

Note 9: Forward Development Co.,Ltd. repatriated funds of NTD17,259thousand (USD557 thousand) as of December 31, 2019.

Note 10: The diference of NTD43 thousand between net income (loss) of investee company and investment income (loss) recognized from Forward Development Co.,Ltd. was the result of downstream transanctions.

Note 11: Tatung Middle East Purification of Potable Water L.L.C. completed the liquidation procedures which caused Leap High Ltd.'s shareholding ratio to decrease from 49% to zero. Therefore the investment income (loss) recognized from Tatung Middle East Purification of Potable Water L.L.C. was recognized as of October 17, 2019.

ATTACHMENT 9

Investment in Mainland China

Investor company ((Note 7)	Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment ((Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows Outflow	Investment Flows Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2 and 4)	Carrying Value as of December 31, 2019 ((Note 4)	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2019
Tatung Electric (Singapore) Pte. Ltd.	Tatung (Shanghai) Co.,Ltd	Manufacture and sales of AC motor, DC motors, AC generators, diesel engine generators, variablespeed motors, inverters and PLCs, transformers, switchboards	$704,530 USD 23,500	(2) (Note6)	$614,590 USD 20,500	$-	$-	$614,590 USD 20,500	($224,680)	87.23%	($195,988) (2) B.	$736,952	$-
Tatung Information (Singapore) Pte. Ltd.	Tatung Information Technology (Jiangsu) Co., Ltd.	Produce and sales of appliances and electronic production	925,183 USD 30,860 (Note16)	(2) (Note6)	761,492 USD 25,400	-	-	761,492 USD 25,400	(12,264)	78.40%	(9,614) (2) B.	(317,291)	-
	Tatung Compressors (ZHONGSHAN) Co., Ltd.	The manufacturing and sales of reciprocating compressors for freezing and refrigeration	341,472 USD 11,390	(2) (Note6)	272,818 USD 9,100	-	-	272,818 USD 9,100	11,933	79.89%	9,533 (2) B.	298,669	-
Forward Development Co.,Ltd	Forward Electronics Equipment (Dong Guan) Co., Ltd	Manufacture and sales of tuner, keyboard, mouse, remote controller, switch, socket, potentiometer and gaming mouse	137,908 USD 4,600	(2) (Note5)	122,788	-	-	122,788	8,949	100.00%	8,949 (2) B.	149,870	25,163 USD 814
	Suzhou Forward Electronics Technology Co., Ltd.	The manufacturing and sale of backlight unit for TFT-LCD, driving board, tuner, keyboard, mouse,switch, socket and connector	815,456 USD 27,200	(2) (Note5)	145,175	-	-	145,175	4,494	100.00%	4,494 (2) B.	1,163,448	260,316 USD 8,421
	Ufeco (Wujiang) Technology Inc	The manufacturing and sale of light-emitting diode	70,766 RMB 16,438	(3)	-	-	-	-	9,981	40.00%	3,992 (2) B.	26,479	-
Tatung System Technologies Inc.	TSTI Technologies (Shanghai) Co., Ltd.	Information software service	144,888 RMB 30,000	(1)	136,308 USD 4,569	-	-	136,308 USD 4,569	(37,934) (RMB8,481)	94.00%	(35,084) (2) B.	8,624	-
Tatung Fine Chemicals Co., Ltd.	Tatung Coatings (Kunshan) Co., Ltd.	Manufacture and sales of industry coating and electro-deposition coating.	122,437 USD 4,067 (Note10)	(1)	33,156 USD 1,060	-	-	33,156 USD 1,060	(9,318)	82.35%	(7,655) (2) B.	103,245	87,354 USD 2,784
	Huaian Tatung Advanced Technology Materials Co., Ltd.	The manufacturing and sales of positive material of lithium battery, printer ink, electro-deposition high performance coating.	USD 162,429 USD 5,000 (Note11)	(1)	147,987 USD 4,550	-	-	147,987 USD 4,550	(404)	100.00%	(404) (2) B.	61,886	-
Shang Chih International Chemical Industry Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	Wholesale of painting, coating and chemical products	32,236 USD 1,000	(2) (Note9)	32,236 USD 1,000	-	-	32,236 USD 1,000	2,819	100%	2,819 (2) B.	46,420	23,153 USD 767
	Tatung Coatings (Kunshan) Co., Ltd.	Manufacture and sales of industry coating and electro-deposition coating.	122,437 4,067 (Note10)	(2) (Note9)	-	-	-	52,411 USD 1,600 (Note12)	(9,318)	17.65%	(1,663) (2) B.	22,128	-
	Wujiang Shanghua Material Technology Co., Ltd	Manufacture and sales of ABS plastic	- (Note12)	(2) (Note9)	52,411 USD 1,600	-	-	- (Note12)	-	-	- (2) B.	-	8,726 USD 270
Chunghwa Picture Tubes, Ltd.	CPTF Optronics (Shen-Zhen) Co., Ltd.	Market research service	8,610.00 RMB 2,000	(3) (Note13)	-	-	-	-	(20,061)	100%	(20,061) (2) B.	(7,257)	-
Shan-Chih Asset International Holding	Tatung Management Consultant (Shanghai) Co., Ltd.	Realty and Leasing Service	239,840 USD 8,000	(2) (Note6)	256,608 USD 8,000	-	-	239,840 USD 8,000	1,594	100%	1,594 (2) B.	214,524	-

ATTACHMENT 9-1

Investment in Mainland China

Investor company ((Note 7)	Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment ((Note 1)	Accumulated Outflow of Investment from Taiwan as of	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2018	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 2 and 4)	Carrying Value as of December 31, 2019 ((Note 4)	Accumulated Inward Remittance of Earnings as of Outflow December 31, 2019
						Outflow	Inflow						
Chih Sheng Holding HK Limited	Wu-jiang Tatung Electronics Trading Co. Ltd	Sales of appliances and electronic production	$- (Note16)	(2) (Note6)	163,691 USD 5,460	-	-	$- (Note16)	($453) RMB(100)	0.00%	($453) (2) B.	$-	$-
	Tatung Information Technology (Jiangsu) Co., Ltd.	Produce and sales of appliances and electronic production	925,183 RMB 30,860 (Note16)	(2) (Note6)	-	-	-	163,691 USD 5,460 (Note16)	1,290	21.60%	$279 (2) B.	(38,102) (Note17)	-
Shan-Chih International Holding Co.	Tatung (Shanghai) Co.,Ltd	The manufacturing and sales of AC motor, DC motors, AC generators, diesel engine generators, variablespeed motors, inverters and PLCs, transformers, switchboards	RMB 704,530 USD 23,500	(2) (Note6)	89,940 USD 3,000	-	-	89,940 USD 3,000	(224,680)	12.77%	(28,683) (2) B.	87,911	-
	Tatung Compressors (ZHONGSHAN) Co., Ltd.	The manufacturing and sales of reciprocating compressors for freezing and refrigeration	341,472 USD 11,390	(2) (Note6)	68,654 USD 2,290	-	-	68,654 USD 2,290	11,933	20.11%	2,399 (2) B.	86,212	-
Tatung (Shanghai) Co.,Ltd	Tatung Cranes (Shanghai) Co., Ltd	The manufacturing and sales of cranes	40,243 RMB 9,348	(2) (Note6)	-	-	-	-	(11,875) RMB(2,655)	45.00%	(5,345) (2) B.	22,197 RMB 5,156	-
	Tatung Xinji (Guangdong) Technology Co., Ltd.	Electrical engineering system installation service	8,610 RMB 2,000	(2) (Note6)	-	-	-	-	(1,601) RMB(358)	100%	(1,601) (2) B.	8,868 RMB 2,060	-
Tatung Medical&Healthcare Technologies Inc.	Elite Oxygen And Healthcare Co., Ltd	Sales of Oxygen generator	- (Note15)	(2) (Note6)	2,998 USD 100	-	2,219 USD 74 (Note15)	- (Note15)	(168)	-	(168) (2) B.	-	-

Accumulated Investment in Mainland China December 31,2019 (Note14)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment ((Note 8)
$2,841,674	$5,920,385	$17,193,544

Note 1: The methods for engaging in investment in Mainland China include the following:
(1) Direct investment in Mainland China.
(2) Indirectly investment in Mainland China through companies registered in a third region. (Please specify the name of the company in third region).
(3) Reinvested by the surplus from a mainland company established through a third region.
(4) Other methods
Note 2: The investment income (loss) recognized in current period:
(1)Please specify if no investment income (loss) has been recognized as still in the preparation stage.
(2)The investment income (loss) were determined based on the following:
A.The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
B.The financial statements certificated by the CPA of the parent company in Taiwan.
C.Others.
Note 3: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date.
US dollars exchange rate on December 31, 2019: 29.98000
RMB exchange rate on December 31, 2019: 4.30500
Note 4: The transactions among the consoldiated entities were eliminated in the consolidated financial statements.
Note 5: Reinvested through Forward Development Co., Ltd. by remitting the ivestment funding and equipment investment.
Note 6: Refer to the investment company name column for third region investment companies.
Note 7: Refer to Attachment 8 for investment percentages in all investees of the Company.
Note 8: Calculated by the net worth of the consolidated financial statement of the Company.
Note 9: Tatung Fine Chemicals Co., Ltd. invested in subsidiaries in China through its subsidiary Shang Chih International Chemical Industry Co., Ltd.
Note 10: Including stock dividend of USD1,267 thousand, equipments investment of USD140 thousand and increase in paid in capital of USD1,600 thousand due to the merger of Wujiang Shanghua Material Technology Co., Ltd and Tatung Coatings (Kunshan) Co., Ltd.
Note 11: Total amount of paid-in capital included cash capital increase of USD450 thousand to Huaian Tatung Advanced Technology Materials Co., Ltd.
Note 12: Since Tatung Coatings (Kunshan) Co., Ltd. acquired Wujiang Shanghua Material Technology Co., Ltd, the total amount of paid-in capital of Tatung Coatings (Kunshan) Co., Ltd. included Wujiang Shanghua Material Technology Co., Ltd,'s paid-in-capital.
Note 13: Chunghwa Picture Tubes, Ltd. Invested in subsidiaries in China through its subsidiary: Chunghwa Picture Tubes (Bermuda) Ltd.
Note 14: The accumulated Investment in Mainland China included investment fund as a result of Forward Development Co., Ltd. selling CPTF Visual Display(Fuzhou) Ltd. The cash consideration was NTD12,999 not remitted.
Note 15: Elite Oxygen And Healthcare Co., Ltd finished liquidation process on August 2019 and capital repatriation on Octorber 2019. In addition, after the liquidation process was finished, it will apply to the Investment Commission, MOEA to cancel the investment amount authorization.
The remaining capital of USD26 thousand can not be remitted back, thus it was recognized as investment loss.
Note 16: Tatung Information Technology (Jiangsu) Co., Ltd. acquired Wu-jiang Tatung Electronics Trading Co. Ltd, thus the investment included Wu-jiang Tatung Electronics Trading Co. Ltd,'s paid-in-capital.
Note 17: Tatung Information Technology (Jiangsu) Co., Ltd. acquired Wu-jiang Tatung Electronics Trading Co. Ltd, thus the carrying value as of December 31, 2019 included Wu-jiang Tatung Electronics Trading Co. Ltd.'s value.

ATTACHMENT 10

Intercompany Relationships and Significant Intercompany Transactions

Individual transaction amounts less than $100 million will not be disclosed; instead they will be disclosed as other assets or liabilities and income or expense , while the relative transactions will not be disclosed

Number (Note 1)	Company Name	Counter Party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	1	Sales	$2,877,503	Note 7	8.12%
0	Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	1	Accounts receivable	1,562,795	-	1.31%
0	Tatung Co., Ltd	Tatung Consumer Products (Taiwan) Co., Ltd.	1	Other receivable	286,917	-	0.24%
0	Tatung Co., Ltd	Tatung Co. of Japan, Inc.	1	Sales	345,019	Note 7	0.97%
0	Tatung Co., Ltd	Tatung Co. of Japan, Inc.	1	Purchases	584,722	Note 7	1.65%
0	Tatung Co., Ltd	Tatung Electric Company of America, Inc.	1	Sales	190,839	Note 7	0.54%
0	Tatung Co., Ltd	Tatung Information Technology (Jiangsu) Co., Ltd.	1	Other receivable	518,235	-	0.44%
0	Tatung Co., Ltd	Tatung Forever Energy Co., Ltd.	1	Other receivable	168,095	-	0.14%
0	Tatung Co., Ltd	Shan-Chih Asset Development Co.	1	Other receivable	269,724	-	0.23%
0	Tatung Co., Ltd	Tatung (Shanghai) Co.,Ltd	1	Purchases	129,994	Note 7	0.37%
0	Tatung Co., Ltd	Tatung Forestry and Construction Co.	1	Purchases	136,992	Note 7	0.39%
1	Tatung Co. of Japan, Inc.	Chunghwa Picture Tubes, Ltd. and its subsidiaries	3	Accounts receivable	1,295,772	-	1.09%
2	Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	3	Sales	1,347,175	Note 7	3.80%
2	Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	3	Accounts receivable	560,998	-	0.47%
2	Tatung Forever Energy Co., Ltd.	Tatung Co., Ltd	2	Purchases	537,632	Note 7	1.52%
3	Shan-Chih Asset Development Co.	Tatung Co., Ltd	2	Sales	223,829	Note 7	0.63%
4	Suzhou Forward Electronics Technology Co., Ltd.	Forward Development Co., Ltd	3	Sales	153,705	Note 7	0.43%
5	Chunghwa Picture Tubes, Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	3	Accounts receivable	867,764	-	0.73%
6	Chunghwa Picture Tubes (Bermuda) Ltd.	CPTF Optronics (Shen-Zhen) Co., Ltd.	3	Other receivable	2,219,565	-	1.87%
7	CPTF Optronics (Shen-Zhen) Co., Ltd.	Chunghwa Picture Tubes (Bermuda) Ltd.	3	Other receivable	1,583,114	-	1.33%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1 Parent company to subsidiary

2 Subsidiary to parent company

3 Subsidiary to subsidiary

4 Parent company to associates

Note 3: When calculating the percentage of transaction amount to the consolidated revenues or the consolidated assets: Items of the balance sheets are calculated as its ending balance to total consolidated assets; items of income statement are calculated by its cumulative balance to the total consolidated income.

The contents of statement of major accounting items

	Statement Index
Major Accounting Items In Assets,Liabilities And Equity：	
1. The details of cash and cash equivalents	1
2. The details of financial assets at fair value through profit or loss, current	2
3. The details of financial liabilities at fair value through profit or loss, current	3
4. The details of financial assets at fair value through other comprehensive income, current	4
5. The details of financial assets at amortised cost, current	5
6. The details of contract assets	6
7. The details of Note receiables	7
8. The details of accounts receivable	8
9. The details of other receivables and long-term recrivables	9
10. The details of inventories	10
11. The details of prepayments	11
12. The details of financial assets at fair value through other comprehensive income, non-current	12
13. The details of financial assets at amortised cost, non-current	13
14. The details of change in investments accounted for under the equity method	14
The details of property,plant and equipment	Note 6 (10)
The details of accumulated depreciation and accumulated impairment of property,plant and equipment	Note 6 (10)
The details of changes in intangible assets	Note 6 (12)
The details of other non-current assets	Note 6 (13)
The details of investment property	Note 6 (11)
15. The details of short-term loans	15
16. The details of short-term notes and bills payable	16
17. The details of accounst payable	17
18. The details of other payables	18
The details of provision	Note 6 (22)
19. The details of advanced receipts and other current liabilities	19
The details of long-term loans	Note 6 (20)
20. The details of right-of-use asset	20
21. The details of lease liability	21
Major Accounting Items In Profit Or Loss:	
22. The details of net operating revenue	22
23. The details of operating costs	23
24. The details of manufacturing overhead	24
25. The details of sales and marketing expenses	25
26. The details of administrative expenses	26
27. The details of research and development expenses	27
The details of net other income(expense)	Note 6 (28)

TATUNG CO., LTD.

1. The details of cash and cash equivalents

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary		Amount	
			Subtotal	Total
Cash on hand				$29,913
Cash in banks				2,993,936
	NTD demand deposits and check deposits		$2,687,648	
	Foreign demand deposits (Note)			
	USD	4,916	147,392	
	RMB	489	2,106	
	EUR	73	2,456	
	THB	6,320	6,382	
	JPY	514,799	142,085	
	HKD	1,446	5,566	
	SEK	94	301	
Petty cash				45,732
Time deposits				5,261
Cash in transit				1,329
Total				$3,076,171

Note: Exchange rates of foreign deposits are as follows:

Currency	Exchange rate
USD	29.9800
RMB	4.3050
EUR	33.5900
THB	1.0098
JPY	0.2760
HKD	3.8490
SEK	3.2100

TATUNG CO., LTD.

2. The details of financial assets at fair value through profit or loss, current

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of financial instruments	Summary	Units	Par value	Total	Interest rate	Acquisition cost	Gain and loss valuation	Total	Change in fair value attributable to change in credit risk	Note
Fund	FSITC Global Wealthy Nations Bond Fund	1,500,000	$10	$15,000	-	$15,000	$4	$15,004	NA	Please refer to Note 6

TATUNG CO., LTD.

3. The details of financial liabilities at fair value through profit or loss, current

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of financial instruments	Summary	Units	Par value	Total (nominal amount in thousands)	Interest rate	Fair value		Change in fair value attributable to change	Note
						Unit price	Total		
Forward foreign exchange	BUY USD/SELL NTD			USD 5,000			$2,802	NA	Please refer to Note 6
	BUY USD/SELL JPY			USD 2,000			6	〃	〃
	Total						$2,808		

TATUNG CO., LTD.

4. The details of financial assets at fair value through other comprehensive income, current

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of financial instruments	Summary	Shares/units	Par value	Total	Interest rate	Acquisition cost	Accumulated impairment	Fair value		Note
								Unit price	Total	
Stock	Taiwan Cogeneration Co.	4,727,920	$-	$-	-	$27,095	NA	$29.90	$141,365	
	Taiwan Otis Elevator Co.	20,000	-	-	-	90,121	"	6,264.71	125,294	
	Tongya Telecommunication Industry Co., Ltd	19,800	-	-	-	8,000	"	1,891.75	37,457	
	United Electric Industry Co.Ltd	1,615,732	-	-	-	15,000	"	8.98	14,512	
	Rechi Precision Co., Ltd	679,761	-	-	-	6,015	"	22.95	15,601	
	Chi Yeh Chemical Co.	125,000	-	-	-	1,091	"	46.62	5,828	
	Scientific Pharmaceutical Elite Co.Ltd	600,000	-	-	-	9,000	"	4.86	2,917	
	Chung Hwa Trading Development Co.	49,984	-	-	-	500	"	10.00	500	
	Taiwan Sugar Co.,Ltd	1,391	-	-	-	1	"	53.95	75	
	Taiwan Power Company	2,104	-	-	-	14	"	6.70	14	
	Asia-Pacific Thechnology & Intellectual Property Services Inc.	140,000	-	-	-	4,860	"	-	-	
									$343,563	

TATUNG CO., LTD.

5. The details of financial assets at amortised cost, current

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name	Summary	Units	Par value	Total	Interest rate	Book value	Note
Pledged time deposit	-	-	-	-	-	$1,668,901	Construction guarantee and court
Reserve account	-	-	-	-	-	56,011	Endorsement guarantee
Time deposits	-	-	-	-	-	16,539	
Total						$1,741,451	

TATUNG CO., LTD.

6. The details of contract assets

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of customers	Summary	Amount	Note
Non-related parties:			
Taiwan Power Company		$45,596	
Continental Engineering Corporation		45,370	
CTCI Corporation		12,311	
KAI YUAN CONSTRUCTION CO., LTD.		12,816	
Department of Urban Development, Taipei City Government		11,393	
Others (Note)		1,122	
Subtotal		128,608	
Related parties:			
Others (Note)		4,786	
Total		$133,394	

Note: Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

7. The details of Note receiables

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of customers	Summary	Amount	Note
Non-related parties:			
Da Shun Engineering Corporation		$18,000	
Others (Note)		108,322	
Total		$126,322	

Note: Amounts less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

8. The details of accounts receivable

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of customers	Summary	Amounts	Note
Non-related parties:			
1. Accounts receivable			
Taiwan Power Company		$435,234	
VOYETRA TURTLE BEACH, INC		201,348	
Continental Engineering Corporation		211,555	
Others (Note)		1,227,710	
Subtotal		2,075,847	
Less: Loss allowance		(48,200)	
Net		$2,027,647	
Related parties:			
Tatung Consumer Products (Taiwan) Co., Ltd.		$1,562,795	
Others (Note)		132,636	
Total		1,695,431	
Less: Loss allowance		(1,023)	
Net		$1,694,408	

Note: Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

9. The details of other receivables and long-term recrivables

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Non-related parties:			
Other receivables	PROVIEW	$1,179,632	
(including long-term receivables)	Green Energy Technology Inc.	1,352,858	
	Others(Note)	138,386	
Total		2,670,876	
Less: Loss allowance		(2,532,490)	
Net		$138,386	
Related parties:			
Other receivables－related parties	Shan-Chih Asset Development Co. ("SCAD")	$269,724	
(including long-term receivables－related parties)	Tatung Information Technology (Jiangsu) Co., Ltd.	518,235	
	Chunghwa Picture Tubes, Ltd. ("CPT")	2,064,595	
	Others (Note)	674,531	
Total		3,527,085	
Less: Loss allowance		(71,122)	
Net		$3,455,963	

Note: Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

10. The details of inventories

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount		Note
		Costs	Net realizable value	
Raw materials		$709,485	$656,755	The market value of raw materials, work in progress and finished goods is net realizable value. Please refer to Note 4 (7) The accounting policies of inventory.
Work in progress and property under construction		2,062,451	1,942,774	
Finished good		1,485,996	1,406,364	
Inventories in transit		45,936	45,936	
Total		4,303,868	$4,051,829	
Less: Allowance for inventory valuation losses		(252,039)		
Net		$4,051,829		

TATUNG CO., LTD.

11. The details of prepayments

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Prepayments to suppliers		$88,768	
Prepayments to suppliers - related parties		175,793	
Others prepayments - related parties		18,184	
Net Input VAT		12,721	
Others		70,175	
Total		$365,641	

TATUNG CO., LTD.

12. The details of financial assets at fair value through other comprehensive income, non-current

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name	Beginning balance		Increase during the period		Decrease during the period		Adjustments for change in value	Ending balance		Assets pledged or collateral	Note
	Shares/units	Fair value	Shares/units	Amount	Shares/units	Amount		Shares/units	Fair value		
Stock											
Tatung Technology Inc.	1,027,056	$15,024	-	$-	-	$-	$28,434	1,027,056	$43,458	None	
Chih Yi Health Co.Ltd	200,000	2,000	-	-	-	-	-	200,000	2,000	None	
Yi Chi Associated Trading Co	30,000	300	-	-	-	-	-	30,000	300	None	
Voltamp Power SAOC	-	-	1,366,588	106,390			-	1,366,588	106,390	None	
Total		$17,324		$106,390		$-	$28,434		$152,148		

TATUNG CO., LTD.

13. The details of financial assets at amortised cost, non-current

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of financial instruments	Summary	Units	Book value	Note
Reserve account		-	$345,380	Financial institution
Pledged time deposit			663	Court guarantee
			$346,043	

TATUNG CO., LTD.
14. The details of change in investments accounted for under the equity method
For the Years Ended December 31, 2019

Name	Beginning balance		Increase during the period(Note3)		Decrease during the period(Note4)		Ending balance				Market price/ Net equity		Assets were pledged as collateral
	Shares/units	Amount	Shares/units	Amount	Shares/units	Amount	Shares/units	Percentage of ownership (%)	Amount		Unit price	Total price	
Chunghwa Picture Tubes, Ltd. ("CPT")	1,850,745,168	$(2,978,206)	-	$805,840	-	$(4,249,388)	1,850,745,168	28.56%	$(6,421,754)	(Note9)	($2.45)	($4,534,326)	None
San Chih Semiconductor Co., Ltd.("SCSC")	49,913,576	(88,660)	-	143,161	-	-	49,913,576	43.18%	54,501		1.09	54,406	Yes (Note1)
Forward Electronics Co., Ltd. ("FD")	18,955,623	237,586	-	-	-	(21,849)	18,955,623	12.05%	215,737		4.50	85,300	None
Tatung System Technologies Inc.	36,018,121	509,819	1,800,906	56,043	-	(18,884)	37,819,027	42.70%	546,978	(Note12)	17.15	648,596	None
Tatung Fine Chemicals Co., Ltd.	37,458,319	56,885	-	246	-	(4,071)	37,458,319	48.27%	53,060		2.52	94,395	None
Green Energy Technology Inc. ("GET")	19,723,865	(84,478)	-	344,768	-	(260,290)	-	-	-	(Note10)	-	-	None
Chih Sheng Investment Co., Ltd.	150,000,000	19,143	-	187,092	-	-	150,000,000	100.00%	206,235		1.12	168,000	None
Shan Chih Investment Co., Ltd.	77,627,119	515,296	-	26,096	-	(17,236)	77,627,119	95.83%	524,156		4.93	382,702	None
Chunghwa Electronics Development Co., Ltd.	280,626,267	(579,043)	17,000,000	609,732	-	(1,125,996)	297,626,267	94.01%	(1,095,307)	(Note5)	(4.36)	(1,297,651)	None
Shan-Chih Asset Development Co. ("SCAD")	5,220,064	43,788,755	-	10,747,095	-	(8,141,380)	5,220,064	100.00%	46,394,470		9,215.22	48,104,038	None
Taiwan Telecommunication Industry Company	675,000	(855,140)	-	556	-	-	675,000	100.00%	(854,584)		10.11	6,824	None
Tatung Information (Singapore) Pte. Ltd.	86,049,842	(55,924)	-	1,698	-	(2,062)	86,049,842	100.00%	(56,288)		(0.65)	(55,932)	None
Tatung Electric (Singapore) Pte. Ltd.	33,098,675	962,215	-	-	-	(225,263)	33,098,675	87.23%	736,952		22.27	737,107	None
Tatung Mexico S.A de C.V.	1,005,825	153,528	-	6,547	-	(35,042)	1,005,825	99.99%	125,033		124.31	125,034	None
Tatung Co. of Japan, Inc.	15,000	657,401	1,800,000	1,240,819	1,800,000	(572,258)	15,000	100.00%	1,325,962		88,397	1,325,962	None
Tatung Electronics (S) Pte. Ltd.	3,600,000	83,125	-	-	-	(2,529)	3,600,000	90.00%	80,596		22.39	80,604	None
Tatung (Thailand) Co., Ltd.	105,599,998	515,387	-	30,491	-	(14,480)	105,599,998	99.99%	531,398		5.04	532,224	None
Tatung Consumer Products (Taiwan) Co., Ltd.	49,650,000	(1,181,768)	-	5,182	-	(90,668)	49,650,000	99.10%	(1,267,254)		(24.64)	(1,223,376)	None
Toes Opto-Mechatronics Co.	17,000,000	15,444	-	9,302	-	-	17,000,000	85.00%	24,746		1.44	24,480	None
Tatung SM-Cycle Co.	6,400,000	171,223	3,675,000	279,086	6,400,000	(201,471)	3,675,000	49.00%	248,838	(Note11)	26.12	95,991	None
Tatung Die Casting Co.	153,000	56,246	-	9,320	-	(5,250)	153,000	51.00%	60,316		393.90	60,267	None
Tatung Medical Healthcare Technologies Co., Ltd.	33,924,366	168,971	2,499,873	36,656	-	(520)	36,424,239	95.85%	205,107	(Note6)	5.65	205,797	None
Central Research Technology Co.	6,612,155	49,876	-	47	-	(9,834)	6,612,155	100.00%	40,089		6.06	40,070	None
TATUNG CZECH s.r.o.	-	8,728	-	-	-	(1,662)	-	100.00%	7,066		-	-	None
Absolute Alpha Limited.	50,000	20,500	-	25	-	-	50,000	100.00%	20,525		410.50	20,525	None
Tatung Co. of America Inc.	1,750,000	94,751	-	16,926	-	(636,643)	1,750,000	50.00%	(524,966)		(289.98)	(507,465)	None
Tatung Electric Company of America, Inc.	1,000,000	175,002	-	5,692	-	(27,685)	1,000,000	100.00%	153,009		184.19	184,190	None
Tatung Science and Technology, Inc.	6,872,000	7,612	-	465	-	(200)	6,872,000	100.00%	7,877		1.17	8,040	None
Elitegroup Computer Systems Co., Ltd.	152,475,397	3,626,573	-	23,154	-	(64,514)	152,475,397	27.35%	3,585,213		13.70	2,088,913	Yes (Note2)
Tatung Okuma Co., Ltd.	8,428,000	1,285,832	-	131,089	-	(22,536)	8,428,000	49.00%	1,394,385		165.45	1,394,413	None
Kuender Co., Ltd.	10,336,000	63,880	-	-	1,200,000	(1,688)	9,136,000	50.00%	62,192		6.81	62,216	None
Hsieh-Chih Industrial Library Publishing Co.	242	972	-	9	-	-	242	6.91%	981		3,976.06	962	None
Chung-Tai Technology Development Engineering Co.	2,200,000	13,227	-	-	-	(1,102)	2,200,000	22.00%	12,125		5.51	12,122	None
Tatung Netherlands B.V.	11,030	(145,958)	-	-	-	-	11,030	100.00%	(145,958)		(100,496.80)	(1,108,480)	None
Tatung Forever Energy Co., Ltd.	48,558,308	462,930	110,000,000	1,100,000	-	(54,328)	158,558,308	99.10%	1,508,602	(Note7)	9.51	1,507,890	None
Taipei Industry Corporation	69	34	-	44	-	(4)	69	-	74		520.75	36	None
LEAP HIGH LTD	263,250	1,520	-	-	-	(440)	263,250	65.00%	1,080		0.03	8	None
Tungyang Energy Co., Ltd.	15,000,000	149,431	40,000,000	400,774	15,000,000	(150,000)	40,000,000	100.00%	400,205		10.01	400,400	None
Shang Shin Energy Co., Ltd.	10,000	70	9,000,000	90,000	-	(355)	9,010,000	100.00%	89,715	(Note8)	9.96	89,740	None
Chih Kuang Energy Co., Ltd.	15,000,000	149,932	25,000,000	250,000	-	(1,758)	40,000,000	100.00%	398,174	(Note8)	9.95	398,000	None
Ting Xin Energy Co.,Ltd.	-	-	3,010,000	30,100	-	(42)	3,010,000	100.00%	30,058	(Note8)	9.99	30,070	None
Zhi Shin Energy Co.,Ltd.	-	-	20,000,000	200,000	16,000,000	(160,125)	4,000,000	100.00%	39,875	(Note8)	9.97	39,880	None
Yao Yang Energy Co.,Ltd.	-	-	5,000,000	50,000	4,500,000	(45,063)	500,000	100.00%	4,937	(Note8)	9.87	4,935	None
Lansong International Co., Ltd. (Stop operating)	-	-	-	242	-	(242)	-	-	-				
		$48,052,717		$16,838,297		($16,166,858)			$48,724,156				

Assets－Deferred debit for investments accounted for under the equity method	$48,724,156
Liabilities－Deferred credit for investments accounted for under the equity method (Classified as other liabilities)	10,366,111
Net	$59,090,267

Note1: The 10,116,000 shares of San Chih Semiconductor Co., Ltd. held by the Company were pledged as collateral in the commodity tax lawsuit.
Note2: The 123,000,000 shares of Elitegroup Computer Systems Co.,Ltd. held by the Company were pledged against bank loans.
Note 3: It includes issue of shares, recognition of investment income, exchange differences from translating the financial statements of a foreign operation and increase in equity of investee.
Note 4: It includes capital reduction, cash dividends received, recognition of investment loss, exchange differences from translating the financial statements of a foreign operation and decrease in equity of investee.
Note 5: Chunghwa Electronics Development Co., Ltd. held a capital injection in April 2019. The Company subscribed the shares based on the holding percentage, and thus the Company's holding percentage increased to 94.01%。.
Note 6: Tatung Medical Healthcare Technologies Co., Ltd. held a capital injection in May 2019. The Company subscribed the shares based on the holding percentage, and thus the Company＇s holding percentage increased to 95.58%.
Note 7: Tatung Forever Energy Co,.Ltd. held a capital injection in March, June, July, September, October and November 2019. The Company subscribed the shares based on the holding percentage, and thus the Company's holding percentage increased to 99.10%。.
Note 8: To expand the solar energy business, in April 2019, the Company established Ting Xin Energy Co.,Ltd. 、Zhi Shin Energy Co.,Ltd. and Yao Yang Energy Co.,Ltd. with NTD100 thousand 、 NTD200,000 thousand and NTD50,000 thousand, respectively.Tungyang Energy Co.,Ltd.Ltd. held a capital injection in April 2019 with NTD 400,000 thousand, then Zhi Shin Energy Co.,Ltd.、Yao Yang Energy Co.,Ltd. and Tatung Forever Energy Co,.Ltd. held a reduce capital in September 2019 with NTD 160,000 thousand、NTD 45,000 thousand and NTD 150,000 thousand , percentage of owenership unchange Shang Shin Energy Co., Ltd. held a capital injection in June and September 2019 with NTD 90,000 thousand, the percentage of owenership is 100%.Chih Kuang Energy Co., Ltd. held a capital injection in August 2019 with NTD 50,000 thousand,the percentage of owenership is 100%.
Note 9: Chunghwa Picture Tubes, Ltd. ("CPT"), a subsidiary of the Group, resolved at its board meeting on September 18, 2019 to file bankruptcy to the court,as of December 31 2019, the court has not announced the result of the ruling.
Note 10: Green Energy Technology Co., Ltd. ("GET") resolved at its board meeting on July 15,2019 to withdraw its public issuance and to proceed dissolution and liquidation. At the provisional shareholders' meeting held on August 30, 2019, the Company lost control of GET. The Company recognized the gain on disposal in the amount of NTD340,922 thousand, reclassified the investment as financial assets measured at fair value through comprehensive income.
Note 11: The Company entered into a sale agreement in the third quarter of 2019 to sell 36.33% of its shares of Tatung Sm-Cyclo Co., Ltd. ("Tatung Sm-Cyclo") and such transaction was completed in the fourth quarter. The Company's shareholding percentage in Tatung Sm-Cyclo decreased from 85.33% to 49% , therefore the Company lost control of this subsidiary. However, the Company still has significant influence on the company, therefore Tatung Sm-Cyclo was recognized as investment accounted for using the equity method following derecognition. The profits (losses) from disposing of the investment or derecognition as mentioned above was NTD266,158 thousand.
Note 12: Tatung System Technologies Inc.("TSTI") approved at its shareholders' meeting on June 18, 2019 to inject capital with surplus in the form of new shares in 34,944 thousand. The Company received 1,800,906 shares from TSTI as a result of earnings distribution. TSIT approved at its board meeting held on August 8, 2019 to increase capital with cash and issued 18,000 thousand shares of common shares at NTD14.2 per share with par value of NTD10. The Company did not subscribe the newly issued shares and thus the Company's ownership in TSTI was reduced to 42.70%.

TATUNG CO., LTD.

15. The details of short-term loans

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Category of loans	Ending balance	Loan term	Interest rates	Assets pledged as collateral	Note
Unsecured bank loans	$100,000	All within one year	1.77%~2.30%	None	
Secured bank loans	800,000	All within one year	1.63%~2.02%	Shares	
L/C loans	613,918	All within one year	1.06%~3.38%	None	
Loans due to employees	14,773	All within one year	0.12%~0.17%		
Total	$1,528,691				

TATUNG CO., LTD.

16. The details of short-term notes and bills payable

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Guarantors	Period of contract	Interest rates	Amount			Note
				Issued amount	Unamortized discount	Book value	
Short-term notes and bills payable	O-Bank	108.09.19~109.03.17	0.75%~1.00%	$152,000	$(206)	$151,794	
				$152,000	($206)	$151,794	

TATUNG CO., LTD.

17. The details of accounst payable

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Name of suppliers	Summary	Amount	Note
Non-related parties:			
Hong Tai Electric Industrial CO.,LTD.		$181,167	
AMPACS Corporation		135,866	
Others (Note)		2,144,347	
Total		$2,461,380	
Related parties:			
Elitegroup Computer Systems Co., Ltd.		$130,504	
Gintung Energy Co., Ltd.		18,336	
Tatung (Shanghai) Co., Ltd.		20,931	
Tatung System Technologies Inc. ("TSTI")		17,495	
Tatung Information Technology (Jiangsu) Co., Ltd.		41,168	
Tatung Forestry and Construction Co.		50,584	
Others (Note)		68,380	
Total		$347,398	

Note: Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

18. The details of other payables

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Non-related parties:			
Wages and salaries payable (including year-endbonuses)		$359,602	
Payable on machinery and equipment		41,856	
Interest payable due to loans from banks and employees		63,156	
Employee benefits		54,238	
Others (Note)		596,239	
Total		$1,115,091	
Related parties:			
Shan-Chih Asset Development Co.		$1,950,265	
Others (Note)		147,406	
Total		$2,097,671	

Note: Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

19. The details of advanced receipts and other current liabilities

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Non-related parties：			
Receipts under custody		$46,539	
Funds held in custody		338	
Advanced receipts		588,899	
Subtotal		$635,776	

TATUNG CO., LTD.

20. The details of right-of-use asset

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

	Cost				Depreciation and impairment				
	Beginning balance	Additions	Disposals	Ending balance	Beginning balance	Additions	Disposals	Ending balance	Net carrying amount as of
Land	$4,238	$364	$(130)	$4,472	$-	$(1,717)	$130	$(1,587)	$2,885
Buildings	475,778	13,039	(6,818)	481,999	-	(235,999)	2,153	(233,846)	248,153
Machinery and equipment	2,848	13,211	(2,847)	13,212	-	(5,313)	388	(4,925)	8,287
Transportation equipment	27,959	8,547	(2,969)	33,537	-	(14,040)	1,576	(12,464)	21,073
Office equipment	22,884	1,330	(144)	24,070	-	(9,370)	144	(9,226)	14,844
Other equipment	658	-	-	658	-	(395)	-	(395)	263
Total	$534,365	$36,491	$(12,908)	$557,948	$-	$(266,834)	$4,391	$(262,443)	$295,505

TATUNG CO., LTD.

21. The details of lease liability

As of December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Lease term	Discount rate	Ending balance	Note
Land		2016/07/01~2037/03/30	2.0632%	$2,666	
Buildings		2014/04/09~2036/09/30	2.0632%	250,640	
Machinery and equipment		2019/10/31~2024/10/31	2.0632%	8,425	
Transportation equipment		2015/04/15~2024/09/10	2.0632%	21,383	
Office equipment		2017/09/01~2021/12/31	2.0632%	14,963	
Other equipment		2017/03/01~2020/04/30	2.0632%	122	
Total				$298,199	

TATUNG CO., LTD.

22. The details of net operating revenue

For the Years Ended December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Quantity	Amount	Note
Electromechanical Energy system Business Dept	It includes industrial appliances, metal processing machinery,motors and information energy system products and so on.	(Note)	$12,534,966	
Consumer products Dept	It includes 3C and household appliances.	(Note)	5,268,994	
Others		(Note)	21,789	
Total			$17,825,749	

Note: It is hard to classify statistiacally because of the variety of products.

TATUNG CO., LTD.

23. The details of operating costs

For the Years Ended December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Amount		Note
	Subtotal	Total	
Direct material			
Beginnig inventory	$834,630		
Purchase during the period	7,562,303		
Ending inventory	(755,421)		
Reclassified as equipments and expense, etc	(263,803)		
	7,377,709		
Direct labor	384,510		
Manufacting overhead	1,309,214		
Manufacting costs		$9,071,433	
Add: Beginning work in progress	2,258,159		
Purchase during the period	246,962		
Others	206,907	2,712,028	
Less: Ending work in progress	(2,062,451)	(2,062,451)	
Cost of finished goods		9,721,010	
Add: Beginnig finished goods	1,728,154		
Purchase during the period	5,161,545		
Others	40,484	6,930,183	
Less: Ending finished goods	(1,485,996)		
Reclassified as equipments and expense, etc	(55,166)	(1,541,162)	
Total cost of goods sold		15,110,031	
Other operation costs		627,184	
Rent cost		287,562	
Loss on valiation of inventories		11,945	
Total operationg costs		$16,036,722	

TATUNG CO., LTD.

24. The details of manufacturing overhead

For the Years Ended December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Wages and salaries		$534,156	
Depreciations		330,187	
Material used		118,392	
Utilities expense		116,181	
Miscellaneous expense		80,261	
Other expenses (Note)		130,037	
Total		$1,309,214	

Note: Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

25. The details of sales and marketing expenses

For the Years Ended December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Wages and salaries		$594,676	
Commodity tax		65,004	
Insurance expense		62,425	
Other expenses (Note)		183,832	
Total		$905,937	

Note：Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

26. The details of administrative expenses

For the Years Ended December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Wages and salaries		$234,598	
Service expense		345,341	
Depreciations		117,914	
Office expense		110,279	
Advertisement expense		76,962	
Other expenses (Note)		200,469	
Total		$1,085,563	

Note：Amount less than 5% will be disclosed aggregately.

TATUNG CO., LTD.

27. The details of research and development expenses

For the Years Ended December 31, 2019

(Expressed in Thousands of New Taiwan Dollars)

Contents	Summary	Amount	Note
Wages and salaries		$326,741	
Material used in research and development		83,287	
Depreciations		58,693	
Other expenses (Note)		185,844	
Total		$654,565	

Note：Amount less than 5% will be disclosed aggregately.