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TAIWAN GLASS INDUSTRIAL CORPORATION
PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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

Independent Auditors' Report Translated from Chinese

To Taiwan Glass Industrial Corporation

Opinion

We have audited the accompanying balance sheets of Taiwan Glass Industrial Corporation (the "Company") as of December 31, 2018 and 2017, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2018 and 2017, and notes to the financial statements, including the summary of significant accounting policies (collectively "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and their financial performance and cash flows for the years ended December 31, 2018 and 2017, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2018 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventories

As of December 31, 2018, the Company's net inventories amounted to NT$3,143,647 thousand, which is relatively material for the financial statements. The Company is engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories, including analyzing the ratio of allowance of inventory valuation and obsolescence losses and the net realizable value used; understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of net realizable value used by management; vouching samples to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 5 and 6 to the Company's financial statements.

Revenue Recognition

The operating revenues recognized by the Company amounted to NT$12,561,584 thousand for the year ended December 31, 2018. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing significant terms and conditions of contracts to verify reasonableness of the timing of revenue recognition; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching them to supporting evidences and reviewing significant subsequent sales return or discounts transactions to ensure the reasonableness of the timing of revenue recognition.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's financial statements.

Building a better working world

Emphasis of Matter – Applying for New Accounting Standards

As stated in Note 3 of the Company's financial statements, the Company adopted the International Financial Reporting Standard 9, "Financial Instruments" and 15, "Revenue from Contracts with Customers" on January 1, 2018 and elected not to restate the Company's financial statements for prior periods.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the accompanying notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2018 financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsiao, Tsui-Hui
Fuh, Wen-Fang

Ernst & Young, Taiwan
March 18, 2019

<u>*Notice to Readers*</u>

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31, 2018	As of December 31, 2017
Current assets			
Cash and cash equivalents	4, 6(1)	$584,331	$1,087,997
Notes receivable, net	4, 6(2)	167,377	205,728
Accounts receivable, net	4, 6(3), 7	1,145,522	1,363,733
Other receivables, net	4, 6(4), 7	204,986	321,556
Current income tax assets	4	8,371	8,371
Inventories, net	4, 6(5)	3,143,647	2,393,525
Prepayments	7	631,172	687,563
Other current assets		4,559	796
Total current assets		5,889,965	6,069,269
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(6)	263,332	-
Available-for-sale financial assets - non-current	4, 6(7)	-	264,232
Investments accounted for using the equity method	4, 6(8)	42,340,992	40,606,960
Property, plant and equipment	4, 6(9),7	15,072,246	15,129,080
Deferred tax assets	4, 6(23)	344,928	204,869
Other non-current assets	6(10), 7	38,241	30,816
Total non-current assets		58,059,739	56,235,957
Total assets		$63,949,704	$62,305,226

LIABILITIES AND EQUITY	NOTE	As of December 31, 2018	As of December 31, 2017
Current liabilities			
Short-term loans	6(11)	$1,900,000	$300,000
Short-term bills payable	6(12)	3,295,570	2,196,039
Contract liabilities - current		722,780	-
Accounts payable	7	803,267	803,993
Other payables	7	705,131	756,533
Current income tax liabilities	4	65,043	-
Advance receipts	7	1,453	846,625
Current portion of long-term loans	6(13)	5,251,607	1,866,027
Other current liabilities		17,837	82,443
Total current liabilities		12,762,688	6,851,660
Non-current liabilities			
Long-term loans	6(13)	6,233,333	9,092,273
Deferred tax liabilities	4, 6(23)	294,147	280,653
Net defined benefit liability - non-current	4, 6(14)	413,265	40,577
Deposits-in		791	803
Total non-current liabilities		6,941,536	9,414,306
Total liabilities		19,704,224	16,265,966
Capital	6(15)		
Common stock		29,080,608	29,080,608
Additional paid-in capital	6(15), 6(25)	1,925,218	1,921,575
Retained earnings	6(15), 6(25)		
Legal reserve		5,829,135	5,616,758
Special reserve		5,102,550	5,102,550
Unappropriated retained earnings		4,973,947	6,046,802
Total retained earnings		15,905,632	16,766,110
Other components of equity			
Exchange differences on translation of foreign operations	4	(2,551,354)	(1,615,309)
Unrealized gains and losses on financial assets at fair value through other comprehensive income		(114,624)	-
Unrealized gains or losses on available-for-sale financial assets		-	(113,724)
Total other components of equity		(2,665,978)	(1,729,033)
Total equity		44,245,480	46,039,260
Total liabilities and equity		$63,949,704	$62,305,226

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2018 and 2017

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

		For the years ended December 31,	
	Note	2018	2017
Operating revenues	4, 6(16), 7	$12,561,584	$13,173,276
Operating costs	6(5), 6(20), 7	(10,811,575)	(10,780,253)
Gross profit		1,750,009	2,393,023
Unrealized intercompany profit		24,547	(7,913)
Realized intercompany profit		7,913	10,410
Net gross profit		1,782,469	2,395,520
Operating expenses	6(17), 6(19), 6(20), 7		
Selling and marketing expenses		(1,684,256)	(1,715,112)
General and administrative expenses		(273,636)	(250,769)
Research and development expenses		(92,818)	(90,601)
Expected credit losses and gain		292	-
Subtotal		(2,050,418)	(2,056,482)
Net amount of other revenues and gains and expenses and losses	6(18)	25,417	36,960
Operating (losses) income		(242,532)	375,998
Non-operating income and expenses			
Other income	6(21), 7	226,266	221,102
Other gains and losses	6(21), 7	(14,110)	(210,412)
Financial costs	4, 6(21)	(241,207)	(228,907)
Share of income of subsidiaries, associates and joint ventures for under equity method	4	1,383,482	2,015,335
Subtotal		1,354,431	1,797,118
Income from continuing operations before income tax		1,111,899	2,173,116
Income tax expenses	4, 6(23)	(45,613)	(49,343)
Net income from continuing operations		1,066,286	2,123,773
Other comprehensive income	4, 6(22), 6(23)		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation		(390,304)	220,241
Unrealized gain on valuation of investments in equity instruments measured at fair value through other comprehensive income		(900)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		(3,358)	(3,928)
Income tax related to items that will not be reclassified subsequently to profit or loss		101,650	(37,441)
Items that may be reclassified subsequently to profit or loss:			
Unrealized gain on available-for-sale financial assets		-	54,855
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		(932,623)	(369,060)
Income tax related to items that may be reclassified subsequently to profit or loss		-	-
Total other comprehensive income, net of tax		(1,225,535)	(135,333)
Total comprehensive income		$(159,249)	$1,988,440
Earnings per share(NT$)	6(24)		
Earnings per share-basic		$0.37	$0.73
Diluted earnings per share		$0.37	$0.73

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value through Other Comprehensive Income	Unrealized Gains or Losses on Available-for-sale Financial Assets	Total Equity
Balance as of January 1, 2017	$29,080,608	$1,918,910	$5,616,758	$5,102,550	$3,787,706	$(1,241,289)	$-	$(168,579)	$44,096,664
Net income in 2017					2,123,773				2,123,773
Other comprehensive income, net of tax in 2017					178,872	(369,060)		54,855	(135,333)
Total comprehensive income	-	-	-	-	2,302,645	(369,060)		54,855	1,988,440
Increase (decrease) through changes in ownership interests in subsidiaries		2,665				(4,960)			(2,295)
Decrease through changes in associates accounted for using equity method					(43,549)				(43,549)
Balance as of December 31, 2017	29,080,608	1,921,575	5,616,758	5,102,550	6,046,802	(1,615,309)		(113,724)	46,039,260
Effects of retrospective application and retrospective restatement							(113,724)	113,724	
Adjusted balance as of January 1, 2018	29,080,608	1,921,575	5,616,758	5,102,550	6,046,802	(1,615,309)	(113,724)	-	46,039,260
Appropriations and distributions of 2017 earnings:									
Legal reserve			212,377		(212,377)				-
Cash dividends					(1,454,030)				(1,454,030)
Net income in 2018					1,066,286				1,066,286
Other comprehensive income, net of tax in 2018					(292,012)	(932,623)	(900)		(1,225,535)
Total comprehensive income	-	-	-	-	774,274	(932,623)	(900)	-	(159,249)
Issuance of common stock									
Increase (decrease) through changes in ownership interests in subsidiaries		3,643				(3,422)			221
Decrease through changes in associates accounted for using equity method					(180,722)				(180,722)
Balance as of December 31, 2018	$29,080,608	$1,925,218	$5,829,135	$5,102,550	$4,973,947	$(2,551,354)	$(114,624)	$-	$44,245,480

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
TAIWAN GLASS INDUSTRIAL CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2018	2017
Cash flows from operating activities:		
Net income before tax	$1,111,899	$2,173,116
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation (including investment property)	1,188,429	1,178,256
Amortization	3,391	157
Expected credit losses and gains	(292)	-
Interest expenses	241,207	228,907
Interest income	(2,594)	(11,874)
Dividend income	(13,998)	(11,829)
Share of income of subsidiaries, associates and joint ventures	(1,383,482)	(2,015,335)
Gains on disposal of property, plant and equipment	(25,417)	(36,960)
Loss on disposal of investment	86	-
Loss on impairment of financial assets	-	8,250
Unrealized intercompany (losses) profit	(24,547)	7,913
Realized intercompany profit	(7,913)	(10,410)
Changes in assets and liabilities:		
Notes receivable	38,351	(13,264)
Accounts receivable	218,503	(161,737)
Other receivable	116,570	916,622
Inventories	(750,122)	31,909
Prepayments	56,391	(347,337)
Other current assets	(3,763)	1,563
Contract liabilities	(188,352)	-
Accounts payable	(726)	(147,693)
Other payables	(54,110)	66,669
Advanced receipts	(1,343)	225,143
Other current liabilities	2,697	5,550
Net defined benefit liability	(17,616)	(12,597)
Cash generated from operations	503,249	2,075,019
Interests received	2,594	16,889
Dividends received	21,998	15,829
Interests paid	(241,258)	(229,657)
Income tax paid	(5,485)	(17,225)
Net cash provided by operating activities	281,098	1,860,855
Cash flows from investing activities:		
Proceeds from disposal of available-for-sale financial assets	-	1,381
Acquisition of investments accounted for using the equity method	(1,434,796)	(2,068,072)
Proceeds from disposal of subsidiaries	18,172	-
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(1,136,432)	(863,470)
Capitalized borrowing costs from self-constructed assets	(12,388)	(6,941)
Proceeds from disposal of property, plant and equipment	13,569	3,587
Increase in refundable deposits	(2,274)	(1,143)
Acquisition of intangible assets	(3,276)	(500)
Net cash used in investing activities	(2,557,425)	(2,935,158)
Cash flows from financing activities:		
Increase in short-term loans	1,600,000	-
Decrease in short-term loans	-	(300,000)
Increase in short-term bills payable	11,250,000	11,200,000
Decrease in short-term bills payable	(10,150,000)	(10,350,000)
Proceeds from long-term loans	3,810,000	3,850,000
Repayments of long-term loans	(3,283,360)	(3,243,360)
Decrease in deposits-in	(12)	(642)
Cash dividends	(1,453,967)	(817)
Net cash provided by financing activities	1,772,661	1,155,181
Net (decrease) increase in cash and cash equivalents	(503,666)	80,878
Cash and cash equivalents, at beginning of the year	1,087,997	1,007,119
Cash and cash equivalents, at end of the year	$584,331	$1,087,997

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
TAIWAN GLASS INDUSTRIAL CORPORATION
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Taiwan Glass Industrial Corporation ("the Company") was incorporated on September 5, 1964 and commenced operations in 1967. The main activities of the Company are manufacturing, processing and selling of various glass products. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in July 1973. The Company's registered office and the main business location is at 11F, No. 261, Section 3, Nanjing E. Rd., Taipei, Republic of China (R.O.C.).

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

The parent company only financial statements of the Company for the years ended December 31, 2018 and 2017 were authorized for issue by the Board of Directors on March 18, 2019.

3. Newly issued or revised standards and interpretations

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

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2018. Apart from the impact of the standards and interpretations which is described below, all other standards and interpretations have no material impact on the Company's financial position and performance.

A. *IFRS 15"Revenue from Contracts with Customers" (including Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers")*

IFRS 15 replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations. In accordance with the transition provision in IFRS 15, the Company elected to recognize the cumulative effect of initially applying IFRS 15 at the date of initial application (January 1, 2018). The Company also elected to apply this standard retrospectively only to contracts that are not completed contracts at the date of initial application.

The Company's principal activities consist of the sale of goods. The impacts arising from the adoption of IFRS 15 on the Company are summarized as follows:

a. Please refer to Note 4 for the accounting policies before or after January 1, 2018.

b. Before January 1, 2018, revenue from sale of goods was recognized when goods have been delivered to the buyer. Starting from January 1, 2018, in accordance with IFRS 15, the Company recognized revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. IFRS 15 has no impact on the Company's revenue recognition from sale of goods.

c. Before January 1, 2018, part of the consideration was received from customers upon signing the contract, then the Company has the obligation to provide the services subsequently. Before January 1, 2018, the Company recognized the consideration received in advance from customers under advance receipts and other current liabilities. Starting from January 1, 2018, in accordance with IFRS 15, it should be recognized as contract liabilities. The amount reclassified from advance receipts and other current liabilities to contracts liabilities of the Company as at the date of initial application was NT$911,132 thousand. In addition, compared with the requirements of IAS 18, advance receipts and other current liabilities decreased by NT$722,780 thousand and the contract liabilities increased by NT$722,780 thousand as of December 31, 2018.

d. Please refer to Note 4, Note 5 and Note 6 for additional disclosure note required by IFRS 15.

B. *IFRS 9"Financial Instruments"*

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement.* In accordance with the transition provision in IFRS 9, the Company elected not to restate prior periods at the date of initial application (January 1, 2018). The adoption of IFRS 9 has the following impacts on the Company:

a. The Company adopted IFRS 9 since January 1, 2018 and it adopted IAS 39 before January 1, 2018. Please refer to Note 4 for more details on accounting policies.

b. In accordance with the transition provision in IFRS 9, the assessment of the business model and classification of financial assets into the appropriate categories are based on the facts and circumstances that existed as of January 1, 2018. The classifications of financial assets and its carrying amounts as of January 1, 2018 are as follows:

IAS 39			IFRS 9		
Measurement categories	Carrying amounts	Classification adjustments	Measurement categories	Carrying amounts	Notes
Available-for-sale financial assets	$264,232	(264,232)	-	$-	
		264,232	Equity instruments measured at fair value through other comprehensive income	264,232	(a)
Subtotal	264,232				
Loans and receivables			Financial assets measured at amortized cost		(b)
Cash and cash equivalents	1,087,817		Cash and cash equivalents	1,087,817	
Notes receivables	205,728		Notes receivables	205,728	
Accounts receivables	1,363,733		Accounts receivables	1,363,733	
Other receivables	321,556		Other receivables	321,556	
Refundable deposit	9,243		Refundable deposit	9,243	
Subtotal	2,988,077				
Total	$3,252,309		Total	$3,252,309	
Equity items					
Unrealized gains or losses on available-for-sale financial assets	(113,724)	113,724	-	-	
		(113,724)	Unrealized gains and losses on financial assets at fair value through other comprehensive income	(113,724)	(a)

Notes:

(a) In accordance with of IAS 39, the Company's available-for-sale financial assets included investments in stocks of listed and unlisted companies. The Company assessed the facts and circumstances existed as of January 1, 2018, and determined these stocks were not held-for-trading; therefore, the Company elected to designate them as financial assets measured at fair value through other comprehensive income. As of January 1, 2018, the Company reclassified available-for-sale financial assets to financial assets measured at fair value through other comprehensive income in the amount of NT$264,232 thousand. As of January 1, 2018, this adjustment did not result in any differences in the carrying amounts of assets, but reclassified within equity accounts. The Company reclassified unrealized gains or losses on available-for-sale financial assets in the amount of NT$(113,724) thousand to unrealized gains and losses on financial assets measured at fair value through other comprehensive income.

(b) In accordance with IAS 39, the cash flow characteristics for loans and receivables are solely payments of principal and interest on the principal amount outstanding. The assessment of the business model is based on the facts and circumstances that existed as of January 1, 2018. These financial assets were measured at amortized cost as they were held within a business model whose objective was to hold financial assets in order to collect contractual cash flows. Besides, in accordance with IFRS 9, there was no adjustment arisen from the assessment of impairment losses for the aforementioned assets as of January 1, 2018.

c. Please refer to Note 4, Note 5, Note 6 and Note 12 for the related disclosures required by IFRS 7 and IFRS 9.

C. *Disclosure Initiative — Amendment to IAS 7 "Statement of Cash Flows":*

The Company required to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Please refer to Note 12(6) for more details.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 16 "Leases"	January 1, 2019
B	IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019
C	IAS 28 "Investment in Associates and Joint Ventures" — Amendments to IAS 28	January 1, 2019
D	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
E	Improvements to International Financial Reporting Standards (2015-2017 cycle)	January 1, 2019
F	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	January 1, 2019

A. *IFRS 16"Leases"*

The new standard requires lessees to account for all leases under one single accounting model (except for short-term or low-value asset lease exemptions), which is for lessees to recognize right-of-use assets and lease liabilities on the balance sheet and the depreciation expense and interest expense associated with those leases in the consolidated statements of comprehensive income. Besides, lessors' classification remains unchanged as operating or finance leases, but additional disclosure information is required.

B. IFRIC 23 "*Uncertainty Over Income Tax Treatments*"

The Interpretation clarifies application of recognition and measurement requirements in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments.

C. *IAS 28"Investment in Associates and Joint Ventures" — Amendments to IAS 28*

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture before it applies IAS 28, and in applying IFRS 9, does not take account of any adjustments that arise from applying IAS 28.

D. *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*

The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract, to be measured at amortized cost or at fair value through other comprehensive income.

E. *Improvements to International Financial Reporting Standards (2015-2017 cycle):*

IFRS 3 "Business Combinations"
The amendments clarify that an entity that has joint control of a joint operation shall remeasure its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint Arrangements"
The amendments clarify that an entity that participates in, but does not have joint control of, a joint operation does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income Taxes"
The amendments clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

IAS 23 "Borrowing Costs"
The amendments clarify that an entity should treats as part of general borrowings any borrowing made specifically to obtain an asset when the asset is ready for its intended use or sale.

F. *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)*

The amendments clarify that when a change in a defined benefit plan is made (such as amendment, curtailment or settlement, etc.), the entity should use the updated assumptions to remeasure its net defined benefit liability or asset.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2019. Apart from item A explained below, the remaining standards and interpretations have no material impact on the Company.

A. *IFRS 16 "Leases"*

IFRS 16 "Leases" replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The impact arising from the adoption of IFRS 16 on the Company are summarized as follows:

a. For the definition of a lease, the Company elects not to reassess whether a contract is, or contains, a lease at the date of initial application (January 1, 2019) in accordance with the transition provision in IFRS 16. Instead, the Company is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

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

   Leases classified as operating leases

   For leases that were classified as operating leases applying IAS 17, the Company expects to measure and recognize those leases as lease liability on January 1, 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019 and; the Company chooses, on a lease-by-lease basis, to measure the right-of-use asset at:

   i. its carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate on January 1, 2019.

   The Company expects the right-of-use asset will increase by NT$120,519 thousand and the lease liability will increase by NT$118,371 thousand on January 1, 2019. The difference will be adjusted as retained earnings of NT$2,148 thousand.

b. The additional disclosures of lessee and lessor required by IFRS 16 will be disclosed in the relevant notes.

(3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC at the date of issuance of the Company's financial statements are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
B	IFRS 17 "Insurance Contracts"	January 1, 2021
C	Definition of a Business (Amendments to IFRS 3)	January 1, 2020
D	Definition of Material (Amendments to IAS 1 and 8)	January 1, 2020

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

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture. The effective date of the amendments has been postponed indefinitely, but early adoption is allowed.

B. IFRS 17 "*Insurance Contracts*"

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

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

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

C. *Definition of a Business* (Amendments to IFRS 3)

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

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

D. *Definition of a Material* (Amendments to IAS 1 and 8)

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

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under A, it is not practicable to estimate their impact on the Company at this point in time. Another has no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2018 and 2017 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

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

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

(3) Foreign currency transactions

The Company’s parent company only financial statements are presented in NT dollars, which is also the Company’s functional currency.

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

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* (Before 1 January 2018: IAS 39 *Financial Instruments: Recognition and Measurement*) are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(4) Translation of financial statements in foreign currency

Each foreign operations of the Company determines its own functional currency and items included in the financial statements of each foreign operations are measured using that functional currency. The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

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

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

(5) Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities of 3 months from the date of acquisition).

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* (Before January 1, 2018: IAS 39 *Financial Instruments: Recognition and Measurement*) are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The accounting policy from January 1, 2018 as follows:

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

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

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

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

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial asset measured at fair value through profit or loss

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

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

The accounting policy before January 1, 2018 as follows:

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

Financial assets of the Company are classified as financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The Company determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading.

A financial asset is classified as held for trading if:

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

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

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

Financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss (including those received during the period of initial investment).

If financial assets do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are designated as available-for-sale or those not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, or loans and receivables.

Foreign exchange gains and losses and interest calculated using the effective interest method relating to monetary available-for-sale financial assets, or dividends on an available-for-sale equity instrument, are recognized in profit or loss. Subsequent measurement of available-for-sale financial assets at fair value is recognized in equity until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss.

If equity instrument investments do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold it to maturity, other than those that are designated as available-for-sale, classified as financial assets at fair value through profit or loss, or meet the definition of loans and receivables.

After initial measurement held-to-maturity financial assets are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company upon initial recognition designates as available for sale, classified as at fair value through profit or loss, or those for which the holder may not recover substantially all of its initial investment.

Loans and receivables are separately presented on the balance sheet as receivables or debt instrument investments for which no active market exists. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

B. Impairment of financial assets

The accounting policy from January 1, 2018 as follows:

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

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

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

The loss allowance is measured as follows:

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

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

<u>The accounting policy before January 1, 2018 as follows:</u>

The Company assesses at each reporting date whether there is any objective evidence that a financial asset other than the financial assets at fair value through profit or loss is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. The carrying amount of the financial asset impaired, other than receivables impaired which are reduced through the use of an allowance account, is reduced directly and the amount of the loss is recognized in profit or loss.

A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is considered a loss event.

Other loss events include:

a. significant financial difficulty of the issuer or obligor; or
b. a breach of contract, such as a default or delinquency in interest or principal payments; or
c. it becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
d. the disappearance of an active market for that financial asset because of financial difficulties.

For held-to-maturity financial assets and loans and receivables measured at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exits for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Interest income is accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

In the case of equity investments classified as available-for-sale, where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recognized in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

D. Financial liabilities and equity

<u>Classification between liabilities or equity</u>

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

<u>Equity instruments</u>

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

<u>Financial liabilities</u>

Financial liabilities within the scope of IFRS 9 Financial Instruments (before January 1, 2018: IAS 39 *Financial Instruments: Recognition and Measurement*) are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

<u>Financial liabilities at amortized cost</u>

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(8) Fair value measurement

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

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

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

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

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

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

(9) Inventories

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

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

Raw materials – Purchase cost on a weighted average cost basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

(10) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 "Consolidated and Separate Financial Statements" and the different IFRSs adopted from different reporting entity's perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

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

When the Company subscribes for additional associate or a joint venture's new shares at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate or a joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to paid-in capital and the investment under equity method. When the investment percentage decreases, reclassify the account which recognized to comprehensive income before to the gain or loss and suitable account in proportion.

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

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures* (before January 1, 2018: IAS 39 *Financial Instruments: Recognition and Measurement*). If there is any objective evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or a joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in the scope of IAS 36 *Impairment of Assets.* If the recoverable amount is under the investment value in use, the Company uses the following measurements to determine the relevant value:

A. The Company's right on the estimated future cash flow from its associate or a joint venture includes associate or a joint venture's cash flow from operation and the capital gain on the final settlement. Or
B. The Company's expected present value of the dividend from the investment and the capital gain on the final settlement.

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

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(11) Property, plant and equipment

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

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

Buildings	5~55 years
Machinery and equipment	2~20 years
Transportation equipment	5~10 years
Office equipment	3~30 years

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

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

(12) Leases

Company as a lessee

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

(13) Impairment of non-financial assets

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

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

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

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

(14) Revenue recognition

The accounting policy from January 1, 2018 as follows:

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

The Company manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is glass product, including glass, fiber glass and container, and revenue is recognized based on the consideration stated in the contract. Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Company estimates the discounts using the most likely value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Company's sale of goods is from 5 to 165 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For other services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as advance receipts or temporary receipts.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component exists.

The accounting policy before January 1, 2018 as follows:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied: the significant risks and rewards of ownership of the goods have passed to the buyer; neither continuing managerial involvement nor effective control over the goods sold have been retained; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred in respect of the transaction can be measured reliably.

Interest income

For all financial assets measured at amortized cost (including loans and receivables and held-to-maturity financial assets) and available-for-sale financial assets, interest income is recorded using the effective interest rate method and recognized in profit or loss.

Dividends

Revenue is recognized when the Company’s right to receive the payment is established.

(15) Borrowing costs

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

(16) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company’s parent company only financial statements.

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

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

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

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

(17) Income taxes

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

Current income tax

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

The 10% surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Stockholders' meeting.

Deferred income tax

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

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

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

5. Significant accounting judgments, estimates and assumptions

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

(1) Judgment

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

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

The Company does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Company's holding, the Company reached the conclusion that it has de facto control over these subsidiaries. Please refer to Consolidated Financial Statement Note 4 for further details.

(2) Estimates and assumptions

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

A. Fair value of financial instruments

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

B. Inventories

The Company estimates the net realizable value of inventory for damage, obsolescence and price decline. The net realizable value of the inventory is mainly determined based on reliable evidence of expected cash flow. Please refer to Note 6.

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and expected rate of salary increases.

D. Revenue recognition – sales returns and allowance

Starting from January 1, 2018:

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

Before January 1, 2018:

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. Please refer to Note 6 for more details.

E. Income tax

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

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

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2018	2017
Cash on hand	$190	$180
Checking and savings accounts	502,914	1,087,817
Cash equivalents	81,227	-
Total	$584,331	$1,087,997

(2) Notes receivables, net

	As of December 31,	
	2018	2017
Notes receivables arising from operating activities	$167,377	$205,728
Less: loss allowance	-	-
Total	$167,377	$205,728

Notes receivables were not pledged.

The Company adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6. (17). In addition, please refer to Note 12 for more details on credit risk.

(3) Accounts receivable, net

	As of December 31,	
	2018	2017
Accounts receivable	$1,070,118	$1,293,298
Less: loss allowance	(145)	(437)
allowance for sales returns	-	(1,623)
Subtotal	1,069,973	1,291,238
Accounts receivable from related parties	75,549	72,495
Less: loss allowance	-	-
Subtotal	75,549	72,495
Total	$1,145,522	$1,363,733

Accounts receivable were not pledged.

Please refer to Note 12. (11) for disclosure on information of accounts receivable transfer.

Accounts receivables are generally on 5-180 day terms. The Company adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6. (17) for more details on loss allowance from January 1, 2018 to December 31, 2018. The Company adopted IAS 39 for impairment assessment before January 1, 2018. The movements in the provision for impairment of accounts receivables and accounts receivables-related parties and ageing analysis from January 1, 2017 to December 31, 2017 are as follows (Please refer to Note 12 for more details on credit risk management.):

	Individually impaired	Collectively impaired	Total
As of January 1, 2017	$334	$1,024	$1,358
Reversal for the current period	(334)	(587)	(921)
As of December 31, 2017	$-	$437	$437

Impairment loss that was individually determined ended December 31, 2017, arose due to the fact that the counterparty was in financial difficulties. The amount of impairment loss recognized was the difference between the carrying amount of the trade receivable and the present value of its expected recoverable amount. The Company does not hold any collateral for such accounts receivables.

Ageing analysis of accounts receivable and accounts receivable from related parties that are past due as at the end of the reporting period is as follows:

	Neither past due	Past due but not impaired			
As of	nor impaired	1~90 days	91~365 days	≥366 days	Total
December 31, 2017	$1,321,547	$42,186	$-	$-	$1,363,733

(4) Other receivables, net

	As of December 31,	
	2018	2017
Other receivables	$204,986	$321,556
Less: allowance for doubtful debts	-	-
Total	$204,986	$321,556

The Company adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6. (17).

Ageing analysis of other receivable that past due as at the end of the reporting period is as follows:

	Neither past due nor impaired	Past due but not impaired ≥366 days	Total
As of December 31, 2017	$165,411	$156,145	$321,556

(5) Inventories, net

	As of December 31,	
	2018	2017
Raw materials	$619,754	$539,574
Supplies	46,509	46,467
Work in progress	171,877	132,652
Finished goods	2,305,507	1,674,832
Total	$3,143,647	$2,393,525

The cost of inventories recognized in expenses amounted to NT$10,811,575 thousand and NT$10,780,253 thousand for the years ended December 31, 2018 and 2017, respectively, including:

	For the years ended December 31	
	2018	2017
Losses (gains) for market price decline of inventories	$158,793	$(107,046)
Losses (gains) on physical inventory	13	(3)
Unallocated fixed costs	70,004	63,668
Revenue from sale of scraps	(85,380)	(70,128)
Additions (less) to operating costs	$143,430	$(113,509)

The circumstances that caused the net realizable value of inventory to be lower than its cost no longer exist. As a result, the Company recognized gains from price recovery of inventories for the year ended December 31, 2017.

No inventories were pledged.

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

	As of December 31,	
	2018	2017(Note)
Debt instrument investments measured at fair value through other comprehensive income – Non-current:		
Stocks of listed companies	$210,750	
Stocks of unlisted companies	52,582	
Total	$263,332	

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

No financial assets at fair value through other comprehensive income were pledged.

(7) Available-for-sale financial assets

	As of December 31,	
	2018(Note)	2017
Stocks:		
China Development Financial Holdings Corp.		$220,066
Chi-Ye Chemical Corp.		44,159
Chang Hwa Commercial Bank, Ltd.		5
Hua Nan Financial Holdings Co., Ltd.		2
Total		$264,232

	As of December 31,	
	2018(Note)	2017
Current		$-
Non-current		264,232
Total		$264,232

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

The Company adopted IAS 39 before January 1, 2018 and classified certain financial assets as available-for-sale financial assets, and there were no pledged.

(8) Investments accounted for using the equity method

	As of December 31,			
	2018		2017	
Investees	Carrying amount	Percentage of Ownership	Carrying amount	Percentage of Ownership
Taiwan Glass USA Sales Corp.	$370,351	100.00%	$317,497	100.00%
Taiwan Glass China Holding Ltd.	41,520,343	93.98%	39,740,085	93.78%
Taiwan Autoglass Ind. Corp.	256,946	87.00%	302,193	87.00%
TG Teco Vacuum Insulated Glass Corp.	193,352	65.00%	222,059	65.00%
Hario TG Glass Corp.	(Note)		25,126	50.00%
Total	$42,340,992		$40,606,960	

Note: The subsidiary has been liquidated in May 2018.

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments on the parent company only financial statements.

No investment accounted for using the equity method was pledged.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:							
As of January 1, 2017	$3,796,048	$8,217,278	$20,868,684	$250,915	$379,089	$517,215	$34,029,229
Additions	-	25,360	154,672	3	24,072	481,802	685,909
Disposals	-	(2,549)	(40,297)	-	(15,318)	-	(58,164)
Transfers	-	68,232	749,346	191	670	(818,439)	-
Other changes	-	-	(27,423)	8,094	(8,046)	241,000	213,625
As of December 31, 2017	3,796,048	8,308,321	21,704,982	259,203	380,467	421,578	34,870,599
Additions	-	15,077	77,551	3,899	8,799	557,386	662,712
Disposals	-	-	(247,373)	(1,894)	(9,696)	-	(258,963)
Transfers	-	27,553	509,239	920	-	(537,712)	-
Other changes	-	-	4,597	7,056	-	471,215	482,868
As of December 31, 2018	$3,796,048	$8,350,951	$22,048,996	$269,184	$379,570	$912,467	$35,757,216
Depreciation and impairment:							
As of January 1, 2017	$-	$5,098,526	$13,094,933	$218,854	$222,061	$-	$18,634,374
Depreciation	-	281,826	852,002	14,835	29,380	-	1,178,043
Disposals	-	(2,550)	(35,637)	-	(15,163)	-	(53,350)
Transfers	-	-	-	-	-	-	-
Other changes	-	-	(12,593)	-	(4,955)	-	(17,548)
As of December 31, 2017	-	5,377,802	13,898,705	233,689	231,323	-	19,741,519
Depreciation	-	284,803	865,343	9,758	28,324	-	1,188,228
Disposals	-	-	(233,207)	(1,874)	(9,696)	-	(244,777)
Transfers	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
As of December 31, 2018	$-	$5,662,605	$14,530,841	$241,573	$249,951	$-	$20,684,970
Net carrying amount as of:							
December 31, 2018	$3,796,048	$2,688,346	$7,518,155	$27,611	$129,619	$912,467	$15,072,246
December 31, 2017	$3,796,048	$2,930,519	$7,806,277	$25,514	$149,144	$421,578	$15,129,080

Capitalized borrowing costs of property, plant and equipment are as follows:

Item	For the years ended December 31, 2018	2017
Construction in progress	$12,388	$6,941
Capitalization rate of borrowing costs	1.529%~1.748%	1.553%~1.809%

Components of machinery and equipment that have different useful lives are furnace and platinum, which are depreciated over 12 years and 20 years, respectively.

No property, plant and equipment was pledged.

(10) Other non-current assets

	As of December 31, 2018	2017
Investment property	$17,938	$18,139
Intangible assets	8,786	3,434
Overdue receivables	772,210	793,103
Less: loss allowance	(772,210)	(793,103)
Overdue receivables, net	-	-
Refundable deposits	11,517	9,243
Net	$38,241	$30,816

No investment property was pledged.

Investment properties held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is NT$172,543 thousand and NT$170,914 thousand, as of December 31, 2018 and 2017, respectively. The fair value has been determined based on valuations performed by an independent appraiser. The valuation method used is direct capitalized method and market approach, and the inputs used are as follows:

Direct capitalization method:

	As of December 31, 2018	2017
Income capitalization rate	1.42%~2.24%	1.43%~2.24%

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

	For the years ended December 31, 2018	2017
Operating costs	$428	$36
General and administrative expense	2,963	121
Total	$3,391	$157

(11) Short-term loans

	As of December 31,	
	2018	2017
Unsecured bank loans	$1,900,000	$300,000
Unsecured interest rates	1%~1.34%	1.49%

The Company’s unused short-term lines of credits amounted to NT$300,000 thousand and NT$1,200,000 thousand as of December 31, 2018 and 2017, respectively.

(12) Short-term bills payable

	As of December 31,	
	2018	2017
Short-term bills payable	$3,300,000	$2,200,000
Less: unamortized discount	(4,430)	(3,961)
Net	$3,295,570	$2,196,039
Interest rates	1.388%~1.400%	1.398%~1.468%

(13) Long-term loans

Details of long-term loans as of December 31, 2018 and 2017 are as follows:

				As of December 31,		
Lenders	Terms	Credit Line	Interest Rate	2018	2017	Redemption
Chang-Hwa Bank	2015.09.01-2020.09.01	NTD1,200,000	Floating interest rate	$400,000	$600,000	8 equal installments of the principal made every 6 months from the sixth year after borrowing date
Hua-Nan Bank	2015.12.23-2022.12.29	NTD3,000,000	〃	2,400,000	3,000,000	Repayable semiannually from June 23, 2018.
King’s Town Bank	2016.03.30-2023.03.30	NTD1,100,000	〃	900,000	1,100,000	Repayable semiannually from March 30, 2018
Taiwan Cooperative Bank	2016.04.25-2019.04.25	NTD500,000	〃	-	500,000	12 equal installments of principal and interest from two years after borrowing date
COTA Commercial Bank	2016.09.05-2019.09.05	NTD100,000	〃	24,940	58,300	12 quarter installments of principal and interest from December 5, 2016

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2018	2017	Redemption
KGI Bank	2017.01.05-2019.01.05	NTD300,000	〃	$260,000	$260,000	Principal repaid at maturity
EnTie Commercial Bank	2016.08.23-2018.08.23	NTD500,000	〃	-	500,000	Principal repaid at maturity
Bank of China	2017.02.01-2019.01.31	NTD400,000	〃	-	400,000	Principal repaid at maturity
O-Bank	2016.12.06-2019.12.06	NTD1,000,000	〃	1,000,000	1,000,000	Principal repaid at maturity
Mega International Commercial Bank	2016.04.26-2019.04.26	NTD500,000	〃	-	350,000	Principal repaid at maturity
Taichung Commercial Bank	2017.12.20-2020.12.20	NTD500,000	〃	-	500,000	Principal repaid at maturity
JihSun Bank	2017.12.25-2019.12.25	NTD300,000	〃	300,000	90,000	Principal repaid at maturity
Far Eastern International Bank	2017.12.07-2019.12.07	NTD500,000	〃	500,000	500,000	Principal repaid at maturity
Bank of PanShin	2017.12.14-2019.12.14	NTD200,000	〃	200,000	200,000	Principal repaid at maturity
Bank of Kaohsiung	2017.12.14-2019.12.14	NTD300,000	〃	300,000	300,000	Principal repaid at maturity
Hua-Nan Bank	2017.05.26-2019.05.26	NTD1,000,000	〃	1,000,000	1,000,000	Principal repaid at maturity
Union Bank of Taiwan	2017.09.07-2019.03.07	NTD600,000	〃	600,000	600,000	Principal repaid at maturity
Taiwan Cooperative Bank	2018.06.25-2021.06.25	NTD500,000	〃	500,000	-	12 equal installments of principal and interest from June 25, 2020.
Shin Kong Commercial Bank	2018.06.27-2020.08.06	NTD300,000	〃	300,000	-	Principal repaid at maturity
The Export-Import Bank of the Republic of China	2018.08.01-2023.08.01	NTD600,000	〃	600,000	-	9 equal installments of the principal made every 6 months from August 1, 2019.
EnTie Commercial Bank	2018.08.20-2020.08.20	NTD500,000	〃	500,000	-	Principal repaid at maturity
Shanghai Commercial & Savings Bank	2018.09.05-2021.09.05	NTD200,000	〃	200,000	-	Principal repaid at maturity

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2018	2017	Redemption
Taiwan Business Bank	2018.10.18-2025.10.18	NTD1,000,000	〃	$1,000,000	$-	11 equal installments of the principal made every 6 months from October 18, 2020.
Chang Hwa Bank	2018.12.21-2021.12.21	NTD500,000	〃	500,000	-	4 equal installments of the principal made every 6 months from June 21, 2020.
Subtotal				11,484,940	10,958,300	
Less: current portion of long-term loans				(5,251,607)	(1,866,027)	
Total				$6,233,333	$9,092,273	

Note: As of December 31, 2018, part of long-term loans contained covenants that required the Company to maintain certain financial ratios such as the current ratio, the ratio of the total liabilities to the net tangible assets, the ratio of EBITDA to interest expense and the tangible assets net worth amount.

(14) Post-employment benefits

Defined contribution plan

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

Expenses under the defined contribution plan for the years ended December 31, 2018 and 2017 were NT$94,371 thousand and NT$89,460 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is managed in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$56,954 thousand to its defined benefit plan during the 12 months beginning after December 31, 2018.

Apart from the above-mentioned pension funds, the Company has another fund managed by the pension fund management committee, and the plan is categorized as follows:

	As of December 31,	
	2018	2017
Investments with quoted prices in an active market		
Equity instruments－domestic	96%	100%
Debt instruments－domestic	4%	0%
Other	0%	0%

As of December 31, 2018 and 2017, the Company’s defined benefits plan obligations are expected to mature in 2024 and 2025, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2018 and 2017:

	For the years ended December 31,	
	2018	2017
Current period service costs	$39,054	$40,428
Interest income or expense	284	3,281
Past service cost	-	-
Payments from the plan	-	-
Total	$39,338	$43,709

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

	As of		
	December 31, 2018	December 31, 2017	January 1, 2017
Defined benefit obligation at January 1	$2,120,550	$2,084,920	$1,958,632
Plan assets at fair value	(1,707,285)	(2,044,343)	(1,685,217)
Other non-current liabilities - Accrued pension liabilities recognized on the balance sheets	$413,265	$40,577	$273,415

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

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2017	$1,958,632	$1,685,217	$273,415
Current period service costs	40,428	-	40,428
Net interest expense (income)	23,504	20,223	3,281
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	2,022,564	1,705,440	317,124
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	28	-	28
Actuarial gains and losses arising from changes in financial assumptions	33,469	-	33,469
Experience adjustments	122,589	-	122,589
Return on plan assets	-	376,327	(376,327)
Subtotal	156,086	376,327	(220,241)
Payments from the plan	(93,730)	(93,730)	-
Contributions by employer	-	56,306	(56,306)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2017	2,084,920	2,044,343	40,577
Current period service costs	39,054	-	39,054
Net interest expense (income)	14,594	14,310	284
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	2,138,568	2,058,653	79,915
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(946)	-	(946)
Actuarial gains and losses arising from changes in financial assumptions	(4,778)	-	(4,778)
Experience adjustments	77,904	-	77,904
Return on plan assets	-	(318,124)	318,124
Subtotal	72,180	(318,124)	390,304
Payments from the plan	(90,198)	(90,198)	-
Contributions by employer	-	56,954	(56,954)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2018	$2,120,550	$1,707,285	$413,265

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

	As of December 31,	
	2018	2017
Discount rate	0.78%	0.70%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption as of December 31, 2018 and 2017 is as shown below:

	Effect on the defined benefit obligation			
	2018		2017	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	$(27,753)	$-	$(33,480)	$-
Discount rate decrease by 0.5%	-	98,820	-	128,545
Future salary increase by 0.5%	-	97,637	-	127,155
Future salary decrease by 0.5%	(27,826)	-	(33,543)	-

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

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

(15) Equities

A. Common stock

The Company's authorized capital were both NT$30,000,000 thousand as of December 31, 2018 and 2017. The Company's issued capital were both NT$29,080,608 thousand as of December 31, 2018 and 2017, each at a par value of NT$10. The Company has issued both 2,908,061 thousand common shares as of December 31, 2018 and 2017. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2018	2017
Additional paid-in capital	$1,540,300	$1,540,300
Increase through changes in ownership interests in subsidiaries	258,091	254,448
Expired employee stock warrants	23,661	23,661
Gains on disposal of assets	103,166	103,166
Total	$1,925,218	$1,921,575

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

C. Rained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall first set aside 1.5% as employee bonuses and no higher than 1.5% as directors and supervisor's remunerations. Nevertheless, the Company shall first make up for losses if there are accumulated losses. The Company shall make distributions from its net income (less any deficit) in the following order:

a. Offset an accumulated deficit.
b. Set aside 10% as legal reserve.
c. Set aside or reverse special reserve.
d. Following distributions of items "a" to "c" indicated above, the remaining amount, if any, shall be proposed by the board of directors at a board meeting to be distributed as shareholders dividends and bonuses.

Based on the Company's plan to achieve healthy financial standing, whether to distribute the beginning undistributed earnings should consider the actual operation of the year and the budget planning for the following year, to evaluate the necessity of providing funding via earnings distribution so as to determine the most appropriate dividend policy for sustainable business development. The said shareholders dividend and bonus distribution shall not be less than 50% of the distributable earnings after deducting the above items "a" to "c" from current net income. The Company's Articles of Incorporation further provide that no more than 1% of the dividends to shareholders, if any, could be paid in the form of share dividends. At least 20% of the dividends must be paid in the form of cash.

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

Following the adoption of TIFRS, the FSC on April 6, 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed. The special reserves booked from first-time adoption of International Financial Reporting Standards were both NT$3,232,749 thousand as of December 31, 2018 and 2017, respectively. The Company did not reverse special reserve to retained earnings for using, disposing of or reclassifying relevant assets in 2018 and 2017.

Details of the 2018 and 2017 earnings distribution and dividends per share as approved by Board of Directors' meeting on March 18, 2019 and by the stockholders' meeting on June 13, 2018, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2018	2017	2018	2017
Legal reserve	$106,629	$212,377	$-	$-
Common stock -cash dividend	872,418	1,454,030	0.3	0.5
Common stock-stock dividend	-	-	-	-

Please refer to Note 6. (20) for further details on employees' compensation and remuneration to directors.

(16) Operating revenue

	For the years ended December 31,	
	2018(Note)	2017
Sale of goods	$12,561,584	$13,238,285
Less: sales returns, discounts and allowances	-	(65,009)
Total	$12,561,584	$13,173,276

Note: The Company has adopted IFRS 15 from January 1, 2018 for processing revenue from contracts with customers. The Company elected to apply the standard retrospectively by recognizing the cumulative effect of initially applying the standard at the date of initial application (January 1, 2018).

The Company has adopted IFRS 15 from January 1, 2018 for processing revenue from contracts with customers. Analysis of revenue from contracts with customers during the year is as follows:

A. Disaggregation of revenue:

	Flat glass	Container	Fiber glass	Other	Total
Sale of goods	$4,038,056	$3,467,797	$4,890,268	$165,463	`$12,561,584

The timing of revenue recognition was at a point in time.

B. Contract balances

Contract liabilities - current

	Beginning balance	Ending balance	Difference
Sales of goods	$911,132	$722,780	$(188,352)

During the period, NT$911,132 thousand included in the contract liability balance at the beginning of the period was recognized as revenue as performance obligations were satisfied. In addition, contract liabilities increased as part of the consideration was received from customers upon signing the contracts and performance obligations were not satisfied.

C. Assets recognized from costs to obtain or fulfil a contract: None.

(17) Expected credit losses/ (gains)

	For the years ended December 31,	
	2018	2017(Note)
Operating expenses – Expected credit losses/(gains)		
Accounts receivables	$(292)	

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

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

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

The Company considered the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

Group 1		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Gross carrying amount	$-	$-	$-	$772,210	$772,210
Loss ratio	0%	0%	0%	100%	
Lifetime expected credit losses	-	-	-	(772,210)	(772,210)
Subtotal	-	-	-	-	-

Group 2		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Gross carrying amount	$1,055,590	$14,528	$-	$-	$1,070,118
Loss ratio	0%	1%	0%	0%	
Lifetime expected credit losses	-	(145)	-	-	(145)
Subtotal	1,055,590	14,383	-	-	1,069,973

Group 3		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Gross carrying amount	$447,912	$-	$-	$-	$447,912
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	447,912	-	-	-	447,912
Carrying amount					$1,517,885

Group 1: The Company has exercised recourse or taken legal action against the individual assessment of accounts receivables, other receivables and overdue receivables.

Group 2: The Company's accounts receivables are overdue but not for more than one year.

Group 3: The Company's notes receivables, accounts receivables- related parties and other receivables are not yet due.

The movement in the provision for impairment of note receivables, accounts receivables, other receivables and overdue receivables during 2018 was as follows:

	Accounts receivables	Other receivables	Overdue receivables
Beginning balance	$437	$-	$793,103
Reversal for the current period	(292)	-	-
Write off	-	-	(20,893)
Ending balance	$145	$-	$772,210

(18) Net amount of other revenues and gains and expenses and losses

	For the years ended December 31,	
	2018	2017
Gains on disposal of property, plant, and equipment	$25,417	$36,960

(19) Operating leases

Operating lease commitments – Company as lessee

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

Future minimum rentals payable under non-cancellable operating leases as of December 31, 2018 and 2017 were as follows:

	As of December 31,	
	2018	2017
Not later than one year	$26,611	$37,874
Later than one year and not later than five years	74,286	-
Total	$100,897	$37,874

Operating lease expenses recognized were as follows:

	For the years ended December 31,	
	2018	2017
Minimum lease payments	$38,888	$39,311

(20) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the years ended December 31,					
	2018			2017		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$2,325,641	$376,203	$2,701,844	$2,203,723	$314,400	$2,518,123
Labor and health insurance	258,169	17,150	275,319	247,124	15,752	262,876
Pension	99,871	33,838	133,709	100,581	32,588	133,169
Directors' remuneration	-	25,199	25,199	-	41,514	41,514
Other employee benefits expense	93,828	14,360	108,188	94,282	14,043	108,325
Depreciation(Note)	1,163,359	24,869	1,188,228	1,153,888	24,155	1,178,043
Amortization	428	2,963	3,391	36	121	157

The number of employees as of December 31, 2018 and 2017 was 4,748 and 4,674, including 7 non-employee directors, respectively.

Note: The differences between the amount stated above and the depreciation stated in the Parent Company Only Statements of Cash Flows was recognized in other gains and losses.

According to the Company's Articles of Incorporation, when there is profit of the current year, the Company shall distribute 1.5% of profit of the current year as employees' compensation and no higher than 1.5% of profit of the current year as remuneration to directors. However, the Company's accumulated losses shall have been covered. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the current year, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2018 both at 1.5% of profit of the current year, recognized as salaries expense. As such, employees' compensation and remuneration to directors for the year ended December 31, 2018 amounted to NT$17,194 thousand, respectively. Employees' compensation and remuneration to directors for the year ended December 31, 2017 amounted to both NT$33,605 thousand, recognized as salaries expense.

A resolution was approved at the board meeting held on March 26, 2018 to distribute NT$33,605 thousand in cash as employees' compensation and remuneration to directors of 2017. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2017.

(21) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2018	2017
Interest income	(Note)	$11,874
Financial assets measured at amortized cost	$2,594	-
Rental income	37,229	38,017
Dividend income	13,998	11,829
Others	172,445	159,382
Total	$226,266	$221,102

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

B. Other gains and losses

	For the years ended December 31,	
	2018	2017
Foreign exchange gains (losses), net	$57,321	$(121,609)
Loss on disposal of investment	(86)	-
Loss on impairment of financial assets	-	(8,250)
Others	(71,345)	(80,553)
Total	$(14,110)	$(210,412)

C. Finance costs

	For the years ended December 31,	
	2018	2017
Interest on borrowings from bank	$237,236	$224,534
Interest on factoring of accounts receivable	3,971	4,373
Total	$241,207	$228,907

(22) Components of other comprehensive income

For the year ended December 31, 2018

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(390,304)	-	$(390,304)	$101,650	$(288,654)
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	(900)	-	(900)	-	(900)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(3,358)	-	(3,358)	-	(3,358)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(932,623)	-	(932,623)	-	(932,623)
Total of other comprehensive income	$(1,327,185)	$-	$(1,327,185)	$101,650	$(1,225,535)

For the year ended December 31, 2017

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$220,241	$-	$220,241	$(37,441)	$182,800
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(3,928)	-	(3,928)	-	(3,928)
To be reclassified to profit or loss in subsequent periods:					
Unrealized (losses) gains from available-for-sale financial assets	46,605	8,250	54,855	-	54,855
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(369,060)	-	(369,060)	-	(369,060)
Total of other comprehensive income	$(106,142)	$8,250	$(97,892)	$(37,441)	$(135,333)

(23) Income tax

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

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

Income tax expense (benefit) recognized in profit or loss

	For the years ended December 31,	
	2018	2017
Current income tax expense (benefit):		
Current income tax charge	$68,866	$8,213
Adjustments in respect of current income tax of prior periods	1,662	(2,545)
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(25,852)	43,675
Deferred income tax related to changes in tax rates	937	-
Total income tax expense	$45,613	$49,343

Income tax relating to components of other comprehensive income

	For the years ended December 31	
	2018	2017
Deferred tax benefit:		
Deferred income tax related to changes in tax rates	$(23,589)	$-
Remeasurements of defined benefit plans	(78,061)	37,441
Total	$(101,650)	$37,441

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

	For the years ended December 31,	
	2018	2017
Accounting profit before tax from continuing operations	$1,111,899	$2,173,116
Tax at the domestic rates applicable to profits in the country concerned	222,380	369,430
Net investment income accounted for using the equity method	(276,696)	(342,607)
Tax effect of revenues exempt from taxation	(2,728)	(2,423)
Tax effect of expenses not deductible for tax purposes	2,434	3,718
Non-deductible offshore tax	5,242	8,213
Corporate income surtax on undistributed retained earnings	63,624	-
Tax effect of deferred tax assets/liabilities	28,758	15,557
Adjustments in respect of current income tax of prior periods	1,662	(2,545)
Deferred income tax related to changes in tax rates	937	-
Total income tax expense recognized in profit or loss	$45,613	$49,343

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2018

	Beginning balance as of January 1, 2018	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2018
Temporary differences				
Depreciation difference	$(60,627)	$(7,133)	$-	$(67,760)
Allowance for bad debt	929	(929)	-	-
Net defined benefit liability - noncurrent	6,898	(25,895)	101,650	82,653
Employee benefits	5,381	(1,170)	-	4,211
Unrealized loss due to market price decline of inventories	168,549	61,503	-	230,052
Capitalization of interest	4,691	(373)	-	4,318
Provisions of employee benefit obligations	16,591	5,447	-	22,038
Unrealized gain on foreign exchange	(15,881)	(6,361)	-	(22,242)
Others	1,830	(174)	-	1,656
Land value increment tax	(204,145)	-	-	(204,145)
Deferred tax income/ (expense)		$24,915	$101,650	
Net deferred tax assets/(liabilities)	$(75,784)			$50,781
Reflected in balance sheet as follows:				
Deferred tax assets	$204,869			$344,928
Deferred tax liabilities	$(280,653)			$(294,147)

For the year ended December 31, 2017

	Beginning balance as of January 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2017
Temporary differences				
Depreciation difference	$(61,975)	$1,348	$-	$(60,627)
Revaluations of available-for-sale financial assets to fair value	2,561	(2,561)	-	-
Reserve for furnace cold repair	829	(829)	-	-
Allowance for bad debt	1,379	(450)	-	929
Net defined benefit liability - noncurrent	46,480	(2,141)	(37,441)	6,898
Employee benefits	7,502	(2,121)	-	5,381
Unrealized loss due to market price decline of inventories	186,747	(18,198)	-	168,549
Capitalization of interest	5,712	(1,021)	-	4,691
Provisions of employee benefit obligations	14,296	2,295	-	16,591
Unrealized gain on foreign exchange	(13,025)	(2,856)	-	(15,881)
Unrealized loss on foreign sales	16,409	(16,409)	-	-
Other	2,562	(732)	-	1,830
Land value increment tax	(204,145)	-	-	(204,145)
Deferred tax income/ (expense)		$(43,675)	$(37,441)	
Net deferred tax assets/(liabilities)	$5,332			$(75,784)
Reflected in balance sheet as follows:				
Deferred tax assets	$284,477			$204,869
Deferred tax liabilities	$(279,145)			$(280,653)

Unrecognized deferred tax assets

As of December 31, 2018 and 2017, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amount to NT$252,621 thousand and NT$194,613 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Company’s overseas subsidiaries, as The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2018 and 2017, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregated to NT$2,341,393 thousand and NT$1,056,866 thousand, respectively.

The assessment of income tax returns

As of December 31, 2018, the assessment of the income tax returns of the Company is to 2016.

(24) Earnings per share

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

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

	For the years ended December 31,	
	2018	2017
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$1,066,286	$2,123,773
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	2,908,061	2,908,061
Basic earnings per share (NT$)	$0.37	$0.73

	For the years ended December 31,	
	2018	2017
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$1,066,286	$2,123,773
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	2,908,061	2,908,061
Effect of dilution:		
Employees' compensation	1,333	1,504
Weighted average number of ordinary shares outstanding after dilution (in thousands)	2,909,394	2,909,565
Diluted earnings per share (NT$)	$0.37	$0.73

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(25) Changes in parent's interest in subsidiaries

Acquisition of new shares in a subsidiary not in proportionate to ownership interest

During the years ended December 31, 2018 and 2017, the Company paid additional cash to acquire TGCH's new shares issued in the amount of UD$46,782 thousand (NT$1,434,797 thousand) and UD$78,278 thousand (NT$2,372,323 thousand), respectively, and consequently the ownership interest in TGCH was increased to 93.98% and 93.78%, respectively. The difference between the cash paid and the decrease in the non-controlling interests was NT$221 thousand and NT$(2,295) thousand, respectively, and was recognized in equity.

7. Related party transactions

The significant transactions for 2018 and 2017 are summarized below:

Name and relationship of related parties

Name of related parties	Relationship with the Company
Taiwan Autoglass Ind. Corp. (TAG)	Subsidiaries
TG Teco Vacuum Insulated Glass Corp. (TVIG)	〃
Hario TG Glass Corp. (HTG) (Note)	〃
Taiwan Glass USA Sales Corp. (TGUS)	〃
Taiwan Glass China Holding Ltd. (TGCH)	〃
TG Qingdao Glass Co., Ltd. (QFG)	〃
TG Changjiang Glass Co., Ltd. (CFG)	〃
TG Donghai Glass Co., Ltd. (DHG)	〃

Name of related parties	Relationship with the Company
TG Chengdu Glass Co., Ltd. (CDG)	Subsidiaries
TG Huanan Glass Co., Ltd. (HNG)	〃
TG Tianjin Glass Co., Ltd. (TJG)	〃
TG Fujian Photovoltaic Glass Co., Ltd. (FPG)	〃
Taichia Glass Fiber Co., Ltd. (TGF)	〃
TG Fengyang Silica Sand Co., Ltd. (FYSS)	〃
TG Xianyang Glass Co., Ltd. (TXY)	〃
TG Taicang Architectural Glass Co., Ltd. (TTAR)	〃
TG Yueda Autoglass Co., Ltd. (TYAU)	〃
TG Anhui Glass Co., Ltd. (TAH)	〃
TG Wuhan Architectural Glass Co., Ltd. (TWAR)	〃
TG Yueda Solar Glass Co., Ltd. (TYSM)	〃
Taichia Chengdu Glass Fiber Co., Ltd. (TCD)	〃
Taichia Bengbu Glass Fiber Co., Ltd. (TBF)	〃
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	Associate
Tai Fong Investment Co., Ltd.	Other related parties
Tai Cheng Investment Co., Ltd.	〃
Tai Yu Investment Co., Ltd.	〃
Tai Fong Golf Club	〃
Shihlien International Investment Co., Ltd.	〃
Shihlien Fine Chemical Co., Ltd.	〃
TECO Nanotech Co., Ltd.	〃
TECO Electric & Machinery Co., Ltd.	〃
Information Technology Total Services Corp.	〃
Xue Xue Institute	〃
Xue Xue Foundation	〃
HARIO Co., Ltd. (Note)	〃

Note: Since May 31, 2018, it was not the Company's related party.

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2018	2017
Subsidiaries	$635,003	$529,564
Other related parties	2,010	6,253
Total	$637,013	$535,817

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for related parties was month-end 90 days. The outstanding balance at December 31, 2018 and 2017 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	For the years ended December 31,	
	2018	2017
Subsidiaries	$94,830	$105,506
Associate	7,074	7,285
Other related parties	304	2,142
Total	$102,208	$114,933

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are paid on delivery.

(3) Other income (Guarantee income and technical service etc.)

	For the years ended December 31,	
	2018	2017
Subsidiaries	$103,502	$113,690
Associate	890	1,987
Other related parties	5,968	5,902
Total	$110,360	$121,579

(4) Other income (rental income)

	For the years ended December 31,	
	2018	2017
Subsidiaries	$28,391	$29,744

The rental income is due to a lease of plant and warehouse and the rents were based on local market price.

(5) Manufacture expense – rental expense

	For the years ended December 31,	
	2018	2017
Subsidiaries	$15,360	$15,360
Other related parties	25,575	25,622
Total	$40,935	$40,982

The Company has leased plant, offices, warehouse and land and the rent were based on local market price and prepaid for 1 year.

(6) Accounts receivable

	As of December 31,	
	2018	2017
Subsidiaries	$75,515	$72,484
Other related parties	34	11
Total	75,549	72,495
Less: loss allowance	-	-
Net	$75,549	$72,495

(7) Other receivables

A. Guarantee and technical service receivable

	As of December 31,	
	2018	2017
Subsidiaries		
TCD	$37,278	$27,149
TGF	25,182	22,059
TBF	24,550	3,795
CFG	22,064	15,931
TGCH	16,425	164,125
Others	48,146	55,468
Subtotal	173,645	288,527
Associate	915	1,955
Other related parties	12	11
Total	$174,572	$290,493

B. Financing

2018: None

	For the years ended December 31, 2017				
	Maximum Balance	Ending Balance	Rate	Interest Income	Interest Receivable
Subsidiaries	$1,271,996 (USD 15,000 thousand and JYP 2,902,772 thousand)	$-	-	$9,302	$13,742

(8) Accounts payable – related parties

	As of December 31,	
	2018	2017
Subsidiaries	$1,201	$17,595
Other related parties	86	187
Total	$1,287	$17,782

(9) Contract liabilities/ advance receipts

	As of December 31,	
	2018	2017
Subsidiaries		
TYAU	$245,814	$240,185
Others	44	-
Total	$245,858	$240,185

(10) Others

The Company's other transactions with subsidiaries and other related parties is as follows:

	As of December 31,	
Other current assets	2018	2017
Subsidiaries	$3	$-
Other related parties	-	24,762
Total	$3	$24,762

	As of December 31,	
Other current liabilities	2018	2017
Subsidiaries	$5,154	$14,001
Other related parties	2,352	26,135
Total	$7,506	$40,136

	As of December 31,	
Other non-current liabilities	2018	2017
Subsidiaries	$-	$9

	For the years ended December 31,	
Operating expenses	2018	2017
Subsidiaries	$172	$211
Other related parties	6,328	10,314
Total	$6,500	$10,525

(11) The payment term to related parties has no significant difference to other third parties. The outstanding balance at December 31, 2018 and 2017 was unsecured, non-interest bearing and must be settled in cash. The receivables from and the payables to the related parties were not guaranteed.

(12) The Company purchased the intangible assets and property, plant and equipment from the other related parties in the amount of NT$1,632 thousand in 2018; the Company purchased the intangible assets and construction in progress from the other related parties in the amount of NT$3,282 thousand in 2017. The Company sold property, plant and equipment to the subsidiaries in the amount of NT$ 23,977 thousand and recognized unrealized gain in the amount of NT$6,642 thousand in 2018. No such transactions occurred in 2017.

(13) Key management personnel compensation

	For the years ended December 31,	
	2018	2017
Short-term employee benefits	$50,891	$65,856
Post-employment benefits	1,952	1,998
Total	$52,843	$67,854

8. Assets pledged as security

None.

9. Commitments and contingencies

As of December 31, 2018, the contingency and off balance sheet commitments are as follows:

(1) As of December 31, 2018, the outstanding promissory notes signed for business needs, including importing equipment, purchase of equipment, performance bond, and loan guarantee, totaled NT$17,160,470 thousand.

(2) Commodity tax and export tariff were NT$19,581 thousand.

(3) Unsecured balance of letters of credit is as follows:

Currency	Unused Balance (in thousands)
USD	$9,716
JPY	72,652
EUR	2,089
SEK	1,647
GBP	20
RMB	3,664

(4) Significant contracts of construction in progress and equipment are as follows:

Items	Contract amount	Amount paid	Amount unpaid
Taoyuan factory	$194,459	$71,200	$123,259
Lukang factory	219,838	114,916	104,922
Others	283,683	175,823	107,860
Total	$697,980	$361,939	$336,041

The above amount paid was recognized as construction in progress under property, plant and equipment and prepayment for equipment under noncurrent assets.

(5) The Company signed the promissory notes in amount of NT$750,000 thousand, US$389,000 thousand and RMB486,000 thousand for its subsidiaries' secured loans.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

Financial Instruments

(1) Categories of financial instruments

Financial assets	As of December 31, 2018	As of December 31, 2017
Financial assets at fair value through other comprehensive income	$263,232	(Note)
Available-for-sale financial assets	(Note)	$264,232
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding cash on hand)	584,141	(Note)
Receivables	1,517,885	(Note)
Refundable deposits	11,517	(Note)
Loans and receivables:		
Cash and cash equivalents (excluding cash on hand)	(Note)	1,087,817
Receivables	(Note)	1,891,017
Refundable deposit	(Note)	9,243
Subtotal	2,113,543	2,988,077
Total	$2,376,775	$3,252,309

Financial liabilities	As of December 31,	
	2018	2017
Financial liabilities at amortized cost:		
Short-term loans	$1,900,000	$300,000
Short-term bills payable	3,295,570	2,196,039
Payables	1,508,398	1,560,526
Long-term loans (including current portion)	11,484,940	10,958,300
Deposits-in	791	803
Total	$18,189,699	$15,015,668

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

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

(3) Market risk

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

In practice, it is rarely the case that a single risk variable changes independently from other risk variables, there are usually interdependencies between risk variables. The sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

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

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars. The information of the sensitivity analysis is as follows:

When NTD weakens/strengthens against US dollars by 1%, the profit for the years ended of December 31, 2018 and 2017 is decreased/increased by NT$7,782 thousand and NT$11,434 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2018 and 2017 to be decreased/increased by NT$8,510 thousand and NT$7,704 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under available-for-sale financial assets. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The amount of the investment in the unlisted equity securities is not significant. Therefore, a change in the overall earnings stream of the valuations performed on the invested company would not have a significant impact on the income nor equity attributable to the Company for the years ended December 31, 2018 and 2017.

As of December 31, 2018, a change of 10% in the price of the listed companies' stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$21,075 on the equity attributable to the Company.

As of December 31, 2017, a decrease of 10% in the price of the listed equity securities classified as available-for-sale could have an impact of NT$22,007 thousand on the income or equity attributable to the Company. An increase of 10% in the value of the listed securities would only result in an impact of NT$22,007thousand on equity but would not have an effect on profit.

(4) Credit risk management

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

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

As of December 31, 2018 and 2017, accounts receivables from top ten customers represented amounts less than 10% of the total accounts receivables of the Company. The credit concentration risk of accounts receivables is insignificant.

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

The Company adopted IFRS 9 to assess the expected credit losses since January 1, 2018. The loss allowance of accounts receivables is measured at lifetime expected credit losses. In addition, financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When assessing the expected credit losses in accordance with IFRS 9, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2018					
Short-term loans	$1,904,589	$-	$-	$-	$1,904,589
Short-term bills payable	3,300,000	-	-	-	3,300,000
Payables	1,508,398	-	-	-	1,508,398
Long-term loans	5,427,836	4,501,206	1,568,170	370,115	11,867,327
As of December 31, 2017					
Short-term bills payable	$300,294	$-	$-	$-	$300,294
Payables	2,200,000	-	-	-	2,200,000
Corporate bonds payable	1,560,526	-	-	-	1,560,526
Long-term loans	2,041,750	7,561,385	1,640,855	100,522	11,344,512

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities during 2018:

	Short-term loans	Short-term notes payables	Long-term loans	Total liabilities from financing activities
As of January 1, 2018	$300,000	$2,200,000	$10,958,300	$13,458,300
Cash flows	1,600,000	1,100,000	526,640	3,226,640
As of December 31, 2018	$1,900,000	$3,300,000	$11,484,940	$16,684,940

Reconciliation of liabilities during 2017: Not applicable.

(7) Fair values of financial instruments

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

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

a. The carrying amount of cash and cash equivalents, receivables, payables, refundable deposit and deposits-in approximate their fair value due to their short maturities.
b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
c. Fair value of equity instruments without market quotations (including private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
d. Fair value of debt instruments without market quotations and bank loans are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company’s financial instruments measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12. (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

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

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

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

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity instrument measured at fair value through other comprehensive income	$210,750	$-	$52,582	$263,332

As of December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets:				
Available-for-sale financial assets				
Equity securities	$220,073	$-	$44,159	$264,232

During the years ended December 31, 2018 and 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

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

	Assets
	Equity instrument measured at fair value through other comprehensive income
	Stocks
Beginning balances As of January 1, 2017	$44,250
Total gains and losses recognized for the year ended December 31, 2017:	
Amount recognized in profit or loss	(8,250)
Amount recognized in OCI	8,159
Ending balances as of December 31, 2017	44,159
Total gains and losses recognized for the year ended December 31, 2018:	
Amount recognized in profit or loss	-
Amount recognized in OCI	8,423
Ending balances as of December 31, 2018	$52,582

Total gains and losses recognized for the years ended December 31, 2018 and 2017 contained gains and losses related to the such assets on hand as of December 31, 2018 and 2017 in the amount of NT$8,423 thousand and NT$(91) thousand, respectively.

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

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Disclose assets of fair value:				
Investment Property (Note 6. (10))	$-	$-	$172,543	$172,543

As of December 31, 2017

	Level 1	Level 2	Level 3	Total
Disclose assets of fair value:				
Investment Property (Note 6. (10))	$-	$-	$170,914	$170,914

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(in thousands)

	As of December 31, 2018		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$25,342	30.715	$778,383
Non-Monetary items:			
USD	12,058	30.715	370,351

	As of December 31, 2017		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$38,422	29.76	$1,143,429
Non-Monetary items:			
USD	10,669	29.76	317,496

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

Since there were various transaction currencies used, the Company was unable to disclose foreign exchange gains (losses) towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains (losses) were NT$57,321 thousand and NT$(121,609) thousand for the years ended December 31, 2018 and 2017, respectively.

(10) Capital management

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

(11) Information of finance assets transfer

Transferred financial assets that are partially-derecognized in their entirety

The Company entered into a factoring agreement with a financial institution, which is partly with recourse and partly non-recourse. The Company has transferred the right on those non-recourse factoring, and in accordance with the contract, the Company shall not be liable for the credit risks associated with uncollectable receivables (except for commercial disputes), which met the requirements for derecognizing financial assets. The related information is as follows:

As of December 31, 2018:

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	$438,775	$394,898	$397,010	1.07%~1.08%	$800,000

As of December 31, 2017:

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	$468,512	$421,661	$422,877	0.99%~1.08%	$800,000

(12) Others

As of December 31, 2018, there was liquidity risk that the Company’s current liabilities exceeded current assets. However, the Company has scheduled other financing plans to counter the risk. The Company considers that the measures mentioned above could reduce the liquidity risk as of December 31, 2018 significantly.

13. Other disclosure

(1) Information at significant transactions

A. Lending fund to others: Please refer to Attachment 1.
B. Endorsement/guarantee provided to others: Please refer to Attachment 2.
C. Securities held at the end of the period: Please refer to Attachment 3.
D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
E. Acquisition of real estate with amount exceeding NT$300 million or 20 percent of the capital stock or more: None.

F. Disposal of real estate with amount exceeding NT$300 million or 20 percent of the capital stock or more: None.
G. Related party transactions for purchases and sales amounts exceeding NT$100 million or 20 percent of the capital stock or more: Please refer to Attachment 5.
H. Receivables from related parties with amounts exceeding NT$100 million or 20 percent of capital stock or more: Please refer to Attachment 6.
I. Financial instruments and derivative transactions: None.
J. Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: Please refer to Attachment 7.

(2) Information on investees

Information of the investees in which the Company directly or indirectly has significant influence or control: Please refer to Attachment 8.

(3) Information on investments in Mainland China

A. Investee's name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income or loss, carrying value of the investments, inward remittance of earnings and limits on investments in Mainland China: Please refer to Attachment 9.

B. Directly or indirectly significant transactions through other regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition are disclosed as follows:

a. Accumulated amount and percentage of purchase and related payables at the end of the period: Please refer to Note 7 and Attachment 5.
b. Accumulated amount and percentage of sales and related receivables at the end of the period: Please refer to Note 7 and Attachment 5.
c. Amount of property transaction and related gain or loss: Note 7.
d. Endorsement/guarantee provided to others at the end of the period: Please refer to Attachment 2.
e. Financing provided to others at the end of the period: Note 7.
f. Other significant transactions, such as service provided or received: Please refer to Note 7.

Attachment 1

Financing provided to others for the year ended December 31, 2018 (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Maximum Balance for the Period	Ending Balance (In Thousands) (Note 8)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
1	TGCH	TXY	Other receivables	Yes	$185,730	$-	$-	-	2	$-	Need for operating	$-	-	$ -	44,199,411 × 40%= 17,679764(in thousand)	44,199,411 × 40%= 17,679,764(in thousand)
1	TGCH	HNG	〃	Yes	364,125	-	-	-	2	-	Need for operating	-	-	-	"	"
1	TGCH	TBF	〃	Yes	826,335	-	-	-	2	-	Need for operating	-	-	-	"	"
1	TGCH	CFG	〃	Yes	609,200	307,150	307,150	4.41%	2	-	Need for operating	-	-	-	"	"
1	TGCH	FPG	〃	Yes	1,057,784	545,989	545,989	4.00%~4.35%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TJG	〃	Yes	1,840,419	1,182,433	1,121,003	4.00%~4.88%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TAH	〃	Yes	2,907,475	1,842,900	1,228,600	4.45%~4.64%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TCD	〃	Yes	4,212,450	1,996,475	1,382,175	4.29%~4.81%	2	-	Need for operating	-	-	-	"	"
2	CFG	TTAR	〃	Yes	280,204	-	-	-	2	-	Need for operating	-	-	-	1,905,569 × 40%= 762,228(in thousand)	1,905,569 × 60%= 1,143,341(in thousand)
2	CFG	TWAR	〃	Yes	23,420	23,318	23,318	-	2	-	Need for operating	-	-	-	"	"
3	CDG	TYAU	〃	Yes	214,782	-	-	-	2	-	Need for operating	-	-	-	7,421,535 × 40%= 2,968,614(in thousand)	7,421,535 × 60%= 4,452,921(in thousand)
3	CDG	CFG	〃	Yes	636,998	-	-	-	2	-	Need for operating	-	-	-	"	"
3	CDG	TYSM	〃	Yes	175,480	84,986	84,986	5.60%	2	-	Need for operating	-	-	-	"	"
3	CDG	HZSS	〃	Yes	148,041	145,086	145,086	0.35%	2	-	Need for operating	-	-	-	"	"
3	CDG	TTAR	〃	Yes	513,610	492,285	492,285	4.13%	2	-	Need for operating	-	-	-	"	"
3	CDG	TXY	〃	Yes	1,131,228	1,083,027	993,521	0.35%~4.42%	2	-	Need for operating	-		-	"	"
3	CDG	TWAR	〃	Yes	1,794,602	1,794,602	1,257,564	0.35%~4.13%	2	-	Need for operating	-		-	"	"
4	QFG	QRG	〃	Yes	311,158	179,013	148,497	-	2	-	Need for operating	-	-	-	1,533,708 × 40%= 613,483(in thousand)	1,533,708 × 60%= 920,225(in thousand)

Attachment 1

Financing provided to others for the year ended December 31, 2017(Continue) (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (In Thousands) (Note 8)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
5	HNG	ZZSS	Other receivables	Yes	$74,721	$49,672	42,840	-	2	-	Need for operating	-	-	-	3,337,770 × 40%= 1,335,108(in thousand)	3,337,770 × 60%= 2,002,662(in thousand)
6	TGF	TBF	〃	Yes	466,918	447,532	268,519	5.51%	2	-	Need for operating	-	-	-	6,456,718 × 40%= 2,582,687(in thousand)	6,456,718 × 60%= 3,874,031(in thousand)
6	TGF	TCD	〃	Yes	1,401,022	1,342,595	1,253,089	4.35%~5.51%	2	-	Need for operating	-	-	-	"	"
7	DHG	QFG	〃	Yes	106,670	53,704	50,079	4.00%	2	-	Need for operating	-	-	-	5,201,706 × 40%= 2,080,682(in thousand)	5,201,706 × 60%= 3,121,024(in thousand)
7	DHG	FPG	〃	Yes	1,746,608	1,673,769	1,673,769	4.00%	2	-	Need for operating	-	-	-	"	"
8	TAH	FYSS	〃	Yes	53,704	53,704	53,704	2.00%	2	-	Need for operating	-	-	-	1,976,227 × 40%= 790,491(in thousand)	1,976,227 × 60%= 1,185,736(in thousand)
9	HZSS	TXY	〃	Yes	25,066	25,066	25,066	-	2	-	Need for operating	-	-	-	165,811 × 40%= 66,324(in thousand)	165,811 × 60%= 99,487(in thousand)
10	TXY	TWAR	〃	Yes	7,081	7,081	7,081	-	2	-	Need for operating	-	-	-	2,546,635 × 40%= 1,018,654(in thousand)	2,546,635 × 60%= 1,527,981(in thousand)
Total							$11,104,321									

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

1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3: Maximum balance of the Company and its subsidiaries' financing to others for the year ended December 31, 2017

Note 4: Nature of financing is coded as follows:

1. The financing occurred due to business transactions
2. The financing occurred due to short-term financing

Note 5: Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

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

Note 7: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 8: If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,

the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet.

With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk.

If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companie

the company still needs to disclose the amount approved by the board.

Attachment 2

Endorsement/guarantee provided to others for the year ended December 31, 2018

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Endorser/ Guarantor	Receiving Party Company Name	Receiving Party Relationship	Limits of Endorsement /Guarantee Amount for	Maximum Balance	Ending Balance (Note 5)	Actual Amount provided	Amount of Endorsement/	Percentage of Accumulated Endorsement/Guarantee to Net	Limit on the Endorsement/Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for	Subsidiaries Endorsed or Guaranteed for	Endorsement or Guarantee for
0	TGI	TGCH	2	$22,122,740	$9,190,575	$4,219,240	$4,219,240	$ -	10%	1. In accordance with the Article 4 of the Procedures for Endorsement and Guarantee, the Company may provide endorsement/guarantee to others but shall not exceed 120% of its net assets. For endorsement/guarantee to individual entity, the amount is limited to 50% of the Company's net assets. 2.Subsidiaries may provide endorsement/guarantee to others but shall not exceed 100% of their net assets. For endorsement/guarantee to individual entity, the amount is limited to 60% of the subsidiary's net assets. 3.TGI： 44,245,480*120％= 53,094,576(in thousand) 4.TGF： 6,456,718*100％= 6,456,718(in thousand) 5.CFG： 1,905,569 thousand*100％= 1,905,569(in thousand) 6.DHG： 5,201,706*100％= 5,201,706(in thousand) 7.TGCH： 44,199,411*100％= 44,199,411(in thousand) 8.TCD： 2,773,572*100％= 2,773,572(in thousand) 9.QFG： 1,533,708*100％= 1,533,708(in thousand)	Y		
0	TGI	CDG	2	〃	655,982	-	-	-	0%		Y		Y
0	TGI	TWAR	2	〃	754,130	-	-	-	0%		Y		Y
0	TGI	CFG	2	〃	97,680	89,550	-	-	0%		Y		Y
0	TGI	TYSM	2	〃	763,795	237,295	88,620	-	1%		Y		Y
0	TGI	QFG	2	〃	606,950	300,700	300,700	-	1%		Y		Y
0	TGI	TGF	2	〃	591,055	413,810	413,810	-	1%		Y		Y
0	TGI	HNG	2	〃	754,300	446,750	151,550	-	1%		Y		Y
0	TGI	TYAU	2	〃	753,036	501,493	501,493	-	1%		Y		Y
0	TGI	FPG	2	〃	847,136	613,627	-	-	1%		Y		Y
0	TGI	TJG	2	〃	907,175	754,550	605,875	-	2%		Y		Y
0	TGI	TCD	2	〃	853,922	853,922	853,922	-	2%		Y		Y
0	TGI	TXY	2	〃	2,142,503	862,874	862,874	-	2%		Y		Y
0	TGI	TAH	2	〃	1,408,625	1,408,625	1,408,625	-	3%		Y		Y
0	TGI	TBF	2	〃	4,205,700	4,054,425	3,230,685	-	9%		Y		Y
1	TGF	CFG	4	3,874,031	138,107	134,259	-	-	2%				Y
1	TGF	TCD	4	〃	1,203,431	895,064	640,382	-	14%				Y
2	CFG	TTAR	4	1,143,342	373,606	268,519	223,766	-	14%				Y
2	CFG	TGF	4	〃	513,708	492,285	366,226	-	26%				Y
3	DHG	QFG	4	3,121,024	720,101	716,051	447,532	-	14%				Y
4	TGCH	TGI	3	26,519,647	50,000	50,000	50,000	-	0%			Y	
5	TCD	TGF	4	1,664,143	233,504	-	-	-	0%				Y
6	QFG	TQPT	2	920,225	271,105	269,839	223,766	-	18%		Y		Y

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

1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: Receiving parties are disclosed as one of the following:

1. An investee that has a business relationship with the Company
2. A subsidiary in which the Company holds directly over 50% of equity interest.
3. An investee in which the Company and its subsidiaries hold over 50% of equity interest.
4. An investee in which the Company holds directly or indirectly over 50% of equity interest.
5. A company which needs mutual insurance basing on the construction agreement.
6. A company in which the Company endorses or guarantees basing on the holding proportion of mutual investments.

Note 3: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 4: The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others for the year ended December 31, 2017

Note 5: The Company bears the responsibility of endorsements or guarantees as long as the ceilings on the amount of guarantees or endorsements are approved by banks.
Other occurrences related to endorsement or guarantee shall be included in the balance.

Note 6: Fill in the actual amount drawn from the balance.

Note 7: Fill in "Y" if it belongs to "Parent Company Endorsement or Guarantee for the Subsidiaries", "Subsidiaries Endorsement or Guarantee for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Attachment 3

Securities held as of December 31, 2018

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2018 Shares	Carrying Value (Note 3)	Percentage of Ownership	Fair Value	Remark (Note 4)
TGI	Securities:							
	China Development Financial Holdings	-	Available - for - sale financial assets - non - current	21,681,340	$210,743	0.14%	$210,743	
	Chi-Ye Chemical Corp.	-	〃	659,000	52,582	3.30%	52,582	
	Chang Hwa Commercial Bank, Ltd.	-	〃	308	5	0.00%	5	
	Hua Nan Financial Holdings Co., Ltd.	-	〃	141	2	0.00%	2	
	Total				$263,332			
	Financial products－							
CDG	Bank of Communications, Qingbaijiang Branch	-	Financial assets at fair value through profit or loss - current	-	$478,859	-	$478,859	

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2: Securities issued by non-related parties are not required to fill in this column.

Note 3: For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment.

For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4: Securities with restrictions because of being provided for security, as pledge or under other covenants should state the number of shares or dollar amount provided for security or pledge and the restriction terms.

Attachment 4

Individual securities acquired or disposed of with accumulated amount exceeding

NT$300 million or 20 percent of the capital stock for the year ended December 31, 2018

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Selling Amount	Carrying Value	Gain or Loss on Disposal	Shares	Amount
TGI	Securities TGCH	Investments accounted for using the equity method	TGCH	Parent-Subsidiary	1,307,251,564	$39,740,085	46,781,758	$1,434,796 (Note5) 345,462 (Note6)	-	$-	$-	$-	1,354,033,322	$41,520,343
TGCH	SCH	Investments accounted for using the equity method	SCH	Associate	1,448,323,842	3,001,820	456,122,144	1,434,796 (Note5) (313,657) (Note6)	-	-	-	-	1,904,445,986	4,122,959
CDG	Financial products－Bank of Communications, Qingbaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	556,305 (9,048) (Note7)	-	68,485	68,398	87	-	478,859

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other securities derived from the above items.

Note 2: These columns are filled only if securities are investments accounted for using the equity method.

Note 3: Accumulated amount of securities purchased or sold are calculated at market value to determine whether they exceed NT$300 million or 20% of the capital stock.

Note 4: Paid-in Capital shall refer to the paid-in capital of parent company.

Note 5: The amount includes cash injection.

Note 6: The amount includes share of losses of subsidiaries, share of other comprehensive income, and increase through changes in ownership interests in subsidiaries.
and other changes in stockholders' equity of equity investees.

Note 7: The amount includes foreign exchange adjustments.

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT$100 million
or 20 percent of capital stock as of for the year ended December 31, 2018

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		Remark (Note 2)
			Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Percentage of Total Receivable (Payable)	
TGI	TAG	Parent-subsidiary	Sales	$(104,822)	(1)%	3 months	$-	-	$13,190	1%	
TGI	QFG	Parent-subsidiary	Sales	(355,640)	(3)%	3 months	-	-	61,945	5%	
TGI	TGF	Parent-subsidiary	Sales	(105,341)	(1)%	3 months	-	-	380	0%	
CFG	TKG	Affiliate Company	Sales	(498,240)	(12)%	3 months	-	-	-	-	
TAH	CFG	Affiliate Company	Sales	(390,904)	(14)%	3 months	-	-	120,717	19%	
TAH	TTAR	Affiliate Company	Sales	(294,892)	(11)%	3 months	-	-	183,105	30%	
TAH	TWAR	Affiliate Company	Sales	(257,329)	(10)%	3 months	-	-	121,573	20%	
TCD	TGF	Affiliate Company	Sales	(212,648)	(10)%	3 months	-	-	22,440	4%	
QFG	TGUS	Affiliate Company	Sales	(261,913)	(12)%	3 months	-	-	25,357	23%	
QFG	TPMT	Other related party	Sales	(140,824)	(7)%	3 months	-	-	-	-	
TJG	TGUS	Affiliate Company	Sales	(241,800)	(14)%	3 months	-	-	13,727	6%	
TXY	XYES	Parent-subsidiary	Sales	(139,193)	(4)%	3 months	-	-	32,666	6%	
TXY	CDG	Affiliate Company	Sales	(138,235)	(4)%	3 months	-	-	111,303	22%	
TYAU	DYK	Other related party	Sales	(268,149)	(55)%	3 months	-	-	94,847	64%	
TAG	TGI	Parent-subsidiary	Purchases	104,822	42 %	3 months	-	-	(13,190)	(38)%	
QFG	TGI	Parent-subsidiary	Purchases	355,640	21 %	3 months	-	-	(61,945)	(29)%	
TKG	CFG	Affiliate Company	Purchases	498,240	49 %	3 months	-	-	-	-	

Attachment 5
Related party transactions for purchases and sales amounts exceeding NT$100 million
or 20 percent of capital stock as of for the year ended December 31, 2018(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		Remark (Note 2)
			Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Percentage of Total Receivable (Payable)	
CFG	TAH	Affiliate Company	Purchases	$390,904	13 %	3 months	$-	-	$(120,717)	(12)%	
TTAR	TAH	Affiliate Company	Purchases	294,892	48 %	3 months	-	-	(183,105)	(74)%	
TWAR	TAH	Affiliate Company	Purchases	257,329	34 %	3 months	-	-	(121,573)	(63)%	
TGF	TGI	Parent-subsidiary	Purchases	105,341	4 %	3 months	-	-	(380)	-	
TGF	TCD	Affiliate Company	Purchases	212,648	9 %	3 months	-	-	(22,440)	(24)%	
TGUS	QFG	Affiliate Company	Purchases	261,913	32 %	3 months	-	-	(25,357)	(46)%	
TGUS	TJG	Affiliate Company	Purchases	241,800	30 %	3 months	-	-	(13,727)	(25)%	
XYES	TXY	Parent-subsidiary	Purchases	139,193	100 %	3 months	-	-	(32,666)	(100)%	
CDG	TXY	Affiliate Company	Purchases	138,235	5 %	3 months	-	-	(111,303)	(43)%	
HNG	SCJ	Affiliate Company	Purchases	349,746	21 %	3 months	-	-	(66,539)	(37)%	
DHG	SCJ	Affiliate Company	Purchases	472,609	28 %	3 months	-	-	(1,498)	(3)%	
TJG	SCJ	Affiliate Company	Purchases	184,951	14 %	3 months	-	-	(53,891)	(24)%	
QFG	SCJ	Affiliate Company	Purchases	237,177	14 %	3 months	-	-	-	-	
TAH	SCJ	Affiliate Company	Purchases	388,180	20 %	3 months	-	-	(35,647)	(32)%	
TAH	TRAE	Affiliate Company	Purchases	246,244	12 %	3 months	-	-	-	-	
CFG	SCJ	Affiliate Company	Purchases	370,344	12 %	3 months	-	-	(40,652)	(21)%	
FPG	SCJ	Affiliate Company	Purchases	167,774	17 %	3 months	-	-	(94,795)	(60)%	

Note 1: If the related parties' trading terms are different from the general trading terms, the differences and reasons for such differences should be stated in the "Unit price" and "Terms" columns.
Note 2: Transactions with advance receipts and prepayments should state the reasons, the terms of agreements, the amount and the difference from general transactions in the Remark column.
Note 3: Paid-in Capital shall refer to the paid-in capital of parent company.If the issuer's stock is not denominated or the denomination is not NT$10,
the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of f the parent company on the balance sheet.

Attachment 6

Receivables from related parties with amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2018 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGCH	CFG	Parent-subsidiary	Other receivables $330,133	-	$-	-	$-	$-
TGCH	TJG	Parent-subsidiary	Other receivables 1,140,168	-	-	-	-	-
TGCH	FPG	Parent-subsidiary	Other receivables 555,772	-	-	-	-	-
TGCH	TCD	Parent-subsidiary	Other receivables 1,397,676	-	-	-	-	-
TGCH	TAH	Parent-subsidiary	Other receivables 1,305,488	-	-	-	-	-
QFG	QRG	Parent-subsidiary	Other receivables 148,497	-	-	-	-	-
CDG	TWAR	Affiliate Company	Other receivables 1,264,301	-	-	-	-	-
CDG	HZSS	Affiliate Company	Other receivables 145,535	-	-	-	-	-
CDG	TXY	Affiliate Company	Other receivables 998,047	-	-	-	-	-
CDG	TTAR	Affiliate Company	Other receivables 498,962	-	-	-	-	-
TKG	CFG	Affiliate Company	Other receivables 712,717	-	-	-	-	-

Attachment 6

Receivables from related parties with amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2018(Continue) (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGF	TCD	Affiliate Company	Other receivables $1,255,040	-	-	-	-	-
TGF	TBF	Affiliate Company	Other receivables 271,498	-	-	-	-	-
DHG	FPG	Affiliate Company	Other receivables 1,712,733	-	-	-	-	-
TKG	CFG	Affiliate Company	Account receivables 108,744	-	-	-	-	-
TXY	CDG	Affiliate Company	Account receivables 111,303	-	-	-	-	-
TAH	CFG	Affiliate Company	Account receivables 120,717	-	-	-	-	-
TAH	TTAR	Affiliate Company	Account receivables 183,105	-	-	-	-	-
TAH	TWAR	Affiliate Company	Account receivables 121,573	-	-	-	-	-

Note 1: Fill in information such as related parties account receivables, notes receivable, other receivables, etc.

Note 2: Paid-in Capital shall refer to the paid-in capital of parent company.If the issuer's stock is not denominated or the denomination is not NT$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of f the parent company on the balance sheet.

Attachment 7

Significant intercompany transactions for the year ended December 31, 2018

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transaction Details: Account	Amount	Terms	Percentage (Note 3)
0	TGI	TAG	1	Sales revenues	$104,882	The same as domestic sales	0%
0	TGI	QFG	1	〃	355,622	〃	1%
0	TGI	TGF	1	〃	105,341	〃	0%
1	CFG	TKG	3	〃	498,240	〃	1%
2	TAH	CFG	3	〃	390,904	〃	1%
2	〃	TTAR	3	〃	294,892	〃	1%
2	〃	TWAR	3	〃	257,329	〃	1%
3	TCD	TGF	3	〃	212,648	〃	1%
4	QFG	TGUS	3	〃	261,913	〃	1%
5	TJG	TGUS	3	〃	241,800	〃	1%
6	TXY	XYES	1	〃	139,193	〃	0%
6	〃	CDG	3	〃	138,235	〃	0%
7	TKG	CFG	3	Accounts receivables - related parties	108,744		0%
6	TXY	CDG	3	〃	111,303		0%
2	TAH	CFG	3	〃	120,717		0%
2	〃	TTAR	3	〃	183,105		0%
2	〃	TWAR	3	〃	121,573		0%
8	TGCH	CFG	1	Other receivables - related parties	330,133		0%
8	〃	TJG	1	〃	1,140,168		1%
8	〃	FPG	1	〃	555,772		1%
8	〃	TCD	1	〃	1,397,676		2%
8	〃	TAH	1	〃	1,305,488		2%
7	TKG	CFG	3	〃	712,717		1%
4	QFG	QRG	1	〃	148,497		0%
9	CDG	TWAR	3	〃	1,264,301		1%
9	〃	HZSS	3	〃	145,535		0%
9	〃	TXY	3	〃	998,047		1%
9	〃	TTAR	3	〃	498,962		1%
10	TGF	TCD	3	〃	1,255,040		1%
10	〃	TBF	3	〃	271,498		0%
11	DHG	FPG	3	〃	1,712,733		2%

Note 1: The Company and its subsidiaries are coded as follows:
1 The Company is coded "0".
2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:
1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets; items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 4: The disclosure of significant intercompany transactions in this attachment is determined by the company based on the materiality.

Attachment 8

Names, locations and related information of investee companies as of December 31, 2018 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Investee (Note 1,2)	Area Within	Nature of Business	Initial Investment		Investment as of December 31, 2018			Profit or Loss of Investee (Note 2)	Gain or Loss on Investment (Note 2,3)	Remark
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership	Carrying Value			
TGI	TGUS	US	Investment in QRG and selling of glasses.	$17,676 USD 461	$17,676 USD 461	4,612	100.00%	$370,351	$43,233	$43,233	
〃	TGCH	Bermuda	Investment in QRG, QFG, YNSS, TGF, CFG, FYSS, CDG, DHG, HZSS, HNG, TKG, TJG, FPG, TXY, TTAR, TYAU, TAH, TYSM, TWAR, TCD, TBF, and SCH.	41,724,578 USD 1,343,151	40,289,782 USD 1,296,369	###########	93.98%	41,520,343	1,515,768	1,411,759	
〃	TAG	Taiwan	Investment in TAGH and selling of auto glasses.	263,582	263,582	26,100,000	87.00%	256,946	(50,005)	(43,933)	
〃	TVIG	Taiwan	Selling vacuum insulation glass	438,750	438,750	43,875,000	65.00%	193,352	(44,164)	(28,707)	
〃	HTG	Taiwan	Selling kitchen appliance	10,000	10,000	-	-	-	2,262	1,131	(Note 3)
TGCH	SCH	Hong Kong	Investment in Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ) and Huaian Shihyuan Brine Co., Ltd. (HSB).	7,861,681 USD 252,088	6,426,885 USD 205,307	1,904,445,986	43.99%	4,122,959	532,595	197,348	
TAG	TAGH	Bermuda	Investment in TYAU.	188,571 USD 6,000	188,571 USD 6,000	6,000,000	100.00%	87,206	(6,724)	(6,724)	

Note 1: A listed company which has a foreign holding company that uses the consolidated financial statements as the master financial report according to its local regulations may disclose information regarding foreign investees only to the extent of the holding company.

Note 2: Fill in information following the instruction below for matters not applied in Note 1 indicated above:

(1) The columns of "Name of investee", "Area Within", "Nature of Business", "Initial Investment" and "Investment as of December 31, 2018" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column. (Such as subsidiary or sub-subsidiary)

(2) The column of "Profit or Loss of Investee" should fill in the current profit or loss of the investees.

(3) The column of "Gain or Loss on Investment" only require profit / loss of the direct investees and all investees accounted for under the equity method When filling in the above items, make sure the profit / loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: Due to changes in operating strategies, the resolution disbanded HTG. on March 31, 2018 and the Company has lost its control.

Attachment 9

Investment in Mainland China as of December 31, 2018

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2018	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2018	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)c.)	Carrying Value as of December 31, 2018	Accumulated Inward Remittance of Earnings as of December 31, 2018
					Outflow	Inflow						
QRG	Manufacturing of photovoltaic glass	$899,734 USD 29,293 (Note 19)	(i)	$32,988 USD 1,074	$- -	$- -	$32,988 USD 1,074	$(35,477)	94.96%	$(33,689)	$151,398	$-
QFG	Manufacturing of flat glasses	2,696,777 USD 87,800 (Note 13、Note22)	(ii)	1,455,553 USD 47,389	- -	- -	1,455,553 USD 47,389	(72,497)	93.98%	(68,133)	1,441,378	-
YNSS	Manufacturing of silica sand	123,136 USD 4,009 (Note 13)	(ii)	59,556 USD 1,939	- -	- -	59,556 USD 1,939	18,849	59.56%	11,227	102,661	-
CFG	Manufacturing of flat glasses & low-emission glasses	2,150,050 USD 70,000	(ii)	1,965,760 USD 64,000	- -	- -	1,965,760 USD 64,000	(50,722)	93.98%	(47,669)	1,790,854	-
FYSS	Manufacturing of silica sand	132,075 USD 4,300 (Note 6)	(ii)	64,502 USD 2,100	- -	- -	64,502 USD 2,100	(52,274)	93.98%	(49,127)	124,662	-
TGF	Manufacturing of glass fabric & fiber	3,378,650 USD 110,000 (Note 12)	(ii)	2,798,628 USD 91,116	- -	- -	2,798,628 USD 91,116	633,000	93.98%	594,893	6,068,023	-
CDG	Manufacturing of flat glasses & low-emission glasses	2,150,050 USD 70,000 (Note 11)	(ii)	1,501,810 USD 48,895	- -	- -	1,501,810 USD 48,895	751,953	93.98%	706,685	6,974,759	-
HZSS	Manufacturing of silica sand	322,508 USD 10,500	(ii)	322,508 USD 10,500	- -	- -	322,508 USD 10,500	(42,828)	93.98%	(40,250)	155,829	-
HNG	Manufacturing of flat glasses & low-emission glasses	3,255,790 USD 106,000 (Note 10)	(ii)	2,718,278 USD 88,500	- -	- -	2,718,278 USD 88,500	123,878	93.98%	116,421	3,136,836	-
DHG	Manufacturing of flat glasses	2,457,200 USD 80,000 (Note 8、Note 13、Note 21)	(ii)	1,535,750 USD 50,000	- -	- -	1,535,750 USD 50,000	302,993	93.98%	284,753	4,888,563	-
TJG	Manufacturing of flat glasses & low-emission glasses	2,180,765 USD 71,000 (Note 9)	(ii)	1,812,185 USD 59,000	- -	- -	1,812,185 USD 59,000	(308,193)	93.98%	(289,640)	51,190	-
TKG	Manufacturing of flat glasses	737,160 USD 24,000 (Note 7)	(ii)	368,580 USD 12,000	- -	- -	368,580 USD 12,000	172,828	93.98%	162,424	1,330,097	-
FPG	Manufacturing of photovoltaic glass & cell module assembly	2,547,134 USD 82,928 (Note 20)	(ii)	1,597,180 USD 52,000	- -	- -	1,597,180 USD 52,000	(496,539)	93.98%	(466,648)	(140,187)	-
SCJ	Manufacturing of soda ash	24,572,000 USD 800,000 (Note 14)	(ii)	4,901,868 USD 159,592	- -	- -	4,901,868 USD 159,592	1,038,519	41.34%	429,324	7,578,072	-
HSB	Manufacturing Brine	982,880 USD 32,000 (Note 15)	(ii)	184,290 USD 6,000	- -	- -	184,290 USD 6,000	158,984	41.34%	65,724	663,174	-
TXY	Manufacturing of flat glasses	3,071,500 USD 100,000 (Note 16)	(ii)	1,996,475 USD 65,000	- -	- -	1,996,475 USD 65,000	307,261	93.98%	288,764	2,393,328	-
TTAR	Manufacturing of low-emission glasses	1,075,025 USD 35,000	(ii)	1,075,025 USD 35,000	- -	- -	1,075,025 USD 35,000	56,882	93.98%	53,458	609,656	-

Attachment 9

Investment in Mainland China as of December 31, 2018(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2018	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2018	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)b.)	Carrying Value as of December 31, 2018	Accumulated Inward Remittance of Earnings as of December 31, 2018
					Outflow	Inflow						
TAH	Manufacturing of flat glasses	$2,610,775 USD 85,000	(ii)	$2,610,775 USD 85,000	$- -	$- -	$2,610,775 USD 85,000	$69,701	93.98%	$65,505	$1,857,258	$-
TYSM	Manufacturing of solar glasses	1,996,475 USD 65,000 (Note 17)	(ii)	1,382,175 USD 45,000	115,181 USD 3,750	- -	1,497,356 USD 48,750	(336,193)	70.49%	(236,982)	477,500	-
TWAR	Manufacturing of low-emission glasses	1,075,025 USD 35,000	(ii)	1,075,025 USD 35,000	- -	- -	1,075,025 USD 35,000	(50,932)	93.98%	(47,866)	363,845	-
TYAU	Manufacturing of auto glasses	2,088,620 USD 68,000 (Note 18)	(ii)	1,068,882 USD 34,800	- -	- -	1,068,882 USD 34,800	(69,433)	55.77%	(38,723)	577,009	-
TBF	Manufacturing of glass fabric	1,842,900 USD 60,000	(ii)	1,842,900 USD 60,000	- -	- -	1,842,900 USD 60,000	(246,275)	93.98%	(231,449)	1,352,890	-
TCD	Manufacturing of glass fabric	2,856,495 USD 93,000	(ii)	2,856,495 USD 93,000	- -	- -	2,856,495 USD 93,000	416,734	93.98%	391,647	2,606,603	-

(Dollar amount expressed in thousands of NTD; thousands of USD)

Accumulated Investment in Mainland China as of December 31, 2018	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 4)	Limit on Investment Amount to Mainland China
35,342,369 USD 1,150,655	39,750,256 USD 1,280,999 & RMB 90,356	(Note 5)

Note 1: The methods for engaging in investment in Mainland China include the following:
(i) Direct investment in Mainland China companies.
(ii) Investment in Mainland China companies through a company invested and established in a third region
(iii) Other methods

Note 2: In the column of profit or loss on investment:
(i) The investment still in preparation and not generating profit or loss yet should be noted.
(ii) The gain or loss on investment were determined based on the following:
a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm
b. The financial statements certificated by the CPA of the parent company in Taiwan
c. Others

Note 3: The amount of this attachment are expressed in New Taiwan Dollars.
Note 4: The investment amount was authorized by Investment Commission, Ministry of Economic Affairs.
Note 5: The Company does not have a limit on investment in Mainland China since it qualified as operation headquarter approved by the Industrial Development Bureau, Ministry of Economic Affairs.
Note 6: The TGCH invested the other USD 2,200 thousand to the entity with its own capital.
Note 7: The other USD 12,000 thousand was invested by third party through the TGCH.
Note 8: Third party invested USD 3,000 thousand to the entity through the TGCH.
Note 9: Third party invested USD 12,000 thousand to the entity through the TGCH.
Note 10: Third party invested USD 17,000 thousand to the entity through the TGCH; TGCH also invested to the entity USD 500 thousand with its own capital.
Note 11: Third party invested USD 21,000 thousand to the entity through the TGCH.
Note 12: Third party invested USD 17,000 thousand to the entity through the TGCH.
Note 13: The QFG, YNSS, and DHG invested USD 27,800 thousand, USD 592 thousand, and USD13,000 thousand, their unappropriated earnings, respectively to the subsidiary.
Note 14: The SCH, the investee of the TGCH, invested USD 640,408 thousand to the entity with its and third party’s capital.
Note 15: The SCH invested USD 26,000 thousand to the entity with third party’s capital.
Note 16: The USD 35,000 thousand earnings distributed by CFG and CDG was invested by TGCH. The Company did not provide any funding.
Note 17: The USD 15,000 thousand was invested by the third party. The Company did not provide any funding.
Note 18: The TAGH and third party invested additional USD 6,000 thousand and USD 27,200 thousand to the entity, respectively.
Note 19: The QFG and TGUS invested USD 23,319 thousand and USD 4,774 thousand to the entity, respectively.
Note 20: The FPG raised capital of USD 30,928 thousand through debt for equity swap. The Company did not provide any funding.
Note 21: The DHG raised capital of USD 14,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 22: The QFG raised capital of USD 5,000 thousand through debt for equity swap. The Company did not provide any funding.