ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

JUNE 30, 2019 AND 2018

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ABLEREX ELECTRONICS CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES (the "Group") as at June 30, 2019 and 2018, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the six-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT$442,924 and NT$396,907, constituting 15% and 15% of the consolidated total assets, and total liabilities of NT$98,296 and NT$57,403, constituting 8% and 5% of the consolidated total liabilities as at June 30, 2019 and 2018, and total comprehensive income of NT$1,208, NT$10,952, NT$(4,523) and NT$14,626, constituting 9%, 46%, (42%) and 28% of the consolidated total comprehensive income for the three-month and six-month periods then ended.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2019 and 2018, and of its consolidated financial performance for the three-month and six-month periods then ended and its consolidated cash flows for the six-month periods then ended in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Chou, Hsiao-Tzu   Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

August 5, 2019

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2019, DECEMBER 31,2018 AND JUNE 30, 2018
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2019 and 2018 are reviewed, not audited)

	ASSETS	Notes	June 30, 2019 AMOUNT	%	December 31, 2018 AMOUNT	%	June 30, 2018 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 199,964	7	$ 201,285	7	$ 244,061	9
1150	Notes receivable, net	6(2)	28,524	1	43,758	2	19,454	1
1160	Notes receivable - related parties	7	8,099	-	-	-	-	-
1170	Accounts receivable, net	6(2)	521,002	19	511,183	19	405,523	15
1180	Accounts receivable due from related parties, net	7	24,155	1	10,084	-	9,970	-
1200	Other receivables		3,475	-	5,089	-	22,041	1
130X	Inventories, net	6(3)	948,422	35	972,041	36	1,004,638	37
1410	Prepayments		41,241	2	19,711	1	49,276	2
1470	Other current assets	6(1) and 8	194	-	194	-	194	-
11XX	**Total current assets**		1,775,076	65	1,763,345	65	1,755,157	65
	Non-current assets							
1600	Property, plant and equipment	6(4) and 8	823,072	30	835,870	31	849,820	31
1755	Right-of-use assets	6(5) and 8	20,118	1	-	-	-	-
1780	Intangible assets		43,558	2	44,326	2	45,574	2
1840	Deferred income tax assets	6(20)	37,134	1	37,154	1	36,237	1
1900	Other non-current assets	6(6) and 8	34,173	1	31,182	1	22,390	1
15XX	**Total non-current assets**		958,055	35	948,532	35	954,021	35
1XXX	**Total assets**		$ 2,733,131	100	$ 2,711,877	100	$ 2,709,178	100

(Continued)

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2019, DECEMBER 31,2018 AND JUNE 30, 2018
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2019 and 2018 are reviewed, not audited)

			June 30, 2019		December 31, 2018		June 30, 2018	
	LIABILITIES AND EQUITY	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(7)	$ 298,213	11	$ 252,298	9	$ 75,000	3
2120	Financial liabilities at fair value through profit or loss - current	6(8)	-	-	-	-	2,124	-
2130	Current contract liabilities	6(15)	171,245	6	248,614	9	168,513	6
2150	Notes payable		699	-	3,630	-	6,601	-
2170	Accounts payable		415,965	15	371,747	14	536,272	20
2200	Other payables	6(9)	177,158	7	131,684	5	220,248	8
2230	Current income tax liabilities	6(20)	17,265	1	22,140	1	26,184	1
2250	Provisions for liabilities - current	6(10)	35,986	1	31,959	1	37,042	1
2280	Current lease liabilities		10,540	-	-	-	-	-
2300	Other current liabilities		21,427	1	16,275	1	18,972	1
21XX	**Total current liabilities**		1,148,498	42	1,078,347	40	1,090,956	40
	Non-current liabilities							
2570	Deferred income tax liabilities	6(20)	80,237	3	83,030	3	85,675	3
2580	Non-current lease liabilities		8,777	-	-	-	-	-
2640	Net defined benefit liability, non-current	6(11)	21,756	1	21,761	1	21,793	1
2670	Other non-current liabilities, others		1,901	-	-	-	-	-
25XX	**Total non-current liabilities**		112,671	4	104,791	4	107,468	4
2XXX	**Total liabilities**		1,261,169	46	1,183,138	44	1,198,424	44
	Equity attributable to owners of parent							
	Share capital	6(12)						
3110	Common stock		450,000	16	450,000	17	450,000	17
	Capital surplus	6(13)						
3200	Capital surplus		734,378	27	734,378	27	734,378	27
	Retained earnings	6(14)						
3310	Legal reserve		209,610	8	202,294	7	202,294	7
3320	Special reserve		34,442	1	29,535	1	29,535	1
3350	Unappropriated retained earnings		58,986	2	135,877	5	107,752	4
	Other equity interest							
3400	Other equity interest		(28,439)	(1)	(34,442)	(1)	(24,174)	(1)
31XX	**Total equity attributable to owners of parent**		1,458,977	53	1,517,642	56	1,499,785	55
36XX	**Non-controlling interests**		12,985	1	11,097	-	10,969	1
3XXX	**Total equity**		1,471,962	54	1,528,739	56	1,510,754	56
	Significant commitments and contingent liabilities	7 and 9						
	Singificant events after the balance sheet date	11						
3X2X	**Total liabilities and equity**		$ 2,733,131	100	$ 2,711,877	100	$ 2,709,178	100

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

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30,2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)
(UNAUDITED)

			Three-month periods ended June 30				Six-month periods ended June 30			
			2019		2018		2019		2018	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(15) and 7	$ 615,906	100	$ 590,608	100	$ 1,141,044	100	$ 1,275,451	100
5000	**Operating costs**	6(3)(18)(19)	(461,795)	(75)	(441,323)	(75)	(877,433)	(77)	(952,490)	(74)
5950	**Gross profit from operations**		154,111	25	149,285	25	263,611	23	322,961	26
	Operating expenses	6(18)(19) and 7								
6100	Selling expenses		(73,725)	(12)	(63,093)	(11)	(144,470)	(13)	(130,263)	(10)
6200	General and administrative expenses		(30,512)	(5)	(30,183)	(5)	(58,857)	(5)	(60,081)	(5)
6300	Research and development expenses		(36,423)	(6)	(38,917)	(6)	(71,989)	(6)	(76,175)	(6)
6450	Expected credit gain		(2)	-	808	-	1,388	-	1,688	-
6000	**Total operating expenses**		(140,662)	(23)	(131,385)	(22)	(273,928)	(24)	(264,831)	(21)
6900	**Net operating income(loss)**		13,449	2	17,900	3	(10,317)	(1)	58,130	5
	Non-operating income and expenses									
7010	Other income	6(16)	3,486	1	6,257	1	9,142	1	9,186	1
7020	Other gains and losses	6(17)	5,940	1	11,510	2	8,441	-	3,335	-
7050	Finance costs		(1,173)	-	(270)	-	(2,242)	-	(731)	-
7000	**Total non-operating income and expenses**		8,253	2	17,497	3	15,341	1	11,790	1
7900	**Profit before income tax**		21,702	4	35,397	6	5,024	-	69,920	6
7950	Income tax expense	6(20)	(3,742)	(1)	(12,042)	(2)	(456)	-	(22,706)	(2)
8200	**Profit for the period**		$ 17,960	3	$ 23,355	4	$ 4,568	-	$ 47,214	4
	Other comprehensive income									
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations		($ 4,980)	(1)	$ 285	-	$ 7,656	1	$ 6,740	-
8399	Income tax relating to the components of other comprehensive income	6(20)	973	-	(83)	-	(1,501)	-	(1,346)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**		(4,007)	(1)	202	-	6,155	1	5,394	-
8500	**Total comprehensive income**		$ 13,953	2	$ 23,557	4	$ 10,723	1	$ 52,608	4
	Profit attributable to:									
8610	Owners of the parent		$ 17,797	3	$ 22,215	4	$ 4,616	-	$ 45,832	4
8620	Non-controlling interest		163	-	1,140	-	(48)	-	1,382	-
			$ 17,960	3	$ 23,355	4	$ 4,568	-	$ 47,214	4
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 13,903	2	$ 22,547	4	$ 10,619	1	$ 51,193	4
8720	Non-controlling interest		50	-	1,010	-	104	-	1,415	-
			$ 13,953	2	$ 23,557	4	$ 10,723	1	$ 52,608	4
	Earnings per share (in dollars)									
9750	**Basic earnings per share**	6(21)	$	0.40	$	0.50	$	0.10	$	1.02
9850	**Diluted earnings per share**	6(21)	$	0.40	$	0.50	$	0.10	$	1.02

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

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent								
				Retained earnings						
	Notes	Common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interests	Total equity
2018										
Balance at January 1, 2018		$ 450,000	$ 774,878	$ 194,334	$ -	$ 171,415	($ 29,535)	$1,561,092	$ 9,554	$1,570,646
Profit for the period		-	-	-	-	45,832	-	45,832	1,382	47,214
Other comprehensive income for the period		-	-	-	-	-	5,361	5,361	33	5,394
Total comprehensive income		-	-	-	-	45,832	5,361	51,193	1,415	52,608
Appropriation and distribution of 2017 earnings:	6(14)									
Legal reserve		-	-	7,960	-	(7,960)	-	-	-	-
Special reserve		-	-	-	29,535	(29,535)	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(72,000)	-	(72,000)	-	(72,000)
Cash dividends paid by additional paid-in capital	6(13)	-	(40,500)	-	-	-	-	(40,500)	-	(40,500)
Balance at June 30, 2018		$ 450,000	$ 734,378	$ 202,294	$ 29,535	$ 107,752	($ 24,174)	$1,499,785	$ 10,969	$1,510,754
2019										
Balance at January 1, 2019		$ 450,000	$ 734,378	$ 202,294	$ 29,535	$ 135,877	($ 34,442)	$1,517,642	$ 11,097	$1,528,739
Profit (loss) for the period		-	-	-	-	4,616	-	4,616	(48)	4,568
Other comprehensive income for the period		-	-	-	-	-	6,003	6,003	152	6,155
Total comprehensive income		-	-	-	-	4,616	6,003	10,619	104	10,723
Appropriation and distribution of 2018 earnings:	6(14)									
Legal reserve		-	-	7,316	-	(7,316)	-	-	-	-
Special reserve		-	-	-	4,907	(4,907)	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(67,500)	-	(67,500)	-	(67,500)
Changes in non-controlling interests	6(22)	-	-	-	-	(1,784)	-	(1,784)	1,784	-
Balance at June 30, 2019		$ 450,000	$ 734,378	$ 209,610	$ 34,442	$ 58,986	($ 28,439)	$1,458,977	$ 12,985	$1,471,962

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

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

	Notes	Six-month periods ended June 30 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 5,024	$ 69,920
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including depreciation charges on right-of-use assets)	6(4)(5)(18)	36,026	29,268
Amortisation expense (including amortisation charges on long-term prepaid rent)	6(18)	5,315	4,834
Expected credit gain		(1,388)	(1,688)
Net loss on financial liabilities at fair value through profit or loss		-	2,146
Financial costs		2,242	731
Interest income	6(16)	(569)	(843)
Loss on disposal of property, plant and equipment	6(4)(17)	19	308
Profit from lease modification	6(17)	(12)	-
Unrealised foreign exchange loss		96	232
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		15,234	(3,613)
Notes receivable - related parties		(8,099)	-
Accounts receivable		(8,499)	170,937
Accounts receivable due from related parties, net		(14,071)	(43)
Other receivables		1,615	(18,424)
Inventories		23,619	(127,783)
Prepayments		(21,530)	(7,810)
Changes in operating liabilities			
Current contract liabilities		(77,369)	168,513
Notes payable		(2,931)	5,751
Accounts payable		44,218	70,642
Other payables		(21,976)	(19,454)
Provisions for liabilities - current		4,027	(8,749)
Other current liabilities		5,152	(152,667)
Defined benefit liability		(5)	-
Cash (outflow) inflow generated from operations		(13,862)	182,208
Interest received		568	842
Interest paid		(2,292)	(788)
Income tax paid		(9,605)	(7,376)
Net cash flows (used in) from operating activities		(25,191)	174,886

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ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

	Notes	Six-month periods ended June 30 2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(24)	($ 10,384)	($ 7,968)
Acquisition of intangible assets		(318)	(1,853)
Increase in prepayments for business facilities		(2,188)	-
Increase in deposit		(2,566)	(152)
Decrease (increase) in other non-current assets		(4,908)	235
Net cash flows used in investing activities		(20,364)	(9,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings		45,915	(180,000)
Payments of lease liabilities		(6,007)	-
Net cash flows from (used in) financing activities		39,908	(180,000)
Effect of exchange rate changes on cash and cash equivalents		4,326	3,574
Net decrease in cash and cash equivalents		(1,321)	(11,278)
Cash and cash equivalents at beginning of period		201,285	255,339
Cash and cash equivalents at end of period		$ 199,964	$ 244,061

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

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

1. HISTORY AND ORGANISATION

(1) Ablerex Electronics Co., Ltd (the "Company"), formerly UIS Abler Electronics Co., Ltd., was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) on April 27, 1998. The Company merged with PEC Technology Co., Ltd. on April 1, 2002, with the Company as the surviving company and was then renamed as Ablerex Electronics Co., Ltd. The shares of the Company have been trading on the Taipei Exchange since September 9, 2010.

(2) The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the following business activities:

(a) Manufacturing and sales of uninterruptible power supply systems.

(b) Manufacturing and sales of equipment to power quality devices.

(c) Manufacturing and sales of solar energy equipment.

(d) Maintenance and technical services.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on August 5, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
IFRS 16, 'Leases'	January 1, 2019
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 16, 'Leases'

A. IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

B. The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the 'modified retrospective approach') when applying "IFRSs" effective in 2019 as endorsed by the FSC. Accordingly, the Group increased 'right-of-use asset' by $25,708, increased 'lease liability' by $24,744 and decreased other non-current assets by $964 with respect to the lease contracts of lessees on January 1, 2019.

C. The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:

(a) Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.

(b) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

(c) The exclusion of initial direct costs for the measurement of 'right-of-use asset'.

(d) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

D. The Group calculated the present value of lease liabilities by using weighted average incremental borrowing interest rate range from 1.55% to 10.31%.

E. The Group recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	$	11,522
Less: Short-term leases	(	187)
Less: Low-value assets	(	315)
Add: Adjustments as a result of a different treatment of extension and termination options		15,187
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	$	26,207
Incremental borrowing interest rate at the date of initial application		1.55%~10.31%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	$	24,744

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets plus less present value of defined benefit obligations.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2019	Ownership (%) December 31, 2018	Ownership (%) June 30, 2018	Description
The Company	Ablerex Electronics (Samoa) Co., Ltd. (Ablerex Samoa)	Investment holdings	100	100	100	Note 1, 2
The Company	Joint Rewards Trading Corp. (Joint)	Management service	100	100	100	Note 2, 3
The Company	Ablerex Corporation (Ablerex-USA)	Sales of uninterruptible power supply systems and solar energy equipment and others	100	100	100	Note 2, 3
The Company	Ablerex International Co., Ltd. (Ablerex-HK)	Sales of uninterruptible power supply systems and solar energy equipment and others	100	100	100	Note 2, 3
The Company	Ablerex Electronics (S) Pte. Ltd. (Ablerex-SG)	Sales of uninterruptible power supply systems and solar energy equipment and others	100	100	100	Note 2, 3
The Company	Ablerex Electronics U.K. Ltd. (Ablerex-UK)	Investment holdings	100	100	100	Note 2, 3
The Company	Wada Denki Co., Ltd. (Ablerex-JP)	Sales of uninterruptible power supply systems and solar energy equipment and others	100	100	100	Note 2, 3
Ablerex Electronics	Ablerex Electronics Italy S.R.L. (Ablerex-IT)	Sales of uninterruptible power supply systems and solar energy equipment and others	100	100	100	Note 2, 3
Ablerex Electronics (Samoa) Co., Ltd.	Ablerex Overseas Co., Ltd. (Ablerex-Overseas)	Investment holdings	100	100	100	Note 1, 2
Ablerex Overseas Co., Ltd.	Ablerex Electronics (Suzhou) Co., Ltd. (Ablerex-SZ)	Manufacturing and sales of uninterruptible power supply systems and solar energy equipment and others	100	100	100	Note 1, 2
Ablerex Overseas Co., Ltd.	Ablerex Electronics (Beijing) Co., Ltd. (Ablerex-BJ)	Sales of uninterruptible power supply systems and solar energy equipment and others	80	80	80	Note 2,3
Ablerex Electronics (S) Pte. Ltd.	Ablerex Electronics (Thailand) Co., Ltd. (Ablerex-TH)	Sales of uninterruptible power supply systems and solar energy equipment and others	70	70	70	Note 2, 3
Ablerex Corporation	Ablerex Latam Corporation (Ablerex-Latam)	Sales of uninterruptible power supply systems and solar energy equipment and others	86	100	-	Note 2, 3, 4

Note 1: The information included in these consolidated financial statements as at June 30, 2019 and 2018 is based on the reviewed financial statements of each investee.

Note 2: The information included in these consolidated financial statements as December 31, 2018 is based on the audited financial statement of the investee.

Note 3: The information included in those consolidated financial statements as at June 30, 2019 and 2018 is based on the unreviewed financial statements of each investee as the investees failed to meet the definition of a significant subsidiary.

Note 4: The consideration for acquiring the ownership of Ablerex Latam Corporation was remitted on November 28, 2018. The investee was included in these consolidated financial statements thereafter. In addition, Ablerex-Latam increased its capital to employees on February 7, 2019. As a result, the Company decreased its share interest to 86%.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions

Cash and short-term deposits of $60,024 deposited in Mainland China are under local foreign exchange control which restricts the capital to be remitted outside the borders (except for normal dividend distribution).

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(6) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated fixed production overheads based on normal capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately.

D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10～50 years
Machinery and equipment	5～10 years
Transportation equipment	5 years
Office equipment	5～8 years
Leasehold improvements	10 years

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

Effective 2019 (using the modified retrospective approach)

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are mainly fixed payments, less any lease incentives receivable.

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

C. At the commencement date, the right-of-use asset is stated at cost and the cost is mainly the amount of the initial measurement of lease liability.

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

(13) Operating leases (lessee)

Effective 2018

Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(14) Intangible assets

A. Trademark right and patent rights

Trademark right and patent rights are stated at cost, have a finite useful life and are amortised on a straight-line basis over its estimated useful life of 5 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3~5 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(15) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(16) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

A. Financial liabilities are classified in his category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures the financial liabilities at fair value with any gain or loss recognised in profit or loss.

(19) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(20) Provisions

Provisions (primarily warranties) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past service costs. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurement arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past-service costs are recognised immediately in profit or loss.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from the Group’s decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises termination benefits when it is demonstrably committed to a termination, when it has a detailed formal plan to terminate the employment of current employees and when it can no longer withdraw the plan. In the case of an offer made by the Group to encourage voluntary termination of employment, the termination benefits are recognised as expenses only when it is probable that the employees are expected to accept the offer and the number of the employees taking the offer can be reliably estimated. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

D. Employees’, directors’ and supervisors’ remuneration

Employees’, directors’ and supervisors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

A. Sales revenue

(a) The Group manufactures and sells uninterrupted power supply equipment and system, improved power quality system and equipment and solar energy equipment and other related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sale of goods—Project construction

(a) The Group provides sales services related to uninterruptible power system and equipment, improved power quality system and equipment and solar energy system and equipment. The project construction revenue includes equipment sales and installation services, and the contract involves and provides integrated services. Therefore, the equipment and installation are indistinguishable and are regarded as a single performance obligation. The Group installs equipment, the customer performs the acceptance procedure, and the Group opens the warranty book. The customer obtains the control of the equipment and the benefits arising therefrom. When all the acceptance criteria are met, the Group completes the contractual performance obligated of contract to recognize revenue.

(b) The Group's obligation to provide a repair for project construction under the standard warranty terms is recognised as a provision.

(c) A receivable is recognized when the project construction is completed and the warranty book is delivered to the customer. As this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

C. Service revenue

The Group provides related services of maintaining uninterruptible power supply equipment, improved power quality system and equipment and solar energy system and equipment. Service revenue is recognized as income during the financial reporting period in which the services are provided to customers. Revenue from fixed price contracts is recognised as a percentage of the number of months of service actually provided on the balance sheet date. The customer pays the contract price in accordance with the payment schedule agreed upon, and is recognized as a contract assets when the services provided by the Group exceed the customer's payables, and are recognized as contract liabilities if the customer pays more than the services provided by the Group.

D. Costs of obtaining a customer contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventory

Evaluation of inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2019, the Group’s carrying amount of inventories was $948,422.

B. Estimation of provisions for liabilities

The sale of goods requires consideration of the cost incurred or to be incurred in connection with the transaction. Therefore, the Group formulates the proposed policy for the determination of the warranty for the sale of the product, which is used to measure the actual operating profit and loss of the company. The Group's liability determination is based on the Group's policy based on the historical warranty data of the product as the basis for the assessment, and the related product warranty liabilities are estimated to estimate the future maintenance costs.

As of June 30, 2019, the Group estimated the liability provision to be $35,986.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2019	December 31, 2018	June 30, 2018
Cash on hand and revolving funds	$ 1,008	$ 828	$ 1,165
Checking accounts and demand deposits	177,952	150,915	221,904
Time deposits	21,198	49,736	21,186
	200,158	201,479	244,255
Transferred to 'Other current assets'	(194)	(194)	(194)
	$ 199,964	$ 201,285	$ 244,061

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. For details on cash and cash equivalents provided as a pledge or collateral, please refer to Note 8.

(2) Notes and accounts receivable

	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable	$ 28,524	$ 43,758	$ 19,454
Accounts receivable	$ 535,745	$ 527,246	$ 423,591
Less: Allowance for bad debts － accounts receivable	(14,743)	(16,063)	(18,068)
	$ 521,002	$ 511,183	$ 405,523

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	June 30, 2019		December 31, 2018		June 30, 2018	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Within 120 days	$ 480,143	$ 26,079	$ 478,032	$ 42,011	$ 351,637	$ 19,454
121 to 180 days	36,802	695	34,940	872	53,153	-
181 to 360 days	10,116	1,750	5,448	875	6,818	-
Over 361 days	8,684	-	8,826	-	11,983	-
	$ 535,745	$ 28,524	$ 527,246	$ 43,758	$ 423,591	$ 19,454

The above ageing analysis was based on invoice date.

B. As of June 30, 2019, December 31, 2018 and June 30, 2018, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2018, the balance of receivables from contracts with customers amounted to $610,369.

C. As at June 30, 2019, December 31, 2018 and June 30, 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group’s notes and accounts receivable were $28,524, $43,758 and $19,454; $521,002, $511,183 and $405,523, respectively.

D. The Group does not hold any collateral as security.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(3) Inventories

	June 30, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 276,194	($ 63,878)	$ 212,316
Work in process	77,081	(4,572)	72,509
Semi-finished goods	138,329	(36,480)	101,849
Finished goods	74,744	(6,576)	68,168
Goods	145,937	(15,663)	130,274
Goods in transit	26,535	-	26,535
Unfinished constructions	336,771	-	336,771
	$ 1,075,591	($ 127,169)	$ 948,422

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 302,673	($ 58,842)	$ 243,831
Work in process	54,831	(5,464)	49,367
Semi-finished goods	179,514	(37,090)	142,424
Finished goods	86,443	(7,518)	78,925
Goods	136,968	(15,230)	121,738
Goods in transit	29,146	-	29,146
Unfinished constructions	306,610	-	306,610
	$ 1,096,185	($ 124,144)	$ 972,041

	June 30, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 264,522	($ 50,515)	$ 214,007
Work in process	98,816	(8,650)	90,166
Semi-finished goods	152,258	(37,188)	115,070
Finished goods	58,134	(9,277)	48,857
Goods	138,326	(13,590)	124,736
Goods in transit	54,776	-	54,776
Unfinished constructions	357,026	-	357,026
	$ 1,123,858	($ 119,220)	$ 1,004,638

The cost of inventories recognised as expense for the period:

	For the three-month periods ended June 30,	
	2019	2018
Cost of goods sold	$ 442,534	$ 416,753
Maintenance cost	8,173	10,723
Loss on decline in market value	2,114	122
Others	8,974	13,725
	$ 461,795	$ 441,323

	For the six-month periods ended June 30,	
	2019	2018
Cost of goods sold	$ 845,671	$ 916,536
Maintenance cost	15,799	19,047
Loss on decline in market value	2,564	1,770
Others	13,399	15,137
	$ 877,433	$ 952,490

(4) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Others	Total
At January 1, 2019								
Cost	$ 169,794	$ 735,921	$ 241,126	$ 11,494	$ 44,567	$ 17,907	$ 140	$ 1,220,949
Accumulated depreciation	-	(183,642)	(159,404)	(7,205)	(23,575)	(11,156)	(97)	(385,079)
	$ 169,794	$ 552,279	$ 81,722	$ 4,289	$ 20,992	$ 6,751	$ 43	$ 835,870
2019								
Opening net book amount	$ 169,794	$ 552,279	$ 81,722	$ 4,289	$ 20,992	$ 6,751	$ 43	$ 835,870
Additions	-	1,074	4,409	406	3,815	2,581	-	12,285
Transfer	-	-	251	-	1,294	-	-	1,545
Disposals			(6)		(13)			(19)
Depreciation charge	-	(15,174)	(9,754)	(821)	(3,597)	(488)	-	(29,834)
Net exchange differences	41	2,170	866	41	61	46	-	3,225
Closing net book amount	$ 169,835	$ 540,349	$ 77,488	$ 3,915	$ 22,552	$ 8,890	$ 43	$ 823,072
At June 30, 2019								
Cost	$ 169,835	$ 739,948	$ 248,544	$ 12,014	$ 49,286	$ 20,622	$ 141	$ 1,240,390
Accumulated depreciation	-	(199,599)	(171,056)	(8,099)	(26,734)	(11,732)	(98)	(417,318)
	$ 169,835	$ 540,349	$ 77,488	$ 3,915	$ 22,552	$ 8,890	$ 43	$ 823,072

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Leasehold improvements	Others	Total
At January 1, 2018								
Cost	$ 169,678	$ 744,725	$ 230,660	$ 10,840	$ 42,109	$ 17,950	$ 135	$ 1,216,097
Accumulated depreciation	-	(159,842)	(148,559)	(5,519)	(24,007)	(9,548)	(94)	(347,569)
	$ 169,678	$ 584,883	$ 82,101	$ 5,321	$ 18,102	$ 8,402	$ 41	$ 868,528
2018								
Opening net book amount	$ 169,678	$ 584,883	$ 82,101	$ 5,321	$ 18,102	$ 8,402	$ 41	$ 868,528
Additions	-	-	6,379	14	1,575	-	-	7,968
Transfer	-	-	-	-	460	-	-	460
Disposals	-	-	(258)	-	(50)	-	-	(308)
Depreciation charge	-	(15,423)	(9,476)	(811)	(2,775)	(783)	-	(29,268)
Net exchange differences	85	1,810	419	58	39	28	1	2,440
Closing net book amount	$ 169,763	$ 571,270	$ 79,165	$ 4,582	$ 17,351	$ 7,647	$ 42	$ 849,820
At June 30, 2018								
Cost	$ 169,763	$ 746,909	$ 236,978	$ 11,011	$ 43,974	$ 18,083	$ 139	$ 1,226,857
Accumulated depreciation	-	(175,639)	(157,813)	(6,429)	(26,623)	(10,436)	(97)	(377,037)
	$ 169,763	$ 571,270	$ 79,165	$ 4,582	$ 17,351	$ 7,647	$ 42	$ 849,820

A. The abovementioned equipment are all assets for its own use.

B. The significant components of buildings include buildings, air conditioners, elevators and utility construction. Buildings are depreciated over 30 to 50 years, and others are depreciated over 10 years.

C. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

D. There were no borrowing costs capitalised as part of property, plant and equipment.

(5) Leasing arrangements－lessee

Effective 2019 (using the modified retrospective approach)

A. The Group leases various assets including land, buildings (including land), transportation equipment and office equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	At June 30, 2019
	Carrying amount
Land	$ 960
Buildings (including land)	17,376
Transportation equipment	1,082
Office equipment	700
	$ 20,118

	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019
	Depreciation charge	Depreciation charge
Land	$ 7	$ 14
Buildings (including land)	2,808	5,618
Transportation equipment	195	420
Office equipment	64	140
	$ 3,074	$ 6,192

C. For the three-month period ended June 30, 2019 and for the six-month period ended June 30, 2019, the additions to right-of-use assets were $1,266 and $1,926, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019
Items affecting profit or loss		
Interest expense on lease liabilities	$ 195	$ 415
Expense on short-term lease contracts	27	126
Expense on leases of low-value assets	30	65

E. For the six-month period ended June 30, 2019, the Group’s total cash outflow for leases were $6,613.

F. Information about the right-of-use assets - land use right that were pledged to others as collateral is provided in Note 8.

(6) Other non-current assets

	June 30, 2019	December 31, 2018	June 30, 2018
Overdue receivable	$ 35,474	$ 35,395	$ 35,338
Allowance for bad debts – overdue receivable	(35,474)	(35,395)	(35,338)
Prepayments for equipment	2,188	1,545	-
Guarantee deposits	10,969	8,403	6,545
Long-term prepaid rents – land use rights	-	964	1,004
Others	21,016	20,270	14,841
	$ 34,173	$ 31,182	$ 22,390

A. Information about the long-term prepaid rents - land use rights that were pledged to others as collateral is provided in Note 8.

B. For the effects on initial application of IFRS 16 on January 1, 2019, please refer to Note 3(1). For details of significant accounts, please refer to Note 6(5).

(7) Short-term borrowings

Type of borrowings	June 30, 2019	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 275,567	0.99%～3.33%	None
Secured borrowings	22,646	4.30%	Please refer to Note 8
	$ 298,213		

Type of borrowings	December 31, 2018	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 252,298	0.99%～2.79%	None

Type of borrowings	June 30, 2018	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 75,000	0.98%~1.00%	None

Unused lines of credit are as follows:

Type of borrowings	June 30, 2019	December 31, 2018	June 30, 2018
Bank borrowings			
Unsecured borrowings	$ 1,274,803	$ 824,852	$ 953,910
Secured borrowings	135,589	156,520	153,407
	$ 1,410,392	$ 981,372	$ 1,107,317

For collaterals on bank borrowings and book value information, please refer to Notes 7 and 8.

(8) Financial liabilities at fair value through profit or loss-current

A. Amounts recognised in profit or loss in relation to financial liabilities at fair value through profit or loss are as follows:

		June 30, 2018
Financial liabilities held for trading		
Derivative instruments	$	2,124

$4,193 and $3,717 of net loss were recognised for the three-month periods ended June 30, 2018 and for the six-month period ended June 30, 2018, respectively.

B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

	June 30, 2018		
Derivative financial liabilities	Contract amount (Notional principal)		Contract period
Forward foreign exchange contracts	USD	500,000	2018.05.08~2018.07.24
"	USD	500,000	2018.05.16~2018.07.24
"	USD	500,000	2018.06.05~2018.08.24
"	USD	500,000	2018.06.14~2018.08.24

On June 30, 2019 and December 31, 2018, the Group did not enter into any contract relating to financial liabilities measured at fair value through profit or loss.

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. Information relating to credit risk is provided in Note 12(2).

(9) Other payables

	June 30, 2019		December 31, 2018		June 30, 2018	
Dividends payable	$	67,500	$	-	$	112,500
Payable for wages and salaries and other short-term employee benefits		62,425		98,460		77,697
Others		47,233		33,224		30,051
	$	177,158	$	131,684	$	220,248

(10) Provisions for liabilities -current

	For the three-month periods ended June 30,	
	2019	2018
Warranty:		
At April 1	$ 33,844	$ 41,701
Additional provisions	7,248	6,846
Used during the year	(5,106)	(11,505)
At June 30	$ 35,986	$ 37,042

	For the six-month periods ended June 30,	
	2019	2018
Warranty:		
At January 1	$ 31,959	$ 45,791
Additional provisions	10,846	12,374
Used during the year	(6,819)	(21,123)
At June 30	$ 35,986	$ 37,042

The Group's provisions for warranties are primarily for uninterruptible power supplies and solar energy related products. The provisions for warranties are estimated based on historical warranty data of uninterruptible power supplies and solar energy related products.

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method of the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) For the aforementioned pension plan, the Group recognised pension costs of $73, $84, $146 and $168 for the three-month periods ended June 30, 2019 and 2018, and for the six-month periods ended June 30, 2019 and 2018, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2020 amounts to $293.

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labour Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland China indirect subsidiaries, Ablerex Electronics (Suzhou) Co., Ltd. and Ablerex Electronics (Beijing) Corporation Limited, have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of employees' monthly salaries and wages. The contribution percentage for the six-month periods ended June 30, 2019 and 2018 was both 20%. Other than the monthly contributions, the Group has no further obligations. Ablerex Corporation, Ablerex Latam Corporation, Ablerex Electronics (S) Pte. Ltd., Ablerex Electronics (Thailand) Co Led., Ablerex Electronics Italy S.R.L and Wada Denki Co., Ltd. have a defined contribution plan under the local regulations and have no further obligations. Other consolidated subsidiaries do not have any employee.

(c) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended June 30, 2019 and 2018, and for the six-month periods ended June 30, 2019 and 2018 were $6,389, $6,876, $13,062 and $13,433, respectively.

(12) Share capital

As of June 30, 2019, the Company's authorised capital was $800,000, consisting of 80 million shares of ordinary stock, and the paid-in capital was $450,000 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected. The Group's ordinary shares at the beginning of the period are the same with the outstanding shares at the end of the period.

(13) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The shareholders resolved to appropriate capital surplus in cash at their meeting on June 21, 2018:

	Year ended December 31, 2017	
	Amount	Cash per share (in dollars)
Capital surplus appropriated in cash	$ 40,500	$ 0.90

The cash appropriation of capital surplus is in agreement with the proposal submitted by the Board of Directors.

(14) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve unless the accumulated legal reserve has reached the total capital stock balance. Special reserve shall be appropriated in accordance with related regulations promulgated by competent authorities, and the special reserve along with the accumulated unappropriated retained earnings from previous years is considered as the distributable earnings. The remainder, if any, after considering the operating status, and through a proposition by the Board of Directors and a resolution by the shareholders, shall be retained.

B. The Company's dividend policy is based on the Company's current operation status, future capital requirements, long-term operation plan, shareholders' benefits, balanced dividends and the Company's long-term financial plan, etc. The appropriation is proposed by the Board of Directors and then approved by the shareholders during their meeting. Cash dividends shall not be less than 20% of the total dividends distributed to shareholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When the debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.

E. The appropriation of 2018 earnings as proposed by the Board of Directors on March 21, 2019 and the appropriation of 2017 earnings as resolved by the shareholders on June 21, 2018 are as follows:

	Year ended December 31, 2018		Year ended December 31, 2017	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 7,316		$ 7,960	
Special reserve	4,907		29,535	
Cash dividends	67,500	$ 1.50	72,000	$ 1.60

F. For information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(19).

(15) Sales revenue

	For the three-month periods ended June 30, 2019	For the three-month periods ended June 30, 2018
Sales revenue	$ 380,724	$ 362,724
Project construction revenue	217,112	209,321
Service revenue	18,070	18,563
	$ 615,906	$ 590,608

	For the six-month periods ended June 30, 2019	For the six-month periods ended June 30, 2018
Sales revenue	$ 692,022	$ 671,373
Project construction revenue	413,413	573,250
Service revenue	35,609	30,828
	$ 1,141,044	$ 1,275,451

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following:

For the six-month period ended June 30, 2019	First Business Division	Second Business Division	Technical Services Division	Energy Division	Reconciliation and elimination	Total
Revenue from external customer contracts	$ 315,021	$ 611,344	$ 102,041	$ 112,638	$ -	$ 1,141,044
Inter-segment revenue	37,209	1,339,111	3,718	-	(1,380,038)	-
Total segment revenue	$ 352,230	$ 1,950,455	$ 105,759	$ 112,638	($ 1,380,038)	$ 1,141,044
Segment income/(loss)	$ 28,890	$ 26,332	$ 41,988	$ 1,766	($ 109,303)	($ 10,327)
Timing of revenue recognition						
At a point in time	$ 315,021	$ 611,344	$ 69,594	$ 112,287	$ -	$ 1,108,246
Over time	-	-	32,447	351	-	32,798
	$ 315,021	$ 611,344	$ 102,041	$ 112,638	$ -	$ 1,141,044

For the six-month period ended June 30, 2018	First Business Division	Second Business Division	Technical Services Division	Energy Division	Reconciliation and elimination	Total
Revenue from external customer contracts	$ 499,201	$ 549,863	$ 104,050	$ 122,337	$ -	$ 1,275,451
Inter-segment revenue	75,295	1,457,600	5,317	-	(1,538,212)	-
Total segment revenue	$ 574,496	$ 2,007,463	$ 109,367	$ 122,337	($ 1,538,212)	$ 1,275,451
Segment income/(loss)	$ 82,265	$ 32,168	$ 43,054	$ 14,612	($ 113,969)	$ 58,130
Timing of revenue recognition						
At a point in time	$ 499,201	$ 549,863	$ 76,978	$ 122,229	$ -	$ 1,248,271
Over time	-	-	27,072	108	-	27,180
	$ 499,201	$ 549,863	$ 104,050	$ 122,337	$ -	$ 1,275,451

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	June 30, 2019	December 31, 2018
Contract liabilities:		
Contract liabilities – advance receipts for construction	$ 140,674	$ 234,440
Contract liabilities – advance sales receipts	30,571	14,174
	$ 171,245	$ 248,614

	June 30, 2018	January 1, 2018
Contract liabilities:		
Contract liabilities – advance receipts for construction	$ 164,336	$ 155,751
Contract liabilities – advance sales receipts	4,177	5,177
	$ 168,513	$ 160,928

(a) Significant changes in contract liabilities

None.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	For the three-month periods ended June 30,	
	2019	2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue	$ 39,172	$ 16,289

	For the six-month periods ended June 30,	
	2019	2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sales revenue	$ 143,229	$ 74,232

(16) Other income

	For the three-month periods ended June 30,	
	2019	2018
Interest income	$ 414	$ 614
Others	3,072	5,643
	$ 3,486	$ 6,257

	For the six-month periods ended June 30,	
	2019	2018
Interest income	$ 569	$ 843
Others	8,573	8,343
	$ 9,142	$ 9,186

(17) Other gains and losses

	For the three-month periods ended June 30,	
	2019	2018
Foreign exchange gains	$ 6,017	$ 15,922
Losses on disposals of property, plant and equipment	(19)	(134)
Losses on financial assets (liabilities) at fair value through profit or loss	-	(4,193)
Profit from lease modification	12	-
Others	(70)	(85)
	$ 5,940	$ 11,510

	For the six-month periods ended June 30,	
	2019	2018
Foreign exchange gains	$ 8,585	$ 7,456
Losses on disposals of property, plant and equipment	(19)	(308)
Losses on financial assets (liabilities) at fair value through profit or loss	-	(3,717)
Profit from lease modification	12	-
Others	(137)	(96)
	$ 8,441	$ 3,335

(18) Expenses by nature

By function / By nature	For the three-month period ended June 30, 2019			For the three-month period ended June 30, 2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ 57,184	$ 82,199	$ 139,383	$ 56,129	$ 77,958	$ 134,087
Depreciation charges	9,437	8,726	18,163	8,981	5,664	14,645
Amortization charges	57	2,564	2,621	100	2,267	2,367

By function / By nature	For the six-month period ended June 30, 2019			For the six-month period ended June 30, 2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense	$ 105,816	$ 160,503	$ 266,319	$ 105,518	$ 160,048	$ 265,566
Depreciation charges	18,633	17,393	36,026	17,812	11,456	29,268
Amortization charges	139	5,176	5,315	283	4,551	4,834

(19) Employee benefit expense

	For the three-month periods ended June 30,	
	2019	2018
Wages and salaries	$ 118,360	$ 114,178
Labor and health insurance fees	10,265	8,820
Pension costs	6,462	6,960
Other personnel expenses	4,296	4,129
	$ 139,383	$ 134,087

	For the six-month periods ended June 30,	
	2019	2018
Wages and salaries	$ 224,568	$ 223,950
Labor and health insurance fees	20,401	19,449
Pension costs	13,208	13,601
Other personnel expenses	8,142	8,566
	$ 266,319	$ 265,566

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 6% to 10% for employees compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

B. For the three-month periods ended June 30, 2019 and 2018, and for the six-month periods ended June 30, 2019 and 2018, employees' compensation was accrued at $352, $2,031, $352 and $4,135, respectively; while directors' and supervisors' remuneration was accrued at $177, $677, $117 and $1,378, respectively. The aforementioned amounts were recognized in salary expenses. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 6% and 2% of distributable profit of current year for the six-month period end June 30, 2019.

The difference of $9 between employees' compensation (directors' and supervisors' remuneration) as resolved by the Board of Directors and the amount recognised in the 2018 financial statements of $6,262, $2,087 had been adjusted in profit or loss for 2019. The appropriation was in the form of cash.

Information about the appropriation of employees' compensation (bonus) and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(20) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month periods ended June 30, 2019	For the three-month periods ended June 30, 2018
Current tax:		
Current tax on profits for the period	$ 4,683	$ 10,441
Prior year income tax (over) underestimation	(1,164)	2,700
Total current tax	3,519	13,141
Deferred tax:		
Origination and reversal of temporary differences	223	(1,099)
Impact of change in tax rate	-	-
Income tax expense	$ 3,742	$ 12,042

	For the six-month periods ended June 30, 2019	For the six-month periods ended June 30, 2018
Current tax:		
Current tax on profits for the period	$ 5,894	$ 14,354
Prior year income tax overestimation	(1,164)	(3,757)
Total current tax	4,730	10,597
Deferred tax:		
Origination and reversal of temporary differences	(4,274)	3,462
Impact of change in tax rate	-	8,647
Income tax expense	$ 456	$ 22,706

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

	For the three-month periods ended June 30,	
	2019	2018
Currency translation differences	($ 973)	$ 83
Impact of change in tax rate	-	-
	($ 973)	$ 83

	For the six-month periods ended June 30,	
	2019	2018
Currency translation differences	$ 1,501	$ 1,341
Impact of change in tax rate	-	5
	$ 1,501	$ 1,346

B. The Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.

C. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(21) Earnings per share

	For the three-month period ended June 30, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 17,797	45,000	$ 0.40
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	17,797	45,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	10	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 17,797	45,010	$ 0.40

	For the three-month period ended June 30, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 22,215	45,000	$ 0.50
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	22,215	45,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	86	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 22,215	45,086	$ 0.50

	For the six-month period ended June 30, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 4,616	45,000	$ 0.10
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	4,616	45,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	85	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,616	45,085	$ 0.10

	For the six-month period ended June 30, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent company	$ 45,832	45,000	$ 1.02
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent company	45,832	45,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	152	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 45,832	45,152	$ 1.02

(22) Transactions with non-controlling interest

A. Subsidiary Ablerex-Latam of the Group increased its capital to employees on February 7, 2019. As a result, the Group decreased its share interest by 14%. The transaction increased non-controlling interest by $1,784 and decreased the equity attributable to owners of parent by $1,784.

B. The Group did not conduct any transaction with non-controlling interest for the six-month period ended June 30, 2018.

(23) Operating leases

Effective 2018

The Group leases offices and company vehicles under non-cancellable operating lease agreements. The lease terms are between 2015 and 2019, and most of these lease agreements are renewable at the end of lease period. The Group recognised rental expenses of $2,898 and $5,868 for these leases in profit or loss for the three-month period ended June 30, 2018, and for the six-month period ended June 30, 2018, respectively. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	December 31, 2018	June 30, 2018
Not later than one year	$ 8,231	$ 8,867
Later than one year but not later than five years	3,291	2,547
	$ 11,522	$ 11,414

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	For the six-month periods ended June 30,	
	2019	2018
Purchase of property, plant and equipment	$ 12,285	$ 7,968
Less: Current provision for decommissioning (Recognized in other non-current liabilities)	(1,901)	-
Cash paid during the period	$ 10,384	$ 7,968

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
United Integrated Services Co., Ltd.	The entity using equity method to account for the investment in the Company
Beijing Xiankong Technology Co., Ltd.	The entity using equity method to account for the investment in Ablerex-BJ
Directors, supervisors, general manager and vice general manager	The Company’s key management
United Integrated Services Co., Ltd.(JIANGXI)	The subsidiary of the entity with significant influence to the group

(2) Significant related party transactions and balances

A. Sales revenue

	For the three-month periods ended June 30,	
	2019	2018
Sales revenue		
Entities with significant influence to the Group	$ 28,842	$ 69
Other related parties	430	-
	$ 29,272	$ 69

	For the six-month periods ended June 30,	
	2019	2018
Sales revenue		
Entities with significant influence to the Group	$ 68,460	$ 96
Other related parties	1,349	-
	$ 69,809	$ 96

The transaction prices and terms of the Group and entities with significant influence over the Group are determined in accordance with the agreed contracts. The credit term is commensurate with non-related parties, which is 60~120 days after monthly billings.

B. Leasing arrangements - lessee

(a) The Group leased office and plant from United Integrated Services Co., Ltd. Rental contracts are typically made for periods from 2019 to 2020. Rents are paid at the end of month.

(b) Acquisition of right-of-use assets

On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by $10,340.

(c) Rent expense

	For the three-month period ended June 30, 2018
United Integrated Services Co., Ltd.	$ 1,145

	For the six-month period ended June 30, 2018
United Integrated Services Co., Ltd.	$ 2,290

The Group adopted Statements of Financial Accounting Standards No.17 in 2018 and recognised rent expense accordingly. On January 1, 2019 (the date of initial application of IFRS 16), the Group would recognise lease contract of United Integrated Services Co., Ltd. as lease liability and recognises interest expense over the lease term. Hence, there was no rent expense for the three-month period ended June 30, 2019, and for the six-month period ended June 30, 2019.

(d) Lease liabilities

i. Outstanding balance

	June 30, 2019
United Integrated Services Co., Ltd.	$ 8,425

ii. Interest expense

	For the three-month period ended June 30, 2019	For the six-month period ended June 30, 2019
United Integrated Services Co., Ltd.	$ 35	$ 74

C. Notes receivable from related parties

	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable:			
Entities with significant influence to the group	$ 8,099	$ -	$ -
	$ 8,099	$ -	$ -

D. Accounts receivable from related parties

	June 30, 2019	December 31, 2018	June 30, 2018
Accounts receivable			
Entities with significant influence to the Group	$ 22,739	$ 10,084	$ 9,970
Other related parties	1,416	-	-
	$ 24,155	$ 10,084	$ 9,970

E. Endorsements and guarantees

As of June 30, 2019, December 31, 2018, June 30, 2018, there were unsecured bank borrowings amounting to $275,567, $252,298 and $75,000, respectively. The Company’s key management was a joint guarantor.

F. Commitments

Promissory notes issued for the warranty of sales and performance guarantees of lease contracts.

	June 30, 2019	December 31, 2018	June 30, 2018
Entities with significant influence to the Group	$ 1,314	$ 1,220	$ 1,073

(3) Key management compensation

	For the three-month periods ended June 30,			
	2019		2018	
Salaries and other short-term employee benefits	$	9,480	$	7,099
Termination benefits		232		240
	$	9,712	$	7,339

	For the six-month periods ended June 30,			
	2019		2018	
Salaries and other short-term employee benefits	$	17,254	$	16,333
Termination benefits		450		498
	$	17,704	$	16,831

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value						
Pledged asset	June 30, 2019		December 31, 2018		June 30, 2018		Purpose
Other current assets －time deposits	$	194	$	194	$	194	Performance guarantee for contracts
Property, plant and equipment －land and buildings		123,773		125,193		131,417	Short-term borrowings or guarantee for line of credit
Other non-current assets －long-term prepaid rent		-		964		1,004	Short-term borrowings or guarantee for line of credit
Right-of-use assets －land use rights		960		-		-	Short-term borrowings or guarantee for line of credit
	$	124,927	$	126,351	$	132,615	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of June 30, 2019, December 31, 2018, June 30, 2018, other than the details of contingencies and commitments between the Group and related parties as provided in Note 7(2) E, contingencies and commitments between the Group and third parties are as follows:

Capital expenditure contracted for at the balance sheet date but not yet incurred

	June 30, 2019		December 31, 2018		June 30, 2018	
Property, plant and equipment	$	1,048	$	3,067	$	114
Intangible assets		762		-		-
	$	1,810	$	3,067	$	114

Warranty and performance guarantee

As of June 30, 2019, December 31, 2018, June 30, 2018, promissory notes issued for the warranty and performance guarantee of sales amounted to $76,538, $71,690 and $83,903, respectively.

B. Details of endorsements/guarantees provided by the Company to subsidiaries are provided in Note 13(1) B.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

In order to expand the business in energy industry, the Board of Directors resolved the Group to participate in the capital increase raised by Eco Energy Corporation on May 6, 2019. The Group subscribed 5.4 millions shares with $15(in dollars) per share to acquire 14.57% of equity, and the total investment amount is $81 million dollars. The Group remitted the payment of shares on July 5, 2019.

12. OTHERS

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure with reasonable cost of funds. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total assets.

In 2019, the Group’s strategy, which was unchanged from 2018, was to maintain the gearing ratio of about 40%. The gearing ratios at June 30, 2019, December 31, 2018, June 30, 2018 were as follows:

	June 30, 2019	December 31, 2018	June 30, 2018
Total liabilities	$ 1,261,169	$ 1,183,138	$ 1,198,424
Total equity	1,471,962	1,528,739	1,510,754
Total assets	$ 2,733,131	$ 2,711,877	$ 2,709,178
Gearing ratio	46%	44%	44%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2019	December 31, 2018	June 30, 2018
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	$ 199,964	$ 201,285	$ 244,061
Notes receivable (including related parties)	36,623	43,758	19,454
Accounts receivable (including related parties)	545,157	521,267	415,493
Other receivables	3,475	5,089	22,041
Guarantee deposits paid	10,969	8,403	6,545
Other financial assets	194	194	194
	$ 796,382	$ 779,996	$ 707,788
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ -	$ -	$ 2,124
Financial liabilities at amortised cost			
Short-term borrowings	298,213	252,298	75,000
Notes payable	699	3,630	6,601
Accounts payable	415,965	371,747	536,272
Other accounts payable	177,158	131,684	220,248
Lease liability	19,317	-	-
Guarantee deposits received	73	72	74
	$ 911,425	$ 759,431	$ 840,319

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopt ed to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting.

iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: Functional currency)	June 30, 2019								For the six-month period ended June 30, 2019 — Sensitivity analysis				
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)		Degree of variation	Effect on profit or loss before tax		Effect on other comprehensive income				
Financial assets													
Monetary items													
USD:NTD	$	7,459	31.06	$	234,472	1%	$	2,345	$	-			
RMB:NTD		2,976	4.52		13,452	1%		135		-			
USD:RMB		418	6.87		12,980	1%		130		-			
SGD:USD		610	0.74		14,096	1%		141		-			
Financial liabilities													
Monetary items													
USD:NTD	$	2,288	31.06	$	71,065	1%	$	711	$	-			
USD:RMB		464	6.87		14,408	1%		144		-			
SGD:USD		140	0.74		3,235	1%		32		-			

(Foreign currency: Functional currency)	December 31, 2018					For the year ended December 31, 2018 — Sensitivity analysis				
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)		Degree of variation	Effect on profit or loss before tax		Effect on other comprehensive income	
Financial assets										
Monetary items										
USD:NTD	$	6,901	30.72	$	211,964	1%	$	2,120	$	-
RMB:NTD		7,260	4.47		32,467	1%		325		-
SGD:USD		1,176	0.73		26,437	1%		264		-
Financial liabilities										
Monetary items										
USD:NTD	$	1,401	30.72	$	43,032	1%	$	430	$	-
USD:RMB		404	6.87		12,409	1%		124		-
SGD:USD		562	0.73		12,634	1%		126		-

(Foreign currency: Functional currency)	June 30, 2018 Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	For the six-month period ended June 30, 2018 Sensitivity analysis Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive income
Financial assets						
Monetary items						
USD:NTD	$ 6,653	30.46	$ 202,650	1%	$ 2,027	$ -
RMB:NTD	5,656	4.59	25,978	1%	260	-
SGD:USD	1,111	0.73	24,819	1%	248	-
Financial liabilities						
Monetary items						
USD:NTD	$ 1,730	30.46	$ 52,696	1%	$ 527	$ -
USD:RMB	975	6.63	29,698	1%	297	-

v. The total exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended June 30, 2019 and 2018, and for the six-month periods ended June 30, 2019 and 2018, amounted to $6,017, $15,922, $8,585 and $7,456, respectively.

Cash flow and fair value interest rate risk

The Group’s borrowings are mostly with fixed interest rate and maturity within one year. Therefore, the Group does not expect to be exposed to significant interest rate risk.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients on the contract obligations. The main factor is that counterparties could not repay in full the contract cash flows of accounts receivable, notes receivable and amortized cost financial assets based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group’s concern. For banks and financial institutions, only independently rated parties with a minimum rating of investment grade or above are accepted. According to the Group’s credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. The main credit risk arises from wholesale and retail customers, including outstanding receivables.

iii. The Group adopts the assumptions under IFRS 9, there has been a significant increase in credit risk on that instrument since initial recognition, when the contract payments were past due over 30 days.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) Default or delinquency in interest or principal repayments;

(iii) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group classifies customers' accounts receivable in accordance with sales area. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On June 30, 2019, December 31, 2018, June 30, 2018, the Group's written-off financial assets that are still under recourse procedures amounted to $35,474, $35,395 and $35,338, respectively.

viii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable. On June 30, 2019, December 31, 2018, June 30, 2018, the provision matrix is as follows:

	Not overdue	Overdue within 30 days	Overdue within 60 days	Overdue within 90 days	Overdue for more than 90 days	Total
At June 30, 2019						
Expected loss rate	0.03%	0.17~1.28%	37~71%	38~84%	50~100%	
Total book value	$ 495,593	$ 23,580	$ 2,350	$ 983	$ 13,239	$ 535,745
Loss allowance	149	302	1,030	723	12,539	14,743
At December 31, 2018						
Expected loss rate	0.03%	0.17~1.28%	37~71%	38~84%	50~100%	
Total book value	$ 483,995	$ 24,620	$ 6,820	$ 1,993	$ 9,818	$ 527,246
Loss allowance	145	605	4,262	1,747	9,304	16,063
At June 30, 2018						
Expected loss rate	0.03%	0.17~1.26%	37~70%	38~83%	50~92%	
Total book value	$ 389,289	$ 12,331	$ 2,781	$ 5,479	$ 13,711	$ 423,591
Loss allowance	117	978	3,667	8,627	4,679	18,068

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2019	
	Accounts receivable	Overdue receivable
At January 1	$ 16,063	$ 35,395
Reversal of impairment loss	(1,388)	-
Effect of foreign exchange	68	79
At June 30	$ 14,743	$ 35,474

	2018	
	Accounts receivable	Overdue receivable
At January 1	$ 19,129	$ 36,240
Reversal of impairment loss	(1,688)	-
Write-offs	-	(549)
Effect of foreign exchange	115	159
Transfer	512	(512)
At June 30	$ 18,068	$ 35,338

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and other cash equivalents, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

June 30, 2019	Less than 3 months	Between 3 months and 1 year	Over 1 year	Book value
Short-term borrowings	$ 276,160	$ 22,646	$ -	$ 298,806
Notes payable	699	-	-	699
Accounts payable	400,344	15,621	-	415,965
Other payables	76,210	99,251	1,697	177,158
Lease liability	3,081	7,985	8,955	20,021

December 31, 2018	Less than 3 months	Between 3 months and 1 year	Over 1 year	Book value
Short-term borrowings	$ 252,527	$ -	$ -	$ 252,527
Notes payable	3,630	-	-	3,630
Accounts payable	354,024	17,723	-	371,747
Other payables	107,618	21,410	2,656	131,684

June 30, 2018	Less than 3 months	Between 3 months and 1 year	Over 1 year	Book value
Short-term borrowings	$ 75,024	$ -	$ -	$ 75,024
Notes payable	6,406	195	-	6,601
Accounts payable	516,827	19,445	-	536,272
Other payables	54,310	157,281	8,633	220,224

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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.

B. Financial instruments not measured at fair value.

The Group's carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, accounts payable and other payables are approximate to their fair values. The carrying amounts are provided in Note 12(2)A.

C. As of June 30, 2019 and December 31, 2018, there are no financial instruments measured at fair value, therefore, there are no related information disclosed. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

June 30, 2018	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 2,124	$ -	$ 2,124

D. The methods and assumptions the Group used to measure fair value are as follows:

(a) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(b) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

E. For the six-month periods ended June 30, 2019 and 2018, there was no transfer between Level 1 and Level 2.

F. For the six-month periods ended June 30, 2019 and 2018, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transaction information

The Group discloses related information of the following for the six-month period ended June 30, 2019:

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Derivative financial instruments undertaken for the six-month period ended June 30, 2019: None.

J. Significant inter-company transactions for the six-month period ended June 30, 2019: Please refer to table 5.

(2)<u>Information on investees (not including investees in Mainland China)</u>

Please refer to table 6.

(3)<u>Information on investments in Mainland China</u>

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:

(a) Purchasing amount and percentage and related receivables' percentage and balance at June 30, 2019: Please see Note 13(1) G.

(b) Selling amount and percentage and related receivables' percentage and balance at June 30, 2019: Please refer to table 8.

(c) Property transaction amounts and gains and loss arising from them: None.

(d) Balance and purpose of provision of endorsements/guarantees or collaterals at June 30, 2019: None.

(e) Maximum balance, ending balance, interest rate range and interest for financing during the six-month period ended and at June 30, 2019: Please see Note 13(1) A.

(f) Other significant transactions that affected the gains and loss or financial status for the period, i.e. rendering/receiving of service: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The Group has three reportable operating segments: First Business Division, Second Business Division and Technical Services Division. The primary sources of revenue from products and services are as follows:

First Business Division	:	Promotes domestic sales of consigned and self-manufactured products
Second Business Division	:	Responsible for international sales and market promotion of self-manufactured products
Technical Services Division	:	Responsible for the installation, testing, and warranty of products, as well as development of the repair and maintenance business line, and purchases and sales of spare parts and miscellaneous
Energy Division	:	Domestic sales and market promotion of self-manufactured energy-related products

(2) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

For the six-month period ended June 30, 2019	First Business Division	Second Business Division	Technical Services Division	Energy Division	Reconciliation and elimination	Total
Revenue from external customer contracts	$ 315,021	$ 611,344	$ 102,041	$ 112,638	$ -	$ 1,141,044
Inter-segment revenue	37,209	1,339,111	3,718	-	(1,380,038)	-
Total segment revenue	$ 352,230	$1,950,455	$ 105,759	$ 112,638	($ 1,380,038)	$ 1,141,044
Segment income/(loss)	$ 28,890	$ 26,332	$ 41,998	$ 1,766	($ 109,303)	($ 10,317)

For the six-month period ended June 30, 2018	First Business Division	Second Business Division	Technical Services Division	Energy Division	Reconciliation and elimination	Total
Revenue from external customer contracts	$ 499,201	$ 549,863	$ 104,050	$ 122,337	$ -	$ 1,275,451
Inter-segment revenue	75,295	1,457,600	5,317	-	(1,538,212)	-
Total segment revenue	$ 574,496	$2,007,463	$ 109,367	$ 122,337	($ 1,538,212)	$ 1,275,451
Segment income/(loss)	$ 82,265	$ 32,168	$ 43,054	$ 14,612	($ 113,969)	$ 58,130

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

Reconciliations of reportable segment income to the income before tax from continuing operations for the six-month periods ended June 30, 2019 and 2018 are as follows:

	For the six-month periods ended June 30,	
	2019	2018
Reportable segments (loss) income before tax	($ 10,317)	$ 58,130
Other income	9,142	9,186
Other gains and losses	8,441	3,335
Finance costs	(2,242)	(731)
Income before tax from continuing operations	$ 5,024	$ 69,920

The Group did not provide the total assets and total liabilities amounts to the Chief Operating Decision-Maker.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others

For the six-month period ended June 30, 2019

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six-month period ended June 30, 2019	Balance at June 30, 2019	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	The Company	Ablerex-IT	Other recivables	Y	$24,848 (USD 800 thousand)	$ 24,848 (USD 800 thousand)	$ 10,787 (USD 350 thousand)	3.80%	Short-term financing	$ -	Turnover of operation	$ -	None	$ -	$ 291,795	$ 583,590	Note 1 Note 4
1	Ablerex-USA	Ablerex-IT	Other recivables	Y	7,765 (USD 250 thousand)	7,765 (USD 250 thousand)	7,765 (USD 250 thousand)	1.75%	Short-term financing	-	Turnover of operation	-	None	-	291,795	583,590	Note 1 Note 3 Note 6
2	Ablerex-HK	Ablerex-SZ	Other recivables	Y	93,180 (USD 3,000 thousand)	93,180 (USD 3,000 thousand)	62,120 (USD 2,000 thousand)	3.20%	Short-term financing	-	Turnover of operation	-	None	-	291,795	583,590	Note 1 Note 2 Note 5

Note 1: In accordance with the Company’s “Procedures for Provision of Loans”, limit on total loans to others is 40% of the Company’s net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year on the year of financing. Limit on loans to a single party with short-term financing is 20% of the Company’s net assets; but limit on total loans to subsidiaries is 40% of the parent company’s current net assets. Furthermore, for the foreign companies which the Group holds 100% of the voting rights directly or indirectly, limit on loans is not restricted.

Note 2: In accordance with the Ablerex-HK’s “Procedures for Provision of Loans”, limit on total loans to others is 40% of the parent company’s net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year. Limit on loans to a single party with short-term financing is 20% of the parent company’s net assets; but limit on total loans to subsidiaries is 40% of the parent company’s current net assets. Furthermore, for the foreign companies which the Group holds 100% of the voting rights directly or indirectly, limit on loans is not restricted. The deadline of each loan is 1 year from the lending day.

Note 3: In accordance with the Ablerex-USA’s “Procedures for Provision of Loans”, limit on total loans to others is 40% of the parent company’s net assets. Limit on loans to a single party with business transactions is the higher value of purchases or sales during current year. Limit on loans to a single party with short-term financing is 20% of the parent company’s net assets.Each loan matures within one year after it is lent except for financing among entities who directly or indirectly own 100% voting right of the Company's parent company.

Note 4: The maximum credit to be drawn as approved by the Board of Directors was USD 800 thousand. The period-end available credit balance was USD 800 thousand. The actual amount drawn was USD 350 thousand.

Note 5: The maximum credit to be drawn as approved by the Board of Directors was USD 3,000 thousand. The period-end available credit balance was USD 3,000 thousand. The actual amount drawn was USD 2,000 thousand.

Note 6: The maximum credit to be drawn as approved by the Board of Directors was USD 250 thousand. The period-end available credit balance was USD 250 thousand. The actual amount drawn was USD 250 thousand.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the six-month period ended June 30, 2019

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2019	Outstanding endorsement/ guarantee amount at June 30, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor											
0	The Company	Ablerex-HK	Subsidiary	$ 729,489	$ 232,950	$ 232,950	$ 36,340	$ -	16%	$ 729,489	Y	N	N	Note 1 Note 2

Note1: In accordance with the Company's "Procedures for Provision of Endorsements and Guarantees", limit on the Company endorsements/guarantees to others is 50% of the Company's net assets. Limit on the Company's endorsements/guarantees to a single party is 20% of the Company's net assets,and limit on endorsements/guarantees for companies with business relations is the higher value of purchases or sales during current year.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1)Having business relationship.

(2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Transactions made with Ablerex-HK is higher than 50% of the Company's net assets, which is over the limit on the Company endorsements/guarantees to others.

Thus, the limit on the Company endorsements/guarantees to Ablerex-HK is 50% of the Company's net assets.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the six-month period ended June 30, 2019

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Ablerex-HK	Subsidiary	Purchases	$ 540,750	77%	Note 1	Note 1	Note 1	$ 190,527	(57%)	-
Ablerex-HK	The Company	Parent Company	(Sales)	(USD 17,453 thousand)	(94%)	Note 1	Note 1	Note 1	USD 6,134 thousand	79%	-
Ablerex-HK	Ablerex-SZ	Affiliate	Purchases	USD 17,453 thousand	94%	Note 2	Note 2	Note 2	(USD 6,982 thousand)	(90%)	-
Ablerex-SZ	Ablerex-HK	Affiliate	(Sales)	(RMB 117,993 thousand)	(91%)	Note 2	Note 2	Note 2	RMB 48,001 thousand	82%	-

Note 1: The transaction price is commensurate with the purchase price from Ablerex-SZ; the receivable (payable) policy is Net 60 days E.O.M.

Note 2: The transaction price is the Ablerex-SZ production cost plus an agreed gross margin; the receivable (payable) policy is Net 60 days E.O.M.

Note 3: Transaction price are determined according to the agreements between the parties; the receivable (payable) policy is Net 120 days E.O.M.

Note 4: Ablerex-HK conducts purchases from Ablerex, whereby the prices were determined according to the agreements between the parties. The purchases were then sold to Ablerex-SZ with a zero contribution margin; the credit term is coherent with general customers.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

June 30, 2019

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Ablerex-HK	The Company	Subsidiary	USD 6,134 thousand	6.90	-	-	USD 3,049 thousnad	-
Ablerex-SZ	Ablerex-HK	Affiliate	RMB 48,001 thousand	6.68	-	-	RMB 22,425 thousnad	-

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

For the six-month period ended June 30, 2019

Table 5 — Expressed in thousands of NTD

Individual transactions not exceeding $10,000 and their corresponding transactions are not disclosed. — (Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Ablerex-HK	1	Sales	$ 36,186	Note 8	3%
		Ablerex-HK	1	Purchases	540,750	Note 4	47%
		Ablerex-HK	1	Accounts Payable	190,527		7%
		Ablerex-HK	1	Other Receivables	21,463		1%
		Ablerex-USA	1	Sales	20,608	Note 5	2%
		Ablerex-USA	1	Accounts Receivable	15,208		1%
		Ablerex-SG	1	Sales	81,378	Note 6	7%
		Ablerex-SG	1	Accounts Receivable	66,587		2%
		Ablerex-IT	1	Sales	57,053	Note 6	5%
		Ablerex-IT	1	Accounts Receivable	50,329		2%
		Ablerex-IT	1	Other Receivables	10,871	Note 10	0%
1	Ablerex-HK	Ablerex-SZ	3	Purchases	538,029	Note 4	47%
		Ablerex-SZ	3	Sales	33,531	Note 8	3%
		Ablerex-SZ	3	Accounts Receivable	26,344		1%
		Ablerex-SZ	3	Accounts Payable	217,013		8%
		Ablerex-SZ	3	Other Receivables	86,361	Note 9	3%
2	Ablerex-SZ	Ablerex-BJ	3	Sales	32,817	Note 7	3%
		Ablerex-BJ	3	Accounts Receivable	30,363		1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Ablerex-HK conducted purchases from Ablerex-SZ, whereby the prices were based on Ablerex-SZ’s production costs. The purchases were then resold to Ablerex with a zero contribution margin; the term for receivables and payables is Net 60 days E.O.M.

Note 5: Commensurate with general sale terms; the term for receivables is Net 120 days E.O.M.

Note 6: Transaction prices are determined according to the agreements between the parties; the credit term is Net 120 days E.O.M.

Note 7: Transaction prices are determined according to the agreements between the parties; the credit term is coherent with general customers.

Note 8: Ablerex-HK conducts purchases from Ablerex, whereby the prices were determined according to the agreements between the parties. The purchases were then sold to Ablerex-SZ with a zero contribution margin; the credit term is coherent with general customers.

Note 9: Ablerex-HK loan to Ablerex-SZ, of which $61,678 calculated interest against agreed interest rate 3.2% per annum and the rest was for business demand.

Note 10: Ablerex loan to Ablerex-IT, of which $10,787 calculated interest against agreed interest rate 3.8% per annum and the rest was for business demand.

Note 11: The credit term is coherent with general service is Net 120 days E.O.M.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investees

For the six-month period ended June 30, 2019

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2019			Net profit (loss) of the investee for the six-month period ended June 30, 2019	Investment income(loss) recognised by the Company for the six-month period ended June 30, 2019	Footnote
				Balance as at June 30, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value			
The Company	Ablerex-Samoa	Samoa	Holding company	$ 217,445	$ 217,445	6,635,000	100	$ 486,616	($ 11,277)	($ 10,792)	Subsidiary
The Company	Joint	BVI	Providing management service	104	104	3,000	100	38	(39)	(39)	Subsidiary
The Company	Ablerex-USA	U.S.	Sales of uninterruptible power supply, solar energy products, and related systems	8,303	8,303	250,000	100	47,773	(5,238)	(5,239)	Subsidiary
The Company	Ablerex-HK	Hong Kong	Sales of uninterruptible power supply, solar energy products, and related systems	43	43	10,000	100	31,186	494	494	Subsidiary
The Company	Ablerex-SG	Singapore	Sales of uninterruptible power supply, solar energy products, and related systems	48,008	48,008	2,140,763	100	86,883	1,165	1,244	Subsidiary
The Company	Ablerex-UK	UK	Holding company	4,674	4,674	100,000	100	3,593	(616)	(2,268)	Subsidiary
The Company	Ablerex-JP	Japan	Sales of uninterruptible power supply, solar energy products, and related systems	9,253	9,253	3,000	100	2,504	(2,272)	(2,448)	Subsidiary
Ablerex-Samoa	Ablerex -Overseas	Hong Kong	Holding company	217,445	217,445	6,635,000	100	490,360	(11,242)	-	Second-tier subsidiary
Ablerex-UK	Ablerex-IT	Italy	Sales of uninterruptible power supply, solar energy products, and related systems	4,674	4,674	100,000	100	3,593	(616)	-	Second-tier subsidiary
Ablerex-SG	Ablerex-TH	Thailand	Sales of uninterruptible power supply, solar energy products, and related systems	256	256	280,000	70	1,990	1,096	-	Second-tier subsidiary
Ablerex-USA	Ablerex-Latam	U.S.	Sales of uninterruptible power supply, solar energy products,and related systems	15,358	15,358	3,650	86	5,951	(7,258)	-	Second-tier subsidiary

Note: The Company recognised investment income comprising of downstream and upstream transactions.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China

For the six-month period ended June 30, 2019

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six-month period ended June 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2019	Net income of investee as of June 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six-month period ended June 30, 2019	Book value of investments in Mainland China as of June 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ablerex-SZ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	$ 169,588	Note 1	$ 169,588	$ -	$ -	$ 169,588	($ 13,255)	100	($ 13,255)	$ 445,385	$ -	-
Ablerex-BJ	Manufacturing and sales of uninterruptible power supply, solar energy products, and related systems	45,210	Note 1	36,496	-	-	36,496	2,479	80	1,983	44,889	-	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2019	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ABLEREX ELECTRONICS CO., LTD.	$ 206,083	$ 206,083	$ 883,177

Note 1: Invested in cash through the third region’s subsidiary, Ablerex-Samoa which invested in Ablerex-Overseas and then reinvested in Ablerex-SZ and Ablerex-BJ. The investments were approved by the Investment Commission of the Ministry of Economic Affairs.

Note 2: Excluding the presentation and disclosures of Ablerex-SZ concurrently reviewed by the Certified Public Accountant, the above-listed related parties disclosed below are presentations and disclosures on investees that were not concurrently reviewed by the Certified Public Accountant. For consolidated reporting purposes, all individuals disclosed below have eliminated all inter-group transactions.

ABLEREX ELECTRONICS CO., LTD. AND SUBSIDIARIES

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the six-month period ended June 30, 2019

Table 8

(1) Selling amount and percentage and related receivables' percentage and balance at June 30, 2019:

		For the six-month period ended June 30, 2019		
Company name	General ledger amount	Amount	%	Footnote
Ablerex-SZ	Sales	$ 33,531	3%	Resold to Ablerex-SZ through Ablerex-HK

(2) Other significant transactions that affected the gains and losses or financial status for the period, i.e. rendering/receiving of service:

		For the six-month period ended June 30, 2019		
Company name	General ledger amount	Amount	%	Footnote
Ablerex-SZ	Miscellaneous income	$ 1,586	99 %	The Company purchased the critical raw materials of $3,603 on behalf of Ablerex-SZ, and collected revenue through Ablerex-HK’s transshipment.
Ablerex-SZ	Deduction from management fee	$ 3,707	13%	Provide management service to Ablerex-SZ and collectd payment through Joint Rewards Trading Crop.