

**Acter Group Corporation Limited and Subsidiaries  
Consolidated Financial Statements**

**With Independent Auditors' Review Report  
for the Six Months Ended**

**June 30, 2020 and 2019**

**Translated by Acter Group Co., Ltd., note for reader please see page 3-1.**

## Table of Contents

Contents	Page
1.Cover Page	1
2.Table of Contents	2
3.Independent Auditors’ Review Report	3
4.Consolidated Balance Sheets	4
5.Consolidated Statements of Comprehensive Income	5-6
6.Consolidated Statements of Changes in Equity	7
7.Consolidated Statements of Cash Flows	8
8.Notes to the Consolidated Financial Statements	
(1) Organization and business scope	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards and interpretations adopted	9-10
(4) Summary of significant accounting policies	10-11
(5) Significant accounting assumptions and judgments, and major source of estimation uncertainty	11
(6) Explanation of significant accounts	11-31
(7) Related party transactions	31-32
(8) Pledged assets	32
(9) Significant commitments and contingencies	32-33
(10) Losses due to major disasters	33
(11) Subsequent Events	33
(12) Other	33
(13) others disclosures	37-50
(a) Information on significant transactions	
(b) Guarantee and endorsement for other parties	
(c) Information on investees	
(d) Information on investments in Mainland China	
(e) Major shareholders	
(14) Segment information	51-52

## **Independent Auditors' Review Report**

The Board of Directors  
Acter Group Corporation Limited:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of the Acter Group Corporation Limited and its subsidiaries (the "Group") as of June 30, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended and six months ended June 30, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("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\$2,477,009 thousand and NT\$2,301,339 thousand, constituting 19% of consolidated total assets as of June 30, 2020 and 2019, respectively, total liabilities amounting to NT\$1,164,717 thousand and NT\$1,001,684 thousand, constituting 15% and 14% of consolidated total liabilities as of June 30, 2020 and 2019, respectively, and total comprehensive income(loss) amounting to NT\$32,537 thousand and NT\$74,704 thousand, and NT\$60,614 thousand and NT\$98,714 thousand constituting 10%, 24%, 11% and 15% of consolidated total comprehensive income (loss) for the three months ended and six months ended June 30, 2020 and 2019, respectively.

Furthermore, as stated in Note 6[h], the shares of loss of associates and joint ventures accounted for using equity method NT\$61 thousand for the three months ended June 30, 2019 was 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 Group Corporation Limited and its subsidiaries as of June 30, 2020 and 2019, and of its consolidated financial performance for the three months and the six months ended June 30, 2020 and 2019 ,and consolidated cash flows for the six months ended June 30, 2020 and 2019 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.

August 5, 2020

## **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 Group Corporation Limited and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2020, and 2019**  
(In Thousands of New Taiwan Dollars)

Assets		June 30,2020		December 31,2019		June 30,2019		Liabilities and Equity		June 30,2020		December 31,2019		June 30,2019	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current Assets:</b>								<b>Current Liabilities:</b>							
1100	Cash and cash equivalents (Note 6(a) and (x))	\$ 4,068,402	31	3,874,953	32	3,828,382	31	2100	Short-term loans (Note 6(m) and (x))	\$ 177,840	1	136,609	1	30,000	-
1110	Current financial assets at fair value through profit or loss (Note 6(b) and (x))	303,334	2	172,400	1	320,333	3	2130	Contract liabilities-current (Note 6(u))	1,346,597	10	1,224,181	10	1,158,759	9
1140	Contract Assets – current (Note 6(u))	2,494,512	19	1,496,769	13	1,376,926	11	2150	Notes payable (Note 6(x))	121,880	1	63,637	1	195,978	2
1150	Notes receivable, net (Note 6(d) and (x))	226,831	2	453,149	4	464,181	4	2170	Trade payable (Note 6(x))	3,484,858	27	3,110,389	26	3,146,716	26
1170	Trade receivable, net (Note 6(d) · (u) and (x))	3,544,001	27	3,480,867	30	3,659,869	30	2180	Trade Payables to related parties (Note 6(x) and 7)	512	-	313	-	615	-
1200	Other receivables (Note 6(e) and (x) )	15,756	-	20,424	-	20,661	-	2201	Accrued salaries and bonuses(Note6(x))	238,986	2	341,137	3	204,907	2
1220	Current income tax assets	3,662	-	2,305	-	369	-	2216	Dividends payables (Note 6(x))	954,510	7	-	-	1,017,901	8
1310	Inventories, net (Note 6(f))	267,212	2	484,731	4	543,223	5	2230	Current tax liabilities	208,311	2	154,619	1	180,146	1
1476	Other financial assets—current (Note 8)	413,259	3	390,060	3	530,787	4	2250	Provisions – current (Note 6(o))	296,675	2	322,699	3	379,702	3
1479	Other current assets	598,149	5	430,050	4	501,329	4	2280	Lease liabilities(Note 6(n))	33,572	-	35,299	-	39,908	-
		<u>11,935,118</u>	<u>91</u>	<u>10,805,708</u>	<u>91</u>	<u>11,246,060</u>	<u>92</u>	2399	Other current liabilities(Note 9)	347,863	3	325,730	3	329,193	3
<b>Non-current assets:</b>										<u>7,211,604</u>	<u>55</u>	<u>5,714,613</u>	<u>48</u>	<u>6,683,825</u>	<u>54</u>
1517	Non-current financial assets at fair value through other comprehensive income(Note 6(c))	130,375	1	130,000	1	3,412	-	<b>Non-current liabilities:</b>							
1600	Property, plant and equipment (Note 6(j))	465,149	4	463,872	4	440,774	4	2570	Deferred tax liabilities	609,096	5	594,441	5	468,748	4
1755	Right-of-use asset(Note 6(k))	123,926	1	138,875	1	154,359	1	2580	Lease obligations-non-current(Note 6(n))	63,803	-	74,965	1	82,379	1
1760	Investment property, net(Note 6(l))	239,524	2	240,767	2	242,011	2	2640	Accrued pension liabilities	59,321	-	59,869	-	49,173	-
1840	Deferred tax assets	182,100	1	173,994	1	161,397	1	2645	Guarantee deposit received	150	-	150	-	150	-
1990	Other non-current assets (Note 8)	38,161	-	39,864	-	39,715	-			<u>732,370</u>	<u>5</u>	<u>729,425</u>	<u>6</u>	<u>600,450</u>	<u>5</u>
		<u>1,179,235</u>	<u>9</u>	<u>1,187,372</u>	<u>9</u>	<u>1,041,668</u>	<u>8</u>	<b>Total Liabilities</b>		<u>7,943,974</u>	<u>60</u>	<u>6,444,038</u>	<u>54</u>	<u>7,284,275</u>	<u>59</u>
								<b>Equity Attributable to Shareholders of the parent company(Note 6(r)):</b>							
								3100	Common stock	541,868	4	541,868	5	541,868	4
								3200	Capital surplus	1,391,851	11	1,392,119	11	1,392,119	11
								3300	Retained earnings	2,393,784	18	2,698,781	22	2,198,162	18
								3400	Other equity interest	(180,037)	(1)	(129,185)	(1)	(55,373)	-
										<u>4,147,466</u>	<u>32</u>	<u>4,503,583</u>	<u>37</u>	<u>4,076,776</u>	<u>33</u>
								<b>Total Equity attributable to the parent of company</b>							
								36xx	Non-controlling interests	1,022,913	8	1,045,459	9	926,677	8
										<u>5,170,379</u>	<u>40</u>	<u>5,549,042</u>	<u>46</u>	<u>5,003,453</u>	<u>41</u>
								<b>Total Liabilities And Equity</b>		<u>\$ 13,114,353</u>	<u>100</u>	<u>11,993,080</u>	<u>100</u>	<u>12,287,728</u>	<u>100</u>
<b>Total Assets</b>		<u>\$ 13,114,353</u>	<u>100</u>	<u>11,993,080</u>	<u>100</u>	<u>12,287,728</u>	<u>100</u>								

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

Acter Group Corporation Limited and Subsidiaries  
Consolidated Statements Of Comprehensive Income

For The Three Months Ended and Six Months Ended June 30, 2020 And 2019  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	For the Three Months ended June 30				For the Six Months ended June 30				
	2020		2019		2020		2019		
	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Operating revenues:</b>									
4521	Construction revenue (Note 6(u))	\$ 3,780,070	98	3,420,060	92	6,798,604	98	6,092,233	94
4529	Less: allowances	(1,051)	-	(3,478)	-	(3,137)	-	(5,438)	-
		<u>3,779,019</u>	<u>98</u>	<u>3,416,582</u>	<u>92</u>	<u>6,795,467</u>	<u>98</u>	<u>6,086,795</u>	<u>94</u>
4110	Sales	54,594	1	255,013	7	89,751	1	310,184	5
4800	Other operating revenue	<u>23,945</u>	<u>1</u>	<u>30,810</u>	<u>1</u>	<u>52,297</u>	<u>1</u>	<u>63,171</u>	<u>1</u>
		<u>3,857,558</u>	<u>100</u>	<u>3,702,405</u>	<u>100</u>	<u>6,937,515</u>	<u>100</u>	<u>6,460,150</u>	<u>100</u>
<b>Operating cost:</b>									
5520	Construction cost(Note 6(f) 、(n) 、(p) 、(v) and 7(b))	3,073,141	80	2,817,781	76	5,594,293	81	4,945,172	77
5110	Cost of goods sold	36,161	1	168,479	5	65,664	1	207,861	3
5800	Other operating cost	<u>19,556</u>	<u>-</u>	<u>15,491</u>	<u>-</u>	<u>38,594</u>	<u>-</u>	<u>19,209</u>	<u>-</u>
		<u>3,128,858</u>	<u>81</u>	<u>3,001,751</u>	<u>81</u>	<u>5,698,551</u>	<u>82</u>	<u>5,172,242</u>	<u>80</u>
		<u>728,700</u>	<u>19</u>	<u>700,654</u>	<u>19</u>	<u>1,238,964</u>	<u>18</u>	<u>1,287,908</u>	<u>20</u>
<b>Gross profit</b>									
Operating expenses (Note 6(n) 、(p) and (v)):									
6100	Selling	25,655	1	30,106	1	54,274	1	62,974	1
6200	General and administrative	138,859	4	139,637	4	272,528	4	282,832	4
6300	Research and development	38,365	1	44,587	1	75,176	1	74,896	1
6450	Expected credit loss(gain)(Note 6 (d))	<u>15,603</u>	<u>-</u>	<u>35,893</u>	<u>1</u>	<u>(24,949)</u>	<u>-</u>	<u>41,642</u>	<u>1</u>
		<u>218,482</u>	<u>6</u>	<u>250,223</u>	<u>7</u>	<u>377,029</u>	<u>6</u>	<u>462,344</u>	<u>7</u>
		<u>510,218</u>	<u>13</u>	<u>450,431</u>	<u>12</u>	<u>861,935</u>	<u>12</u>	<u>825,564</u>	<u>13</u>
<b>Operating income</b>									
<b>Non-operating income and expenses:</b>									
7050	Finance costs	(1,521)	-	(1,591)	-	(2,803)	-	(3,292)	-
7100	Interest revenue(Note 6(w))	7,274	-	10,389	-	15,235	1	21,386	-
7010	Other income (Note 6(w))	4,220	-	4,609	-	20,704	-	21,484	-
7070	Share of loss of associates accounted for using equity method(Note 6(h))	-	-	-	-	-	-	(61)	-
7020	Other gains and losses, net (Note 6(w))	<u>14,747</u>	<u>-</u>	<u>20,664</u>	<u>1</u>	<u>9,110</u>	<u>-</u>	<u>35,547</u>	<u>1</u>
		<u>24,720</u>	<u>1</u>	<u>34,071</u>	<u>1</u>	<u>42,246</u>	<u>1</u>	<u>75,064</u>	<u>1</u>
		<u>534,938</u>	<u>14</u>	<u>484,502</u>	<u>13</u>	<u>904,181</u>	<u>13</u>	<u>900,628</u>	<u>14</u>
7950	<b>Income tax expense</b> (Note 6(q))	<u>162,954</u>	<u>4</u>	<u>155,898</u>	<u>4</u>	<u>267,962</u>	<u>4</u>	<u>277,679</u>	<u>4</u>
	<b>Profit for the year</b>	<u>371,984</u>	<u>10</u>	<u>328,604</u>	<u>9</u>	<u>636,219</u>	<u>9</u>	<u>622,949</u>	<u>10</u>
8300	<b>Other comprehensive income:</b>								
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	845	-	(388)	-	375	-	235	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		<u>845</u>	<u>-</u>	<u>(388)</u>	<u>-</u>	<u>375</u>	<u>-</u>	<u>235</u>	<u>-</u>
8360	<b>Items that will be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translation of foreign operations	(44,914)	(1)	(22,639)	(1)	(84,798)	(1)	21,952	-
8399	Less: income tax relating to components of other comprehensive (Note 6(q))	<u>11,342</u>	<u>-</u>	<u>6,226</u>	<u>-</u>	<u>21,100</u>	<u>-</u>	<u>(5,358)</u>	<u>-</u>
		<u>(33,572)</u>	<u>(1)</u>	<u>(16,413)</u>	<u>(1)</u>	<u>(63,698)</u>	<u>(1)</u>	<u>16,594</u>	<u>-</u>
8300	<b>Other comprehensive income, net</b>	<u>(32,727)</u>	<u>(1)</u>	<u>(16,801)</u>	<u>(1)</u>	<u>(63,323)</u>	<u>(1)</u>	<u>16,829</u>	<u>-</u>
8500	<b>Comprehensive income</b>	<u>\$ 339,257</u>	<u>9</u>	<u>311,803</u>	<u>8</u>	<u>572,896</u>	<u>8</u>	<u>639,778</u>	<u>10</u>
	<b>Profit attributable to :</b>								

8610	Shareholders of the parent	290,520	8	294,064	8	507,804	7	527,759	8
8620	Non-controlling interests	<u>81,464</u>	<u>2</u>	<u>34,540</u>	<u>1</u>	<u>128,415</u>	<u>2</u>	<u>95,190</u>	<u>2</u>
		<u>\$ 371,984</u>	<u>10</u>	<u>328,604</u>	<u>9</u>	<u>636,219</u>	<u>9</u>	<u>622,949</u>	<u>10</u>
	<b>Comprehensive income attributable to :</b>								
8710	Shareholders of the parent	263,377	7	282,142	7	456,952	6	541,196	8
8720	Non-controlling interests	<u>75,880</u>	<u>2</u>	<u>29,661</u>	<u>1</u>	<u>115,944</u>	<u>2</u>	<u>98,582</u>	<u>2</u>
		<u>\$ 339,257</u>	<u>9</u>	<u>311,803</u>	<u>8</u>	<u>572,896</u>	<u>8</u>	<u>639,778</u>	<u>10</u>
	<b>Earnings per share ((attributable to shareholders of the parent)) (Note 6(t))</b>								
9750	<b>Basic earnings per share</b>	<u>\$ 5.36</u>		<u>5.45</u>		<u>9.37</u>		<u>9.78</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 5.35</u>		<u>5.33</u>		<u>9.31</u>		<u>9.54</u>	

**Reviewed only, not audited in accordance with the generally accepted auditing standards.**  
**Acter Group Corporation Limited and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2020, and 2019**  
**(In Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent						Other equity					
	Retained earnings											
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Total Other equity	Non-controlling interests	Total equity
<b>Balance, January 1, 2019</b>	<b>\$ 542,028</b>	<b>1,393,239</b>	<b>512,938</b>	<b>56,560</b>	<b>1,913,947</b>	<b>2,483,445</b>	<b>(63,237)</b>	<b>(5,573)</b>	<b>(776)</b>	<b>(69,586)</b>	<b>1,032,386</b>	<b>5,381,512</b>
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	104,902	-	(104,902)	-	-	-	-	-	-	-
Special reserve	-	-	-	12,249	(12,249)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(813,042)	(813,042)	-	-	-	-	-	(813,042)
	<b>\$ 542,028</b>	<b>1,393,239</b>	<b>617,840</b>	<b>68,809</b>	<b>983,754</b>	<b>1,670,403</b>	<b>(63,237)</b>	<b>(5,573)</b>	<b>(776)</b>	<b>(69,586)</b>	<b>1,032,386</b>	<b>4,568,470</b>
Share-based payment transaction	(160)	(1,120)	-	-	-	-	-	-	776	776	-	(504)
Comprehensive income for the six months ended June 30, 2019												
Profit for the period	-	-	-	-	527,759	527,759	-	-	-	-	95,190	622,949
Other comprehensive income for the period	-	-	-	-	-	-	13,202	235	-	13,437	3,392	16,829
Total comprehensive income	-	-	-	-	527,759	527,759	13,202	235	-	13,437	98,582	639,778
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(204,291)	(204,291)
<b>Balance, June 30, 2019</b>	<b>\$ 541,868</b>	<b>1,392,119</b>	<b>617,840</b>	<b>68,809</b>	<b>1,511,513</b>	<b>2,198,162</b>	<b>(50,035)</b>	<b>(5,338)</b>	<b>-</b>	<b>(55,373)</b>	<b>926,677</b>	<b>5,003,453</b>
<b>Balance, January 1, 2019</b>	<b>541,868</b>	<b>1,392,119</b>	<b>617,840</b>	<b>68,809</b>	<b>2,012,132</b>	<b>2,698,781</b>	<b>(123,035)</b>	<b>(6,150)</b>	<b>-</b>	<b>(129,185)</b>	<b>1,045,459</b>	<b>5,549,042</b>
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	103,609	-	(103,609)	-	-	-	-	-	-	-
Special reserve	-	-	-	60,377	(60,377)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(812,801)	(812,801)	-	-	-	-	-	(812,801)
	<b>541,868</b>	<b>1,392,119</b>	<b>721,449</b>	<b>129,186</b>	<b>1,035,345</b>	<b>1,885,980</b>	<b>(123,035)</b>	<b>(6,150)</b>	<b>-</b>	<b>(129,185)</b>	<b>1,045,459</b>	<b>4,736,241</b>
Changes in ownership interests in subsidiaries	-	(268)	-	-	-	-	-	-	-	-	-	(268)
Comprehensive income for the six months ended June 30, 2020												
Profit for the period	-	-	-	-	507,804	507,804	-	-	-	-	128,415	636,219
Other comprehensive income for the period	-	-	-	-	-	-	(51,227)	375	-	(50,852)	(12,471)	(63,323)
Total comprehensive income	-	-	-	-	507,804	507,804	(51,227)	375	-	(50,852)	115,944	572,896
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(138,490)	(138,490)
<b>Balance, June 30, 2020</b>	<b>\$ 541,868</b>	<b>1,391,851</b>	<b>721,449</b>	<b>129,186</b>	<b>1,543,149</b>	<b>2,393,784</b>	<b>(174,262)</b>	<b>(5,775)</b>	<b>-</b>	<b>(180,037)</b>	<b>1,022,913</b>	<b>5,170,379</b>



**Reviewed only, not audited in accordance with the generally accepted auditing standards.**  
**Acter Group Corporation Limited and Subsidiaries**  
**Consolidated Statements Of Cash Flows**  
**For The Six Months Ended June 30, 2020 And 2019**  
**(All Amount Expressed in Thousands of New Taiwan Dollars)**

	<b>For the Six months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 904,181	900,628
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation(Including investment property)	36,674	33,161
Amortization	4,971	3,354
Excepted credit loss(gain)	(24,949)	41,642
Net loss on financial assets or liabilities at fair value through profit or loss	-	(6,414)
Interest income	(15,235)	(21,386)
Interest expense	2,803	3,292
Compensation cost arising from employee stock options	-	(504)
Shares of loss of associates and joint ventures accounted for using equity method	-	61
Loss (gain) on disposal of property, plant and equipment	137	(44)
Gain on disposal of non-current assets held for sale	-	(19,515)
Other	(5)	-
<b>Total adjustments to reconcile profit (loss)</b>	<b>4,396</b>	<b>33,647</b>
<b>Changes in operating assets and liabilities</b>		
<b>Changes in operating assets</b>		
Increase in current financial assets at fair value through profit or loss	(130,934)	(3,662)
(Increase) decrease in current contract assets	(997,743)	(296,982)
Decrease (increase) in notes receivable	226,318	(140,684)
Increase in trade receivable	(35,417)	(558,812)
Decrease (increase) in inventories	217,519	(221,908)
(Increase) decrease in other financial assets	(186,052)	182,059
<b>Total changes in operating assets</b>	<b>(906,309)</b>	<b>(1,039,989)</b>
<b>Changes in operating liabilities</b>		
Increase (decrease) in current contract liabilities	122,416	(560,171)
Increase in notes payable	58,243	20,614
Increase in trade payable	374,469	385,247
(Decrease)increase in provisions	(20,513)	27,506
Decrease in other current liabilities	(80,521)	(76,182)
<b>Total changes in operating liabilities</b>	<b>454,094</b>	<b>(202,986)</b>
<b>Total adjustments</b>	<b>(447,819)</b>	<b>(1,209,328)</b>
Cash inflow generated from operations	456,362	(308,700)
Interest received	15,284	23,599
Interest paid	(2,649)	(2,672)
Income taxes paid	(196,968)	(238,614)
<b>Net cash flows from operating activities</b>	<b>272,029</b>	<b>(526,387)</b>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of investments accounted for using equity method	-	747
Proceeds from disposal of non-current assets held for sale	-	72,627
Acquisition of property, plant and equipment	(22,070)	(34,936)
Proceeds from disposal of property, plant and equipment	26	103
Acquisition of right-of-use assets	(364)	(576)
Increase in other non-current assets	(4,171)	(5,173)
<b>Net cash flows used in investing activities</b>	<b>(26,579)</b>	<b>32,792</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term loans	98,920	30,000
Repayments of short-term loans	(56,000)	(136,449)
Increase in guarantee deposits received	-	66
Payment of lease liabilities	(19,329)	(17,632)
Change in non-controlling interests	7,686	-
<b>Net cash used in financing activities</b>	<b>31,277</b>	<b>(124,015)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(83,278)</b>	<b>21,261</b>
<b>Net decrease in cash and cash equivalents</b>	<b>193,449</b>	<b>(596,349)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,874,953</b>	<b>4,424,731</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 4,068,402</b>	<b>3,828,382</b>

**Reviewed only, not audited in accordance with the generally accepted auditing standards.**  
**ACTER GROUP CORPORATION LIMITED AND ITS SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2020 and 2019**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

**(1) Organization and business scope**

ACTER GROUP CORPORATION LIMITED (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, Taiwan (R.O.C.).The consolidated financial statements of the Company as of and for the year ended June 30, 2020 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 were authorized for issuance by the Board of Directors on August 5, 2020.

**(3) New standards and interpretations adopted**

- (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, 2020 as follows:

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 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020
• Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020
• Amendments to IFRS 16 “Covid-19-Related Rent Concessions”	June 1, 2020

The Group assesses that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements.

(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:

<b>New, Revised or Amended Standards and Interpretations</b>	<b>Effective date per IASB</b>
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, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Noncurrent”	January 1, 2022
Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023

Those which may be relevant to the Group are set out below:

<b>Issue Dates</b>	<b>New Standards and Amendments</b>	<b>Main Amendments</b>
January 23, 2020	Amendments to IAS 1 “Classification of Liabilities as Current or Noncurrent”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.
May 14, 2020	Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”	The amendments clarify that the ‘costs of fulfilling a contract’ comprises the costs that relate directly to the contract as follows: <ul style="list-style-type: none"> <li>• Costs that relate directly to a contract can either be incremental costs of fulfilling the contract (examples would be direct labor, materials).</li> <li>• An allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).</li> </ul>

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 (c) and (d) 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, 2019. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2019.

(b) Basis of preparation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Notes
			June 30, 2020	December 31, 2019	June 30, 2019	
(1)The Company	Nova Technology Corp. (Nova Tech)	Wholesale of electronic and design chemical supply system for semi-conductor industrial	62.19	62.19	62.19	
	Her Suo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100	100	100	Note 5
	Enrich Tech Co., Ltd. (Enrich Tech)	Comprehensive construction company	56.94	56.94	56.94	Note 5
(2)Nova Tech	Sheng Huei International Co., Ltd. (SHI)	Investment holding company	100	100	100	
	Winmax Technology Corp. (Winmax)	Design and manufacture of air containers and liquid containers	100	100	100	
	Winmega Technology Corp. (Winmega)	Wholesale of electronic and chemical engineering equipment	100	100	100	
	Suzhou Winmax Technology Corp. (Suzhou Winmax)	Design and manufacture of air containers and liquid containers	100	100	100	
(3)Sheng Huei International	Novatech Engineering & Construction Pte., Ltd. (NTEC Singapore)	Chemical supply system business	100	100	100	Note 5
	Acter Technology Integration Group Co. Ltd (Acter China)	Construction and set-up of electronic equipment and air conditioners	86.66	86.66	86.66	Note 2
	New Point Group Ltd.(New Point)	Investment holding company and trading of equipment	100	100	100	Note 5
(4)Acter China	Shenzhen Dingmao Trade Co., Ltd.(Shenzhen Dingmao)	Electronic equipment and machinery trading	100	100	100	Note 5
	Sheng Huei (Shenzhen) Engineering Co., Ltd. (Sheng Huei Shenzhen)	Construction and set-up of electronic equipment and air conditioners	100	100	100	Note 5
(5)NTS	Acter International Ltd. (AIL)	Investment holding company and trading of clean rooms and air conditioners	100	100	100	Note 5
	Nova Technology Singapore Pte., Ltd. (NTS)	Investment holding company	100	100	100	Note 5
	Nova Technology Malaysia Sdn. Bhd. (NTM Acter Malaysia)	Investment holding company	100	100	100	Note 5
	PT. Novamex Indonesia (NMI Indonesia)	Equipment trading and set-up	100	100	100	Note 5
	Acter Engineering Co., Ltd.(Acter Myanmar)	Construction and setup of electronic equipment and air conditioners	-	-	-	Note 1
	Acter Technology Co., Ltd. (Acter)	Set-up of electronic protection	98	98	-	Note3

	Thailand)	systems and central air conditioners				Note5
(6)Acter International	Sheng Huei Engineering Technology Co., Ltd. (Acter Vietnam)	Set-up of electronic protection systems and central air conditioners	100	100	100	Note 5
	Space Engineering Co., Ltd.(Space Acter Thailand)	Investment holding company and trading of equipment	49	49	-	Note4 Note5
(7)New Point	Zhangjiagang Free Trade Zone Fuyu International Trade Co., Ltd. (Fuyu)	Agent for electronic equipment importing and exporting	100	100	100	Note 5

Note 1: The ownership of Acter Engineering in NTS and Sheng Huei International consisted of 99% and 1%, respectively. Acter Engineering had been liquidated in March, 2019.

Note 2: Sheng Huei (Suzhou) Engineering Co., Ltd. changed its name to Acter Technology Integration Group Co., Ltd. in July 2019.

Note 3: NTS established a new subsidiary Acter Technology Co., Ltd. in October 2019. The ownership of Acter Technology Co., Ltd. in NTS and Space Engineering consisted of 49% respectively.

Note 4: Acter International established a new subsidiary Space Technology in November 2019.

Note 5: Companies are non-significant and their financial statements have not been reviewed.

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

(c) 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.

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.

(d) 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, 2019. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2019.

(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, 2019. Please refer to Note 6 of the 2019 annual consolidated financial statements.

(a) Cash and cash equivalents

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Petty cash and cash on hand	\$ 1,223	1,362	2,567
Checking and demand deposits	2,250,249	2,241,349	1,793,145
Time deposits	1,768,930	1,596,284	1,747,706
Cash equivalent - repurchased commercial paper	48,000	35,958	284,964
	<b><u>\$ 4,068,402</u></b>	<b><u>3,874,953</u></b>	<b><u>3,828,382</u></b>

The repurchased commercial paper rate as of June 30, 2020, December 31, 2019 and June 30, 2019 were 0.325%, 0.5% and 0.5%~0.58%, respectively, with maturity dates from July 13 and January 2, 2020, and from July 3 to July 8, 2019, respectively.

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

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary securities - open-end funds	<b><u>\$ 303,334</u></b>	<b><u>172,400</u></b>	<b><u>320,333</u></b>

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

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Equity investments at fair value through other comprehensive income			
Holy Stone Healthcare Co., Ltd.	\$ 2,975	2,600	3,412
Waste Recovery Technology Inc.	<u>127,400</u>	<u>127,400</u>	<u>-</u>
	<b><u>\$ 130,375</u></b>	<b><u>130,000</u></b>	<b><u>3,412</u></b>

(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 June 30, 2020 and 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(x).

(iii) The aforesaid financial assets were not pledged.

## (d) Note and trade receivables

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Note receivables from operating activities	\$ 226,831	453,149	464,181
Trade receivables – measured as amortized cost	3,673,406	3,637,989	3,898,345
Less: Allowance for impairment	<u>(129,405)</u>	<u>(157,122)</u>	<u>(238,476)</u>
Total	<u><u>\$ 3,770,832</u></u>	<u><u>3,934,016</u></u>	<u><u>4,124,050</u></u>

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. To measure the expected credit losses, notes and 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:

	<u>June 30, 2020</u>		
<b>Aging of Receivables</b>	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
1 to 120 days	\$ 3,450,801	-	-
121 to 180 days	89,857	0.50%	449
181 to 360 days	179,120	1%	1,791
361 to 540 days	92,444	40%~50%	39,150
More than 541 days	<u>88,015</u>	100%	<u>88,015</u>
Total	<u><u>\$ 3,900,237</u></u>		<u><u>129,405</u></u>
	<u>December 31, 2019</u>		
<b>Aging of Receivables</b>	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
1 to 120 days	\$ 3,361,226	-	-
121 to 180 days	249,591	0.50%	1,248
181 to 360 days	225,288	1%	2,253
361 to 540 days	180,797	40%~50%	79,385
More than 541 days	<u>74,236</u>	100%	<u>74,236</u>
Total	<u><u>\$ 4,091,138</u></u>		<u><u>157,122</u></u>
	<u>June 30, 2019</u>		
<b>Aging of Receivables</b>	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
1 to 120 days	\$ 3,701,686	-	-
121 to 180 days	118,986	0.50%	595
181 to 360 days	210,717	1%	2,107
361 to 540 days	172,227	40%~50%	76,864
More than 541 days	<u>158,910</u>	100%	<u>158,910</u>
Total	<u><u>\$ 4,362,526</u></u>		<u><u>238,476</u></u>

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

	<u>For the six months ended June 30</u>	
	<u>2020</u>	<u>2019</u>
Balance, January 1	\$ 157,122	195,727
Impairment losses recognized (reversed)	(24,949)	41,642
Foreign exchange gains (losses) and others	<u>(2,768)</u>	<u>1,107</u>
Balance, June 30	<u><u>\$ 129,405</u></u>	<u><u>238,476</u></u>

(i) Trade receivable includes retained construction receivable, which amounted to \$60,473 thousand, \$53,776 thousand and \$50,255 thousand as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively.

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

(e) Other receivables

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Other accounts receivable	\$ 15,756	20,424	34,237
Less: Loss allowance	-	-	(13,576)
	<u>\$ 15,756</u>	<u>20,424</u>	<u>20,661</u>

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

(f) Inventories

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Finished goods and merchandise	\$ 38,328	8,182	43,800
Work in process and semi-finished goods	15,356	230,893	193,986
Raw materials	226,922	256,614	316,773
	280,606	495,689	554,559
Less: provision for inventory devaluation	(13,394)	(10,958)	(11,336)
	<u>\$ 267,212</u>	<u>484,731</u>	<u>543,223</u>

For the three months ended June 30, 2020 and 2019, and six months ended June 30, 2020 and 2019, the write-down (upswing) of inventories amounted to \$823 thousand, \$(8,354) thousand, \$2,765 thousand and \$(6,585) thousand. The write-downs (upswings) are included in cost of goods sold.

No inventories were pledged as collaterals.

(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 selling price of \$74,250 thousand (taxed); therefore, entered into an agreement with the buyer at the end of December 2018. The property rights transfer registration was completed in March 2019, and recognized the gain on disposal of non-current assets held for sale \$19,515 thousand was recognized. The relevant price has been fully collected with the contract

(h) Investments in equity-accounted investees

<u>Associates</u>	<u>Relationship with the Company</u>	<u>Percentage of ownership and voting share</u>	
		<u>Main Business Location/Registered Country</u>	<u>June 30, 2019</u>
Global One Source Life Sciences Company Ltd.	Service for project management and consulting of techniques and design for pharmacy and medical facilities, which is the Group's investment	Hong Kong	-



(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:

	<b>For the six months ended June 30, 2019</b>
Profit attributable to the Group:	
Loss from continuing operation	\$ (61)
Comprehensive income	\$ (61)

- (ii) In March 2019, the Group sold its 40% shares of Global OneSource Lite Sciences Company Ltd., and ceased the significant influence on the company, the disposal price was \$747 thousand, and the price was received in full.
- (iii) The investments accounted for using equity method was not pledged.
- (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) Significant subsidiaries of non-controlling interest

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

<b>Subsidiaries</b>	<b>Main Business Location/Registered Country</b>	<b>Percentage of ownership and voting share</b>		
		<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Nova Tech	R.O.C.	37.81%	37.81%	37.81%
Enrich Tech	R.O.C.	43.06%	43.06%	43.06%
Acter China	China	13.34%	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:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Current assets	\$ 2,289,814	1,782,632	2,302,880
Non-current assets	1,486,462	1,536,730	1,344,650
Current liabilities	(1,402,376)	(807,470)	(1,417,535)
Non-current Liabilities	(261,959)	(265,131)	(209,510)
Net assets	<u>\$ 2,111,941</u>	<u>2,246,761</u>	<u>2,020,485</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Operating revenue	<u>\$ 581,773</u>	<u>481,416</u>	<u>1,106,343</u>	<u>908,722</u>
Net income for the period	\$ 145,733	58,782	237,633	215,365
Other comprehensive income(loss)	(17,378)	(13,369)	(33,174)	8,230
Comprehensive income	<u>\$ 128,355</u>	<u>45,413</u>	<u>204,459</u>	<u>223,595</u>

Cash flows from operating activities	\$ 94,704	232,730
Cash flows from investing activities	7,754	(1,493)
Cash flows from financing activities	(437)	(12,135)
Net increase in cash and cash equivalents	<u>102,021</u>	<u>219,102</u>

(ii) Information regarding of Enrich Tech:

	<u>June 30,2020</u>	<u>December 31,2019</u>	<u>June 30,2019</u>
Current assets	\$ 252,706	275,387	210,335
Non-current assets	8,112	9,129	11,342
Current liabilities	(114,423)	(149,829)	(91,167)
Non- Current liabilities	(732)	(1,015)	(1,599)
Net assets	<u>\$ 145,663</u>	<u>133,672</u>	<u>128,911</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Operating revenue	<u>\$ 100,355</u>	<u>37,630</u>	<u>232,091</u>	<u>100,567</u>
Net income for the period	5,070	(2,018)	11,991	(9,661)
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ 5,070</u>	<u>(2,018)</u>	<u>11,991</u>	<u>(9,661)</u>

Cash flows from operating activities	\$ 4,947	(39,225)
Cash flows from investing activities	(2)	(606)
Cash flows from financing activities	(26,923)	(750)
Net increase (decrease) in cash and cash equivalents	<u>\$ (21,978)</u>	<u>(40,581)</u>

(iii) Information regarding of Acter China:

	<u>June 30,2020</u>	<u>December 31,2019</u>	<u>June 30,2019</u>
Current assets	\$ 2,058,327	1,855,538	1,696,877
Non-current assets	772,107	737,514	613,954
Current liabilities	(1,651,723)	(1,502,606)	(1,474,447)
Non- Current liabilities	(21,213)	(51,775)	(33,163)
Net assets	<u>\$ 1,157,498</u>	<u>1,038,671</u>	<u>803,221</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Operating revenue	<u>\$ 980,336</u>	<u>869,369</u>	<u>1,655,548</u>	<u>1,297,081</u>
Net income for the period	183,017	98,818	254,174	134,283
Other comprehensive income	7,397	1,315	549	2,094
Comprehensive income	<u>\$ 190,414</u>	<u>100,133</u>	<u>254,723</u>	<u>136,377</u>

Cash flows from operating activities	\$ 347,149	96,709
Cash flows from investing activities	(45,974)	(204,302)
Cash flows from financing activities	(1,050)	(92,661)
Effect of movements in exchange rates	(15,641)	5,076
Net increase (decrease) in cash and cash equivalents	<u>\$ 284,484</u>	<u>(195,178)</u>

(j) Property, plant and equipment

	<u>Land</u>	<u>Building and construction</u>	<u>Other facilities</u>	<u>Unfinished construction and equipment under acceptanc</u>	<u>Total</u>
<b>Book values:</b>					
Balance on January 1, 2020	<u>\$ 176,502</u>	<u>237,996</u>	<u>49,374</u>	<u>-</u>	<u>463,872</u>
Balance on June 30, 2020	<u>\$ 176,502</u>	<u>227,600</u>	<u>45,062</u>	<u>15,985</u>	<u>465,149</u>
Balance on January 1, 2019	<u>\$ 176,502</u>	<u>155,811</u>	<u>55,958</u>	<u>28,957</u>	<u>417,228</u>
Balance on June 30, 2019	<u>\$ 176,502</u>	<u>154,784</u>	<u>55,343</u>	<u>54,145</u>	<u>440,774</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the six months ended June 30 2020 and 2019. Information on amortization for the period is discussed in Note 12(a). Please refer to Note 6(k) of the 2019 annual consolidated financial statements for other related information.

(k) Right-of-use asset

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

	<u>Land</u>	<u>Building and construction</u>	<u>Other Facilities</u>	<u>Total</u>
<b>Cost:</b>				
Balance on January 1, 2020	\$ 31,769	86,356	57,291	175,416
Additions	-	3,643	4,997	8,640
Disposals	-	(2,095)	(2,883)	(4,978)
Effect of movements in exchange rates	(924)	(823)	(788)	(2,535)
Balance on June 30, 2020	<u>\$ 30,845</u>	<u>87,081</u>	<u>58,617</u>	<u>176,543</u>
Balance on January 1, 2019	\$ 33,028	68,533	42,628	144,189
Additions	-	20,574	8,518	29,092
Effect of movements in exchange rates	268	(2)	180	446
Balance on June 30, 2019	<u>\$ 33,296</u>	<u>89,105</u>	<u>51,326</u>	<u>173,727</u>
<b>Depreciation</b>				
Balance on January 1, 2020	\$ 796	18,135	17,610	36,541
Depreciation for the year	394	11,200	9,345	20,939
Disposals	-	(2,096)	(2,106)	(4,202)
Effect of movements in exchange rates	(31)	(288)	(342)	(661)
Balance on June 30, 2020	<u>\$ 1,159</u>	<u>26,951</u>	<u>24,507</u>	<u>52,617</u>
Balance on January 1, 2019	\$ -	-	-	-
Depreciation for the year	422	10,784	8,248	19,454
Effect of movements in exchange rates	(4)	(38)	(44)	(86)
Balance on June 30, 2019	<u>\$ 418</u>	<u>10,746</u>	<u>8,204</u>	<u>19,368</u>
<b>Book values:</b>				
Balance on June 30, 2020	<u>\$ 29,686</u>	<u>60,130</u>	<u>34,110</u>	<u>123,926</u>
Balance on June 30, 2019	<u>\$ 32,878</u>	<u>78,359</u>	<u>43,122</u>	<u>154,359</u>

(l) 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.

	<u>Land</u>	<u>Building and construction</u>	<u>Facilities</u>	<u>Total</u>
<b>Book values:</b>				
Balance on January 1, 2020	<u>\$ 139,922</u>	<u>100,830</u>	<u>15</u>	<u>240,767</u>
Balance on June 30, 2020	<u>\$ 139,922</u>	<u>99,587</u>	<u>15</u>	<u>239,524</u>
Balance on January 1, 2019	<u>\$ 139,922</u>	<u>103,317</u>	<u>15</u>	<u>243,254</u>
Balance on June 30, 2019	<u>\$ 139,922</u>	<u>102,074</u>	<u>15</u>	<u>242,011</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2020 and 2019. Information on amortization for the period is discussed in Note 12(a). Please refer to Note 6(m) of the 2019 annual consolidated financial statements for other related information.

The fair value of investment property was no significant different from Note 6(m) of the 2019 annual consolidated financial statements.

(m) Short-term loans

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Secured bank loans	\$ 177,840	116,609	-
Unsecured bank loans	-	20,000	30,000
	<b><u>\$ 177,840</u></b>	<b><u>136,609</u></b>	<b><u>30,000</u></b>
Unused facilities	<b><u>\$ 5,828,915</u></b>	<b><u>5,908,253</u></b>	<b><u>5,975,113</u></b>
Interest rate	<b><u>1.19%~2.25%</u></b>	<b><u>1.3%~2.15%</u></b>	<b><u>1.3%</u></b>

(i) Issues and Repayments of Short-term loans

For the six months ended June 30, 2020 and 2019, the issues amounted to \$98,920 and \$30,000, and due in December, 2020 and July, 2019, respectively. The repayment amounted to \$56,000 and \$136,449

(ii) Assets pledged for bank loans

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

(n) Leases liabilities

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Current	\$ <u>33,572</u>	<u>35,299</u>	<u>39,908</u>
Non-current	\$ <u>63,803</u>	<u>74,965</u>	<u>82,379</u>

For the maturity analysis, please refer to note 6(x).

The amounts recognized in profit or loss was as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30 ,2020</b>	<b>June 30 ,2019</b>	<b>June 30 ,2020</b>	<b>June 30 ,2019</b>
Interest on lease liabilities	\$ <u>577</u>	<u>742</u>	<u>1,193</u>	<u>1,354</u>
Expenses relating to short-term leases	\$ <u>17,397</u>	<u>11,749</u>	<u>25,899</u>	<u>21,687</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>1,239</u>	<u>1,996</u>	<u>2,253</u>	<u>2,612</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	<b>For the six months ended June 30 ,2020</b>	<b>For the six months ended June 30 ,2019</b>
Total cash outflow for leases	\$ <u>48,674</u>	<u>43,285</u>

(i) Real estate leases

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 working offices, staff dormitory and business 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.

(o) Provisions

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Provisions	<b>\$ 296,675</b>	<b>322,699</b>	<b>379,702</b>

The Group's warranty provision is estimated based on historical data of the construction contract. Most liabilities are expected to occur during the warranty period that is mentioned in the contract since completion of the construction.

There were no significant fluctuation of provisions for the six months ended June 30, 2020 and 2019. Please refer to Note 6(p) of the 2019 annual consolidated financial statements for other related information.

(p) Employee benefits

(i) Defined benefit plans

Due to there are no significant market volatility, significant reduction, settlement or other significant one-time events after the end of previous financial year, the Group adopts the actuarial decision cost on December 31, 2019 and 2018 to measure and disclose pension cost during the period.

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

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Operating cost	\$ 48	38	98	75
Operating expense	48	112	314	225
	<b>\$ 96</b>	<b>150</b>	<b>412</b>	<b>300</b>

(ii) Defined contribution plans

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

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Operating cost	\$ 4,505	4,059	8,899	8,228
Operating expense	1,584	1,657	3,384	3,590
	<b>\$ 6,089</b>	<b>5,716</b>	<b>12,283</b>	<b>11,818</b>

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.

(q) Taxes

The amount of income tax expense were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Current income tax expense:				
Current period	\$ 182,466	158,521	241,774	227,921
Deferred tax expense:				
Origination and reversal of temporary differences	(19,512)	(2,623)	26,188	49,758
Income tax expense	<u>\$ 162,954</u>	<u>155,898</u>	<u>267,962</u>	<u>277,679</u>

The amount of tax income expense (benefit) recognized in other comprehensive income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences – foreign operations	<u>\$ (11,342)</u>	<u>(6,226)</u>	<u>(21,100)</u>	<u>5,358</u>

The income tax return of the Company has been examined by the tax authorities through year 2018.

(r) Capital and other equity

Except as described below, no significant changes in the Group capital and other equity for the six months ended June 30, 2020 and 2019. The related information, please refer to Note 6(s) of the Group financial statements for the year ended December 31, 2019.

(i) Retained earnings

According to Company'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 shareholders' bonuses, and they will be recommended by the Board of Directors and resolved in the shareholders' meeting.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distribute.

(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 shareholders' equity was recognized as additional special reserve from prior undistributed earnings since distributions were prohibited. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

The appropriation of 2019 earnings was approved by the Board of Directors on February 27, 2020, and the appropriation of 2018 earnings was approved by the meeting of shareholders on May 29, 2019, respectively.

The relevant dividend distributions to shareholders were as follows:

	<u>2019</u>	<u>2018</u>
Dividends per share:		
Cash	\$ <u>812,801</u>	<u>813,042</u>

(ii) Other equity interest (net of tax)

	<u>Foreign currency translation differences for foreign operations</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Other Equity- Unearned employee benefit</u>	<u>Total</u>
Balance, January1, 2020	\$ (123,035)	(6,150)	-	(129,185)
Foreign currency translation differences (net of tax)	(51,227)	-	-	(51,227)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	375	-	375
Unearned employee benefit	-	-	-	-
Balance, June 30, 2020	<u>\$ (174,262)</u>	<u>(5,775)</u>	<u>-</u>	<u>(180,037)</u>
Balance, January1, 2019	\$ (63,237)	(5,573)	(776)	(69,586)
Foreign currency translation differences (net of tax)	13,202	-	-	13,202
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	235	-	235
Unearned employee benefit	-	-	776	776
Balance, June 30, 2019	<u>\$ (50,035)</u>	<u>(5,338)</u>	<u>-</u>	<u>(55,373)</u>

(s) Share-based payment

Except for the following disclosure, there were no significant changes for share-based payment for the three months ended June 30, 2020 and 2019. For the related information, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2019.



## (t) Earnings per share ("EPS")

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Profit attributable to common shareholders	\$ <u>290,519</u>	<u>294,064</u>	<u>507,804</u>	<u>527,759</u>
Weighted average number of common shares (In thousand shares)	<u>54,187</u>	<u>54,005</u>	<u>54,187</u>	<u>53,959</u>
<b>Basic Earnings per share (In New Taiwan Dollars)</b>	\$ <u>5.36</u>	<u>5.45</u>	<u>9.37</u>	<u>9.78</u>
Profit attributable to common shareholders	\$ <u>290,519</u>	<u>294,064</u>	<u>507,804</u>	<u>527,759</u>
Weighted average number of common shares (In thousand shares)	54,187	54,005	54,187	53,959
Add: effect on dilutive potential common stock				
Employee bonuses (In thousand shares)	108	143	331	381
Restricted stocks to employees(In thousand shares)	-	989	-	991
Diluted weighted average number of common shares (In thousand shares)	<u>54,295</u>	<u>55,137</u>	<u>54,518</u>	<u>55,331</u>
<b>Diluted Earnings per share (In New Taiwan Dollars)</b>	\$ <u>5.35</u>	<u>5.33</u>	<u>9.31</u>	<u>9.54</u>

## (u) Revenue from contracts with customers

## (i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
<u>Primary geographical markets</u>				
Taiwan	\$ 1,612,758	1,138,870	2,966,445	2,544,502
China	2,069,026	2,275,068	3,550,344	3,535,108
Other countries	<u>175,774</u>	<u>288,467</u>	<u>420,726</u>	<u>380,540</u>
	<b>\$ <u>3,857,558</u></b>	<b><u>3,702,405</u></b>	<b><u>6,937,515</u></b>	<b><u>6,460,150</u></b>
<u>Major products</u>				
Cleanroom electromechanical integration Engineering	\$ 2,338,269	2,207,538	4,111,721	3,417,520
Water gasification supply integration engineering	1,091,951	964,348	1,998,376	2,142,746
Consumer industry electromechanical integration engineering	213,805	153,905	346,095	316,829
Biomedical integration engineering	134,994	90,791	339,275	209,700
High-tech equipment and materials sales and services	<u>78,539</u>	<u>285,823</u>	<u>142,048</u>	<u>373,355</u>
	<b>\$ <u>3,857,558</u></b>	<b><u>3,702,405</u></b>	<b><u>6,937,515</u></b>	<b><u>6,460,150</u></b>

(ii) Contract balances

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Trade receivables	\$ 3,673,406	3,637,989	3,898,345
Less: allowance for impairment	<u>(129,405)</u>	<u>(157,122)</u>	<u>(238,476)</u>
	<u>\$ 3,544,001</u>	<u>3,480,867</u>	<u>3,659,869</u>
Contract assets-Construction and equipment	\$ 2,545,038	1,547,000	1,426,561
Less: allowance for impairment	<u>(50,526)</u>	<u>(50,231)</u>	<u>(49,635)</u>
	<u>\$ 2,494,512</u>	<u>1,496,769</u>	<u>1,376,926</u>
Contract liabilities-Construction and equipment	<u>\$ 1,346,597</u>	<u>1,224,181</u>	<u>1,158,759</u>

For details on trade receivables 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 six months ended June 30, 2020 and 2019.

(v) Remuneration to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 3% shall be distributed as employee remuneration, and a maximum of 5% as remuneration to directors and supervisors.

For the three months ended June 30, 2020 and 2019, and six months ended June 30, 2020 and 2019, the Company estimated its employee remuneration amounting to \$22,514, \$24,097, \$39,442, and \$41,361, and directors' and supervisors' remuneration amounting to \$11,257, \$12,049, \$19,721 and \$20,681, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were recognized under operating costs or expenses for each period. If the actual amounts differ from the estimated amount, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in following year.

For the year ended December 31, 2019 and 2018, the Company estimated its employee remuneration amounting to \$79,943 and \$81,757, and directors' and supervisors' remuneration amounting to \$39,972 and \$40,879, respectively. There is no different between estimation and paid. The information is available on the Market Observation Post System website.

(w) Non-operating income and expenses

(i) Interest income

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest income from bank deposits	\$ 6,403	9,384	14,277	20,035
Other interest income	871	1,005	958	1,351
	<u>\$ 7,274</u>	<u>10,389</u>	<u>15,235</u>	<u>21,386</u>

(ii) Other revenue

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Rental income	\$ 251	499	657	951
Others and government subsidy	3,969	4,110	20,047	20,533
	<u>\$ 4,220</u>	<u>4,609</u>	<u>20,704</u>	<u>21,484</u>

(iii) Other income and losses

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Exchange Gain on foreign currency	\$ 12,197	20,489	10,103	9,492
Gain on disposal of non-current assets held for sale	-	-	-	19,515
Gains(loss) on disposals of property, plant and equipment	(70)	(39)	(137)	44
Net gain (loss) on financial assets at fair value through profit or loss	2,584	1,905	(892)	6,414
Others	36	(1,691)	36	82
	<u>\$ 14,747</u>	<u>20,664</u>	<u>9,110</u>	<u>35,547</u>

(x) Financial Instruments

Except as described below, there were no significant changes in the fair value of financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments, please refer to Note 6(y) of the Group's financial statements for the year ended December 31, 2019.

(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 June 30, 2020, December 31 and June 30, 2019, concentration of credit risk deriving from the Group's top customer did not constitute more than 7%, 19% and 6%, respectively, of the Group's receivables while those deriving from the Group's other top four customers did not constitute more than 20%, 17% and 21%, respectively, of the Group's receivables.

(3) Receivables

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

Other financial assets measured at amortized cost include other receivables, overdue 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, 2019.

The loss allowance provision as for the six months ended June 30, 2020 and 2019 were determined as follows:

	<u>Other receivables</u>	<u>Overdue receivables</u>	<u>Other financial assets (guarantee deposits paid)</u>
Balance on January 1,2020	\$ -	1,051	21,576
Foreign exchange losses and the others	-	92	(627)
Balance on June 30,2020	<u>\$ -</u>	<u>1,143</u>	<u>20,949</u>
Balance on January 1,2019	17,612	1,051	22,431
Amount written off	(4,226)	-	-
Foreign exchange losses	190	-	182
Balance on June 30,2019	<u>\$ 13,576</u>	<u>1,051</u>	<u>22,613</u>

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5years</u>	<u>More than 5 years</u>
<b>June 30, 2020</b>						
Non-derivative financial liabilities						
Secured bank loans	\$ 177,840	178,017	178,017	-	-	-
Notes payable	121,880	121,880	121,880	-	-	-
Accounts payable (including related parties)	3,485,370	3,485,370	3,160,087	189,803	112,487	22,993
Accrued salaries and bonuses	238,986	238,986	238,986	-	-	-
Other accrued expenses	1,238,025	1,238,025	1,238,025	-	-	-
Leases liabilities (current and non-current)	<u>97,375</u>	<u>100,397</u>	<u>35,294</u>	<u>30,117</u>	<u>26,170</u>	<u>8,816</u>
	<u>\$ 5,359,476</u>	<u>5,362,675</u>	<u>4,972,289</u>	<u>219,920</u>	<u>138,657</u>	<u>31,890</u>
<b>December 31, 2019</b>						
Non-derivative financial liabilities						
Secured bank loans	\$ 136,609	136,725	136,725	-	-	-
Notes payable	63,637	63,637	63,637	-	-	-
Accounts payable (including related parties)	3,110,702	3,110,702	2,819,069	168,467	101,259	21,907
Accrued salaries and bonuses	341,137	341,137	341,137	-	-	-
Other accrued expenses	282,048	282,048	271,292	-	-	10,756
Lease liabilities (current and non-current)	<u>110,264</u>	<u>113,799</u>	<u>36,934</u>	<u>32,097</u>	<u>32,841</u>	<u>11,927</u>
	<u>\$ 4,044,397</u>	<u>4,048,048</u>	<u>3,668,794</u>	<u>200,564</u>	<u>134,100</u>	<u>44,590</u>
<b>June 30, 2019</b>						
Non-derivative financial liabilities						
Secured bank loans	\$ 30,000	30,004	30,004	-	-	-
Notes payable	195,978	195,978	195,978	-	-	-
Accounts payable (including related parties)	3,147,331	3,147,331	2,872,670	140,011	103,029	31,621
Accrued salaries and bonuses	204,907	204,907	204,907	-	-	-
Other accrued expenses	1,305,412	1,305,412	1,294,139	-	-	11,273
Lease liabilities (current and non-current)	<u>122,287</u>	<u>127,489</u>	<u>42,363</u>	<u>40,931</u>	<u>29,157</u>	<u>15,038</u>
	<u>\$ 5,005,915</u>	<u>5,011,121</u>	<u>4,640,061</u>	<u>180,942</u>	<u>132,186</u>	<u>57,932</u>

The Group is not expecting that the cash flows included in the maturity analysis to 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:

	June 30, 2020			December 31, 2019			June 30, 2019		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 62,085	29.64	1,840,208	58,719	30.203	1,773,479	60,291	31.1010	1,875,114
CNY	779,689	4.1898	3,266,742	732,007	4.3152	3,158,756	555,607	4.5226	2,512,790
SGD	3,450	21.3414	73,620	4,347	22.3114	96,977	2,652	22.9553	60,876
JPY	31,282	0.278	8,696	113,561	0.2723	30,923	12,543	0.2878	3,610
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	6,471	29.64	191,802	5,718	30.203	172,711	10,993	31.1010	341,903
CNY	323,566	4.1898	1,355,678	282,477	4.3152	1,218,946	289,726	4.5226	1,310,315
SGD	25	21.3414	541	274	22.3114	6,118	42	22.9553	973
JPY	38,449	0.278	10,689	142,912	0.2723	38,915	24,793	0.2878	7,135

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, trade receivables, other receivables, financial assets at fair value through other comprehensive income, loans, trade payables 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 June 30, 2020 and 2019 would have increased or decreased the before-tax net income by \$36,306 thousand and \$27,921 thousand, respectively. The analysis is performed on the same basis for both periods.

As the Group transacts in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the six months ended June 30, 2020 and 2019, the foreign exchange gains or losses, including both realized and unrealized, amounted to \$10,103 thousand and \$9,492 thousand, respectively.

(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 the interest rate on the non-derivatives financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate which increases or decreases by 1% when reporting to the internal management, which also represents the Group management's assessment of the reasonably possible interest rate change-

If the interest rate increases or decreases by 1%, the Group's net income will decrease by \$1,778 thousand and \$300 thousand for the six months ended June 30, 2020 and 2019, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's borrowing in variable rate.

(3) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Prices of securities at the reporting date	For the six months ended June 30			
	2020		2019	
	Other comprehensive income before-tax	Net income	Other comprehensive income before-tax	Net income
Increasing 3%	\$ 3,911	9,100	102	9,610
Decreasing 3%	\$ (3,911)	(9,100)	(102)	(9,610)

(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 leases liabilities disclosure of fair value information is not required :

	June 30 ,2020				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 303,334	303,334	-	-	303,334
<b>Financial assets at fair value through other comprehensive income</b>					
Emerging Stock	2,975	2,975	-	-	2,975
Unlisted stock	127,400	-	-	127,400	127,400
Subtotal	130,375	2,975	-	127,400	130,375
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	4,068,402	-	-	-	-
Contract Assets	2,494,512	-	-	-	-
Notes receivable	226,831	-	-	-	-
Trade receivable	3,544,001	-	-	-	-
Other receivable	15,756	-	-	-	-
Other financial assets	413,259	-	-	-	-
Total	\$ 11,196,470	306,309	-	127,400	433,709
<b>Financial liabilities at amortized cost</b>					
Short-term loans	\$ 177,840	-	-	-	-
Notes payable	121,880	-	-	-	-
Trade payable (including related parties)	3,485,370	-	-	-	-
Accrued salaries and bonuses	238,986	-	-	-	-
Dividend payable and Other accrued expenses	1,238,025	-	-	-	-
Leases liabilities (current and non-current)	97,375	-	-	-	-
Total	\$ 5,359,476	-	-	-	-

December 31, 2019

	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 172,400	172,400	-	-	172,400
<b>Financial assets at fair value through other comprehensive income</b>					
Emerging Stock	2,600	2,600	-	-	2,600
Unlisted stock	127,400	-	-	127,400	127,400
Subtotal	130,000	2,600	-	127,400	130,000
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	3,874,953	-	-	-	-
Contract Assets	1,496,769	-	-	-	-
Notes receivable	453,149	-	-	-	-
Trade receivable	3,480,867	-	-	-	-
Other receivables	20,424	-	-	-	-
Other current financial assets	390,060	-	-	-	-
Total	<u>\$ 10,018,622</u>	<u>175,000</u>	<u>-</u>	<u>127,400</u>	<u>302,400</u>
<b>Financial liabilities at amortized cost</b>					
Short-term loans	\$ 136,609	-	-	-	-
Notes payable	63,637	-	-	-	-
Trade payable (including related parties)	3,110,702	-	-	-	-
Accrued salaries and bonuses	341,137	-	-	-	-
Dividend payable and other accrued expenses	282,048	-	-	-	-
Leases liabilities (current and non-current)	110,264	-	-	-	-
Total	<u>\$ 4,044,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**June 30 ,2019**

	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 320,333	320,333	-	-	320,333
<b>Financial assets at fair value through other comprehensive income</b>					
Emerging Stock	3,412	3,412	-	-	3,412
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	3,828,382	-	-	-	-
Contract Assets	1,376,926	-	-	-	-
Notes receivable	464,181	-	-	-	-
Trade receivable	3,659,869	-	-	-	-
Other receivable	20,661	-	-	-	-
Other current financial assets	530,787	-	-	-	-
Total	<u>\$ 10,204,551</u>	<u>323,745</u>	<u>-</u>	<u>-</u>	<u>323,745</u>
<b>Financial liabilities at amortized cost</b>					
Short-term loans	\$ 30,000	-	-	-	-
Notes payable	195,978	-	-	-	-
Trade payable (including related parties)	3,147,331	-	-	-	-
Accrued salaries and bonuses	204,907	-	-	-	-
Dividend payable and other accrued expenses	1,305,412	-	-	-	-
Leases liabilities (current and non-current)	122,287	-	-	-	-
Total	<u>\$ 5,005,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments not measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for 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 classified by their category, and the attributes of their fair value are 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.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

When the financial instrument of the Group is not traded in an active market, its fair value is determined as follows:

- The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

4) Transfers between Level 1 and Level 2

- There were no transfers from one level to another for the six months ended June 30, 2020 and 2019.

5) Reconciliation of Level 3 fair values

	<b><u>For the six months ended June 30, 2020</u></b>
Opening balance, January 1, 2020	\$ 127,400
Total gains and losses recognized:	
In other comprehensive income	<u>-</u>
Ending Balance, June 30, 2020	<b><u>\$ 127,400</u></b>



6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments" .

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income - equity investments without an active market	Net asset value method	<ul style="list-style-type: none"> <li>◆ P/E multiplier (2020.06.30 was 14.54 ,and 2019.12.31 was 20.62)</li> <li>◆ Discount for lack of marketability (Both 2020.06.30 and 2019.12.31 were 30%)</li> </ul>	<ul style="list-style-type: none"> <li>◆ The higher the price-equity ratio, the higher the fair value.</li> <li>◆ The higher the discount for lack of marketability, The lower the fair value.</li> </ul>

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by 10% to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Inputs</u>	<u>Increase or decrease</u>	<u>Effects of changes in fair value on other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
June 30, 2020				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/E ratio	10%	12,740	(12,740)
Equity investments without an active market	Discount for lack of marketability	10%	18,200	(18,200)
December 31, 2019				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/E ratio	10%	12,740	(12,740)
Equity investments without an active market	Discount for lack of marketability	10%	18,200	(18,200)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

(y) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosure in Note 6(z) of the consolidated financial statements for the year ended December 31, 2019.

(z) Capital management

The objectives, policies and processes of capital management of the Group are in conformity with those disclosed in the consolidated financial statements for the year ended December 31, 2019. There were no significant changes on summary of quantitative data of capital management compared with the consolidated financial statements for the year ended December 31, 2019. Please refer to Note 6(aa) of the Group financial statements for the year ended December 31, 2019.

(aa) 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 six months ended June 30, 2020 and 2019, were as follows:

For acquisition of right-of-use assets under operating lease, please refer to Note 6(k).

Reconciliation of liabilities arising from financing activities were as follows:

	<u>January 1, 2020</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>June 30, 2020</u>
			<u>Foreign exchange movement</u>	<u>Increased</u>	
Short-term loans	\$ 136,609	42,920	(1,689)	-	177,840
Lease liabilities	110,264	(19,329)	(1,054)	7,494	93,375
Guarantee deposit	150	-	-	-	150
Total liabilities from financing activities	<u>\$ 247,023</u>	<u>23,591</u>	<u>(2,743)</u>	<u>7,494</u>	<u>275,365</u>

	<u>January 1, 2019</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>June 30, 2019</u>
			<u>Foreign exchange movement</u>	<u>Increased</u>	
Short-term loans	\$ 135,278	(106,449)	1,171	-	30,000
Lease liabilities	111,162	(17,632)	241	28,516	122,287
Guarantee deposit	84	66	-	-	150
Total liabilities from financing activities	<u>\$ 246,524</u>	<u>(124,015)</u>	<u>1,412</u>	<u>28,516</u>	<u>152,437</u>

(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.

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

(b) Other related party transactions

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

	<u>Purchases</u>		<u>Purchases</u>		<u>Payables to Related Parties</u>		
	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>		<u>June 30,</u>	<u>December</u>	<u>June 30,</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>31, 2019</u>	<u>2019</u>
Entity under the key management's control	<u>\$ 466</u>	<u>575</u>	<u>918</u>	<u>712</u>	<u>512</u>	<u>313</u>	<u>615</u>

There were no differences in the purchase price and terms of payments offered to related parties and those of third-party vendors.

(c) Key management personnel compensation

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Short-term employee benefits	\$ 23,602	19,747	49,988	56,962
Post-employment benefits	99	108	207	216
Share based payments	-	-	-	363
	<u>\$ 23,701</u>	<u>19,855</u>	<u>50,195</u>	<u>57,541</u>

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

(8) Pledged assets:

The Group's pledged assets were as follows:

Asset	Purpose of pledge	June 30, 2020	December 31, 2019	June 30, 2019
Other financial assets – current:				
Demand deposit and time deposit	Construction contract fulfillment and warranty guarantee	\$ 171,705	273,864	116,942
Other non-current assets:				
Other non-current assets	warranty guarantee	508	507	1,578
		<u>\$ 172,213</u>	<u>274,371</u>	<u>118,520</u>

(9) Significant commitments and contingencies:

Significant commitments and contingencies for the Group as of June 30, 2020, and December 31, June 30, 2019 were as follows:

- Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to \$1,356,372, \$1,374,175 and \$1,224,319, respectively.
- The amounts pledged to the bank for engaging in construction contracts amounted to \$1,989,519, \$2,171,709 and \$1,584,826, respectively.
- Contract fulfillment guarantee and warranty guarantee (excluding related parties) for the competitive corporations amounted to \$348,000, \$361,642 and \$400,880, respectively.
- For already-signed but not-yet-finished significant construction contracts, please refer to Note 6(u).
- 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, filed a lawsuit to the Taipei District Court, claiming a compensation amounting to \$42,189 thousand in November, 2012. The civil judgment of the first instance during December, 2015 has been pronounced by the Taipei District Court, requiring the Company pay \$14,666 thousand to Walsin, which had been fully recognized as loss by the Company in 2015. The Company appealed to Taiwan High Court and sent identification data to the Architecture Construction. As of June 30, 2020, the compensation of \$8,376 thousand has been recognized as other current liabilities and accrued expenses.

- (f) The Company's subsidiary, Nova Tech entered into an agreement with Jing He Science Co., Ltd. (Jing He) for the construction and expansion of a new factory and gas factory, respectively, wherein Nova Tech is responsible for the installation process of the pipelines, as well as for purchasing the related equipment according to the design layout and purchase order provided by Jing He. However, Jing He made certain changes to its layout plan, which in turn, requires extra work; and for this reason, Nova Tech requested Jing He for an additional payment, in which Jing He argued that the contract is a lump-sum contract; therefore, refused to make any additional payment. Furthermore, it unilaterally terminated the agreement prior to the completion of the construction. Nova Tech then filed a lawsuit to the District Court against Jing He, demanding the amount of the contract to be paid in full. Nova Tech has also engaged a lawyer to defend its case. On the other hand, the District Court appointed Taiwan Association of Construction and Development, as well as Taiwan Professional Electrical Engineers Association, to estimate the value of the completed part of the new factory building, with both parties providing supplementary opinions for the preliminary valuation. The District Court has also appointed Taiwan Construction Research Institute (TCRI) to estimate the value of the expansion of the gas factory, wherein the estimated result turned out to be the same as that of which conducted by Nova Tech. As of the issuance date of this financial statements, the Court's decision has yet to be made, wherein it included the compensation amount of the damage resulting in a recognition of allowance for impairment incurred from the construction cost by Nova Tech in accordance with the related accounting standards. Nova Tech has estimated the maximum loss incurred from this lawsuit to be \$70,000 thousand. On February 5, 2018, Jing He had partially paid the amount of \$10,500 thousand (including interest) for the said construction.

**(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:

<u>By item</u>	<u>For the three months ended June 30</u>					
	<u>2020</u>			<u>2019</u>		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit						
Salary	\$ 198,985	129,572	328,557	167,963	119,759	287,722
Labor, health and social insurance	14,260	4,320	18,580	19,946	10,972	30,918
Pension	4,553	1,632	6,185	4,097	1,769	5,866
Other	3,702	4,556	8,258	4,747	5,169	9,916
Depreciation	2,741	14,897	17,638	4,359	12,339	16,698
Amortization	67	2,414	2,481	79	1,712	1,791

<u>By item</u>	<b>For the six months ended June 30</b>					
	<b>2020</b>			<b>2019</b>		
	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefit						
Salary	\$ 353,382	242,020	595,402	328,905	243,900	572,805
Labor, health and social insurance	25,528	14,182	39,710	34,760	21,296	56,056
Pension	8,997	3,698	12,695	8,303	3,815	12,118
Other	7,028	11,268	18,296	9,133	10,604	19,737
Depreciation	5,448	29,983	35,431	8,590	23,328	31,918
Amortization	135	4,836	4,971	138	3,216	3,354

Note: Depreciation for investment property for the six months ended June 30, 2020 and 2019 both were \$1,243 thousand, and were recorded in non-operating expenses.

(b) Operation of seasonal:

The Group's operations were not affected by seasonality or cyclicity factors.

**(13) Others disclosures:**

## (a) Information on significant transactions.

The follow is the information on significant required by the Regulation Governing the Preparation of Financial Report by Security Issuers for the company:

## (i) Loans to other parties

(In Thousands of Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance (Note 1)	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	SHI	NMI	Other receivables due from related parties	Y	187,725	90,402	90,402	2.70	Short-term financing	-	Operating capital	-	-	-	1,691,519 (Note 4)	1,691,519 (Note 4)
1	SHI	Acter Thailand	Other receivables due from related parties	Y	24,944	-	-	-	Short-term financing	-	Operating capital	-	-	-	751,786 (Note 4)	1,691,519 (Note 4)
2	New point	NMI	Other receivables due from related parties	Y	19,749	-	-	-	Short-term financing	-	Operating capital	-	-	-	317,646 (Note 4)	317,646 (Note 4)
3	AIL	NMI	Other receivables due from related parties	Y	45,054	44,460	44,460	3.03	Short-term financing	-	Operating capital	-	-	-	309,066 (Note 5)	309,066 (Note 5)
3	AIL	Sheng Hwei Engineering Technology Co., Ltd.	Other receivables due from related parties	Y	59,280	59,280	-	-	Short-term financing	-	Operating capital	-	-	-	309,066 (Note 5)	309,066 (Note 5)

Note 1. The ending balance represent the unexpired amounts approved by the Board of Director.

Note 2. The maximum balance and the total amount for lending to a company for funding shall not exceed 10% of the net worth of the company.

Note 3. The net worth based on the most recent audited or reviewed financial statement by a certified accountant.

Note 4. The total amount of funds loaned by an off-shore company to others shall not exceed 90% of the company's net worth; if the fund is loaned to other parties that is necessary for short-term financing, the total amount of fund loans shall not exceed 40% of the company's net worth loaning to individual party. The amount shall not exceed 40% of the company's net worth; when the parent company of the group directly and indirectly holds 100% of the voting shares in foreign subsidiaries, the amount is not subject to the 40% net worth of the company when it is necessary for short-term financing, but still subject to the total amount limit, and the individual loan amount shall not exceed 90% of the company's net worth.

Note 5. The total amount of funds loaned to others by Acter China and its subsidiaries shall not exceed 40% of the net worth, the necessary for short-term financing to other parties, the amount of individual loans shall not exceed the company's 40% net worth the parent company directly and indirectly holds 100% of the voting shares between subsidiaries outside the Taiwan region (must be within the scope of the consolidated financial statements of Acter China). When short-term financing is necessary for capital loans, the amount is not subject to The loan is limited to 40% of the company's net worth, but the total amount and individual loan amount shall not exceed six times the company's net worth.

Note 6. The amount of the transaction and the ending balance had been written-off.

## (ii) Guarantees and endorsements for other parties

(In Thousands of Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limited Amount for Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 14)										
0	The Company	Her Suo	2	20,737,330 (Note3 and 4)	289,708	186,125	186,125	-	4	33,179,728 (Note3 and 4)	Y	N	N
0	The Company	Acter Vietnam	2	20,737,330 (Note3 and 4)	60,766	59,280	346	-	1	33,179,728 (Note3 and 4)	Y	N	N
0	The Company	Acter China and Sheng Hwei Shenzhen	2	20,737,330 (Note3 and 4)	472,213	163,402	2,160	-	4	33,179,728 (Note3 and 4)	Y	N	Y
0	The Company	Enrich Tech	2	20,737,330 (Note3 and 4)	1,170,250	865,750	615,750	-	21	33,179,728 (Note3 and 4)	Y	N	N
0	The Company	NMI	2	20,737,330 (Note3 and 4)	9,200	-	-	-	-	33,179,728 (Note3 and 4)	Y	N	N
0	The Company	AIL	2	20,737,330 (Note3 and 4)	364,596	355,680	178,196	-	9	33,179,728 (Note3 and 4)	Y	N	N
0	The Company	Acter China and Sheng Hwei Shenzhen	2	20,737,330 (Note3 and 4)	182,298	177,840	3,806	-	4	33,179,728 (Note3 and 4)	Y	N	Y
0	The Company	Acter Technology	2	20,737,330 (Note3 and 4)	311,892	310,668	43,335	-	7	33,179,728 (Note3 and 4)	Y	N	Y
1	Her Suo	Chung Hsiang Engineering	5	7,325,430 (Note6)	348,000	348,000	348,000	-	143	8,546,335 (Note6)	N	N	N
1	Her Suo	Nova Tech	4	7,325,430 (Note6 and 8)	41,601	41,601	41,601	-	17	8,546,335 (Note6)	N	N	N
1	Her Suo	The Company	3	7,325,430 (Note6)	48,307	48,307	48,307	-	20	8,546,335 (Note6)	N	Y	N
2	Nova Tech	The Company	3	4,223,882 (Note9)	289,800	289,800	289,800	-	14	6,335,823 (Note9)	N	Y	N
2	Nova Tech	Winmax Suzhou Winmax	2	4,223,882 (Note9)	720,942	607,521	193,085	-	29	6,335,823 (Note9)	N	N	Y
2	Nova Tech	Winmax	2	4,223,882 (Note9)	746,494	708,627	562,235	-	34	6,335,823 (Note9)	N	N	Y



2	Nova Tech	Suzhou Winmax	2	4,223,882 (Note9)	9,299	-	-	-	-	6,335,823 (Note9)	N	N	Y
2	Nova Tech	Sheng Hwei Shenzhen	5	4,223,882 (Note9)	189,115	189,115	189,115	-	9	6,335,823 (Note9)	N	N	Y
3	Acter China	Versum Material	5	6,945,066 (Note12)	13,731	-	-	-	-	9,260,088 (Note12)	N	N	Y
3	Acter China	Sheng Hwei Shenzhen	2	6,945,066 (Note12)	125,694	125,694	-	-	11	9,260,088 (Note12)	N	N	Y
3	Acter China	AIL	2	6,945,066 (Note12)	104,919	104,919	104,919	-	9	9,260,088 (Note12)	N	N	N
3	Acter China	Acter Vietnam	2	6,945,066 (Note12)	114,153	114,153	114,153	-	10	9,260,088 (Note12)	N	N	N
3	Acter China	Shenzhen Dingmao	2	6,945,066 (Note12)	551,851	551,851	449,636	-	48	9,260,088 (Note12)	N	N	Y
4	Sheng Hwei Engineering	Acter China	3	3,205,800 (Note12)	58,387	56,322	56,322	-	26	3,846,960 (Note12)	N	N	Y
5	Winmax	Nova Tech	3	3,178,470 (Note10)	222,485	158,482	158,482	-	15	5,297,450 (Note12)	N	N	N
6	Fuyu	Acter China	4	1,145,700 (Note13)	35,098	-	-	-	-	1,527,600 (Note13)	N	N	Y
7	Shenzhen Dingmao	Acter China	3	1,659,045 (Note12)	41,898	41,898	41,898	-	38	1,990,854 (Note12)	N	N	Y
8	Enrich Tech	The Company	3	4,010,160 (Note6)	30,804	30,804	30,804	-	23	4,678,520 (Note6)	N	Y	N
9	Suzhou Winmax	Winmax	4	5,697,230 (Note11)	582,044	561,460	561,460	-	345	5,697,230 (Note11)	N	N	Y

Note 1. Inter-industry mutual endorsement guarantee based on the needs of the contracted project is subject to contractual mutual endorsement guarantee. The total amount shall not exceed 5 times the company's net worth, and the amount of endorsement guarantee for a single company shall not exceed 3 times the company's net worth.

Note 2. For non-group subsidiaries, in addition to contracting engineering guarantees, the limit of endorsement guarantees to a single company shall not exceed 10% of the company's net worth. If there is a business relationship, in addition to the above regulations, the limit of endorsement guarantees to a single company shall not exceed the value of the purchase or sale of the goods within a year of the business between the two parties, and the total amount of accumulated external endorsements shall not exceed 20% of the company's net value.

- Note 3. For companies that directly or indirectly hold more than 50% of the voting shares, the total amount of endorsements and guarantees shall not exceed 8 times the company's net worth, and the amount of endorsements and guarantees for a single company shall not exceed the net worth of the company 5 times as a limit.
- Note 4. The company and its subsidiaries need mutual endorsement guarantee for non-group companies in accordance with the contractual provisions of the contracted projects, and the parent-subsidiary company or the company directly and indirectly hold 100% of the voting shares in the company's endorsement guarantee, the total guarantee amount shall not exceed the company's net worth is 8 times, and the amount of endorsement guarantee for a single enterprise is limited to not more than 5 times the net worth of the company.
- Note 5. Transactions of purchases or sales and net value of business refer to the most recent financial statement amount that has been certified or reviewed by an accountant.
- Note 6. The total amount of endorsement guarantee provided by Her Suo Company and Enrich Tech Company shall not exceed 35 times the net worth of the company; the amount of endorsement guarantee for a single enterprise shall not exceed 30 times the net worth of the company.
- Note 7. Net value refers to the most recent financial statement amount that has been certified or reviewed by an accountant.
- Note 8. In accordance with the first paragraph of Article 13 of the company's endorsement guarantee procedures, the endorsement guarantee object originally complied with but later did not meet the requirements, and the relevant endorsement guarantee amount was proposed to improve the relevant plan.
- Note 9. Nova Tech requires mutual endorsement guarantee between the same industry in accordance with the contract provisions for the contracted project, and the total amount shall not exceed 3 times of the company's net worth, and the amount of endorsement guarantee for a single enterprise shall not exceed 2 times of the company's net worth; Except for contracting projects that require mutual endorsement guarantee between the same industry in accordance with the provisions of the contract, the total accumulated external endorsement guarantee liability shall not exceed the limit of 3 times the company's net worth, and the limit of endorsement guarantees for a single enterprise shall not exceed the limit of 2 times the company's net worth; if there is business for those in a relationship, in addition to the above regulations, the limit of the endorsement guarantee for a single enterprise shall not exceed the actual purchase or sale amount that can be reasonably estimated by both parties in the last year or the next year, whichever is higher.
- Note 10. The total amount of endorsement guarantee provided by Winmax shall not exceed 5 times the net value of the company; the amount of endorsement guarantee for a single enterprise shall not exceed 3 times the net worth of the company. For those engaged in endorsements due to business relationships, in addition to the aforementioned provisions, the amount of individual endorsements shall not exceed the amount of business transactions. The "business transaction amount" refers to the higher of the actual purchase or sale amount that can be reasonably estimated by the two parties in the last year or the next year.

Note 11. Suzhou Winmax endorses the parent company, the parent company directly and indirectly holds 100% of the voting shares, the total amount of endorsement guarantee shall not exceed 35 times the company's net worth; the endorsement guarantee amount for a single company shall not exceed the company's net worth 35 times. In addition to the foregoing, the total amount of external endorsements and guarantees of Suzhou Winmax shall not exceed 5 times the company's net worth; the amount of endorsements and guarantees for a single enterprise shall not exceed 3 times the net worth of the company.

Note 12. The total amount of external guarantees of China Acter shall not exceed 8 times of the company's most recent audited consolidated net worth; the amount of external guarantees for a single company shall not exceed 6 times of the company's most recent audited consolidated net worth; The total amount of external guarantees provided by its subsidiaries shall not exceed 18 times of the latest audited net assets of the subsidiary; the amount of external guarantees provided to a single enterprise shall not exceed 15 times of the latest audited net assets of the subsidiary. For those who engage in guarantees due to business relationships, in addition to the aforementioned provisions, the amount of individual guarantees shall not exceed the amount of business transactions. The amount of business transactions referred to refers to the higher of the purchase or sale amount between the two parties in the most recent year.

Note 13. The total amount of endorsement guarantee provided by Fuyu International Company shall not exceed 8 times the net worth of the company; the amount of endorsement guarantee for a single company shall not exceed 6 times the net worth of the company. In addition to the foregoing, the amount of individual endorsements and guarantees for those engaged in endorsements due to business relationships shall not exceed the amount of business transactions. The amount of business transactions referred to refers to the higher of the purchase or sale amount between the two parties in the most recent year.

Note 14. The relationship between the endorsement guarantor and the endorsed guarantor is as follows:

1. Companies with business relationships.
2. A company where the company directly or indirectly holds more than 50% of the voting shares.
3. A company that directly or indirectly holds more than 50% of the voting rights of the company.
4. Between companies where the company directly or indirectly holds more than 90% of the voting shares.
5. Based on the needs of the contracting project, the company in the same industry or co-builder by the people in accordance with the contractual guarantee.

## (iii) Securities fields held at the reporting date (excluding investment in subsidiaries and associates)

Unit: Thousand NTD Dollars / Thousand Stock

Name of holder	Category and name of security	Relationship with the company	Account code	Ending balance				Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Allianz Global Investors All Seasons Harvest Fund of Bond Funds (Accumulated)	-	Current financial assets at fair value through profit or loss	799	10,075	-	10,075	
The Company	Nomura EMD & High Yield Bond Portfolio	-	Current financial assets at fair value through profit or loss	832	<u>9,701</u> <u>19,776</u>	-	<u>9,701</u> <u>19,776</u>	
The Company	Holy Stone Healthcare Co., Ltd.	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	250	<u>2,975</u>	0.20	<u>2,975</u>	
The Company	Waste Recovery Technology Inc.	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	1,300	<u>127,400</u>	9.77	<u>127,400</u>	
Nova Tech	Pine Bridge Preferred Securities Income fund	-	Current financial assets at fair value through profit or loss	37	<u>12,134</u>	-	<u>12,134</u>	
Her Suo	TCB Taiwan Money Market Fund	-	Current financial assets at fair value through profit or loss	2,451	25,056	-	25,056	

Her Suo	Mega Diamond Money Market Fund	-	Current financial assets at fair value through profit or loss	6,346	80,109	-	80,109	
Her Suo	FSITC Money Market Fund	-	Current financial assets at fair value through profit or loss	167	30,041	-	30,041	
Her Suo	UPAMC James Bond Money Market Fund	-	Current financial assets at fair value through profit or loss	1,490	25,055	-	25,055	
Her Suo	Taishin Ta-Chong Money Market Fund	-	Current financial assets at fair value through profit or loss	3,504	50,088	-	50,088	
Her Suo	Fuh Hwa Money Market	-	Current financial assets at fair value through profit or loss	1,725	<u>25,054</u> <u>235,403</u>	-	<u>25,054</u> <u>235,403</u>	
SHI	JPMorgan Funds - Emerging Markets Debt Fund A (moth)- USD	-	Current financial assets at fair value through profit or loss	1	509	-	509	
SHI	Allianz Global Investors Fund – Allianz Global Multi-Asset Credit AT-USD	-	Current financial assets at fair value through profit or loss	45	<u>14,375</u> <u>14,884</u>	-	<u>14,375</u> <u>14,884</u>	
AIL	JPMorgan Funds - US Aggregate Bond Fund A (dist) - USD	-	Current financial assets at fair value through profit or loss	3	<u>1,064</u>	-	<u>1,064</u>	
Winmega	Franklin Templeton Sinoam Money Market Fund.	-	Current financial assets at fair value through profit or loss	1,929	<u>20,073</u>	-	<u>20,073</u>	

(iv) Information regarding purchase or sale of securities for the period exceeding \$300 million or 20% of the capital stock : None

(v) Acquisition of individual real estate with amount exceeding \$300 million or 20% of the Company's paid-in capital: None

(vi) Disposal of individual real estate with amount exceeding \$300million or 20% of the Company's paid-in capital : None

(vii) Related-party transaction for purchases and sales for which amounts exceeding \$100 million or 20% of the Company's paid-in capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable(payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable(payable)	
The Company	Enrich Tech	Be owned 56.94% by the company	Sales	108,855	5%	Depend on individual contract	Depend on individual contract	No significant difference	18,740	2%	Note
The Company	Her Suo	Be owned 100% by the company	Purchases	101,466	5%	Depend on individual contract	Depend on individual contract	No significant difference	(74,266)	(6%)	Note
Nova Tech	Winmax	Be owned 100 % by Nova Tech	Purchases	342,228	38%	Depend on individual contract	Depend on individual contract	No significant difference	(248,603)	(35%)	Note

Note: The transactions were written off in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding \$100 million or 20% of the Company's paid-in capital:

Name of company	Counter-party	Nature of relationship	Ending balance of accounts receivable from related parties	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Winmax	Nova Tech	Be owned 100 % by Nova Tech	248,603	7.24%	-	-	124,760	-

Note: The transactions were written off in the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions

No (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Enrich Tech	1	Construction revenue	108,855	Same with the third parties	2%
0	The Company	Enrich Tech	1	Advance payment	132,311	Same with the third parties	1%
0	The Company	Her Suo	1	Construction cost	101,466	Same with the third parties	1%
1	Nova Tech	Winmax	3	Construction cost	342,228	Same with the third parties	5%
1	Nova Tech	Winmax	3	trade payable	248,603	Same with the third parties	2%
1	Nova Tech	Winmax	3	Advance payment	288,059	Same with the third parties	2%

Note 1. For the business relationship and important transactions between the parent and subsidiary companies, only information about subjects accounting for 1% of the consolidated total revenue or total assets is disclosed. The relative subjects will not be repeated.

Note 2. The above-mentioned trading businesses are written off when preparing consolidated statements.

Note 3. The type of relationship with the trader is marked as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 4. The type of relationship with the trader is marked as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

(b) Information on investees (excluding mainland invested companies):

The information on the investee of the consolidated company from January 1 to June 30, 2020 is as follows:

Unit: Thousand NTD Dollars / Thousand Stock

Name of investor	Name of investee	Location	Main business and product	Original investment amount		Balance as of June 30,2020			Net income of investee	Share of profits of investee	Note
				June 30,2020	December 31,2019	Share (Thousand)	Percentage of ownership	Carrying value			
The Company	Nova Tech	Hsinchu	Wholesale of electronic and design chemical supply system for semi-conductor industrial	141,364	141,364	21,098	62.19%	1,313,315	237,633	147,772	Note2
The Company	Her Suo	Hsinchu	Construction and set up of freezing equipment	60,000	60,000	10,000	100%	218,508	23,108	23,108	Note2
The Company	Enrich Tech	Taichung	Comprehensive construction company	68,841	68,841	5,694	56.94%	87,559	11,991	6,251	Note2
The Company	SHI	Samoa	Investment holding company	129,126	129,126	4,205	100%	1,793,300	224,273	224,273	Note2



Nova Tech	NTEC	Singapore	Chemical supply system business	24,179	24,179	1,000	100%	56,397	(1,864)	(1,864)	Note2
Nova Tech	Winmega	Hsinchu	Wholesale of electronic and chemical engineering equipment	15,000	15,000	3,000	100%	87,523	20,976	20,976	Note2
SHI	New Point	Seychelles	Investment holding company and trading of equipment	6,110	6,110	200	100%	345,726	1,358	1,358	Note2
Acter Technology	AIL	Hong Kong	Investment holding company and trading of clean rooms and air conditioners	99,994	69,678	25,327	100%	90,712	10,896	10,896	Note2
Acter Technology	NTS	Singapore	Investment holding company	80,000	80,000	3,376	100%	75,113	12,367	12,367	Note2
NTS	NTM	Malaysia	Investment holding company	26,780	26,780	2,600	100%	3,159	(30)	(30)	Note2
NTS	NMI	Indonesia	Equipment trading and set-up	14,816	14,816	495	99%	46,280	14,249	14,107	Note2
NTS	Acter Thailand	Thailand	Set up of electronic protection systems and central air conditioners	14,428	15,076	147	49%	12,637	(2,219)	(1,807)	Note2
AIL	NMI	Indonesia	Equipment trading and set-up	150	150	5	1%	467	14,249	142	Note2
AIL	Acter Vietnam	Vietnam	Set up of electronic protection systems and central air conditioners	48,238	48,238	Note1	100%	111,479	15,707	15,707	Note2
AIL	Space Acter Thailand	Thailand	Investment holding company and trading of equipment	7,339	7,400	74	49%	6,418	(909)	(466)	Note2
Space Acter Thailand	Acter Thailand	Thailand	Set up of electronic protection systems and central air conditioners	14,428	15,076	147	49%	12,637	(2,219)	(1,087)	Note2

Note 1: Limited company.

Note 2: Relevant transactions and ending balances have all been written off.

(c) Information on investment in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 11)	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 8)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Winmax	Design and manufacture of air containers and liquid containers	151,426 (Note 1)	1	9,635	-	-	9,635	223,549	62.19%	139,025	658,897	397,325
Acter China	Construction and set-up of electronic equipment and air conditioners	284,355 (Note 2)	2	106,177	-	-	106,177	254,174	86.66%	220,275	1,003,123	75,427 (Note 4)
Shenzhen Dingmao	Electronic equipment and machinery trading	22,984	3	-	-	-	-	5,783	86.66%	5,012	97,983	-
Sheng Huei Shenzhen	Construction and set up of electronic equipment and air conditioners	172,877 (Note 3)	3	15,980	-	-	15,980	4,645	86.66%	4,025	183,783	55,876 (Note 4)
Fuyu	Agent for electronic equipment importing and exporting	6,110	2	6,110	-	-	6,110	(3,068)	100%	(3,068)	182,389	-
Suzhou Winmax	Design and manufacture of air containers and liquid containers	32,478	1	32,478	-	-	32,478	19,110	62.19%	11,884	101,232	-

2. Limitation on investment in Mainland China

Accumulated Investment in Mainland China as of June 30,2020 (Note7)	Investment Amounts Authorized by investment Commission,MOEA (Note5 and 7)	Maximum Limit on Investment (Note 6)
193,372(USD6,238 thousand)	670,967(USD21,222 thousand)	2,488,480

Note 1: It includes US\$4,590,000 capitalization of retain earning in 2007 and 2012.

Note 2: Including the surplus in 2006, 2007, 2010, 2011 and 2019, the capitalization of retain earning amounted to USD 4,537,000.

Note 3: Including the surplus in 2009, 2010 and 2011, the capitalization of retain earning amounted to US\$4,830 thousand.

Note 4: The accumulative RMB 27,822 thousand was paid to SHI.

Note 5: Including the investment amount \$183,904 thousand (US\$5,890 thousand) approved by the investment review committee of Nova Tech Company, but does not include Winmax's retained earnings to Nova Tech Company for deduction of the mainland investment amount of \$397,325 thousand (US\$12,747 thousand) .

Note 6: The maximum limit of the cumulative amount of investment in Mainland China is 60% of the net value stipulated by the Investment Review Committee on August 29, 2008 on the "Principles of Investment or Technical Cooperation Review in Mainland China".

Note 7: If the relevant figures in this table involve foreign currencies, they are converted into New Taiwan dollars at the original exchange rate.

Note 8: Except for Acter China, Winmax and Suzhou Winmax, which are calculated based on the quarterly financial statements reviewed by the accountants of the parent company, the rest are calculated based on the quarterly financial statements of the same period that have not been reviewed by the accountants.

Note 9: GLOBAL Biotech completed the liquidation in January, 2018, the accumulated investment amount remitted from Taiwan to the mainland area of \$165,000 (US\$5,000) has not been remitted.

Note 10: SCEC Shanghai has completed liquidation in October 2017, but the accumulated investment amount of \$22,827 thousand (USD 783,000) remitted from Taiwan to the mainland has not been remitted.

Note 11: Investment methods are divided into the following three types:

- (1) Go directly to the Mainland for investment.
- (2) Reinvest in Mainland China through third-region companies.
- (3) Investing in Mainland companies through existing companies in Mainland China.

### 3. Major transaction

The company's direct or indirect major transactions with the Mainland investee company from January 1 to June 30, 2020 (which have been written off when the consolidated report was prepared), please refer to "Information on significant Transactions" and "Business relations and important transactions between parent and subsidiary companies".

(d) Major shareholder information:

As of June 30, 2020, there were no shareholders holding more than 5% of the shares.

### (14) Segment Information

Information and conciliation of the operating segment of the combined company are as follows:

<b>For the three months ended June 30, 2020</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 2,060,940	1,641,628	154,990	-	3,857,558
Intersegment revenues	<u>131,803</u>	<u>463,256</u>	<u>-</u>	<u>(595,059)</u>	<u>-</u>
Total revenue	<u>\$ 2,192,743</u>	<u>2,104,884</u>	<u>154,990</u>	<u>(595,059)</u>	<u>3,857,558</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 371,984</u></b>
<b>For the three months ended June 30, 2019</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 1,652,035	1,864,605	185,765	-	3,702,405
Intersegment revenues	<u>12,532</u>	<u>-</u>	<u>-</u>	<u>(12,532)</u>	<u>-</u>
Total revenue	<u>\$ 1,664,567</u>	<u>1,864,605</u>	<u>185,765</u>	<u>(12,532)</u>	<u>3,702,405</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 328,604</u></b>

<b>For the six months ended June 30, 2020</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 3,804,521	2,763,035	369,959	-	6,937,515
Intersegment revenues	<u>198,989</u>	<u>467,738</u>	<u>-</u>	<u>(666,727)</u>	<u>-</u>
Total revenue	<u>\$ 4,003,510</u>	<u>3,230,773</u>	<u>369,959</u>	<u>(666,727)</u>	<u>6,937,515</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 636,219</u></b>
<hr/>					
<b>For the six months ended June 30, 2019</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 3,057,667	3,124,645	277,838	-	6,460,150
Intersegment revenues	<u>29,266</u>	<u>6,542</u>	<u>-</u>	<u>(35,808)</u>	<u>-</u>
Total revenue	<u>\$ 3,086,933</u>	<u>3,131,187</u>	<u>277,838</u>	<u>(35,808)</u>	<u>6,460,150</u>
					<b><u>\$ 622,949</u></b>
<hr/>					
<b>Reportable segment asset</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
June 30, 2020	<u>\$ 12,017,052</u>	<u>10,318,655</u>	<u>3,115,994</u>	<u>(12,337,348)</u>	<u>13,114,353</u>
December 31, 2019	<u>\$ 10,750,055</u>	<u>10,035,474</u>	<u>2,757,892</u>	<u>(11,550,341)</u>	<u>11,993,080</u>
June 30, 2019	<u>\$ 11,516,169</u>	<u>10,183,900</u>	<u>2,295,016</u>	<u>(11,707,357)</u>	<u>12,287,728</u>
<b>Reportable segment liability</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
June 30, 2020	<u>\$ 5,305,950</u>	<u>4,141,740</u>	<u>491,006</u>	<u>(1,994,722)</u>	<u>7,943,974</u>
December 31, 2019	<u>\$ 3,532,311</u>	<u>3,984,057</u>	<u>384,806</u>	<u>(1,457,136)</u>	<u>6,444,038</u>
June 30, 2019	<u>\$ 4,991,388</u>	<u>4,485,444</u>	<u>276,675</u>	<u>(2,469,232)</u>	<u>7,284,275</u>