Acter Co., Ltd. and Subsidiaries
Consolidated Financial Statements

With Independent Auditors' Review Report
for the Three Months Ended

March 31, 2019 and 2018

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Independent Auditors' Review Report

The Board of Directors
Acter Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Acter Co., Ltd. and its subsidiaries (the "Group") as of March 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2019 and 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4[b], the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to NT$2,302,935 thousand and NT$1,855,517 thousand, constituting 20% and 16% of consolidated total assets as of March 31, 2019 and 2018, respectively, total liabilities amounting to NT$1,108,221 thousand and NT$812,594 thousand, constituting 18% and 12% of consolidated total liabilities as of March 31, 2019 and 2018, respectively, and total comprehensive income(loss) amounting to NT$41,890 thousand and NT$72,427 thousand, constituting 13% and 29% of consolidated total comprehensive income (loss) for the three months ended March 31, 2019 and 2018, respectively.

Furthermore, as stated in Note 6[h], the equity accounted investments of the Group in its investee companies of NT$0 thousand and NT$774 thousand as of March 31, 2019 and 2018, respectively, and shares of loss of associates and joint ventures accounted for using equity method NT$61 thousand and NT$0 thousand for the three months ended March 31, 2019 and 2018, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Acter Co., Ltd. and its subsidiaries as of March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

May 9, 2019

Note to Readers

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

The auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2019, and 2018
(In Thousands of New Taiwan Dollars)

		March 31,2019		December 31,2018		March 31,2018	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:						
1100	Cash and cash equivalents (Note 6(a) and (y))	$ 4,133,223	35	4,424,731	38	4,860,848	42
1110	Current financial assets at fair value through profit or loss (Note 6(b) and (y))	330,401	3	310,257	3	316,696	3
1140	Contract Assets – current (Note 6(v)	1,057,253	10	1,079,944	9	1,364,053	12
1150	Notes receivable, net (Note 6(d) and (y)	183,884	2	323,497	3	176,000	1
1170	Accounts receivable, net (Note 6(d)、(v) and (y)	3,312,267	28	3,143,806	27	2,662,191	23
1200	Other receivables (Note 6(e) and (y))	27,963	-	28,654	-	30,939	-
1220	Current income tax assets	320	-	-	-	3,299	-
1310	Inventories, net (Note 6(f))	472,883	4	321,315	3	572,373	5
1461	Non-current assets held for sale (note 6(g))	-	-	51,400	-	-	-
1476	Other financial assets－current (Note 8)	597,176	5	614,238	5	239,381	2
1479	Other current assets	613,156	5	594,347	5	546,247	4
		10,728,526	92	10,892,189	93	10,772,027	92
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income(Note 6(c))	3,800	-	3,177	-	3,905	-
1550	Investment accounted for using equity method (Note 6(h))	-	-	811	-	774	-
1600	Property, plant and equipment (Note 6(k))	431,667	4	417,228	4	406,166	4
1755	Right-of-use asset(Note 6(l))	142,561	1	-	-	-	-
1760	Investment property, net(Note 6(m))	242,633	2	243,254	2	245,119	3
1840	Deferred tax assets	137,694	1	152,661	1	148,408	1
1985	Long-term prepaid rents	-	-	33,027	-	34,816	-
1990	Other non-current assets (Note 8)	37,405	-	38,442	-	38,215	-
		995,760	8	888,600	7	877,403	8
	Total Assets	$ 11,724,286	100	11,780,789	100	11,649,430	100

		March 31,2019		December 31,2018		March 31,2018	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:						
2100	Short-term loans (Note 6(n) and (y))	$ 90,417	1	135,278	1	159,646	1
2130	Contract liabilities-current (Note 6(v)	1,574,675	14	1,718,930	15	1,958,559	17
2150	Notes payable (Note 6(y))	175,576	1	175,364	1	278,481	3
2170	Accounts payable (Note 6(y))	2,525,010	22	2,761,469	23	2,973,390	26
2180	Payables to related parties (Note 6(y) and 7)	156	-	396	-	259	-
2201	Accrued salaries and bonuses	139,192	1	301,655	3	117,229	1
2230	Current tax liabilities	208,642	2	170,007	1	145,795	1
2250	Provisions－current (Note 6(p)	366,354	3	352,256	3	382,041	3
2280	Lease liabilities(Note 6(o)	32,661	-	-	-	-	-
2399	Other current liabilities(Note 9)	297,329	3	305,846	3	230,267	2
		5,410,012	47	5,921,201	50	6,245,667	54
	Non-current liabilities:						
2570	Deferred tax liabilities	475,505	4	428,151	4	337,661	3
2580	Lease obligations-non-current(Note 6(o)	76,788	1	-	-	-	-
2640	Accrued pension liabilities	49,508	-	49,841	-	45,135	-
2645	Guarantee deposit received	150	-	84	-	314	-
		601,951	5	478,076	4	383,110	3
	Total Liabilities	6,011,963	52	6,399,277	54	6,628,777	57
	Equity Attributable to Shareholders of the parent company(Note 6(s)):						
3100	Common stock	542,028	5	542,028	5	471,529	4
3200	Capital surplus	1,393,239	12	1,393,239	12	1,412,098	12
3300	Retained earnings	2,717,140	22	2,483,445	21	2,321,462	20
3400	Other equity interest	(43,451)	-	(69,586)	(1)	(54,981)	-
	Total Equity attributable to the parent of company	4,608,956	39	4,349,126	37	4,150,108	36
36xx	**Non-controlling interests**(Note 6(j))	1,103,367	9	1,032,386	9	870,545	7
	Total Equity	5,712,323	48	5,381,512	46	5,020,653	43
	Total Liabilities And Equity	$ 11,724,286	100	11,780,789	100	11,649,430	100

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements Of Comprehensive Income

For The Three Months Ended March 31, 2019 And 2018

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

		For the Three Months ended March 31			
		2019		2018	
		Amount	%	Amount	%
	Operating revenues:				
4521	Construction revenue (Note 6(v))	$ 2,672,173	97	3,001,552	99
4529	Less: allowances	(1,960)	-	(588)	-
		2,670,213	97	3,000,964	99
4110	Sales	55,171	2	8,219	-
4800	Other operating revenue	32,361	1	19,754	1
		2,757,745	100	3,028,937	100
	Operating cost:				
5520	Construction cost(Note 6(f)、(o)、(q) 、(w) and 7(b))	2,127,391	77	2,446,230	81
5110	Cost of goods sold	39,382	2	4,828	-
5800	Other operating cost	3,718	-	4,564	-
		2,170,491	79	2,455,622	81
	Gross profit	587,254	21	573,315	19
	Operating expenses (Note 6(o)、(q) and (w)):				
6100	Selling	32,868	1	23,435	1
6200	General and administrative	143,195	6	127,284	4
6300	Research and development	30,309	1	29,608	1
6450	Expected credit loss(Note 6 (q))	5,749	-	(10,796)	-
		212,121	8	169,531	6
	Operating income	375,133	13	403,784	13
	Non-operating income and expenses:				
7050	Finance costs	(1,701)	-	(2,381)	-
7010	Other income (Note 6(x))	27,872	1	12,302	-
7060	Share of Profit of Associates Accounted for Using Equity Method	(61)	-	-	-
7020	Other gains and losses, net (Note 6(x))	14,883	1	(50,937)	(1)
		40,993	2	(41,016)	(1)
	Profit before tax	416,126	15	362,768	12
7950	**Income tax expense** (Note 6(r))	121,781	4	127,243	4
	Profit for the year	294,345	11	235,525	8
8300	**Other comprehensive income, net of tax:**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	623	-	(145)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		623	-	(145)	-
8360	**Items that will be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	44,591	1	16,958	1
8399	Less: income tax relating to components of other comprehensive (Note 6(r))	(11,584)	-	(3,572)	-
		33,007	1	13,386	1
8300	**Other comprehensive income, net**	33,630	1	13,241	1
8500	**Comprehensive income**	$ 327,975	12	248,766	9
	Profit attributable to ：				
8610	Shareholders of the parent	233,695	9	198,613	7
8620	Non-controlling interests	60,650	2	36,912	1
		$ 294,345	11	235,525	8
	Comprehensive income attributable to：				
8710	Shareholders of the parent	259,054	9	207,853	7
8720	Non-controlling interests	68,921	3	40,913	2
		$ 327,975	12	248,766	9
	Earnings per share ((attributable to shareholders of the parent)) (Note 6(u))				
9750	**Basic earnings per share**	$	4.33		3.71
9850	**Diluted earnings per share**	$	4.23		3.63

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Acter Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
March 31, 2019, and 2018
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
			Retained earnings				Other equity interest						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange difference on translation of foreign currency	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) of available-for-sale financial assets	Others	Total Other equity interest	Non-controlling interests	Total equity
Balance, January 1, 2018	**$ 471,529**	**1,412,098**	**428,722**	**44,052**	**1,584,541**	**2,057,315**	**(52,599)**	**-**	**(3,962)**	**(10,088)**	**(66,649)**	**790,228**	**4,664,521**
Adjustment	-	-	-	-	65,534	65,534	-	(4,700)	3,962	-	(738)	39,404	104,200
Balance, January 1, 2018	471,529	1,412,098	428,722	44,052	1,650,075	2,122,849	(52,599)	(4,700)	-	(10,088)	(67,387)	829,632	4,768,721
Profit for the period	-	-	-	-	198,613	198,613	-	-	-	-	-	36,912	235,525
Other comprehensive income for the period	-	-	-	-	-	-	9,385	(145)	-	-	9,240	4,001	13,241
Total comprehensive income	-	-	-	-	198,613	198,613	9,385	(145)	-	-	9,240	40,913	248,766
Share-based payment transaction	-	-	-	-	-	-	-	-	-	3,166	3,166	-	3,166
Balance, March 31, 2018	**$ 471,529**	**1,412,098**	**428,722**	**44,052**	**1,848,688**	**2,321,462**	**(43,214)**	**(4,875)**	**-**	**(6,922)**	**(54,981)**	**870,545**	**5,020,653**
Balance, January 1, 2019	**$ 542,028**	**1,393,239**	**512,938**	**56,560**	**1,913,947**	**2,483,445**	**(63,237)**	**(5,573)**	**-**	**(776)**	**(69,586)**	**1,032,386**	**5,381,512**
Profit for the period	-	-	-	-	233,695	233,695	-	-	-	-	-	60,650	294,345
Other comprehensive income for the period	-	-	-	-	-	-	24,736	623	-	-	25,359	8,271	33,630
Total comprehensive income	-	-	-	-	233,695	233,695	24,736	623	-	-	25,359	68,921	327,975
Share-based payment transaction	-	-	-	-	-	-	-	-	-	776	776	-	776
Increase in non-controling interest	-	-	-	-	-	-	-	-	-	-	-	2,060	2,060
Balance, March 31, 2019	**$ 542,028**	**1,393,239**	**512,938**	**56,560**	**2,147,642**	**2,717,140**	**(38,501)**	**(38,501)**	**-**	**-**	**(43,451)**	**1,,103,367**	**5,712,323**

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements Of Cash Flows

For The Three Months Ended March 31, 2019 And 2018

(All Amount Expressed in Thousands of New Taiwan Dollars)

	For the Three months Ended March 31	
	2019	**2018**
Cash flows from operating activities:		
Profit before tax	$ 416,126	362,768
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation(Including investment property)	15,842	6,645
Amortization	1,563	1,794
Provision for bad debt expense	5,749	(14,808)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(4,509)	1,920
Interest income	(10,997)	(9,229)
Interest expense	1,701	2,381
Compensation cost arising from employee stock options	776	3,166
Shares of loss (profit) of associates and joint ventures accounted for using equity method	61	-
Non-current assets held for sale profit	(19,515)	-
Other	(303)	(109)
	(9,632)	(8,240)
Changes in operating assets and liabilities		
Changes in operating assets		
Net loss (gain) on financial assets at fair value through profit or loss	(15,635)	(120,156)
Decrease in contract assets	22,691	284,246
Decrease (increase) in notes receivable	139,613	(19,962)
Increase in accounts receivable	(177,990)	(239,721)
Increase in inventories	(151,568)	(314,746)
Increase in other financial assets	(2,717)	(20,090)
	(185,606)	(430,429)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(144,255)	907,310
Increase in notes payable	212	58,235
Increase (decrease) in accounts payable	(225,735)	389,942
Decrease in advance sales receipts	-	(10,543)
Decrease in other current liabilities	(173,747)	(146,634)
	(543,525)	1,198,310
Total adjustments	(738,763)	759,641
Cash inflow generated from operations	(322,637)	1,122,409
Interest received	13,026	7,399
Interest paid	(1,219)	(3,168)
Income taxes paid	(31,528)	(17,609)
Net cash generated by (used in) operating activities	(342,358)	1,109,031
Cash flows from investing activities:		
Proceeds from disposal of non-current assets held for sale	72,627	-
Acquisition of property, plant and equipment	(17,271)	(8,290)
Proceeds from disposal of property, plant and equipment	102	276
Increase in other non-current assets	(515)	(2,058)
Net cash generated by (used in) investing activities	54,943	(10,702)
Cash flows from financing activities:		
Increase in short-term loans	-	1,960
Repayments of short-term loans	(46,918)	(184,354)
Increase in guarantee deposits received	66	-
Repayments of lease liabilities	(7,992)	-
Changes in non-controlling interests	2,060	-
Net cash used in financing activities	(52,784)	(182,394)
Effect of exchange rate changes on cash and cash equivalents	48,691	18,023
Net increase in cash and cash equivalents	(291,508)	933,958
Cash and cash equivalents at beginning of period	4,424,731	3,926,890
Cash and cash equivalents at end of period	**$ 4,133,223**	**4,860,848**

Reviewed only, not audited in accordance with the generally accepted auditing standards.

ACTER CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2019 and 2018

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

(1) Organization and business scope

ACTER CO., LTD. (the "Company") was incorporated on February 19, 1979, under the approval of the Ministry of Economic Affairs, R.O.C. The Company's registered office address is located at 19F-1, No.201, Sec.2, Wenxin Road, Xitun District., Taichung City 40758, Taiwan (R.O.C.).The consolidated financial statements of the Company as of and for the year ended March 31, 2019 comprised the Company and its subsidiaries (together referred to as the "Group"). The Company is engaged in providing construction, design, and maintenance services related to air conditioners, environmental control services, clean room set-up, ice water machine trading, energy storing equipment trading, ventilation engineering, and energy technology services. The principal operating activities of the rest of the Group entities are described in Notes 4 (b). Acter's common shares were publicly listed on the Taipei Exchange ("TPEx") on November 10, 2010.

(2) Approval date and procedures of the consolidated financial Statements

The consolidated financial statement for the three months ended March 31, 2019 and 2018 were authorized for issuance by the Board of Directors on May 9, 2019.

(3) Adoption of new Standards and interpretations

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has prepared its consolidated financial statements in conformity with the new standards, interpretations and amendments of IFRSs which have been endorsed by the FSC and are effective for annual period beginning on or after January 1, 2019 as follows:

New Revised or Amended Standards and Interpretations	Effective date per IASB
· IFRS 16 "Leases"	January 1, 2019
· IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
· Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
· Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019
· Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019
· Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 16 “Leases”

IFRS 16 replaces the existing leases guidance, including 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 Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings on January 1, 2019. The details of the changes in accounting policies are disclosed below,

(1) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4(c)

On transition to IFRS 16, the Group elected to apply the practical expedient to the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

(2) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases of work office, employee’s dormitory and transaction equipment.

- Leases classified as operating leases under IAS 17

  At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group’s incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at either:

  - their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee’s incremental borrowing rate at the date of initial application; or
  - an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all lease.

In addition, the Group used the following practical expedients when applying IFRS 16 to leases.

— Applied a single discount rate to a portfolio of leases with similar characteristics.

- Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

(3) As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with IFRS 16 from the date of initial application.

(4) Impacts on financial statements

On transition to IFRS 16, the Group recognised additional $144,189 of right-of-use assets ($33,027 was reclassified from long-term prepaid rent) and $111,162 of lease liabilities, recognising the difference in retained earnings. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 2.28%.

The explanation of differences between operating lease commitments disclosed at the end of the annual reporting period immediately preceding the date of initial application, and lease liabilities recognized in the statement of financial position at the date of initial application disclosed as follows:

	January 1, 2019
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	$ 138,857
Recognition exemption for:	
short-term leases	(19,262)
leases of low-value assets	(3,567)
Extension and termination options reasonably certain to be exercised	**$ 116,028**
Discounted using the incremental borrowing rate at January 1, 2019	$ 111,162
Finance lease liabilities recognized as at December 31, 2018	-
Lease liabilities recognized at January 1, 2019	**$ 111,162**

(ii) IFRIC 23 "Uncertainty over Income Tax Treatments

In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, as well as tax rates, an entity shall assume that a taxation authority will examine the amounts it has the right to examine and have a full knowledge on all related information when making those examinations.

If an entity concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, as well as tax rates consistently with the tax treatment used or planned to be used in its income tax filings. Otherwise, an entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either the most likely amount or the expected value, depending on which method the entity expects to better predict the resolution of the uncertainty.

(b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2018. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2018.

(b) Basis of preparation

(i) List of subsidiaries in the consolidated financial statements

ACTER CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

Investor	Subsidiary	Nature of business	Shareholding			Note
			March 31, 2019	December 31, 2018	March 31, 2018	
(a)The Company	Nova Technology Corp. (Nova Tech)	Wholesaling of electronic and chemical equipment	62.19%	62.19%	62.19%	
	HerSuo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100%	100%	100%	Note 10
	Enrich Tech Co., Ltd(Enrich)	Comprehensive construction company	56.94%	56.94%	60%	Note 5 and 10
	Sheng Huei International Co., Ltd. (Sheng Huei International)	Investment Holding company	100%	100%	100%	
	Nova Technology Singapore Pte., Ltd. (NTS)	Investment Holding company	-	-	100%	Note 7 and 10
(b) Nova Tech	Winmax Technology (Shanghai) Corp.(Winmax)	Design and manufacture of air containers and liquid containers	100%	100%	100%	
	Winmega Technology Corp.(Winmega)	Wholesaling of electronic and chemical equipments	100%	100%	100%	
	Suzhou Winmax Technology Corp (Suzhou Winmax)	Design and manufacture of air containers and liquid containers	100%	100%	100%	Note 10
	Novatech Engineering & Construction Pte.,Ltd.(NTEC)	Chemical supply system	100%	100%	100%	Note 10
(c) Sheng Huei International	Sheng Huei (Suzhou) Engineering Co., Ltd. (Sheng Huei Suzhou)	Construction and set-up of electronic equipment and air conditioners	86.66%	86.66%	100%	Note 6
	New Point Group Ltd. (New Point)	Holding company and equipment trading	100%	100%	100%	Note 10
	Sheng Huei Engineering Technology Co., Ltd. (Sheng Huei Engineering)	Set-up of electronic protection systems and central air conditioners	-	-	100%	Note 8 and 10
	Acter International Ltd. (Acter International)	Holding company and trading of clean rooms and air conditioners	-	-	100%	Note 4 and 10
(d) NTS	Nova Technology Malaysia Sdn. Bhd.(NTM)	Investment Holding company	100%	100%	100%	Note 10
	Novamex Indonesia, PT. (NMI)	Equipment trading and set-up	100%	100%	100%	Note 1 and 10
	Acter Engineering Co. Ltd.(Acter Engineering)	Construction and set-up of electronic equipment and air conditioners	-	100%	100%	Note 2,9 and 10
(e) Sheng Huei (Suzhou)	Shenzhen Ding –Mao Trade Co., Ltd. (Shenzhen Ding –Mao)	Electronic equipment and machinery trading	100%	100%	100%	Note 10
	Sheng Huei (Shenzhen) Engineering Co., Ltd. (Sheng Huei Shenzhen)	Construction and set-up of electronic equipment and air conditioners	100%	100%	-	Note 3 and 10
	Acter International Ltd. (Acter International)	Holding company and trading of clean rooms and air conditioners	100%	100%	-	Note 4 and 10

Investor	**Subsidiary**	**Nature of business**	**Shareholding** March 31, 2019	December 31, 2018	March 31, 2018	**Note**
	Nova Technology Singapore Pte., Ltd. (NTS)	Investment Holding company	100%	100%	-	Note 7 and 10
(f) New Point	Zhangjiagang Free Trade Zone Fuyu Internation Trade Co., Ltd. (Fuyu)	Agent for electronic equipment importing and exporting	100%	100%	100%	Note 10
(g) Acter International	Sheng Huei (Shenzhen) Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	-	-	100%	Note 3 and 10
	Sheng Huei Engineering Technology Co., Ltd. (Sheng Huei Engineering)	Set-up of electronic protection systems and central air conditioners	100%	100%	-	Note 8 and 10

Note 1: The ownership of NMI in NTS and NTM consisted of 99% and 1%, respectively. In May 2018, the Group has gone through restructuring, resulting in the entire 1% shares of NTM in NMI to be transferred to Acter International.

Note 2: The ownership of Acter Engineering in NTS and Sheng Huei International consisted of 99% and 1%, respectively.

Note 3: In April 2018, the Group has gone through restructuring, resulting in the entire shares of Acter international in Sheng Huei Shenzhen to be transferred to Sheng Huei (Suzhou).

Note 4: In August 2018, the Group has gone through restructuring, resulting in the entire shares of Sheng Huei International in Acter International to be transferred to Sheng Huei (Suzhou).

Note 5: Enrich Tech had a capital increase in July 2018, wherein 15% of the shares had been reserved for employee purchase. Therefore, the Company was not able to invest by proportion in the above capital increase, resulting in its shareholding in Enrich Tech to decrease from 60% to 56.94%.

Note 6: Sheng Huei International sold 13.34% of its shares in Sheng Huei (Suzhou) in August 2018, resulting in its shareholding in Sheng Huei (Suzhou) to decrease from 100% to 86.66%.

Note 7: In November 2018, the Group has gone through restructuring, resulting in the entire shares of the Company in NTS to be transferred to Sheng Huei (Suzhou).

Note 8: In December 2018, the Group has gone through restructuring, resulting in the entire shares of Sheng Huei International in Sheng Huei Engineering to be transferred to Acter International.

Note 9: Acter Engineering had been liquidated in March, 2019.

Note 10: Companies are non-significant and their financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statement: None.

(c) Leases（applicable from January 1, 2019）

(i) Identifying a lease

At inception of a contract, the Group assesses whether a 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, the Group assesses whether:

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the Group has the right to direct the use of the asset.
   - The Group has the right to direct the use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.
   - In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of an asset if either:
     - the Group has the right to operate the asset; or
     - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) As a lease

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including substantively fixed payment;
2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
3) amounts expected to be payable under a residual value guarantee; and
4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or
2) there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or
3) there is a change in the assessment on whether it will have the option to exercise a purchase; or termination option; or
4) there is a change in the assessment on lease term as to whether it will be extended or terminated; or
5) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of balance sheets.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of work office, employees’ dormitory and transaction equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Group applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Group will continue to recognize the transferred asset and shall recognize the financial liability equal to the transfer proceeds.

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(d) Income taxes

The preparation of the consolidated interim financial statements in conformity with IAS 34 "Interim financial reporting" paragraph B12 measurement and disclosure of income tax expense for the interim period.

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by the management. This is recognized and allocated to current and deferred taxes proportionately.

For a change in tax rate that is substantively enacted in an interim period, the effect of the change immediately should be recognized in the interim period in which the change occurs.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation, and recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2018. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2018.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2018. Please refer to Note 6 of the 2018 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2019	December 31, 2018	March 31, 2018
Petty cash and cash on hand	$ 1,001	1,040	1,325
Checking and demand deposits	1,958,693	2,145,066	2,964,418
Time deposits	1,860,755	2,160,764	1,467,676
Cash equivalent - repurchased commercial paper	312,774	117,861	427,429
	$ 4,133,223	**4,424,731**	**4,860,848**

The above-mentioned repurchased commercial paper rate as of March 31, 2019, December 31, 2018 and March 31, 2018 were 0.45%~2.7%, 0.475%~0.48% and 0.40%~0.42%, respectively, and they mature from April 1 to April 26, 2019, from January 4 to February 25, 2019 and from April 11 to May 28, 2018, respectively.

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

	March 31, 2019	December 31, 2018	March 31, 2018
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary securities - open-end funds	**$ 330,401**	**310,257**	**316,696**

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

	March 31, 2019	December 31, 2018	March 31, 2018
Equity investments at fair value through other comprehensive income			
Emerging Stock-			
Holy Stone Healthcare Co., Ltd.	$ 3,800	3,177	3,905

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

No strategic investments were disposed as of March 31, 2019 and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(ii) For credit risk and market risk; please refer to Note 6(y).

(iii) The aforesaid financial assets were not pledged.

(d) Note and trade receivables

	March 31, 2019	December 31, 2018	March 31, 2018
Note receivables from operating activities	$ 183,884	323,497	176,000
Trade receivables –measured as amortized cost	3,517,523	3,339,533	2,864,835
Less: Allowance for impairment	(205,256)	(195,727)	(202,644)
Total	$ 3,496,151	3,467,303	2,838,191

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2019 and 2018. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision was determined as follows:

	March 31, 2019		
Aging of Receivables	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
1 to 120 days	$ 3,081,857	-	-
121 to 180 days	119,880	0.50%	599
181 to 360 days	254,079	1.00%	2,540
361 to 540 days	72,607	40%~50%	29,133
More than 541 days	172,984	100%	172,984
Total	$ **3,701,407**		**205,256**

	December 31, 2018		
Aging of Receivables	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
1 to 120 days	$ 2,977,827	-	-
121 to 180 days	164,927	0.50%	825
181 to 360 days	319,842	1.00%	3,198
361 to 540 days	15,048	40%~50%	6,318
More than 541 days	185,386	100%	185,386
Total	$ **3,663,030**		**195,727**

	March 31, 2018		
Aging of Receivables	**Gross carrying amount**	**Weighted-average loss rate**	**Loss allowance provision**
1 to 120 days	$ 2,704,762	-	-
121 to 180 days	46,423	0.50%	232
181 to 360 days	82,786	1.00%	828
361 to 540 days	9,843	40%~50%	4,563
More than 541 days	197,021	100%	197,021
Total	$ **3,040,835**		**202,644**

The movement in the allowance for notes and trade receivable was as follows:

	March 31, 2019	**March 31, 2018**
Balance, January 1	$ 195,727	215,449
Impairment losses recognized	26,947	1,183
Impairment losses reversed	(21,198)	(15,991)
Foreign exchange gains (losses)	3,780	2,003
Balance, March 31	**$ 205,256**	**202,644**

(i) Accounts receivable includes retained construction receivable, which amounted to \$44,205, \$41,796 and \$37,458 as of March 31, 2019, December 31, 2018 and March 31, 2018, respectively.

(ii) The notes and accounts receivable are not pledged.

(e) Other receivables

	March 31, 2019	**December 31, 2018**	**March 31, 2018**
Other accounts receivable	$ 41,981	46,266	44,873
Less: Loss allowance	(14,018)	(17,612)	(13,934)
	$ 27,963	**28,654**	**30,939**

For further credit risk information, please refers to Note 6(y).

(f) Inventories

		March 31, 2019	December 31, 2018	March 31, 2018
Finished goods and merchandise	$	13,058	24,306	30,352
Work in process and semi-finished goods		135,864	20,305	17,919
Raw materials		343,819	294,428	530,814
		492,741	339,039	579,085
Less: provision for inventory devaluation		(19,858)	(17,724)	(6,712)
	$	**472,883**	**321,315**	**572,373**

For the three months ended March 31, 2019 and 2018, the write-down of inventories amounted to $1,769 and $320. The write-downs are included in cost of goods sold.

The inventories of the Group were not pledged.

(g) Non-current assets held for sale

On December 24, 2018, the Board of Directors of the Company resolved to sell the property, plant and equipment, which were located at Zhongming S. Rd., with an estimated selling price of $74,250; therefore, entered into an agreement with the buyer at the end of December 2018.The Group has completed the related legal procedures and recognized the gain on the disposal $19,515 in March, 2019. The selling price has been collected as of March 31, 2019.

(h) Investments in equity-accounted investees

		Percentage of ownership and voting share		
Associates	**Relationship with the Company**	**Main Business Location/Registered Country**	**March 31, 2019**	**March 31, 2018**
Global one source life sciences company limited	Service for project management and consulting of techniques and design for pharmacy and medical facilities, which is the Group's investment	Hong Kong	-	40%

(i) Associated

The Group's equity-accounted investment in all individually immaterial associates and the Group's share of the operating results are summarized below:

	March 31, 2019	March 31, 2018
The carrying amount of the Group's interests in all individually immaterial associates	$ -	774

	March 31, 2019	March 31, 2018
Profit attributable to the Group:		
Loss from continuing operation	$ (61)	-
Comprehensive income	$ (61)	-

(ii) The Group has disposed 40% shares of Global one source life sciences Co. Ltd. amounted to $747 and lost the significant influence. As of March 31, 2019, the selling price remained $747 receivable and recognized as other receivable.

(iii) The investments accounted for using equity method was not pledged as of March 31, 2018.

(iv) The investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(i) Changes in parent's ownership interest in a subsidiary

(i) Disposal of part of equity ownership of subsidiaries without losing control

In August 2018, The Group's subsidiary, Sheng Huei International, disposed 13.34% of its shares in Sheng Huei (Suzhou) due to the restructuring of the Group. For the restructuring of the Group, please refer to Note 4(b).The ownership of Sheng Huei (Suzhou) decrease by 13.34%, resulting in the carrying amount of its investment to decrease by $17,439, which had been adjusted to capital surplus - changes in the ownership interest in its subsidiaries.

(ii) Not invest by proportion of subsidiary's capital increase without losing control

The Group's subsidiary, Enrich Tech, had a capital increase in July 2018, and the Company was not able to invest by proportion in the above capital increase, resulting in its shareholding in Enrich Tech to decrease by 3.06%; Hence, the carrying amount of its investment increased by $195, which had been adjusted to capital surplus-changes in the ownership interest in its subsidiaries.

(j) Significant subsidiaries of non-controlling interest

No-controlling interests of subsidiaries of the Group that are significant to the Group are as follows:

		Percentage of ownership and voting share		
Subsidiaries	**Main Business Location/Registered Country**	**March 31, 2019**	**December 31, 2018**	**March 31, 2018**
Nova Tech	R.O.C.	37.81%	37.81%	37.81%
Enrich Tech	R.O.C.	43.06%	43.06%	40%
Sheng Huei Suzhou	China	13.34%	13.34%	-

The following information of the aforementioned subsidiaries has been prepared in accordance with IFRS endorsed by the FSC. Included in these information are adjustment made about the fair value and relevant difference in accounting principles between the Company and its subsidiary as at acquisition date. Intra-Group transactions were not eliminated in this information.

(i) Information regarding of Nova Tech:

	March 31, 2019	December 31, 2018	March 31, 2018
Current assets	$ 1,886,716	1,852,051	2,232,180
Non-current assets	1,578,091	1,384,994	1,210,155
Current liabilities	(727,957)	(714,770)	(1,074,347)
Non-current Liabilities	(252,857)	(216,464)	(169,938)
Net assets	$ 2,483,993	2,305,811	2,198,050
Non-controlling interest	$ 939,316	871,937	831,188

	For the three months ended March 31	
	2019	2018
Operating revenue	$ 427,306	662,965
Net income for the period	$ 156,583	85,629
Other comprehensive income	21,599	10,585
Comprehensive income	$ 178,182	96,214
Net income attributable to non-controlling interest	$ 59,212	32,381
Comprehensive income attributable to non-controlling interest	$ 67,379	36,382
Cash flows from operating activities	$ 108,330	(35,616)
Cash flows from investing activities	(50)	(162)
Cash flows from financing activities	(10,827)	-
Net increase (decrease) in cash and cash equivalents	$ 97,453	(35,778)

(ii) Information regarding of Enrich Tech:

	March 31,2019	December 31,2018	March 31,2018
Current assets	$ 236,192	229,730	328,554
Non-current assets	9,733	3,959	3,653
Current liabilities	(94,281)	(75,117)	(233,815)
Non- Current liabilities	(715)	-	-
Net assets	$ 150,929	158,572	98,392
Non-controlling interest	$ 64,989	68,281	39,357

	For the three months ended March 31	
	2019	2018
Operating revenue	$ 62,937	218,950
Net income for the period	(7,643)	11,328
Other comprehensive income	-	-
Comprehensive income	$ (7,643)	11,328
Net income attributable to non-controlling interest	$ (3,291)	4,531
Comprehensive income attributable to non-controlling interest	$ (3,291)	4,531

Cash flows from operating activities	$ (53,889)	146,986
Cash flows from investing activities	(313)	(18)
Cash flows from financing activities	(340)	-
Net increase (decrease) in cash and cash equivalents	$ (54,542)	146,968

(iii) Information regarding of Sheng Huei Suzhou:

	March 31,2019	December 31,2018
Current assets	$ 1,646,566	1,807,929
Non-current assets	538,936	446,622
Current liabilities	(1,418,671)	(1,553,903)
Non- Current liabilities	(24,073)	(9,584)
Net assets	$ 742,758	691,064
Non-controlling interest	$ 99,062	92,168

	For the three months ended March 31 ,2019
Operating revenue	$ 427,712
Net income for the period	$ 35,465
Other comprehensive income	779
Comprehensive income	$ 36,244
Net income attributable to non-controlling interest	$ 4,729
Comprehensive income attributable to non-controlling interest	$ 4,833
Cash flows from operating activities	$ 34,351
Cash flows from investing activities	(44,311)
Cash flows from financing activities	(48,087)
Effect of movements in exchange rates	8,293
Net increase (decrease) in cash and cash equivalents	$ (49,754)

(k) Property, plant and equipment

	Land	Building and construction	Other facilities	Unfinished construction and equipment under acceptance	Total
Book values:					
Balance on January 1, 2019	$ 176,502	155,811	55,958	28,957	417,228
Balance on March 31, 2019	$ 176,502	155,752	55,142	44,271	431,667
Balance on January 1, 2018	$ 183,187	167,255	51,529	-	401,971
Balance on March 31, 2018	$ 183,187	166,398	56,581	-	406,166

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the three months ended March 31 2019 and 2018. Information on amortization for the period is discussed in Note 12(a). Please refer to Note 6(m) of the 2018 annual consolidated financial statements for other related information.

(l) Right-of-use asset

The movements in the cost and depreciation of the leased land, building and construction and facility were as follows:

	Land	Building and construction	Facilities	Total
Cost:				
Balance on January 1, 2019	$ -	-	-	-
Effect of IFRS16	33,028	68,533	42,628	144,189
Additions	-	3,080	2,766	5,846
Effect of movements in exchange rates	732	300	491	1,523
Balance on March 31, 2019	$ 33,760	71,913	45,885	151,558
Depreciation				
Balance on January 1, 2019	$ -	-	-	-
Depreciation	211	4,919	3,854	8,984
Effect of movements in exchange rates	-	6	7	13
Balance on March 31, 2019	$ 211	4,925	3,861	8,997
Book values:				
Balance on March 31, 2019	$ 33,549	66,988	42,024	142,561

(m) Investment Property

Investment property comprises office buildings that are leased to third parties under operating leases, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 year. For all investment property leases, the rental income is fixed under the contracts.

	Land	Building and construction	Facilities	Total
Book values:				
Balance on January 1, 2019	$ 139,922	103,317	15	243,254
Balance on March 31, 2019	$ 139,922	102,697	14	242,633
Balance on January 1, 2018	$ 139,922	105,804	15	245,741
Balance on March 31, 2018	$ 139,922	105,183	14	245,119

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2019 and 2018. Information on amortization for the period is discussed in Note 12(a). Please refer to Note 6(n) of the 2018 annual consolidated financial statements for other related information.

The fair value of investment property was no significant different from 2018 annual consolidated financial statements.

(n) Short-term loans

	March 31, 2019	December 31, 2018	March 31, 2018
Secured bank loans	$ 90,417	135,278	159,646
Unused facilities	$ 6,760,719	6,060,885	5,163,005
Interest rate	3.09%~5%	3.06%~5%	2.5%~4.785%

(i) Issues and Repayments of Short-term loans

For the three months ended March 31, 2018, the issues amounted to $1,960 and due in July, 2018. There is no new issue loan for the three months ended March 31, 2019. The repayment amounted to $46,918 and $184,354 for the three months ended March 31, 2019 and 2018, respectively.

(ii) Assets pledged for bank loans

For details of the related assets pledged for bank loans, please refer to Note 8.

(o) Leases liabilities

	March 31, 2019		
	Future minimum rent payments	Interest	Minimum present value of rent payments
In one year	$ 34,628	1,967	32,661
One year until five years	62,554	2,147	60,407
More than five years	16,593	212	16,381
	$ 113,775	4,326	109,449
Current	$ 34,628	1,967	32,661
Non-current	$ 79,147	2,359	76,788

There were no significant issues, repurchases and repayments of lease liabilities for the three months ended March 31, 2019.

	For the three months ended March 31 ,2019
Leases liabilities interest	$ 612
Short leases expense	$ 9,938
Low price leases assets (excluding short-term leases of low-value assets)	$ 616

Recognized in statement of cash flow were as follows:

	For the three months ended March 31 ,2019
Cash flows out from leases	$ 19,158

(i) Land、building and construction leases

As of March 31, 2019, the Group leases land and buildings for its office space. The leases of office space typically run for a period of three to five years.

(ii) Other leases

The Group leases vehicles, with lease terms of three to five years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group leases work office, employees' dormitory and office equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(p) Provisions

	March 31, 2019	December 31, 2018	March 31, 2018
Provisions	$ 366,354	352,256	382,041

Provisions of the Group were estimated base on the contracts of the construction's historic data and expected most of the provisions occur during the warranty period.

There were no significant fluctuation of provisions for the three months ended March 31, 2019 and 2018. Please refer to Note 6(p) of the 2018 annual consolidated financial statements for other related information.

(q) Employee benefits

(i) Defined benefit plans

Due to there are no significant market volatility, significant reduction, settlement or other significant one-time items after the end of previous financial year, the Group adopts the actuarial decision cost on December 31, 2018 and 2017 to measure and disclose pension cost during the period.

The Group's pension expenses recognized in profit or loss were as follows:

	For the three months ended March 31	
	2019	2018
Operating cost	$ 37	44
Operating expense	113	120
	$ 150	164

(ii) Defined contribution plans

The Group's pension expenses recognized in profit or loss were as follows:

	For the three months ended March 31	
	2019	2018
Operating cost	$ 4,169	4,117
Operating expense	1,933	1,535
	$ 6,102	5,652

The company, HerSuo Engineering, Nova Tech, Enrich and Winmega have deposited the retirement amount to Bureau of Labor and the overseas subsidiaries have deposited the retirement amount to local social insurance institutes base on the local regulation.

(r) Taxes

The Group income tax expense (benefit):

	For the three months ended March 31	
	2019	**2018**
Current income tax expense (benefit):		
Current period	$ 69,400	53,273
Deferred tax expense:		
Origination and reversal of temporary difference	52,381	39,883
Fluctuation of tax rate	–	34,087
Income tax expense (benefit)	$ 121,781	127,243

The amounts of tax income expense recognized in other comprehensive income were as follows:

	For the three months ended March 31	
	2019	**2018**
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences－foreign operations	$ 11,584	4,710
Fluctuation of tax rate	-	(1,138)
	$ 11,584	3,572

The income tax return of the Company has been examined by the tax authorities through year 2017.

(s) Capital and other equity

Except as described below, no significant changes in the Group capital and other equity for the three months ended March 31, 2019 and 2018. The related information, please refer to Note 6(t) of the Group financial statements for the year ended December 31, 2018.

(i) Retained earnings

According to Acter's articles of incorporation, 10% of the annual earnings, after offsetting any accumulated deficit and payment of income taxes due, if any, shall be set aside as a legal reserve. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside and the remaining balance is partially reserved depending on the business environment, growth status, and long-term finance planning. After deducting the aforementioned partially reserve, the remaining balance, plus, any unappropriated earnings in previous years shall be used for distribution of stockholders' bonuses by the board of directors, depending on the capital status and economic development in the current year. Cash bonuses should not be less than 10% of the total stockholders' bonuses, and they will be recommended by the board of directors and resolved in the stockholders' meeting.

(1) Legal reserve

In accordance with the Company Act, 10 percent of net income should be set aside after offsetting accumulated deficits, if any, as legal reserve, until it is equal to issued common stock. If the Company experienced profit for the year, the meeting of shareholders shall decide on the distribution of the legal reserve either by new shares or by cash of up to 25 percent of the paid-in capital.

(2) Special reserve

In Accordance with Ruling No.1010012865 issued by the FSC on April 6, 2012, the difference between the total net reduction of other shareholders' equity and the carrying amount of special earnings reserve as stated above shall be reclassified as a special earnings reserve during earnings distribution. Other prior accumulated debit balance of stockholders equity was recognized as additional special reserve from prior undistributed earnings, and distributions were prohibited. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On February 26, 2019, and May 30, 2018, the board of directors and the meeting of stockholders of Acter approved the distribution plan of retained earnings. Information about dividends per share, employees' bonuses and directors' remuneration for 2018 and 2017 are as follows:

	2018	2017
Dividends per share (In New Taiwan Dollars):		
Cash	$ 813,041	612,986
Stock	-	70,729
	$ 813,041	**683,715**

(ii) Other equity interest (net of tax)

Reviewed only, not audited in accordance with the generally accepted auditing standards.

		Exchange difference on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Investment in available-for-sale financial assets	Other equity-unrealized bonus	Total
Balance, January1, 2019	$	(63,237)	(5,573)	-	(776)	(69,586)
Foreign currency exchange differences (net of tax)		24,736	-	-	-	24,736
Unrealized gains(losses) on financial assets measured at fair value through other comprehensive income		-	623	-	-	623
Employee's unrealized bonus		-	-	-	776	776
Balance, March 31, 2019	$	(38,501)	(4,950)	-	-	(43,451)
Balance, January1, 2018	$	(52,599)	-	(3,962)	(10,088)	(66,649)
Adjustment		-	(4,700)	3,962	-	(38)
Balance, January1, 2018		(52,599)	(4,700)	-	(10,088)	(67,387)
Foreign currency exchange differences (net of tax)		9,385	-	-	-	9,385
Unrealized gains(losses) on available-for-sale financial assets		-	(145)	-	-	(145)
Employee's unrealized bonus		-	-	-	3,166	3,166
Balance, March 31, 2018	$	(43,214)	(4,845)	-	(6,922)	(54,981)

(t) Share-based payment

Except for the following disclosure, there were no significant changes for share-based payment for the three months ended March 31, 2019 and 2018. For the related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2018.

(u) Earnings per share ("EPS")

	For the three months ended March 31	
	2019	2018
Profit attributable to common shareholders	$ 233,695	198,613
Weighted average number of common shares (In thousand shares)	53,912	53,523
Basic Earnings per share (In New Taiwan Dollars)	$ 4.33	3.71
Profit attributable to common shareholders	$ 233,695	198,613
Weighted average number of common shares (In thousand shares)	53,912	53,523
Add: effect on potential common stock		
－employee bonuses (In thousand shares)	366	240
－restricted stocks for employees	994	976
Diluted weighted average number of common shares (In thousand shares)	55,272	54,739

Diluted Earnings per share (In New Taiwan Dollars)	**$ 4.23**	**3.63**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31	
Primary geographical markets	2019	2018
Taiwan	$ 1,405,632	1,221,018
China	1,260,040	1,696,806
Other	92,073	111,113
	$ 2,757,745	3,028,937
Major products/services lines		
Cleanroom electromechanical integration engineering	$ 1,209,982	1,147,328
Water gasification supply integration engineering	1,178,398	1,273,245
Consumer industry electromechanical integration engineering	162,924	424,894
Biomedical integration engineering	118,909	167,497
High-tech equipment and materials sales and services	87,532	15,973
	$ 2,757,745	3,028,937

(ii) Contract balances

	March 31, 2019	December31, 2018	March 31, 2018
Accounts receivable	$ 3,517,523	3,339,533	2,864,835
Less: allowance for impairment	(205,256)	(195,727)	(202,644)
	$ 3,312,267	3,143,806	2,662,191
Contract assets-construction and equipment	$ 1,102,732	1,125,423	1,407,393
Less: allowance for impairment	(45,479)	(45,479)	(43,340)
	$ 1,057,253	1,079,944	1,364,053
Contract liabilities-construction and equipment	$ 1,572,132	1,715,013	1,955,104
Contract liabilities- Advance received	2,543	3,917	3,455
	$ 1,574,675	1,718,930	1,958,559

For details on accounts receivable and allowance for impairment, please refer to Note 6(d).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There is no other majority change for the three months ended March 31, 2019.

(w) Remuneration to employees and directors

According to the Company’s articles of incorporation, remuneration to employees and directors should be appropriated amounted not lower to 3% and not higher to 5% of profit before tax without remuneration to employees and directors for the current year, respectively, after any accumulated deficit is offset against the current period profit, if any.

For the three months ended March 31, 2019 and 2018, the Company estimated its employee remuneration amounted to $17,264 and $13,860, and directors' and supervisors' remuneration amounting to $8,632 and $8,316, respectively. These amounts were calculated using the company's net income before tax, multiplied by the proposed percentage which is stated under the company's article. These remunerations were expensed under operating costs or expenses for each period. If there is an adjustment between actual distribution and estimation of the aforementioned employee bonuses and remuneration to directors, the adjustment will reflect to the profit and loss on next year.

For the year ended December 31, 2018 and 2017, the Company estimated its employee remuneration amounted to $81,757 and $61,369, and directors' and supervisors' remuneration amounting to $40,879 and $30,685, respectively. There is no different between estimation and paid. The information is available on the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Other revenue

	For the three months ended March 31	
	2019	**2018**
Interest income	$ 10,997	9,229
Rental income	452	670
Others	16,423	2,403
	$ 27,872	**12,302**

(ii) Other income and losses

	For the three months ended March 31	
	2019	**2018**
Exchange gain(loss) on foreign currency	$ (10,997)	(49,126)
Gain on disposal of investment	19,515	-
Net loss on financial assets or liabilities at fair value through profit or loss	4,509	(1,920)
Others	1,856	109
	$ 14,883	**(50,937)**

(y) Financial Instruments

Except as described below, there are no significant changes on the fair value of financial instruments and the financial instruments exposed to credit risk, liquidity risk and market risk, please refer to Note 6(ab) of the Group’s financial statements for the year ended December 31, 2018.

(i) Credit risk

(1) Exposure to credit risk

The carrying amount of financial assets represents the Group’s maximum credit exposure.

(2) Concentration of credit risk

As of March 31, 2019, December 31 and March 31, 2018, concentration of credit risk came from the Group’s largest client are not more than 9%, 6% and 7% of the Group’s receivables, respectively, while that came from the Group’s other four major clients are not more than 24%, 20% and 22% of the Group’s receivables, respectively.

(3) Receivable

For credit risk exposure of note and trade receivables, please refer to Note 6 (d).

Other financial assets at amortized cost include other receivables and other financial assets.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4 (g) of the Group’s financial statements for the year ended December 31, 2018.

The loss allowance provision as for the three months ended March 31, 2019 and 2018 were determined as follows:

		Other receivables	Other financial assets (guarantee deposits paid)
Balance on January 1,2019	$	17,612	22,431
Amounts written off		(3,973)	-
Foreign exchange losses		379	498
Balance on March 31,2019	$	**14,018**	**22,929**
Balance on January 1,2018		13,759	-
Impairment loss recognized		-	-
Foreign exchange losses		175	-
Balance on March 31,2018	$	**13,934**	-

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payment and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5years	More than 5 years
March 31, 2019						
Non-derivative financial liabilities						
Secured bank loans	$ 90,417	91,221	91,221	-	-	-
Notes payable	175,576	175,576	175,576	-	-	-
Accounts payable (including related parties) and other accrued expenses	2,572,921	2,572,921	2,325,412	136,427	99,399	11,683
Leases liabilities (current and non-current)	109,449	112,654	34,628	24,618	36,815	16,593
	$ 2,948,363	2,952,372	2,626,837	161,045	136,214	28,276
December 31, 2018						
Non-derivative financial liabilities						
Secured bank loans	$ 135,278	136,316	136,316	-	-	-
Notes payable	175,364	175,364	175,364	-	-	-
Accounts payable (including related parties) and other accrued expenses	2,826,267	2,826,267	2,615,221	131,681	79,353	12
	$ 3,136,909	3,137,947	2,926,901	131,681	79,353	12
March 31, 2018						
Non-derivative financial liabilities						
Secured bank loans	$ 156,646	160,332	160,332	-	-	-
Notes payable	278,481	278,481	278,481	-	-	-
Accounts payable (including related parties) and other accrued expenses	3,018,177	3,018,177	2,607,558	211,094	197,915	1,610
	$ 3,456,304	3,456,990	3,046,371	211,094	197,915	1,610

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

(1) Foreign currency risk

The Group's significant exposures to foreign currency risk were as follows:

	March 31, 2019			December 31, 2018			March 31, 2018		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD	$ 64,086	30.8560	1,977,451	61,510	30.802	1,894,616	90,460	29.1200	2,634,189
CNY	460,969	4.5857	2,113,865	540,472	4.4862	2,424,663	380,855	4.6419	1,767,893
SGD	2,984	22.7644	67,918	2,896	22.4235	64,946	2,943	22.2231	65,400
JPY	4,334	0.2803	1,215	46,792	0.2777	12,994	53,818	0.2742	14,757
Financial liabilities									
Monetary items									
USD	14,033	30.8560	432,996	8,397	30.802	258,655	21,846	29.1200	636,150
CNY	250,228	4.5857	1,147,470	335,631	4.4862	1,505,707	270,436	4.6419	1,255,337
SGD	20	22.7644	454	179	22.4235	4,020	435	22.2231	9,657
JPY	16,063	0.2803	4,503	56,308	0.2777	15,637	117,960	0.2742	32,345

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income, loans, accounts payable and other payables that are denominated in foreign currency. A 1% of appreciation or depreciation of the TWD against the USD, CNY, SGD and JPY as of March 31, 2019 and 2018 would have increased or decreased the before-tax net income by $25,750 and $25,487, respectively. The analysis is performed on the same basis for both periods.

Due to the Group have various functional currencies, thus adopting disclose monetary items to display exchange gain or loss. Exchange gain or loss for the three months ended March 31, 2019 and 2018, respectively, including unrealized and realized, were$(10,997) and $(49,126).

(2) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in this note of liquidity risk management.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Group's internal management reported the increases/decreases in the interest rates and the exposure to changes in interest rates of 1% is considered by management to be a reasonable change of interest rate.

If the interest rate increases or decreases by 1%, the Group's net income will decrease/increase by $904 and $1,596 for the three months ended March 31, 2019 and 2018, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's borrowing in variable rate.

(3) Other price risk

If the price of equity securities on reporting date changed (The analysis is performed on the same basis for both periods and assumed that the other factors are fixed), the effects of other comprehensive income items are as following:

	2019Q1		2018Q1	
Reporting Date Security Price	**Other comprehensive income Before-tax amount**	**Before-tax Profit or loss**	**Other comprehensive income Before-tax amount**	**Before-tax Profit or loss**
Go up 3%	**$ 114**	**9,912**	**117**	**9,501**
Go down 3%	**$ (114)**	**(9,912)**	**(117)**	**(9,501)**

(iv) Fair value of financial instruments

(1) The kinds of financial instruments and fair value

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured and leases liabilities disclosure of fair value information is not required :

	March 31 ,2019				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	$ 330,401	330,401	-	-	330,401
Financial assets at fair value through other comprehensive income					
Emerging Stock	3,800	3,800	-	-	3,800
Financial assets at amortized cost					
Cash and cash equivalents	4,133,223	-	-	-	-
Contract Assets	1,057,253				
Notes receivable	183,884	-	-	-	-
Accounts receivable	3,312,267	-	-	-	-
Other receivable	27,963	-	-	-	-
Other financial assets	597,176	-	-	-	-
Total	**$ 9,645,967**	**334,201**	-	-	**334,201**
Financial liabilities at amortized cost					
Short-term loans	$ 90,417	-	-	-	-
Notes payable	175,576	-			
Accounts payable	2,525,010	-	-	-	-
Accounts payable-related party	156	-	-	-	-
Other accrued expenses	47,755	-	-	-	-
Leases liabilities (current and non-current)	109,449	-	-	-	-
Total	**$ 2,948,363**	-	-	-	-

	December 31, 2018				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	$ 310,257	310,257	-	-	310,257
Financial assets at fair value through other comprehensive income					
Emerging Stock	3,177	3,177	-	-	3,177
Financial assets at amortized cost					

Cash and cash equivalents	4,424,731	-	-	-	-
Contract Assets	1,079,944	-	-	-	-
Notes receivable	323,497	-	-	-	-
Accounts receivable	3,143,806	-	-	-	-
Other receivables	28,654	-	-	-	-
Other current financial assets	614,238	-	-	-	-
Total	$ 9,928,304	313,434	-	-	313,434
Financial liabilities at amortized cost					
Short-term loans	$ 135,278	-	-	-	-
Notes payable	175,364	-	-	-	-
Accounts payable	2,761,469	-	-	-	-
Accounts payable-related party	396	-	-	-	-
Other accrued expenses	64,402	-	-	-	-
Total	$ 3,136,909	-	-	-	-

	March 31 ,2018				
		Fair Value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	$ 316,696	316,696	-	-	316,696
Financial assets at fair value through other comprehensive income					
Emerging Stock	3,905	3,905	-	-	3,905
Financial assets at amortized cost					
Cash and cash equivalents	4,860,848	-	-	-	-
Contract Assets	1,364,053	-	-	-	-
Notes receivable	176,000	-	-	-	-
Accounts receivable	2,662,191	-	-	-	-
Other receivable	30,939	-	-	-	-
Other current financial assets	239,381	-	-	-	-
Total	$ 9,654,013	320,601	-	-	320,601
Financial liabilities at amortized cost					
Short-term loans	$ 159,646	-	-	-	-
Notes payable	278,481	-	-	-	-
Accounts payable	2.973,390	-	-	-	-
Accounts payable-related party	259	-	-	-	-
Other accrued expenses	44,528	-	-	-	-
Total	$ 3,456,304	-	-	-	-

(2) Fair value valuation technique of financial instruments measured at fair value

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or regulators and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid-ask spreads is an indication of non-active market.

The Group's financial instruments are broken down by the category and attributes of their fair value as follows if such financial instruments are traded in active markets: beneficiary securities－open-end fund and emerging stock, whose fair value was determined based on market quoted prices.

There were no transfers from one level to another for the three months ended March 31, 2019 and 2018.

(z) Financial risk management

There are no significant changes on the Group financial risk management objectives and policies disclosure, please refer to Note 6(ac) of the Group financial statements for the year ended December 31, 2018.

(aa) Capital management

Disclosure of the Company's capital management objectives, policies and procedures consists with the consolidated financial statements of 2018; there are no significant changes to summary quantitative data for capital management disclosed of the consolidated financial statements of 2018. Please refer to Note 6(ad) of the Group financial statements for the year ended December 31, 2018.

(ab) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2019 and 2018, were as follows:

Acquired right-of-use asset by finance lease, please refer to Note 6(l).

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2019	Cash flows	Foreign exchange movement	Increased	March 31, 2019
Short-term loans	$ 135,278	(46,917)	2,056	-	90,417
Leases liabilities	111,162	(7,992)	433	5,846	109,449
Guarantee deposit received	84	66	-	-	150
Total liabilities from financing activities	**$ 246,524**	**(54,843)**	**2,489**	**5,846**	**200,016**

			Non-cash changes		
	January 1, 2018	Cash flows	Foreign exchange movement	Fair value Changes	March 31, 2019
Short-term loans	$ 344,806	(182,394)	(2,766)	-	159,646
Guarantee deposit received	314	-	-	-	314
Total liabilities from financing activities	$ 345,120	(182,394)	(2,766)	-	159,960

(7) Related party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Johnwell Ent Co.,Ltd	The key management personnel of the parent company's directors

(b) Other related party transactions

(i) Construction cost, and related assets and liabilities:

The amounts of significant purchase transactions and outstanding payables for goods and equipments between the Group and related parties were as follows:

	Purchases		Payables to Related Parties		
	For the three months ended March 31				
	2019	2018	March 31, 2019	December 31, 2018	March 31, 2018
Entity under the key management's control	$ 137	232	156	396	259

The purchase price and terms of the payments present no significant difference from those with third-party vendors.

(c) Key management personnel compensation

	For the three months ended March 31	
	2019	2018
Short-term employee benefits	$ 37,215	25,853
Post-employment benefits	108	81
Share based payments	363	1,174
	$ 37,686	27,108

For details of the related share based payments, please refer to Note 6(u).

(8) Pledged assets:

The Group's pledged assets were as follows:

Asset	Purpose of pledge	March 31, 2019	December 31, 2018	March 31, 2018
Other financial assets－current:				
Savings deposit / time deposit	Construction contract fulfillment and warranty guarantee	$ 126,210	392,727	65,535
Other non-current assets:				
Other non-current assets	warranty guarantee	1,576	1,573	-
		$ 127,786	394,300	65,535

(9) Significant commitments and contingencies:

Significant commitments and contingencies for the Group as of March 31, 2019, and December 31, March 31, 2018 are as follows:

(a) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to $1,255,903, $1,211,732 and $1,323,314, respectively.

(b) Bank pledges for engaging in construction contracts amounted to $1,619,213, $1,412,180 and $979,970, respectively.

(c) Contract fulfillment guarantee and warranty guarantee (excluding related parties) for other companies in the same industry amounted to $401,618, $400,455 and $435,341, respectively.

(d) For already-signed but not-yet-finished significant construction contracts, please refer to Note 6(v).

(e) The Company has signed a construction contract with Walsin Technology Corporation (Walsin) in December, 2010. Walsin claimed that the Company did not perform the construction according to the contract, and therefore claimed a compensation amounting to $42,189 at the Taipei District Court. The civil judgment of the first instance during December, 2015 has been pronounced by the Taipei District Court, requiring the Company pay $14,666 to Walsin, which has been fully recognized as loss by the Company. The Company has appealed to Taiwan High Court. As of March 31, 2019, the compensation remained $8,376 payable, and has been recognized as other current liabilities and accrued expenses.

(f) The Company's subsidiary, Nova Tech, contracted to constructions of gas factory expansion and new factory with Jing He Science Co., Ltd. (Jing He). For installation of process equipment and pipeline, Nova Tech was responsible for installing the process pipelines and purchasing process equipment according with the design layout or purchase order provided by Jing He. Hereafter, Jing He had changed the design layout which resulted in extra work. Nova Tech requested Jing He for additional contract payment. Jing He argued that the contract is a lump-sum contract.

Therefore, Jing He refused any additional payment and terminated the contract unilaterally right before the construction completed. Nova Tech has sued Jing He for related contract payment. Nova Tech has appointed an attorney as an agent. The case has been in trial and the district court has appointed Taiwan Association of Construction and Development and Taiwan Professional Electrical Engineers Association to valuing the completed part of new factory building. Nova Tech and Jing He has provided supplement opinions for the preliminary valuation and wait for the valuation report. Besides, the district court has appointed Taiwan Construction Research Institute to valuing the gas factory expansion construction. Taiwan Construction Research Institute requested Nova Tech and Jing He for supplement documents. Up to the issuance date of the financial statements, Nova Tech was not able to predict the judgment of the court and amount of compensation. However, Nova Tech has appropriately recognized allowance for impairment of incurred construction cost in accordance with related accounting standards. Nova Tech estimated the maximum loss for this lawsuit. The maximum impact to financial statements is a loss of 70 million. Jing He paid 10,500 for partial of construction payment and interest to Nova Tech on February 5, 2019.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

(a) The employee benefits, depreciation and amortization expenses categorized by function were as follows:

	For the three months ended March 31					
	2019			2018		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salary	$ 160,942	124,141	285,083	162,753	91,733	254,486
Labor, health and social insurance	14,814	10,324	25,138	16,369	8,333	24,702
Pension	4,206	2,046	6,252	4,161	1,655	5,816
Other	4,386	5,435	9,821	5,398	5,054	10,452
Depreciation	4,231	10,989	15,220	969	5,054	6,023
Amortization	59	1,504	1,563	55	1,739	1,794

Note: Depreciation for investment property for the three months ended March 31, 2019 and 2018 both were $622, and were recorded in non-operating expenses.

(b) Operation of seasonal:
The Group did not be influenced by seasonal or periodicity.

(13) Segment information:

The Group's operating segment information and reconciliation are as follows:

For the three months ended March 31, 2019	Taiwan	Mainland China	Other Asian	Adjustments and Eliminations	Total
Revenue:					
Revenue from external customers	$ 1,405,632	1,260,040	92,073	-	2,757,745
Intersegment revenues	16,734	6,542	-	(23,276)	-
Total revenue	$ 1,422,366	1,266,582	92,073	(23,276)	2,757,745
Reportable segment profit or loss					**$ 294,345**

For the three months ended March 31, 2018	Taiwan	Mainland China	Other Asian	Adjustments and Eliminations	Total
Revenue:					
Revenue from external customers	$ 1,221,018	1,696,806	111,113	-	3,028,937
Intersegment revenues	416,018	39,210	-	(455,228)	-
Total revenue	$ 1,637,036	1,736,016	111,113	(455,228)	3,028,937
Reportable segment profit or loss					**$ 235,525**

Reportable segment asset	Taiwan	Mainland China	Other Asian	Adjustments and Eliminations	Total
March 31, 2019	**$ 10,966,036**	**9,667,587**	**2,026,204**	**(10,935,541)**	**11,724,286**
December 31, 2018	**$ 10,553,191**	**9,872,124**	**1,896,417**	**(10,540,943)**	**11,780,789**
March 31, 2018	**$ 10,480,236**	**5,285,508**	**1,736,044**	**(5,852,358)**	**11,649,430**
Reportable segment liability					
March 31, 2019	**$ 3,389,765**	**4,094,775**	**282,108**	**(1,754,748)**	**6,011,900**
December 31, 2018	**$ 3,432,785**	**4,388,295**	**251,719**	**(1,673,522)**	**6,399,277**
March 31, 2018	**$ 3,714,212**	**3,449,759**	**219,448**	**(754,642)**	**6,628,777**