Coxon Precise Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” (the “Criteria”) for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the reporting purposes under the Criteria.

Very truly yours,

COXON PRECISE INDUSTRIAL CO., LTD.

By:

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HONG, HUAN-CHING
Director

March 20, 2020

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Coxon Precise Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Coxon Precise Industrial Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements for the year ended December 31, 2019 are as follows:

Sales Revenue Recognition Specific Customers

The sales revenue of Coxon Precise Industrial Co., Ltd. and its subsidiaries for the year ended December 31, 2019 was $4,313,919 thousand. According to the auditing standards, revenue recognition is presumed to have a significant audit risk; in addition, the sales of Coxon Precise Industrial Co., Ltd. and its subsidiary mainly come from distributors. As sales revenue generated from a single transaction which was derived from specific distributors are higher than that from other customers, we considered the occurrence of revenue as a key audit matter. Refer to Notes 4 and 27 to the consolidated financial statements.

Our key audit procedures performed in respect of the sales revenue recognition included the following:

1. We understood, evaluated and tested the effectiveness of the design and implementation of internal control system that is related to revenue recognition.

2. We obtained the sales details of specific customers for the year ended December 31, 2019 and we sampled and tested the selected sales transactions with their original purchase orders, delivery orders and invoices, and we compared the amounts to their respective accounts to ensure the occurrence of the sales.

3. We obtained the sales returns details of specific customers for the subsequent period, sampled and tested the related sales return supporting documents and reviewed the reasonableness of the occurrence of such sales returns.

Other Matters

We have also audited the parent company only financial statements of Coxon Precise Industrial Co., Ltd. as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Su-Huan You and Jui-Chuan Chih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 20, 2020

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 34)	$ 877,301	18	$ 1,233,017	18
Financial assets at fair value through profit or loss - current (Notes 7 and 34)	38,677	1	85,031	1
Financial assets at fair value through other comprehensive income - current (Notes 8 and 34)	-	-	-	-
Financial assets at amortized cost - current (Notes 9, 34 and 36)	19,928	-	117,217	2
Trade receivables (Notes 10, 27 and 34)	938,236	19	1,514,551	22
Trade receivables from related parties (Notes 10, 27, 34 and 35)	64,266	1	64,404	1
Other receivables (Notes 12 and 34)	118,877	2	41,037	-
Other receivables from related parties (Notes 34 and 35)	2,220	-	19,536	-
Current tax assets (Note 29)	27,736	1	22,447	-
Inventories (Note 11)	393,538	8	538,979	8
Prepayments (Notes 18 and 36)	201,703	4	130,573	2
Non-current assets held for sale (Note 12)	-	-	538,154	8
Other current assets (Note 19)	78	-	36,563	-
Total current assets	2,682,560	54	4,341,509	62
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 34)	230,703	5	256,821	4
Investments accounted for using the equity method (Note 14)	4,989	-	29,214	-
Property, plant and equipment (Notes 15 and 36)	1,428,586	29	2,018,600	29
Right-of-use assets (Notes 3 and 16)	381,748	8	-	-
Intangible assets (Note 17)	21,564	-	33,275	1
Deferred tax assets (Note 29)	177,736	4	149,549	2
Prepayments for equipment (Note 38)	15,903	-	81,832	1
Prepayments for investment (Note 19)	-	-	30,000	-
Long-term prepayments for leases (Notes 18 and 36)	-	-	34,607	1
Other non-current assets (Notes 10 and 19)	25,380	-	14,915	-
Total non-current assets	2,286,609	46	2,648,813	38
TOTAL	$ 4,969,169	100	$ 6,990,322	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 27 and 35)	$ 53,770	1	$ 44,254	1
Notes payable (Notes 22 and 34)	10	-	258	-
Trade payables (Notes 22 and 34)	550,640	11	1,023,231	15
Payables on equipment (Note 34)	18,036	-	20,662	-
Other payables (Notes 23 and 34)	470,761	10	574,002	8
Current tax liabilities (Notes 29 and 34)	-	-	8,619	-
Provisions - current (Note 24)	18,965	-	16,851	-
Liabilities directly associated with non-current assets held for sale (Notes 12 and 35)	-	-	58,529	1
Lease liabilities - current (Notes 3 and 16)	152,635	3	-	-
Current portion of long-term borrowings (Notes 20, 32 and 34)	136,364	3	191,667	3
Other current liabilities (Notes 23 and 35)	1,227	-	1,956	-
Total current liabilities	1,402,408	28	1,940,029	28
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 20 and 34)	63,636	1	800,000	11
Deferred tax liabilities (Note 29)	16,871	1	15,979	-
Lease liabilities - non-current (Notes 3 and 16)	203,449	4	-	-
Net defined benefit liabilities - non-current (Note 25)	46,869	1	42,172	1
Other non-current liabilities (Notes 23 and 35)	7,187	-	10,459	-
Total non-current liabilities	338,012	7	868,610	12
Total liabilities	1,740,420	35	2,808,639	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	1,216,622	24	1,216,622	17
Capital surplus	2,588,754	52	2,649,585	38
(Accumulated deficits) retained earnings				
Legal reserve	211,361	5	671,798	10
Special reserve	354,252	7	221,728	3
Accumulated deficits	(590,209)	(12)	(327,913)	(5)
Total (accumulated deficits) retained earnings	(24,596)	-	565,613	8
Other equity	(627,902)	(13)	(354,252)	(5)
Total equity attributable to owners of the Company	3,152,878	63	4,077,568	58
NON-CONTROLLING INTERESTS	75,871	2	104,115	2
Total equity	3,228,749	65	4,181,683	60
TOTAL	$ 4,969,169	100	$ 6,990,322	100

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

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Losses Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 27, 35 and 41)	$ 4,313,919	100	$ 5,499,980	100
OPERATING COSTS (Notes 11 and 28)	(4,368,005)	(101)	(5,516,027)	(100)
LOSS PROFIT	(54,086)	(1)	(16,047)	-
OPERATING EXPENSES (Notes 10 and 28)				
Selling and marketing expenses	(180,916)	(4)	(200,778)	(4)
General and administrative expenses	(515,258)	(12)	(458,226)	(8)
Research and development expenses	(11,021)	-	(18,477)	-
Expected credit loss	(3,575)	-	(2,594)	-
Total operating expenses	(710,770)	(16)	(680,075)	(12)
OTHER OPERATING INCOME AND EXPENSES (Notes 28 and 35)	17,487	-	34,016	-
LOSS FROM OPERATIONS	(747,369)	(17)	(662,106)	(12)
NON-OPERATING INCOME AND EXPENSES (Notes 14, 15, 21, 28, 31 and 35)				
Other income	4,334	-	8,460	-
Other gains and losses	230,437	5	6,768	-
Finance costs	(55,338)	(1)	(32,939)	(1)
Share of loss of associates and joint ventures	(33,417)	(1)	(24,983)	-
Total non-operating income and expenses	146,016	3	(42,694)	(1)
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(601,353)	(14)	(704,800)	(13)
INCOME TAX EXPENSE (Note 29)	(35,028)	(1)	(3,734)	-
NET LOSS FROM DISCONTINUING OPERATIONS	44,980	1	(182,008)	(3)
NET LOSS FOR THE YEAR	(591,401)	(14)	(890,542)	(16)

(Continued)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Losses Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 25, 26 and 29)				
Items that subsequently to profit or loss:				
Actuarial loss arising from defined benefit plans	$ (25,789)	(1)	$ (1,335)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(58,484)	(1)	24,561	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	5,158	-	1,099	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(276,058)	(6)	(159,594)	(3)
Income tax relating to item that may be reclassified subsequently to profit or loss	54,471	1	40,073	1
Other comprehensive loss for the year, net of income tax	(300,702)	(7)	(95,196)	(2)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (892,103)	(21)	$ (985,738)	(18)
NET LOSS ATTRIBUTABLE TO:				
Owners of the Company	$ (566,859)	(13)	$ (837,986)	(15)
Non-controlling interests	(24,542)	(1)	(52,556)	(1)
	$ (591,401)	(14)	$ (890,542)	(16)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	$ (863,859)	(20)	$ (931,861)	(17)
Non-controlling interests	(28,244)	(1)	(53,877)	(1)
	$ (892,103)	(21)	$ (985,738)	(18)
LOSSES PER SHARE (NEW TAIWAN DOLLARS; Note 30)				
From continuing and discontinued operations				
Basic	$ (4.66)		$ (6.89)	
Diluted	$ (4.66)		$ (6.89)	
From continuing operations				
Basic	$ (5.03)		$ (5.39)	
Diluted	$ (5.03)		$ (5.39)	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Ordinary Shares			Retained Earnings			Other Equity					
	Shares Issued (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2018	121,622	$ 1,216,622	$ 2,749,231	$ 671,798	$ 28,722	$ 657,852	$ (232,334)	$ 10,606	$ -	$ 5,102,497	$ 173,952	$ 5,276,449
Effect of retrospective application and retrospective restatement	-	-	-	-	-	22,267	-	(10,606)	(5,083)	6,578	-	6,578
BALANCE AT JANUARY 1, 2018 AS RESTATED	121,622	1,216,622	2,749,231	671,798	28,722	680,119	(232,334)	-	(5,083)	5,109,075	173,952	5,283,027
Appropriation of the 2017 earnings												
Special reserve	-	-	-	-	193,006	(193,006)	-	-	-	-	-	-
Cash dividends from capital surplus	-	-	(97,330)	-	-	-	-	-	-	(97,330)	-	(97,330)
Redemption of bond	-	-	(2,316)	-	-	-	-	-	-	(2,316)	-	(2,316)
Net loss for the year ended December 31, 2018	-	-	-	-	-	(837,986)	-	-	-	(837,986)	(52,556)	(890,542)
Other comprehensive income (loss) or the year ended December 31, 2018, net of income tax	-	-	-	-	-	(236)	(118,200)	-	24,561	(93,875)	(1,321)	(95,196)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	(838,222)	(118,200)	-	24,561	(931,861)	(53,877)	(985,738)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(15,960)	(15,960)
Disposals of investments in equity instruments designated as at fair value through other comprehensive	-	-	-	-	-	23,196	-	-	(23,196)	-	-	-
BALANCE AT DECEMBER 31, 2018	121,622	1,216,622	2,649,585	671,798	221,728	(327,913)	(350,534)	-	(3,718)	4,077,568	104,115	4,181,683
Appropriation of the 2018 earnings												
Special reserve	-	-	-	-	132,524	(132,524)	-	-	-	-	-	-
Legal reserves used to compensate deficit	-	-	-	(460,437)	-	460,437	-	-	-	-	-	-
Cash dividends from capital surplus	-	-	(60,831)	-	-	-	-	-	-	(60,831)	-	(60,831)
Net loss for the year ended December 31, 2019	-	-	-	-	-	(566,859)	-	-	-	(566,859)	(24,542)	(591,401)
Other comprehensive income (loss) or the year ended December 31, 2019, net of income tax	-	-	-	-	-	(20,631)	(217,885)	-	(58,484)	(297,000)	(3,702)	(300,702)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(587,490)	(217,885)	-	(58,484)	(863,859)	(28,244)	(892,103)
Disposals of investments in equity instruments designated as at fair value through other comprehensive	-	-	-	-	-	(2,719)	-	-	2,719	-	-	-
BALANCE AT DECEMBER 31, 2019	121,622	$ 1,216,622	$ 2,588,754	$ 211,361	$ 354,252	$ (590,209)	$ (568,419)	$ -	$ (59,483)	$ 3,152,878	$ 75,871	$ 3,228,749

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

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	$ (601,353)	$ (704,800)
Income (loss) before income tax from discontinued operations	44,976	(182,004)
Loss before income tax	(556,377)	(886,804)
Adjustments for:		
Depreciation expenses	556,908	631,186
Amortization expenses	16,886	18,386
Expected credit loss recognized on trade receivables	3,575	5,247
Net (gain) loss on fair value changes of financial assets and liabilities as at fair value through profit or loss	(3,012)	8,319
Finance costs	55,338	32,939
Interest income	(4,334)	(8,276)
Dividend income	-	(184)
Share of loss of associates and joint ventures	33,417	24,983
Loss (gain) on disposal of property, plant and equipment	7,308	(58,719)
Gain on disposal of investments	(55,369)	(125,067)
Impairment loss recognized on property, plant and equipment	271,616	172,003
(Reversal of) write-down of inventories	(88,620)	172,319
Unrealized (gain) loss on the foreign currency exchange	(19,458)	10,711
Gain on modification of lease	(5,098)	-
Gain on disposal of subsidiaries	(430,318)	-
Changes in operating assets and liabilities		
Trade receivables	565,048	414,170
Other receivables	(13,790)	408
Inventories	233,238	(26,826)
Prepayments	(71,130)	6,378
Other current assets	36,485	(30,711)
Contract liabilities	9,516	(6,096)
Notes payable	(248)	(226)
Trade payables	(445,094)	70,796
Other payables	(112,175)	(178,218)
Provisions	2,114	590
Other current liabilities	(729)	(8,983)
Deferred revenue	(325)	4,638
Net defined benefit liabilities	(21,092)	132
Cash (used in) generated from operations	(35,720)	243,095
Interest received	7,346	8,276
Dividends received	-	184
Interest paid	(46,404)	(29,824)
Income tax paid	(17,183)	(89,600)
Net cash (used in) generated from operating activities	(91,961)	132,131

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COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (28,706)	$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	27,993	26,418
Proceeds from disposal of financial assets at amortized cost	97,289	548,885
Purchase of financial assets at fair value through profit or loss	-	(123,660)
Proceeds from sale of financial assets at fair value through profit or loss	44,822	-
Purchase of investments accounted for using the equity method	(9,136)	-
Disposal of investments accounted for using the equity method	-	156,775
Increase in prepayments for investment	-	(30,000)
Net cash inflow on disposal of subsidiaries	699,735	-
Payments for property, plant and equipment	(92,290)	(159,502)
Proceeds from disposal of property, plant and equipment	33,445	164,141
Increase in refundable deposits	(10,465)	(7,307)
Payments for intangible assets	(5,806)	(8,328)
Decrease (increase) in prepayments for equipment	1,772	(4,972)
Net cash generated from investing activities	758,653	562,450
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of bonds	-	(107,499)
Proceeds from long-term borrowings	707,196	2,000,000
Repayments of long-term borrowings	(1,498,863)	(2,904,167)
(Decrease) increase in guarantee deposits received	(2,947)	3,641
Repayment of the principal portion of lease liabilities	(185,912)	-
Dividends paid to owners of the Company	(60,831)	(97,330)
Changes in non-controlling interests	-	(15,960)
Net cash used in financing activities	(1,041,357)	(1,121,315)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	18,949	(38,423)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(355,716)	(465,157)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,233,017	1,889,851
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 877,301	$ 1,424,694

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COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent item reported in the consolidated balance sheets at December 31, 2019 and 2018:

	December 31	
	2019	**2018**
Cash and cash equivalents in consolidated balance sheets	$ 877,301	$ 1,233,017
Cash and cash equivalents included in disposal groups held for sale	-	191,677
Cash and cash equivalents in consolidated statements of cash flows	$ 877,301	$ 1,424,694

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Coxon Precise Industrial Co., Ltd. (the “Company”) was incorporated in the Republic of China (ROC) in June 1989. The Company mainly manufactures, packages and sells all kinds of molds, metal and plastic components and makes relevant investments.

The Company’s shares were previously listed on the Taipei Exchange (formerly the Taiwan GreTai Securities Market) since January 2008 and has now been listed on the Taiwan Stock Exchange (TWSE) since October 2009.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the “Group”, are presented in the Company’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 20, 2020.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

   Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

   1) IFRS 16 “Leases”

      IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

      <u>Definition of a lease</u>

      The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights of land located in China are recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the statements of cash flows. Leased assets and finance lease payables are recognized for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

The Group also applies the following practical expedients:

a) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Company accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

c) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

For leases previously classified as finance leases under IAS 17, the carrying amounts of right-of-use assets and lease liabilities on January 1, 2019 are determined as at the carrying amounts of the respective leased assets and finance lease payables on December 31, 2018.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is between 1.35% and 7.13%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 797,239
Less: Recognition exemption for short-term leases	(36)
Less: Recognition exemption for leases of low-value assets	(968)
Undiscounted amounts on January 1, 2019	$ 796,235
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 697,326
Lease liabilities recognized on January 1, 2019	$ 697,326

The Group as lessor

The Group does not make any adjustment for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments	$ 913	$ (913)	$ -
Prepayments for long-term leases	34,607	(34,607)	-
Right-of-use assets	-	732,846	732,846
Total effect on assets		$ 697,326	
Lease liabilities - current	-	$ 179,295	179,295
Lease liabilities - non-current	-	518,031	518,031
Total effect on liabilities		$ 697,326	

2) IFRIC 23 "Uncertainty over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority has full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

3) Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"

The amendments clarified that IFRS 9 "Financial Instruments" shall be applied to account for other financial instruments in an associate or joint venture to which the equity method is not applied. These included long-term interests that, in substance, form part of the Group's net investment in an associate or joint venture.

4) Amendments to IFRS 9 "Prepayment Features with Negative Compensation"

IFRS 9 stipulates that if a contractual term of a financial asset permits the issuer (i.e., the debtor) to prepay a debt instrument or permits the holder (i.e., the creditor) to put a debt instrument back to the issuer before maturity and the prepayment amount substantially represents unpaid amounts of the principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination, the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The amendments further explain that reasonable compensation may be paid or received by either of the parties, i.e., a party may receive reasonable compensation when it chooses to terminate the contract early.

5) Annual Improvements to IFRSs 2015-2017 Cycle

Several standards, including IFRS 3 "Business Combinations", IFRS 11 "Joint Arrangements", IAS 12 "Income Taxes" and IAS 23 "Borrowing Costs", were amended in this annual improvement.

6) Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group applied the above amendments prospectively.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

Amendments to IFRS 3 "Definition of a Business"

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether or not an acquired set of activities and assets is a business.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

For readers' convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the consolidated financial statements shall prevail.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

- Principles for preparing consolidated financial statements

  The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate or a jointly controlled venture.

See Note 15, Tables 5 and 6 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not retranslated).

For the purpose of presenting consolidated financial statements, the functional currencies of the Group and its foreign operations (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group' consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment including assets held under finance leases and bearer plants are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.
The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

When a subsidiary, joint operation, joint venture, associate, or a portion of an interest in a joint venture or an associate previously classified as held for sale no longer meets the criteria to be so classified, it is measured at the carrying amount that would have been recognized had such interests not been classified as held for sale. The consolidated financial statements for the years since classification as held for sale are amended accordingly.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, and financial assets at amortized cost - current, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or is designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on the financial liability.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods

Revenue from the sale of goods comes from manufacturing, processing, and sales of molds, an parts and plastic molding fixtures. Sales of goods are recognized as revenue when the goods are shipped since it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Receipts in advance are recognized as contract liabilities before the goods are shipped.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

o. Leases

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

<u>2018</u>

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

1) The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term.

2) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

Finance expenses implicit in lease payments for each period are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets; in which case, they are capitalized.

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

Lease incentives received under operating leases are recognized as liabilities. The aggregate benefit of incentives is recognized as a reduction of rental expenses on a straight-line basis. Lease incentives received under a finance lease are recognized as a reduction of minimum lease payments.

3) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Lessee. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost, including current service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	$ 969	$ 1,325
Checking accounts and demand deposits	874,613	1,200,692
Cash equivalents (with original maturities less than three months)		
Time deposits	-	31,000
Bank acceptances	1,719	-
	$ 877,301	$ 1,233,017

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
Financial assets mandatorily classified as at FVTPL - current		
Structured deposits*	$ 38,677	$ 85,031

* The Group entered into a short-term structured time deposit contract with bank. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The contract was designated as at FVTPL under IAS 39. But under IFRS 9, the entire contract is assessed and mandatorily classified as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2019	2018
Current		
Foreign investments		
Unlisted shares		
Ordinary shares - Halo Neuro Inc.	$ -	$ -
Ordinary shares - Yougang Electronic Technology (Shanghai) Co., Ltd.	-	-
	$ -	$ -
Non-current		
Domestic investments		
Unlisted shares		
Ordinary shares - Simpla Biotech Co., Ltd.	$ 12,308	$ -
Ordinary shares - Kin Tin Optotronic Co., Ltd.	-	-

(Continued)

	December 31	
	2019	2018
Foreign investments		
Unlisted shares		
Ordinary shares - Toyo Precision Appliance (Kunshan) Co., Ltd.	$ 175,149	$ 201,879
Ordinary shares - CGK International Co., Ltd.	23,236	30,826
Ordinary shares - PT. Fuji Seiki Indonesia	20,010	24,116
	$ 230,703	$ 256,821
		(Concluded)

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as designated these investment as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2019	2018
Current		
Domestic investments		
Principal guaranteed fund	$ -	$ 44,753
Time deposits with original maturities of more than three months	6,446	-
Bank deposits pledged as collateral	13,482	72,464
	$ 19,928	$ 117,217

Refer to Note 36 for information relating to bank deposits pledged as collateral.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2019	2018
Trade receivables		
Unrelated parties	$ 952,915	$ 1,532,296
Less: Allowance for impairment loss	(14,679)	(17,745)
	$ 938,236	$ 1,514,551
Related parties	$ 64,266	$ 64,404

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2019

	Not Past Due	0-30 Days	31-90 Days	91-180 Days	Over 180 Days	Total	Overdue Receivables Over 365 Days
Gross carrying amount	$ 878,799	$ 71,708	$ 49,519	$ 17,074	$ 81	$ 1,017,181	$ 24,256
Loss allowance (lifetime ECL)	(4,331)	(6,246)	(1,921)	(2,100)	(81)	(14,679)	(24,256)
Amortized cost	$ 874,468	$ 65,462	$ 47,598	$ 14,974	$ -	$ 1,002,502	$ -

December 31, 2018

	Not Past Due	0-30 Days	31-90 Days	91-180 Days	Over 180 Days	Total	Overdue Receivables Over 365 Days
Gross carrying amount	$ 1,467,436	$ 93,279	$ 22,014	$ 7,459	$ 6,512	$ 1,596,700	$ 19,085
Loss allowance (lifetime ECL)	(3,123)	(3,942)	(1,940)	(2,228)	(6,512)	(17,745)	(19,085)
Amortized cost	$ 1,464,313	$ 89,337	$ 20,074	$ 5,231	$ -	$ 1,578,955	$ -

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31			
	2019		2018	
	Trade Receivables	Overdue Receivables	Trade Receivables	Overdue Receivables
Balance at January 1	$ 17,745	$ 19,085	$ 21,438	$ 23,004
Add: Impairment losses recognized	-	6,118	4,751	496
Less: Amounts written off	-	-	(4,239)	-
Less: Net remeasurement of loss allowance	(2,543)	-	-	-
Less: Reclassified to non-current assets held for sale (Note 12)	-	-	(3,842)	(3,737)
Foreign exchange losses	(523)	(947)	(363)	(678)
	$ 14,679	$ 24,256	$ 17,745	$ 19,085

11. INVENTORIES

	December 31	
	2019	2018
Raw materials	$ 55,832	$ 67,382
Materials	29,017	37,129
Work in progress (including molds)	155,934	235,956
Semifinished products	27,979	37,805
Finished goods	124,776	160,707
	$ 393,538	$ 538,979

The loss allowance of inventory as of December 31, 2019 and 2018 was $273,551 thousand and $361,348 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was $4,368,005 thousand and $5,516,027 thousand, respectively.

The cost of goods sold including the amounts of written-off the inventory and recognized as expenses were as follows:

	For the Year Ended December 31	
	2019	2018
Inventory (reversed) write-downs	$ (88,620)	$ 172,319
Unallocated production overhead	230,429	380,021
	$ 141,809	$ 552,340

12. NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

a. Discontinued operations

On July 19, 2018, the board of directors of the Group resolved to dispose 100% of the shares of Teckyork Enterprise Co., Ltd. and its subsidiaries - Shanghai Teckyork Enterprise Co., Ltd. and Shanghai Sonor Enterprise Co., Ltd. - to stop the production of plastic products.

The above transaction was in compliance with the requirements of “non-current assets held for sale and discontinued operations” under IFRS 5, and the disposed assets are classified as non-current assets for sale. In addition, the non-current assets for sale meets the definition of discontinued operation and is therefore expressed as discontinued operation. In order to match the expression of discontinued operation in the consolidated income statements for the year ended December 31, 2019, the Group reclassified the profit and loss item of the discontinued operation for the year ended December 31, 2018, so as to make the information in the income statements of the years ended December 31, 2019 and 2018 more relevant.

Profit (loss) from discontinued operations was as follows:

	For the Year Ended December 31	
	2019	**2018**
Net profit (loss) for the year	$ 44,976	$ (182,004)
Reversals of impairment losses on changes in fair value less costs to sell	-	-
Income tax benefit (expense)	4	(4)
	$ 44,980	$ (182,008)

The details of profit (loss) from discontinued operations and the related cash flow information were as follows:

	For the Year Ended December 31	
	2019	**2018**
Operating revenue	$ 1,904	$ 221,769
Operating costs	(2,812)	(284,468)
Gross loss	(908)	(62,699)
Selling and marketing expenses	-	(6,722)
General and administrative expenses	(19,941)	(166,690)
Expected credit loss	4,513	(2,938)
Loss from operations	(16,336)	(239,049)
Other operating income and expenses	5,499	59,018
Other income	62	737
Other gains and losses	55,751	(2,708)
Finance costs	-	(2)
Profit (loss) before tax	44,976	(182,004)
Income tax benefit (expense)	4	(4)
Net profit (loss) for the year	$ 44,980	$ (182,008)
Profit (loss) from discontinued operations attributable to:		
Owners of the Company	$ 44,980	$ (182,008)
Non-controlling interests	-	-
	$ 44,980	$ (182,008)
Net cash used in operating activities		$ (14,667)
Net cash generated from investing activities		61,761
Net cash generated from (used in) financing activities		295
Net cash inflows		$ 47,389

b. Non-current assets held for sale

	December 31, 2018
Non-current assets held for sale	$ 538,154
Liabilities directly associated with non-current assets classified as held for sale	$ 58,529

The board of directors of the Group resolved to dispose the entire shareholdings of Teckyork Enterprise Co., Ltd. and its subsidiaries - Shanghai Teckyork Enterprise Co., Ltd. and Shanghai Sonor Enterprise Co., Ltd. on July 19, 2018 and November 14 2018. On March 14, 2019, the Group signed an equity transfer agreement with Magical Fountain Limited (Samoa), and the transfer was agreed to be completed from the settlement date on June 19, 2019. The subsidiaries mentioned above which had been reclassified as non-current assets for sale were separately stated in the consolidated balance sheets. The main categories of assets and liabilities under the non-current assets for sale are as follows:

	December 31, 2018
Cash and cash equivalents	$ 191,677
Financial assets at FVTPL - current	31,327
Financial assets at amortized cost - current	12,842
Trade receivables	32,504
Other receivables	3,625
Inventory	4,810
Prepayments	5,203
Property, plant and equipment	243,106
Prepayments for equipment	112
Long-term prepayments for leases	12,679
Other non-current assets	269
Non-current assets classified as held for sale	$ 538,154
Trade and other payables	$ 51,316
Contract liabilities	1,268
Other current liabilities	559
Other non-current liabilities	5,386
Liabilities directly associated with non-current assets classified as held for sale	$ 58,529

The net proceeds of disposal are expected to exceed the carrying amount of related net assets, and accordingly, no impairment was recognized while reclassifying the assets and liabilities attributable to the production line to non-current assets held for sale.

The total selling price is $806,464 thousand (US$25,641 thousand). According to the equity transfer agreement, the buyer will pay 20% of the total selling price either after Teckyork Enterprise Co., Ltd. transfers all of its interests in Changshu Husxon Industry Co., Ltd. to the third party or upon the completion of cancellation on Shanghai Sonor Enterprise Co., Ltd.'s registration. The buyer will pay the other 70% of the total selling price on the settlement date as well as the other 10% within 180 days thereafter. As of December 31, 2019, the Group has received $728,477 thousand (US$23,248 thousand), and the remaining 10% amounted to $75,413 thousand (US$2,393 thousand) was classified as other receivables.

13. SUBSIDIARY

a. Subsidiary included in consolidated financial statements

Investor	Investee	Main Business	Proportion of Ownership (%) December 31 2019	2018
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd.	Global investing activities	100	100
Coxon Industrial Ltd.	Dong Guan Chensong Plastic Co., Ltd.	Manufacturing and sale of nonmetal molding and automotive hardware	100	100
Coxon Precise Industrial Co., Ltd.	Sun Can International Ltd.	Global investing activities	100	100
Sun Can International Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Manufacturing and sale of nonmetal molding and automotive hardware	100	100
Coxon Precise Industrial Co., Ltd.	Teckyork Enterprise Co., Ltd.	Global investing activities	-	100
Teckyork Enterprise Co., Ltd.	Shanghai Teckyork Enterprise Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	-	100
	Shanghai Sonor Enterprise Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	-	100
	Changshu Huaxon Industry Co., Ltd. (Note)	Leasehold estate	-	100
Coxon Precise Industrial Co., Ltd.	Cheng Yee Enterprise Ltd.	Global investing activities	100	100
Cheng Yee Enterprise Ltd.	Coxon Precise International Ltd.	Global investing activities	100	100
	Hang Yuan Enterprise Ltd.	Global investing activities	100	100
Hang Yuan Enterprise Ltd.	Coxon Industry (Changshu) Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	100	100
	Changshu Huaxon Industry Co., Ltd. (Note)	Leasehold estate	100	-
Cheng Yee Enterprise Ltd.	Coxon Medical Limited	Global investing activities	80	80
Coxon Medical Limited	Shanghai Coxon Medical Limited	Manufacturing of medical materials	100	100
Coxon Precise Industrial Co., Ltd.	Cheng Da Industry Ltd.	Global investing activities	100	100
Cheng Da Industry Ltd.	Dong Guan Cheng Da Metal Product Company Limited	Manufacturing optical instrument, electronic products and plastic products	100	100
Coxon Precise Industrial Co., Ltd.	Soartek Optoelectronics Technology Co., Ltd.	Manufacturing of optical instrument and electronic components	-	100
Coxon Precise Industrial Co., Ltd.	Plenty Link Technology Co., Ltd.	Global investing activities	65	65
Plenty Link Technology Co., Ltd.	Dongguan Shuang-Ying Photoelectric Technology Co., Ltd.	Manufacturing of optical instrument and electronic components	100	100
Plenty Link Technology Co., Ltd.	Shuang-Ying Science and Technology, Ltd.	Manufacturing of optical instrument and electronic components	100	100

Note: The Group was restructured on March 31, 2019. The interests of Changshu Huaxon Industry Co., Ltd. owned by Techyork Enterprise Co., Ltd. was transferred to Hang Yuan Enterprise Co., Ltd.

On December 25, 2015, board of directors of Vastech Plastic (Shanghai) Industrial Co., Ltd. resolved to end its operation and completed the liquidation on April 19, 2018. On March 19, 2018, the board of directors of Vastech Industrial Co., Ltd. resolved to end its operation and completed the liquidation on June 21, 2018.

On March 19, 2018, the board of directors of Hsiangtek Optical Technology Co., Ltd. resolved to end its operation and completed the liquidation on May 28, 2018.

On March 14, 2019, the board of directors of Shanghai Sonor Enterprise Co., Ltd. resolved to end its operation and completed the liquidation on June 14, 2019.

On June 18, 2019, the board of directors of Hsiangtek Optical Technology Co., Ltd. resolved to end its operation and completed the liquidation on August 5, 2019.

For description of the liquidation of these subsidiaries of the Group, refer to Note 31.

b. Subsidiary not included in consolidated financial statements: None

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31 2019	December 31 2018
Associates that are not individually material		
Guangdong Tonly Precision Structure Co., Ltd.	$ 214	$ 20,005
Siix Coxon Precision Phils., Inc.	-	9,209
Wuhan Resin-Hill Co., Ltd.	4,775	-
	$ 4,989	$ 29,214

As at the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	December 31 2019	December 31 2018
Guangdong Tonly Precision Structure Co., Ltd.	30%	30%
Siix Coxon Precision Phils., Inc.	45%	45%
Wuhan Resin-Hill Co., Ltd.	40%	-

Refer to Table 6 "Information on Investees" and Table 7 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

In 2017, the Group held 30% interest in Toyo Precision Appliance (Kunshan) Co., Ltd. and accounted for the investment as an associate. In October 2018, the Group sold 15% of its interest in Toyo Precision Appliance (Kunshan) Co., Ltd. to a third party for proceeds of $126,626 thousand and, thus, ceased to have significant influence. The Group retained the remaining 15% interest as financial assets at FVTOCI whose fair value at the date of disposal was $131,235 thousand. Refer to Note 8 for more details. This transaction resulted in the recognition of a gain in profit or loss, which is calculated as follows:

Proceeds of disposal	$ 126,626
Less: Carrying amount of investment on the date of loss of significant influence	(128,817)
Plus/less: Share of other comprehensive income of the associate	89,543
Gain recognized	$ 87,352

The summarized financial information in respect of the Group's associates is set out below:

	December 31 2019	December 31 2018
Total assets	$ 276,343	$ 408,312
Total liabilities	$ 280,333	$ 321,164

	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Revenue	$ 416,231	$ 325,960
Loss for the year	$ (110,673)	$ (13,756)

Investments accounted for using the equity method as well as the share of profit or loss and other comprehensive gains and losses of the Group during 2019 and 2018, were calculated based on the financial reports without audited by the auditor. However, management of the Group believed that the 2019 and 2018 annual financial reports of the above subsidiaries would not be subject to major adjustments if they were verified by the auditor.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery	Transportation Equipment	Office Equipment	Leasehold Improvement	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2019	$ 79,244	$ 1,198,357	$ 3,663,718	$ 41,098	$ 52,969	$ 608,886	$ 546,106	$ 21,520	$ 6,211,898
Additions	-	430	30,125	4,556	1,138	10,916	24,712	17,787	89,664
Disposals	-	-	(304,230)	(1,065)	(1,544)	(36,843)	(15,167)	-	(358,849)
Reclassification	-	-	42,779	-	-	28,382	1,297	(8,301)	64,157
Effect of exchange rate changes	-	(41,429)	(126,279)	(1,080)	(842)	(19,767)	(19,929)	(1,247)	(210,573)
Balance at December 31, 2019	$ 79,244	$ 1,157,358	$ 3,306,113	$ 43,509	$ 51,721	$ 591,574	$ 537,019	$ 29,759	$ 5,796,297
Accumulated depreciation and impairment									
Balance at January 1, 2019	$ 18,812	$ 536,628	$ 2,743,330	$ 33,044	$ 47,458	$ 378,200	$ 435,826	$ -	$ 4,193,298
Depreciation expense	-	52,344	219,276	3,306	2,065	31,790	47,389	-	356,170
Impairment losses (Reversal)	-	38,975	139,363	(3)	260	72,990	20,031	-	271,616
Disposals	-	-	(272,500)	(781)	(1,048)	(18,078)	(15,061)	-	(307,468)
Reclassification	-	-	16,238	-	-	(15,664)	(574)	-	-
Effect of exchange rate changes	-	(20,254)	(92,427)	(802)	(784)	(14,475)	(17,163)	-	(145,905)
Balance at December 31, 2019	$ 18,812	$ 607,693	$ 2,753,280	$ 34,764	$ 47,951	$ 434,763	$ 470,448	$ -	$ 4,367,711
Carry amounts value at December 31, 2018 and January 1, 2019	$ 60,432	$ 661,729	$ 920,388	$ 8,054	$ 5,511	$ 230,686	$ 110,280	$ 21,520	$ 2,018,600
Carry amounts value at December 31, 2019	$ 60,432	$ 549,665	$ 552,833	$ 8,745	$ 3,770	$ 156,811	$ 66,571	$ 29,759	$ 1,428,586
Cost									
Balance at January 1, 2018	$ 79,244	$ 1,792,255	$ 4,344,987	$ 54,676	$ 71,536	$ 584,892	$ 574,886	$ 19,501	$ 7,521,977
Additions	-	14,524	68,301	589	286	11,464	19,775	17,747	132,686
Disposals	-	(36,913)	(715,636)	(8,033)	(5,494)	(15,702)	(73,810)	-	(855,588)
Reclassification	-	-	21,681	-	-	23,897	32,853	(5,661)	72,770
Reclassified as held for sale	-	(549,158)	-	(6,251)	(13,094)	-	(13)	(9,504)	(578,020)
Effect of exchange rate changes	-	(22,351)	(55,615)	117	(265)	4,335	(7,585)	(563)	(81,927)
Balance at December 31, 2018	$ 79,244	$ 1,198,357	$ 3,663,718	$ 41,098	$ 52,969	$ 608,886	$ 546,106	$ 21,520	$ 6,211,898
Accumulated depreciation and impairment									
Balance at January 1, 2018	$ 18,812	$ 807,829	$ 2,912,245	$ 39,414	$ 62,225	$ 312,643	$ 383,164	$ -	$ 4,536,332
Depreciation expense	-	80,380	408,939	4,247	3,102	33,790	100,728	-	631,186
Impairment losses	-	-	103,355	102	41	39,110	29,395	-	172,003
Disposals	-	(23,106)	(633,996)	(7,552)	(5,152)	(8,709)	(71,651)	-	(750,166)
Reclassification	-	-	-	-	-	-	-	-	-
Reclassified as held for sale	-	(318,968)	-	(3,412)	(12,533)	-	(1)	-	(334,914)
Effect of exchange rate changes	-	(9,507)	(47,213)	245	(225)	1,366	(5,809)	-	(61,143)
Balance at December 31, 2018	$ 18,812	$ 536,628	$ 2,743,330	$ 33,044	$ 47,458	$ 378,200	$ 435,826	$ -	$ 4,193,298
Carry amounts value at December 31, 2017 and January 1, 2018	$ 60,432	$ 984,426	$ 1,432,742	$ 15,262	$ 9,311	$ 272,249	$ 191,722	$ 19,501	$ 2,985,645
Carry amounts value at December 31, 2018	$ 60,432	$ 661,729	$ 920,388	$ 8,054	$ 5,511	$ 230,686	$ 110,280	$ 21,520	$ 2,018,600

Due to the decline in sales of plastic component products of the Group in the South China area, the Group expects that the future economic benefits of the equipment used to produce such products in the South China area would be reduced, and the recoverable amount would be less than the carrying amount. Therefore, as of December 31, 2019 and 2018 the impairment losses of $271,616 thousand and $172,003 thousand were recognized, respectively. The impairment losses have been included in other benefits and losses of the consolidated income statements.

The Group recognized the recoverable amount of the machine and equipment based on the fair value less the disposal cost. The relevant fair value is measured using the market method; the main assumption of fair value includes the estimated sale value, which is level 2 of fair value measurement.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset:

Building	
Main buildings	10-50 years
Engineering systems	5-20 years
Machinery	1-10 years
Transportation equipment	1-10 years
Office equipment	1-10 years
Leasehold improvement	2-20 years
Other equipment	2-20 years

Refer to Note 36 for the carrying amount of property, plant and equipment pledged by the group to secure borrowings/general banking facilities granted to the Group.

The above-mentioned non-current assets for sale are measured at the lower of the carrying amount and the fair value less the disposal cost, and are reclassified as non-current assets for sale. Please refer to Note 12.

16. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Land	$ 33,232
Buildings	345,787
Machinery	1,164
Transportation equipment	1,565
	$ 381,748

	For the Year Ended December 31, 2019
Additions to right-of-use assets	$ 113,309
Disposal to right-of-use assets	$ (223,412)
Net exchange differences right-of-use assets	$ (14,381)
Depreciation charge for right-of-use assets	
Land	$ 914
Buildings	197,414
Machinery	628
Transportation equipment	1,782
	$ 200,738

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 152,635
Non-current	$ 203,449

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Land	7.13%
Buildings	1.35%-7.13%
Machinery	7.13%
Transportation equipment	1.35%-7.13%

c. Material lease-in activities and terms

The Group leases certain machinery and transportation equipment for the use of product manufacturing and transporting with lease terms of 1 to 3 years. These arrangements do not contain renewal or purchase options.

The Group also leases land and buildings for the use of plants and dormitory with lease terms of 1 to 5 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 102
Expenses relating to low-value asset leases	$ 511
Total cash outflow for leases	$ (229,143)

The Group leases certain office equipment which qualified as short-term leases and qualified as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

	December 31, 2018
Not later than 1 year	$ 177,696
Later than 1 year and not later than 5 years	508,644
Later than 5 years	-
	$ 686,340

17. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2018	$ 114,654
Additions	8,328
Disposals	(3,520)
Reclassified as held for sale	(4,316)
Effect of exchange rate changes	328
Balance at December 31, 2018	$ 142,474
Accumulated amortization	
Balance at January 1, 2018	$ 98,300
Amortization expense	18,386
Disposals	(3,520)
Reclassified as held for sale	(4,316)
Effect of exchange rate changes	349
Balance at December 31, 2018	$ 109,199
Carrying amounts at December 31, 2018	$ 33,275
Cost	
Balance at January 1, 2019	$ 142,474
Additions	5,806
Effect of exchange rate changes	(3,644)
Balance at December 31, 2019	$ 144,636

(Continued)

	Computer Software
Accumulated amortization	
Balance at January 1, 2019	$ 109,199
Amortization expense	16,886
Effect of exchange rate changes	(3,013)
Balance at December 31, 2019	$ 123,072
Carrying amounts at December 31, 2019	$ 33,275
Carrying amounts at December 31, 2018	$ 21,564

(Concluded)

The above items of other intangible assets are amortized on a straight-line basis at the following rates per annum:

Computer software	1-10 years

18. LONG-TERM REPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2019	2018
Right-of-use land		
Current (prepayments)	$ -	$ 913
Non-current	-	34,607
	$ -	$ 35,520

The purpose of long-term prepaid lease payments is to obtain right-of-use land located in mainland China.

Refer to Note 36 for the land use rights which are for land located in mainland China pledged by the Group to secure borrowings/general banking facilities which were granted to the Group.

Refer to note 12 for the long-term prepayments for lease obligations of Shanghai Teckyork Enterprise Co., Ltd. which is reclassified to non-current assets held for sale as of December 31, 2018.

19. OTHER FINANCIAL ASSETS

	December 31	
	2019	2018
Current		
Other current assets	$ 78	$ 36,563
Non-current		
Prepayments for investments	$ -	$ 30,000
Refundable deposits	$ 25,380	$ 14,915
Overdue receivable	24,256	19,085
Less: Allowance for impairment loss	(24,256)	(19,085)
	$ 25,380	$ 14,915

The Group is a leader in environment-friendly materials, and it has control over key material sources. The Group had planned to invest in Simpla Biotech Co., Ltd., and as of December 31, 2018, the Group invested $30,000 thousand which is recognized as prepaid investment funds. Simpla Biotech Co., Ltd. is reclassified as financial assets at FTOCI - non-current. Refer to Note 8 for more information.

20. BORROWINGS

Long-term Borrowings

	December 31	
	2019	2018
Secured borrowings (Note 31)		
Bank loans		
Hua Nan Bank		
Medium-term working capital loan with a credit line of $800,000 thousand and interest rate of 1.35% for the years ended December 31, 2019 and 2018; loan period from November 6, 2018 to November 6, 2020. Principal lump-sum payment at maturity and interest payment monthly.	$ 50,000	$ 53,000
Unsecured borrowings		
Bank loans		
Hua Nan Bank		
Medium-term working capital loan with a credit line of $800,000 thousand and interest rate of 1.35% for the year ended December 31, 2018; loan period from November 6, 2018 to November 6, 2020. Principal lump-sum payment at maturity and interest payment monthly. The Group had paid it off ahead of the time.	-	247,000

(Continued)

	December 31	
	2019	2018
Medium-term working capital loan with a credit line of $800,000 thousand and interest rate of 1.35% for the year ended December 31, 2018; loan period from August 15, 2018 to August 15, 2020. Principal lump-sum payment at maturity and interest payment monthly. The Group had paid it off ahead of the time.	$ -	$ 100,000
Medium-term working capital loan with a credit line from $700,000 thousand to 500,000 thousand and interest rate of 1.31% for the year ended December 31, 2019; loan period from January 12, 2018 to January 10, 2020. Principal lump-sum payment at maturity and interest payment monthly.	50,000	400,000
Shanghai Commercial Savings Bank		
Medium-term working capital loan with a credit line of $200,000 thousand and interest rate of 1.59% for the years ended December 31, 2019; loan period from March 15, 2019 to March 15, 2022. Principal and interest payment monthly at maturity and interest payment monthly.	50,000	-
Medium-term working capital loan with a credit line of $300,000 thousand and interest rate of 1.62% for the year ended December 31, 2018; loan period from October 17, 2016 to October 15, 2019. Principal and interest payment monthly. A grace period of two years is given. The Group had paid it off ahead of the time.	-	91,667
Taiwan Cooperative Bank		
Medium-term working capital loan with a credit line of $300,000 thousand and interest rate of 1.52% for the year ended December 31, 2019; loan period from December 31, 2019 to January 8, 2022. From December 31, 2019 to January 8, 2022, interest payment monthly. From January 8, 2021 to January 8, 2022, principal and interest payment monthly.	50,000	-
Taiwan Cooperative Bank		
Medium-term working capital loan with a credit line of $350,000 thousand and interest rate of 1.50% for the year ended December 31, 2018; loan period from May 12, 2017 to December 8, 2020. From May 12, 2017 to December 7, 2018, interest payment monthly. From December 8, 2018 to December 8, 2019, principal and interest payment monthly. The Group had paid it off ahead of the time.	-	100,000
	200,000	991,667
Less: Current portion	(136,364)	(191,667)
	$ 63,636	$ 800,000

(Concluded)

21. BONDS PAYABLE

Second Issue of Unsecured Domestic Convertible Bonds

a. The conversion price is initially $71 per ordinary share, and the conversion period is from July 30, 2015 to June 29, 2020 when the Group issued convertible bonds. The conversion price will be adjusted upon the occurrence of a change in the number of ordinary shares. All the convertible bonds were redeemed as of May 31, 2018.

b. Each bondholder has the right to put the convertible bonds at 101% of par value or 101.51% of par value before 30 days on and after the 2nd and 3rd year anniversary, respectively.

c. The Group could redeem the convertible bonds at par value at any time during the period from 31 days after the original issue date to 40 days before the maturity date, under the following conditions: The closing price of the ordinary shares on each of the 30 consecutive trading days reaches or exceeds 30% of the conversion price, or the outstanding balance of the bonds is less than 10% of that from the original issuance.

The convertible bonds contain both liability and convertible options. The effective interest rate of the liability component was 2.058% per annum on initial recognition. The convertible options were recognized in financial assets or liabilities at FVTPL.

The convertible bonds contain both liability and equity components. The equity component was presented form the original issue date to December 31, 2018 under the following conditions:

	Amounts
Proceeds from issue, June 29, 2015 (less transaction costs $5,000 thousand)	$ 795,000
Equity component	(63,520)
Derivative component - redeemable put option	(8,960)
Liability component at the date of issue (less transaction costs allocated to the liability component of $5,000 thousand)	722,520
Interest charged at an effective interest rate of 2.058%	77,480
Repayment of bonds	(800,000)
Liability component at December 31, 2018	$ -

	The Host Liability Instrument	The Conversion Option Derivative Instrument
Balance at January 1, 2018	$ 100,700	$ (2,425)
Interest expense	1,041	-
Fair value changes gain (loss)	-	(1,017)
Repayment of bonds	(101,741)	3,442
Balance at December 31, 2018	$ -	$ -

22. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2019	2018
Notes payable to unrelated parties		
Operating	$ 10	$ 258
Trade payables - operating		
Unrelated parties	$ 550,640	$ 1,023,231

Trade payables were paid according to the condition of contract or billings from the suppliers. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

23. OTHER LIABILITIES

	December 31	
	2019	2018
Current		
Other payables		
Salaries or bonuses	$ 113,044	$ 139,313
Payable for processing fees	84,445	135,265
Others	273,272	299,424
	$ 470,761	$ 574,002
Other liabilities		
Others	$ 1,227	$ 1,956
Non-current		
Guarantee deposits	$ 6,170	$ 9,117
Others	1,017	1,342
	$ 7,187	$ 10,459

24. PROVISIONS

	December 31	
	2019	2018
Employee benefits	$ 18,965	$ 16,851

The provision for employee benefits represents annual vacations taken by employees.

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, a group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company of the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2019	**2018**
Present value of defined benefit obligation	$ 91,279	$ 79,187
Fair value of plan assets	(44,410)	(37,015)
Deficit	46,869	42,172
Net defined benefit liabilities	$ 46,869	$ 42,172

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2018	$ 77,572	$ (36,867)	$ 40,705
Current service cost	866	-	866
Net interest expense (income)	873	(421)	452
Recognized in profit or loss	1,739	(421)	1,318
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,049)	(1,049)
Actuarial loss - changes in financial assumptions	885	-	885
Actuarial loss - changes in demographic assumptions	4,204	-	4,204
Actuarial loss - experience adjustments	(2,705)	-	(2,705)
Recognized in other comprehensive income	2,384	(1,049)	1,335

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Contributions from the employer	$ -	$ (1,186)	$ (1,186)
Benefits paid	(2,508)	2,508	-
Balance at December 31, 2018	$ 79,187	$ (37,015)	$ 42,172
Balance at January 1, 2019	$ 79,187	$ (37,015)	$ 42,172
Current service cost	701	-	701
Net interest expense (income)	792	(376)	416
Recognized in profit or loss	1,493	(376)	1,117
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,350)	(1,350)
Actuarial gain - changes in financial assumptions	2,337	-	2,337
Actuarial loss - changes in demographic assumptions	1,422	-	1,422
Actuarial loss - experience adjustments	23,380	-	23,380
Recognized in other comprehensive income	27,139	(1,350)	25,789
Contributions from the employer	-	(22,209)	(22,209)
Benefits paid	(16,540)	16,540	-
Balance at December 31, 2019	$ 91,279	$ (44,410)	$ 46,869

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the (government/corporate) bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	0.750%	1.000%
Expected rate(s) of salary increase	2.000%	2.000%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would decrease/increase as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.25% increase	$ (2,359)	$ (1,928)
0.25% decrease	$ 2,453	$ 2,002
Expected rate(s) of salary increase		
0.25% increase	$ 2,380	$ 1,947
0.25% decrease	$ (2,301)	$ (1,885)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
Expected contributions to the plans for the next year	$ 710	$ 1,117
Average duration of the defined benefit obligation	10.5 years	9.9 years

26. EQUITY

a. Ordinary shares

	December 31	
	2019	2018
Number of shares authorized (in thousands)	210,000	150,000
Shares authorized	$ 2,100,000	$ 1,500,000
Number of shares issued and fully paid (in thousands)	121,662	121,662
Shares issued	$ 1,216,622	$ 1,216,622

Fully paid ordinary shares, which have a par value of $10, carry one vote and one dividend per share.

There were 12,000 thousand shares of the Company’s shares authorized which were reserved for the issuance of employee share options.

b. Capital surplus

	December 31	
	2019	2018
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 1,777,819	$ 1,838,650
Conversion of bonds	496,427	496,427
Conversion of employee share options	133,054	133,054

(Continued)

	December 31	
	2019	2018
May be used to offset a deficit only		
Share of changes in capital surplus of associates	$ 68,616	$ 68,616
May not be used for any purpose		
Employee share options - issuance of ordinary shares	6,300	6,300
Employee share options	58,124	58,124
Invalidation of employee share options	48,414	48,414
	$ 2,588,754	$ 2,649,585

(Concluded)

Note: Such capital surplus may be used to offset a deficit; in addition when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 6, 2016 and, in that meeting, resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on the distribution of employees' compensation.

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to "employees' compensation and remuneration of directors and supervisors" in Note 28-f.

To ensure that the Company has funds for its present and future expansion plans, the Company prefers to distribute mixed share dividends and cash dividends as shareholders' bonus among which share dividend is distributed from 0% to 50% and cash dividends from 100% to 50%. The distribution policy would be adjusted depending on the operating conditions, industry developments, capital requirement and so forth.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from special reserve by the Company.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations of earnings for 2018 and 2017 approved in the shareholders' meetings on June 9, 2019 and June 11, 2018, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For 2018	**For 2017**	**For 2018**	**For 2017**
Special reserve	$ 132,524	$ 193,006	$ -	$ -

The Company's shareholders also resolved to issue cash dividends from capital surplus of $60,831 thousand and $97,330 thousand according in the shareholders' meeting on June 6, 2019 and June 11, 2018.

The appropriation of earnings for 2019 was proposed by the Company's board of directors on March 20, 2020. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserves used to compensate deficit	$ (211,361)	$ -
Special reserves used to compensate deficit	(354,252)	-

The appropriation of earnings for 2019 are subject to resolution in the shareholders' meeting to be held on June 9, 2020.

d. Special reserves

	For the Year Ended December 31	
	2019	**2018**
Beginning at January 1	$ 221,728	$ 28,722
Appropriation in respect of:		
Debit to other equity items	132,524	193,006
Balance at December 31	$ 354,252	$ 221,728

e. Other equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2019	**2018**
Balance at January 1	$ (350,534)	$ (232,334)
Effect of change in tax rate	(165,503)	(158,273)
Disposal of subsidiaries	(106,853)	-
Recognized for the year		
Exchange differences on translating foreign operations	-	8,393
Income tax related to gains on translating foreign operations	54,471	31,680
Balance at December 31	$ (568,419)	$ (350,534)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ (3,718)	$ (5,083)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(58,484)	24,561
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	2,719	(23,196)
Balance at December 31	$ (59,483)	$ (3,718)

f. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 104,115	$ 173,952
Attributable to non-controlling interests:		
Share of loss for the year	(24,542)	(52,556)
Exchange differences on translating foreign operations	(3,702)	(1,321)
Changes in equity of subsidiaries	-	(15,960)
Non-controlling interest increases		
Balance at December 31	$ 75,871	$ 104,115

27. REVENUE

	For the Year Ended December 31	
	2019	2018
Revenue from contracts with customers		
Plastic components	$ 3,643,907	$ 5,232,910
Molds	130,574	140,779
Others	541,342	348,060
Less: Discontinued operations (Note 12)	(1,904)	(221,769)
	$ 4,313,919	$ 5,499,980

Contact Balances

	For the Year Ended December 31	
	2019	2018
Trade receivables	$ 938,236	$ 1,514,551
Trade receivables from related parties	$ 64,266	$ 64,424
Contract liabilities		
Receipts in advance	$ 53,770	$ 44,254

For contract revenue from customers for the years ended December 31, 2019 and 2018, a contract liability of $10,560 thousand and $12,419 thousand was reclassified as revenue.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations contains the following items:

a. Other revenue and expenses

	For the Year Ended December 31	
	2019	2018
Lease revenue	$ 27,391	$ 27,222
Lease costs	(311)	(5,739)
Technical service income	3,214	12,832
Gain on disposal of property plant and equipment	22,969	63,800
Loss on disposal of property plant and equipment	(30,277)	(5,081)
Less: Discontinued operations (Note 12)	(5,499)	(59,018)
	$ 17,487	$ (34,016)

b. Other income

	For the Year Ended December 31	
	2019	2018
Interest income	$ 4,396	$ 9,013
Dividends	-	184
Less: Discontinued operations (Note 12)	(62)	(737)
	$ 4,334	$ 8,460

c. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Net foreign exchange gains	$ 11,889	$ 14,662
Fair value changes of financial assets mandatorily classified as at FVTPL	3,012	8,319
Impairment loss on property, plant and equipment	(271,616)	(172,003)
Miscellaneous income	58,513	68,643
Other expenses	(6,395)	(40,629)
Gain on disposal of investments	485,687	125,067
Gain on lease modification	5,098	-
Less: Discontinued operations (Note 12)	(55,751)	2,709
	$ 230,437	$ 6,768

d. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank loans	$ 12,279	$ 28,052
Interest on convertible bonds	-	1,041
Interest on lease liabilities	42,618	-
Other finance costs	441	3,848
Less: Discontinued operations (Note 12)	-	(2)
	$ 55,338	$ 32,939

e. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	$ 556,908	$ 625,447
Less: Discontinued operations (Note 12)	-	(28,558)
	$ 556,908	$ 596,889
Intangible assets	$ 16,886	$ 18,386
Less: Discontinued operations (Note 12)	-	(1,998)
	$ 16,886	$ 16,388
An analysis of depreciation by function		
Operating costs	$ 374,752	$ 515,397
Less: Discontinued operations (Note 12)	-	(12,521)
	$ 374,752	$ 502,876
Operating expenses	$ 182,156	$ 110,050
Less: Discontinued operations (Note 12)	-	(16,037)
	$ 182,156	$ 94,013
An analysis of amortization by function		
Operating costs	$ 5,113	$ 2,354
Less: Discontinued operations (Note 12)	-	-
	$ 5,113	$ 2,354
Operating expenses	$ 11,753	$ 16,032
Less: Discontinued operations (Note 12)	-	(1,998)
	$ 11,753	$ 14,034

The Group entered into lease agreements on some assets. The related depreciation expenses that were listed in other income and expenses were $5,739 thousand for the year ended December 31, 2018.

f. Employee benefits expense

	For the Year Ended December 31	
	2019	**2018**
Short-term benefits	$ 1,045,999	$ 1,570,510
Post-employment benefits		
Defined contribution plans	6,339	7,333
Defined benefit plans	1,117	1,318
Less: Discontinued operations	(2,311)	(162,534)
	$ 1,051,204	$ 1,416,627
An analysis of employee benefits expense by function		
Operating costs	$ 775,856	$ 1,183,549
Less: Discontinued operations	-	(71,464)
	$ 775,856	$ 1,112,085
Operating expenses	$ 277,659	$ 395,612
Less: Discontinued operations	(2,311)	(91,070)
	$ 275,348	$ 304,542

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at the rates of between 3% and 12% and no higher than 3%, respectively, of net profit before income tax, employees' compensation and remuneration of directors and supervisors.

Since the Group has net loss during 2018 and 2019, the estimated employee's benefit and remuneration of directors and supervisors are both $0.

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense (benefit) recognized in profit or loss

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

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	$ 222	$ 21,382
Adjustments for prior years' tax	1,877	7,585
Deferred tax		
In respect of the current year	32,933	(44,624)
Adjustments to deferred tax attributable to changes in tax rates and laws	-	19,395
Less: Discontinued operations	(4)	(4)
Income tax (benefit) expense recognized in profit or loss	$ 35,028	$ 3,734

A reconciliation of accounting income and current income tax (benefit) expense is as follows:

	For the Year Ended December 31	
	2019	2018
Loss before income tax	$ (601,353)	$ (704,800)
Income tax (benefit) expense at the statutory rate	$ (312,716)	$ (431,300)
Tax effect of adjusting items:		
Nondeductible expenses and losses	197	2,309
Tax-exempt income	-	(128)
Unrecognized loss carryforwards/deductible temporary differences	345,047	405,873
Adjustments to deferred tax attributable to changes in tax rates and laws	-	19,395
Adjustments for prior years' tax	2,500	7,585
Income tax (benefit) expense recognized in profit or loss	$ 35,028	$ 3,734

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%, while the applicable tax rate used by subsidiaries in China is 25%.

As the status of the 2019 appropriation of earnings is uncertain, the potential income tax consequences of the 2018 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2019	2018
Deferred tax		
In respect of the current year:		
Adjustments to deferred tax attributable to changes in tax rates and laws	$ -	$ (9,225)
Translation of foreign operations	(54,471)	(31,680)
Actuarial gains and losses on defined benefit plan	(5,158)	(267)
Total income tax recognized in other comprehensive income	$ (59,629)	$ (41,172)

c. Current tax assets and liabilities

	December 31	
	2019	2018
Current tax assets - income tax payable		
Tax refund receivable	$ 27,736	$ 22,447
Current tax liabilities - income tax payable		
Income tax payable	$ -	$ 8,619

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Property, plant and equipment	$ 5,990	$ (5,999)	$ -	$ 9	$ -
Right-of-use assets	-	55	-	-	55
Defined benefit obligation	8,434	(4,220)	5,158	-	9,372
Allowance for impaired receivables	6,219	112	-	1	6,332
Write-down of inventories	10,827	(9,952)	-	11	886
Impairment loss	7,029	(100)	-	-	6,929
Share of the loss of subsidiaries	1,712	(1,714)	-	2	-
Exchange differences on translating foreign operations	87,635	-	54,471	-	142,106
Others	21,703	(9,647)	-	-	12,056
	$ 149,549	$ (31,465)	$ 59,629	$ 23	$ 177,736
Deferred tax liabilities					
Temporary differences					
Property, plant and equipment	$ -	$ 1,160	$ -	$ (47)	$ 1,113
Others	15,979	308	-	(529)	15,758
	$ 15,979	$ 1,468	$ -	$ (576)	$ 16,871

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Property, plant and equipment	$ 19,764	$ (13,684)	$ -	$ (90)	$ 5,990
Intangible assets	22	(23)	-	1	-
Defined benefit obligation	6,920	415	1,099	-	8,434
Allowance for impaired receivables	12,017	(5,804)	-	6	6,219
Write-down of inventories	43,934	(33,026)	-	(81)	10,827
Impairment loss	5,980	1,054	-	(5)	7,029
Loss carryforwards	60,020	(60,091)	-	71	-
Share of the loss of subsidiaries	-	1,744	-	(32)	1,712
Exchange differences on translating foreign operations	47,589	-	40,073	(27)	87,635
Others	11,075	10,623	-	5	21,703
	$ 207,321	$ (98,792)	$ 41,172	$ (152)	$ 149,549
Deferred tax liabilities					
Temporary differences					
Share of the gain of subsidiaries	$ 125,067	$ (125,067)	$ -	$ -	$ -
Exchange differences on translating foreign operations	-	-	-	-	-
Others	15,217	1,046	-	(284)	15,979
	$ 140,284	$ (124,021)	$ -	$ (284)	$ 15,979

e. Deductible temporary differences, unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31 2019	December 31 2018
Loss carryforwards		
Expire in 2019 to 2030	$ 510,959	$ 419,883
Deductible temporary differences	$ 765,554	$ 746,407

f. Income tax assessments

The income tax returns of the Company and Shuang-Ying Science and Technology, Ltd. through 2017 had been assessed by the tax authorities.

30. EARNINGS (LOSSES) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic earnings (loss) per share		
From continuing operations	$ (5.03)	$ (5.39)
From discontinued operations	0.37	(1.50)
Total basic earnings (loss) per share	$ (4.66)	$ (6.89)
Diluted earnings (loss) per share		
From continuing operations	$ (5.03)	$ (5.39)
From discontinued operations	0.37	(1.50)
Total diluted earnings (loss per share	$ (4.66)	$ (6.89)

The earnings (losses) and weighted average number of ordinary shares outstanding in the computation of earnings (losses) per share were as follows:

Net Earnings (Loss) for the Year

	For the Year Ended December 31	
	2019	**2018**
Losses used in the computation of basic earnings (losses) per share	$ (566,859)	$ (837,986)
Less: Losses for the year from discontinued operation used in the computation of basic earnings per share from discontinued operations	44,980	(182,008)
Losses used in the computation of basic earnings (losses) per share	$ (611,839)	$ (655,978)
Losses used in the computation of diluted earnings (losses) per share	$ (611,839)	$ (655,978)

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2019	**2018**
Weighted average number of ordinary shares in the computation of basic earnings (losses) per share	121,662	121,662
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	-
Weighted average number of ordinary shares used in the computation of diluted earnings (losses) per share	121,662	121,662

If the outstanding convertible bonds issued by the Company were converted to ordinary shares, since the exercise price of the options or warrants issued by the Company exceeded the average market price of the shares during 2019 and 2018, they were anti-dilutive and excluded from the computation of diluted earnings (losses) per share.

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings (losses) per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings (losses) per share until the number of shares to be distributed to employees is resolved in the following year.

31. DISPOSAL OF SUBSIDIARIES

2019

On July 19, 2018 and November 14, 2018, the board of directors of the Group resolved to dispose 100% shares of Teckyork Enterprise Co., Ltd. and its subsidiaries-Shanghai Teckyork Enterprise Co., Ltd. and Shanghai Sonor Enterprise Co., Ltd. The Group completed the termination of liquidation of Shanghai Sonor Enterprise Co., Ltd. on May 9, 2019 and sold Teckyork Enterprise Co., Ltd and its subsidiary - Shanghai Teckyork Enterprise Co., Ltd. for $806,464 thousand (US$25,641 thousand). As of December 31, 2019, the Group has received the amount of $728,447 thousand (US$23,248 thousand) and the remaining 10% balance amounted $75,413 thousand (US$2,393 thousand) is classified as other receivables. Refer to Note 12.

On June 18, 2019, the board of directors of Shiang-Tai Photoelectric Technology, Ltd. resolved to end its operation and completed the liquidation. On August 5, 2019, the liquidation process was completed and refunded of the remaining shares.

a. Consideration received from disposals

	Teckyork Enterprise Co., Ltd. and Subsidiaries	Shiang-Tai Photoelectric Technology, Ltd.
Consideration received in cash and cash equivalents	$ 806,464	$ -

b. Analysis of assets and liabilities on the date control was lost

	Teckyork Enterprise Co., Ltd and Subsidiaries	Shiang-Tai Photoelectric Technology, Ltd.
Current assets		
Cash and cash equivalents	$ 41,077	$ 46,722
Financial assets at fair value through profit or loss - current	125,179	-
Trade receivables	1,793	-
Other receivables	5,878	12
Prepayment	3,266	-
Inventories	73	-
Non-current assets		
Property, plant and equipment	245,310	-
Right-of-use assets	13,928	-
Refundable deposits	273	-

(Continued)

	Teckyork Enterprise Co., Ltd and Subsidiaries	Shiang-Tai Photoelectric Technology, Ltd.
Current liabilities		
Trade payables	$ (4,483)	$ -
Other payables	(10,979)	-
Receipts in advance	(135)	-
Other current liabilities	(640)	-
Non-current liabilities		
Long-term deferred income	(3,193)	-
Net assets disposed of	$ 417,347	$ 46,734

(Concluded)

c. Gain or loss on disposals of subsidiaries

	Teckyork Enterprise Co., Ltd and Subsidiaries	Shiang-Tai Photoelectric Technology, Ltd.
Consideration received	$ 806,464	$ -
Net assets disposed of	(417,347)	-
Non-controlling interests		
Reclassification of other comprehensive income in respect of subsidiaries	106,853	-
Related expenditures	(65,652)	-
Gain on disposals	$ 40,138	$ -

The gain or loss on disposal is included in the gain or loss on disposal of subsidiaries.

d. Net cash inflow on disposals of subsidiaries

	Teckyork Enterprise Co., Ltd and Subsidiaries	Shiang-Tai Photoelectric Technology, Ltd.
Consideration received in cash and cash equivalents	$ 806,464	$ -
Less: Cash and cash equivalent balances disposed of	(41,077)	-
Related expenditures	(65,652)	-
	$ 699,735	$ -

2018

On December 25, 2015 and March 19, 2018, the Group entered into an agreement to end of the operation of Vastech Plastic (Shanghai) Industrial Co., Ltd., Ltd., Vastech Industrial Co., Ltd., and Hsiangtek Optical Technology Co., Ltd., respectively. The liquidation was completed on April 19, 2018, June 21, 2018 and May 28, 2018, and all the relevant shares were retired.

a. Consideration received from disposals

	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Vastech Industrial Co., Ltd.	Hsiangtek Optical Technology Co.
Consideration received in cash and cash equivalents	$ 94,656	$103,692	$ 14,820

b. Analysis of assets and liabilities on the date control was lost

	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Vastech Industrial Co., Ltd.	Hsiangtek Optical Technology Co.
Net assets disposed of			
Cash and cash equivalents	$ 94,656	$ 103,692	$ 14,820

c. Gain or loss on disposals of subsidiaries

	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Vastech Industrial Co., Ltd.	Hsiangtek Optical Technology Co.
Consideration received	$ 94,656	$ 103,692	$ 14,820
Net assets disposed of	(94,656)	(103,692)	(14,820)
Non-controlling interests			
Exchange differences on subsidiaries disposed of reclassified to profit or loss	40,135	-	(80)
Gain or loss on disposals	$ 40,135	$ -	$ (80)

The gain or loss on disposal is included in the gain or loss on disposal of subsidiaries.

d. Net cash inflow on disposals of subsidiaries

	Vastech Plastic (Shanghai) Industrial Co., Ltd.	Vastech Industrial Co., Ltd.	Hsiangtek Optical Technology Co.
Consideration received in cash and cash equivalents	$ 94,656	$ 103,692	$ 14,820
Less: Cash and cash equivalent balances disposed of	(94,656)	(103,692)	(14,820)
	$ -	$ -	$ -

32. NON-CASH TRANSACTIONS

As of December 31, 2019 and 2018, the Group reclassified long-term borrowings and bonds payable of $136,364 thousand and $191,667 thousand, respectively, under current portion of long-term borrowings.

33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group adopts prudent risk management strategy and performs audit on a regular basis. The capital structure of the Group is determined according to the business development strategies and operational requirements.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

December 31, 2019: None.

December 31, 2018: None.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	December 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Invest in equity instruments at FVTOCI				
Unlisted shares	$ -	$ -	$ 230,703	$ 230,703

	December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI				
Invest in equity instruments at FVTOCI				
Unlisted shares	$ -	$ -	$ 256,821	$ 256,821

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2019

	Financial Liabilities at Fair Value Through Other Comprehensive Income
Balance at January 1, 2019	$ 256,821
Recognized in comprehensive income	(58,484)
Reclassification	30,000
Purchases	28,706
Disposal	(25,987)
Exchange rate fluctuation	(353)
Balance at December 31, 2019	$ 230,703

For the year ended December 31, 2018

	Financial Liabilities at Fair Value Through Other Comprehensive Income
Balance at January 1, 2018 (IAS 39)	$ -
Amount affected by IFRS 9 retrospectively	127,756
Balance at January 1, 2018 (IFRS 9)	127,756
Recognized in comprehensive income	1,365
Purchases	131,235
Disposal	(26,418)
Disposal - FVTOCI	23,196
Exchange rate fluctuation	(313)
Balance at December 31, 2018	$ 256,821

	Financial Liabilities at Fair Value Through Profit or Loss
Balance at January 1, 2018	$ (2,425)
Recognized in profit or loss	(1,017)
Repayment of bonds	3,442
Balance at December 31, 2018	$ -

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Derivatives: The right of redemption and put are estimated fair value by convertible bonds with binomial tree method using price volatility (significant unobservable inputs). When the increase in price volatility, the fair value of these derivatives would increase.

c. Categories of financial instruments

	December 31	
	2019	**2018**
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as a FVTPL	$ 38,677	$ 85,031
<u>Financial assets</u>		
Financial assets at amortized cost (2)	2,020,828	2,989,762
Financial assets at FVTOCI		
Equity instruments - non-current	230,703	256,821
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (3)	1,239,447	2,609,820

Note 1: The balances included financial assets at amortized cost, which comprise cash and cash equivalents, trade and other receivables, and financial assets at amortized cost.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, notes payable, trade and other payables, payables on equipment and bonds payable issued.

d. Financial risk management objectives and policies

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group’s policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis.

The Group’s Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

a) Foreign currency risk

The Group use foreign exchange forward contracts to eliminate currency exposure in foreign currency risk. The change of rate eliminated by the profit and loss of the terms of the hedge derivatives so the market price risk is not martial.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be a decrease of $6,634 thousand and $8,083 thousand for the years ended December 31, 2019 and 2018, respectively, in post-tax income.

b) Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed-rate bank borrowings. The bonds payable are fixed-rate and measured at amortized cost, so changes in rate will not have effect on the cash flow in the future.

The sensitivity analysis assumed bank borrowings were held for the whole reporting period and there was a 1% change in rates; it would result in a decrease of $1,600 thousand and $7,933 thousand for the years ended December 31, 2019 and 2018, respectively, in post-tax income.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group manages this exposure by maintaining a portfolio of investments with different risks.

The sensitivity analysis assumed the listed equity securities were outstanding for the whole reporting period and there was a 5% change in price; it would result in a decrease of $11,535 thousand and $12,841 thousand for the years ended December 31, 2019 and 2018, respectively, in comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

For the years ended December 31, 2019 and 2018, the unused bank borrowings were $1,600,000 thousand and $958,333 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2019

	Up to 1 Year	Later Than 1 Year and Up to 2 Years	Later Than 2 Years and Up to 3 Years	Over 3 Years	Total
Non-derivative financial liabilities					
Notes payable	$ 10	$ -	$ -	$ -	$ 10
Trade payables	550,640	-	-	-	550,640
Payables on equipment	18,036	-	-	-	18,036
Other payables	470,761	-	-	-	470,761
Lease liabilities	152,635	203,449	-	-	356,084
Current portion of long-term borrowings and bonds payable	136,364	-	-	-	136,364
Long-term borrowings	-	63,636	-	-	63,636

December 31, 2018

	Up to 1 Year	Later Than 1 Year and Up to 2 Years	Later Than 2 Years and Up to 3 Years	Over 3 Years	Total
Non-derivative financial liabilities					
Notes payable	$ 258	$ -	$ -	$ -	$ 258
Trade payables	1,023,331	-	-	-	1,023,331
Payables on equipment	20,662	-	-	-	20,662
Other payables	574,002	-	-	-	574,002
Current tax liabilities	8,619	-	-	-	8,619
Current portion of long-term borrowings and bonds payable	191,667	-	-	-	191,667
Long-term borrowings	-	800,000	-	-	800,000

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and related parties are disclosed below.

a. Related party name and categories

Related Party Name	Related Party Categories
Toyo Precision Appliance (Kunshan) Co., Ltd.	Associates - equity-method investments (Note 1)
Changshu Houkennixx Plastic Product Co., Ltd.	Associates - equity-method investments (Note 2)
Siix Coxon Precision Phils., Inc.	Associates - equity-method investments
Guangdong Tonly Precision Structure Co., Ltd.	Associates - equity-method investments
Tonly Electronic (Huizhou) Co., Ltd.	Others - the parent of Guangdong Tongli Precision Structure Co., Ltd.
Wuhan Resin-hill Co., Ltd.	Associates - equity-method investments
Quanta Computer Inc.	Other - the third joint venture party of Plenty Link Technology Co., Ltd.

Note 1: Toyo Precision Appliance (Kunshan) Co., Ltd. was not an associate as of October 31, 2018.

Note 2: Changshu Houkennixx Plastic Product Co., Ltd. was not an associate as of December 31, 2018.

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2019	2018
Sales	Associates		
	Changshu Houkennixx Plastic Product Co., Ltd.	$ -	$ 12,959
	Siix Coxon Precision Phils., Inc.	3,645	1,355
	Guangdong Tonly Precision Structure Co., Ltd.	3,225	8,728
	Others		
	Quanta Computer Inc.	2,311	1,845
	Tonly Electronic (Huizhou) Co., Ltd.	295,283	234,274
		$ 304,464	$ 259,161

c. Receivable from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2019	2018
Trade receivables	Associates		
	Siix Coxon Precision Phils., Inc.	$ 1,865	$ 38
	Others		
	Quanta Computer Inc.	1,385	173
	Tonly Electronic (Huizhou) Co., Ltd.	61,016	64,193
		$ 64,266	$ 64,404

Line Item	Related Party Category/Name	December 31 2019	December 31 2018
Other receivables	Associates		
	Guangdong Tonly Precision Structure Co., Ltd.	$ -	$ 19,194
	Wuhan Resin-hill Co., Ltd.	1,968	-
	Others		
	Tonly Electronic (Huizhou) Co., Ltd.	252	342
		$ 2,220	$ 19,536

For the years ended December 31, 2019 and 2018, no impairment loss was recognized for trade receivables from related parties.

d. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Other revenue	Associates		
	Toyo Precision Appliance (Kunshan) Co., Ltd.	$ -	$ 648
	Siix Coxon Precision Phils., Inc.	-	2,804
	Wuhan Resin-hill Co., Ltd.	45	-
	Others		
	Quanta Computer Inc.	2,277	1,479
	Tonly Electronic (Huizhou) Co., Ltd.	3,234	-
		$ 5,556	$ 4,931
Processing income	Associates		
	Siix Coxon Precision Phils., Inc.	$ -	$ 67
Other income	Associates		
	Guangdong Tonly Precision Structure Co., Ltd.	$ -	$ 266
Contract liabilities	Associates		
	Siix Coxon Precision Phils., Inc.	$ 560	$ 1,677
Other non-current liability - guarantee deposit received	Associates		
	Guangdong Tonly Precision Structure Co., Ltd.	$ -	$ 2,954
Liability directly associated with non-current assets held for sale	Others		
	Quanta Computer Inc.	$ -	$ 692

Terms of sales among related parties were similar to those among third parties.

e. Rent revenue

Related Party Category/Name	Rental Object	Rental Payment	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Associates - Changshu Houkennixx Plastic Product Co., Ltd.	Jiangsu Province Southeast Economic Development Zone 28 Jiulong Road	Plant and dormitory rental paid monthly	$ -	$ 7,696
Associates - Guangdong Tonly Precision Structure Co., Ltd.	Block C, West No. 3, South Central South Road, Shangsha Haibin District, Chang'an Town, Dongguan City		-	1,854
			$ -	$ 9,550

f. Disposal of property, plant and equipment

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category/Name	2019	2018	2019	2018
Associates				
Toyo Precision Appliance (Kunshan) Co., Ltd.	$ -	$ 4,528	$ -	$ 399
Wuhan Resin-hill Co., Ltd.	3,525	-	2,871	-
	$ 3,525	$ 4,528	$ 2,871	$ 399
Others				
Tonly Electronic (Huizhou) Co., Ltd.	$ -	$ 2,720	$ -	$ 214

g. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2019 and 2018 were as follows:

	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Short-term benefits	$ 38,471	$ 45,394
Post-employment benefits	1,189	1,323
	$ 39,660	$ 46,717

The remuneration of directors and key executives was determined by the remuneration committee with regard to the performance of individuals and market trends.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, the tariff of imported raw materials guarantees or the deposit for court guarantees:

	December 31	
	2019	2018
Financial assets at amortized cost	$ 13,482	$ 72,464
Property, plant and equipment - land	79,244	79,244
Property, plant and equipment - buildings	37,828	39,061
Prepaid lease payments	-	13,694
	$ 130,554	$ 204,463

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2019 were as follows:

a. Coxon Industry (Changshu) Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $6,892 thousand, of which $3,446 thousand has been paid and recorded under prepayments for equipment.

b. Sinxon Plastic (Dong Guan) Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $8,880 thousand, of which $5,693 thousand has been paid and recorded under prepayments for equipment.

c. Dong Guan Chensong Plastic Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $5,359 thousand, of which $4,649 thousand has been paid and recorded under prepayments for equipment.

d. Dongguan Shuang-Ying Photoelectric Technology Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $654 thousand, of which $523 thousand has been paid and recorded under prepayments for equipment.

e. Dong Guan Cheng Da Metal Product Co., Ltd. had commitments to buy machinery and equipment and to comply with repair construction contracts which amounted to $2,195 thousand, of which $1,592 thousand has been paid and recorded under prepayments for equipment.

f. The digital camera lawsuit between JCD Corporation (hereinafter referred to as "JCD") and the Group is summarized as below.

   1) Lawsuit matters: JCD applied to the Japan Commercial Arbitration Association for a tort arbitration in relation to its forbidding of the Company from producing and selling the digital camera lenses designed by JCD as well as its demand for payment of US$2,662 thousand, JPY635 thousand and RMB393 thousand as compensation in 2010.

   2) Lawsuit status up to report date: According to the verdict of the Japan Commercial Arbitration Association, Tokyo No. 10-11 on January 16, 2012, was summarized as below.

      a) The Company (the defendant) should pay JCD US$1,441 thousand, JPY1,270 thousand and the related accrued interests accrued from November 24, 2010 up to the date on which the total compensation is made using a 6% annual interest rate.

b) The Company cannot manufacture and sell the suspended category of digital camera zooms.

c) The Company shall pay the plaintiff a litigation fee of JPY1,562 thousand.

In accordance with the Japanese arbitration judgment and the Taiwan Taoyuan District Court's recognized ruling, JCD filed a claim to the company for an enforcement amount, including $43,901 thousand compensation for creditor's rights, a 6% annual interest rate from November 24, 2010 to the settlement date and an execution fee of $351 thousand. The company requested the Taiwan Taoyuan District Court to suspend the enforcement process and obtained the approval, and provided a 13,400 thousand bearer negotiable certificate of deposit as a guarantee (accounted for under "financial assets measured at amortized cost - current" on December 31, 2018). The enforcement procedure has been temporarily suspended.

As of December 31, 2019, the Company filed a debtor's objection against JCD and requested the court to adjudicate the cancellation of the aforementioned enforcement procedure and confirmed that JCD's claim against the Company regarding the aforementioned Japanese arbitration judgment did not exist. On March 4, 2019, the Supreme Court confirmed that the Company lost the case.

Taiwan Taoyuan District Court had issued a payment order on June 26, 2019. The Company paid a total of $53,816 thousand dollar in relevance to compensation and interest applied as of the date of adjudication on July 12, 2019.

On February 20, 2020, Taiwan Taoyuan district court issued an execute decree to seize $131 and US$494 of the Company's account and the interest calculated under 6% per annum from July 4, 2019 to April 30, 2020 for interest accrued after October 17, 2013. The execution procedures are still in progress

38. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 13,743	6.98 (USD:RMB)	$ 426,586
USD	19,410	29.98 (USD:NTD)	602,475
EUR	11	1.12 (EUR:USD)	373
EUR	2	33.59 (EUR:NTD)	84
JPY	6,326	0.01 (JPY:RMB)	1,821
JPY	82,397	0.28 (JPY:USD)	23,714
HKD	213	0.13 (HKD:RMB)	841
HKD	2,705	3.85 (HKD:USD)	10,706

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
RMB	$ 5,295	0.14 (RMB:USD)	$ 23,031
CHF	9	0.13 (CHF:USD)	240
			$ 1,089,871
Financial assets			
Non-monetary items			
Investments accounted for using equity method			
RMB	1,158	4.31 (RMB:USD)	$ 4,989
Financial liabilities			
Monetary items			
USD	4,858	6.98 (USD:RMB)	$ 150,804
USD	3,349	29.98 (USD:NTD)	103,940
EUR	9	7.82 (EUR:RMB)	314
JPY	1,497	0.06 (JPY:RMB)	431
JPY	12,350	0.01 (JPY:USD)	3,554
HKD	84	0.90 (HKD:RMB)	332
HKD	35	0.13 (HKD:USD)	138
RMB	243	0.14 (RMB:NTD)	1,057
			$ 260,570

(Concluded)

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 17,068	6.86 (USD:RMB)	$ 524,259
USD	32,886	30.72 (USD:NTD)	1,010,090
EUR	11	1.15 (EUR:USD)	387
EUR	3	35.20 (EUR:NTD)	118
JPY	30	0.06 (JPY:RMB)	8
JPY	49,744	0.01 (JPY:USD)	13,839
JPY	20,198	0.28 (JPY:NTD)	5,619
HKD	13	0.88 (HKD:RMB)	51
HKD	599	0.13 (HKD:USD)	2,348
HKD	2,733	3.92 (HKD:NTD)	10,714
RMB	5,377	0.15 (RMB:USD)	24,048
RMB	29	4.47 (RMB:NTD)	130
CHF	1	1.02 (CHF:USD)	11
			$ 1,591,622

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Non-monetary items			
Investments accounted for using equity method			
RMB	$ 4,472	0.15 (RMB:USD)	$ 20,005
USD	300	30.72 (USD:NTD)	9,209
			$ 29,214
Financial liabilities			
Monetary items			
USD	6,931	6.86 (USD:RMB)	$ 212,898
USD	11,371	30.72 (USD:NTD)	349,261
EUR	12	7.87 (EUR:RMB)	424
JPY	7,044	0.06 (JPY:RMB)	1,960
JPY	50,570	0.01 (JPY:USD)	14,069
HKD	252	0.88 (HKD:RMB)	988
HKD	34	0.13 (HKD:USD)	135
RMB	276	0.15 (RMB:USD)	1,233
RMB	76	4.47 (RMB:NTD)	338
			$ 581,306

(Concluded)

For the years ended December 31, 2019 and 2018, (realized and unrealized) net foreign exchange loss and gains were $11,889 thousand and $14,662 thousand, respectively. It is impractical to disclose net foreign exchange gain or losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: (Table 1)

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): (Table 2)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: (Table 3)

5)Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: (Table 5)

9) Trading in derivative instruments: (Notes 7 and 34)

10) Intercompany relationships and significant intercompany transactions: (Table 8)

11) Information on investees: (Table 6)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Table 7):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group’s reportable segments under IFRS 8 “Operating Segments” were as follows:

- Taiwan and South China
- South China (the chief operating range are domestic sales)
- Shanghai
- Changshu
- Others

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	For the Year Ended December 31, 2019						
	Taiwan and South China	South China	Shanghai	Changshu	Others	Adjustments and Elimination	Total
Segment revenue and results							
Revenue from external customers	$ 1,812,664	$ 1,499,441	$ -	$ 935,130	$ 66,684	$ -	$ 4,313,919
Inter-segment revenue	1,201,498	1,274,811	-	31,093	55,482	(2,562,884)	-
Segment revenue	$ 3,014,162	$ 2,774,252	$ -	$ 966,223	$ 122,166	$ (2,562,884)	$ 4,313,919
Segment income	$ (231,825)	$ (517,806)	$ -	$ (44,458)	$ 12,381	$ 41,607	$ (740,101)
Interest income							4,334
Other income							502,052
Finance costs							(55,338)
Other expense and loss							(312,300)
Income from continuing operations before income tax							$ (601,353)
Segment assets							
Assets	$ 2,068,682	$ 2,215,151	$ -	$ 2,158,200	$ 243,098	$ (2,195,803)	$ 4,489,328
Investments							274,369
Current tax assets							27,736
Deferred tax assets							177,736
Total assets							$ 4,969,169
Depreciation and amortization	$ 98,711	$ 388,535	$ -	$ 76,155	$ 10,393		$ 573,794
Acquisition of property, plant and equipment	$ 8,720	$ 46,284	$ -	$ 20,751	$ 3,287		$ 79,042

	For the Year Ended December 31, 2018						
	Taiwan and South China	South China	Shanghai	Changshu	Others	Adjustments and Elimination	Total
Segment revenue and results							
Revenue from external customers	$ 2,183,518	$ 2,311,913	$ 9,548	$ 921,334	$ 73,667	$ -	$ 5,499,980
Inter-segment revenue	1,818,239	1,852,098	6,852	38,280	58,616	(3,774,085)	-
Segment revenue	$ 4,001,757	$ 4,164,011	$ 16,400	$ 959,614	$ 132,283	$ (3,774,085)	$ 5,499,980
Segment income	$ (160,285)	$ (607,535)	$ 6,406	$ (7,864)	$ 16,502	$ 75,133	$ (677,643)
Interest income							8,276
Other income							194,492
Finance costs							(32,939)
Other expense and loss							(196,986)
Income from continuing operations before income tax							$ (704,800)
Segment assets							
Assets	$ 3,007,013	$ 2,786,152	$ 15,897	$ 1,892,248	$ 254,492	$ (2,046,696)	$ 5,909,106
Non-current assets held for sale							538,154
Investments							371,066
Current tax assets							22,447
Deferred tax assets							149,549
Total assets							$ 6,990,322
Depreciation and amortization	$ 130,597	$ 401,334	$ 36,316	$ 75,840	$ 5,485		$ 649,572
Acquisition of property, plant and equipment	$ 15,195	$ 57,553	$ 24,659	$ 33,052	$ 2,227		$ 132,686

Segment profit represented the profit before tax earned by each segment without gain or loss on disposal of property, plant and equipment, interest income, dividend income, gain on disposal of investments, share of profit or loss of associates, net exchange gain or loss, net profit or loss of financial assets measured at FVTPL, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

On July 19, 2018, the Central China and Shanghai area was resolved by the board of directors to be transferred, and completed on June 19, 2019.

b. Revenue from major products and services

The following is an analysis of the Group’s revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2019	**2018**
Plastic components	$ 3,643,825	$ 5,060,199
Molds	128,752	120,171
Others	541,342	319,610
	$ 4,313,919	$ 5,499,980

c. Geographical information

The Group operates in three principal geographical areas - Taiwan and China.

The Group’s revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		**Non-current Assets December 31**	
	2019	**2018**	**2019**	**2018**
Taiwan	$ 294,367	$ 272,586	$ 118,285	$ 133,425
China	2,688,073	4,405,349	1,754,896	2,049,804
America	23,078	19,493	-	-
Japan	387,001	427,805	-	-
Others	921,400	374,747	-	-
	$ 4,313,919	$ 5,499,980	$ 1,873,181	$ 2,183,229

Non-current assets exclude non-current assets classified as held for sale, financial instruments, and deferred tax assets.

d. Information about major customers

Individual customers accounting for at least 10% of net sales for the years ended December 31, 2019 and 2018 were as follows:

	For the Year Ended December 31	
Customer	**2019**	**2018**
Customer A	$ 639,720	$ 1,428,765

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Year	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Account and Amounts	Reasons for Short-term Financing	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
												Item	Value		
1	Coxon Industry (Changshu) Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Other receivables	Yes	$ 481,558	$ 279,825	$ 279,825	-	Financing	Interest income $ 1,848	Working capital	-	$ -	$ 758,469	$ 758,469
2	Sun Can International Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Other receivables	Yes	158,000	149,900	149,900	-	Financing	Interest income -	Working capital	-	-	599,190	599,190
3	Dong Guan Cheng Da Metal Product Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Other receivables	Yes	93,720	-	-	5.3	Financing	Interest expense 141	Working capital	-	-	155,575	155,575
4	Changshu Huaxon Industry Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Other receivables	Yes	184,880	172,200	172,200	-	Financing	Interest expense 718	Working capital	-	-	758,220	758,220
3	Coxon Precise International Limited	Coxon Industry Ltd.	Other receivables	Yes	50,560	47,968	47,968	1.5	Financing	Interest income 741	Working capital	-	-	226,926	226,926
6	Coxon Industry (Changshu) Co., Ltd.	Dong Guan Chensong Plastic Co., Ltd.	Other receivables	Yes	123,930	163,590	163,590	-	Financing	Interest income -	Working capital	-	-	758,469	758,469

Note: The limits on loans to others are handled by the Company's invested company in accordance with the letter referenced (91) Tai-Tsai-Cheng (VI) No. 0910161919 from the Securities and Futures Bureau of the Financial Supervision Commission on December 18, 2002. The total amount of loans to others shall not exceed 40% of the net value in the latest audited financial statement by the accountant, and the loan to a single enterprise shall not exceed 30% of the net value in the latest audited financial statement by the accountant. However, the limits above shall not apply if, due to the group’s capital requirement, the object of the loan extension is an affiliated company of Coxon Precise Industrial Co., Ltd., which is the ultimate parent company, and a resolution is passed by the board of directors. However, the loan amount shall not exceed the net value in the latest audited financial statement by the accountant.

TABLE 2

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Coxon Precise Industrial Co., Ltd.	Shares							
	Halo Neuro Inc.	None	Financial assets at FVTOCI - current	306,720	$ -	-	$ -	
	Youyang Electronic Technology (Shanghai) Co., Ltd.	None	Financial assets at FVTOCI - current	300,000	-	30	-	
					$ -		$ -	
	CGK International Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,800,000	$ 23,236	5	$ 23,236	
	Simpla Biotech Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,500,000	12,308	11	12,308	
	PT. Fuji Seiki Indonesia	None	Financial assets at FVTOCI - non-current	1,500,000	20,010	18	20,010	
	Kin Tin Optotronic Co., Ltd.	None	Financial assets at FVTOCI - non-current	2,255,193	-	6	-	
Coxon Precise International Limited	Toyo Precision Appliance (Kunshan) Co., Ltd.	Other related party	Financial assets at FVTOCI - current	153,360	175,149	15	175,149	
					$ 230,703		$ 230703	
Coxon Industry (Changshu) Co., Ltd.	Financial instruments							
	Structured deposits	None	Financial assets at FVTOCI - current	5,000,000	$ 21,487	-	$ 21,487	
Cheng Da Industry Ltd.	Structured deposits	None	Financial assets at FVTOCI - current	1,000,000	4,297	-	4,297	
	Structured deposits	None	Financial assets at FVTOCI - current	3,000,000	12,893	-	12,893	
					$ 38,677		$ 38,677	

Note 1: The financial assets measured at cost are unlisted shares. The assets were assessed as impaired with a small chance of recovery, so impairment loss was recognized.

Note 2: Please refer to Schedule 5 and 6 for information on invested subsidiaries, affiliates and joint-venture interests.

TABLE 3

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Coxon Precise Industrial Co., Ltd.	Shares Teckyork Enterprise Ltd.	Entity in consolidated	Magical fountain Limited (Samoa)	None	12,569,700	$ 1,307,592	-	$ -	12,569,700	$ 806,464	$ 417,347	$ 430,318	-	$ -

TABLE 4

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade (Payables) Receivables		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance	% of Total	
Coxon Precise Industrial Co., Ltd.	Coxon Industry Ltd.	Subsidiaries	Purchases	$ 339,353	21	120 days	In accordance with mutual agreements	120 days	Trade payables $ 239,481	31	
	Sun Can International Ltd.	Subsidiaries	Purchases	836,278	51	120 days	In accordance with mutual agreements	120 days	Trade payables 466,004	60	
Coxon Industry Ltd.	Coxon Precise Industrial Co., Ltd.	Subsidiaries	Sales	339,353	99	120 days	In accordance with mutual agreements	120 days	Trade receivables 239,481	100	
	Dong Guan Chensong Plastic Co., Ltd.	Subsidiaries	Purchases	337,687	100	120 days	In accordance with mutual agreements	120 days	Trade payables 87,285	100	
Sun Can International Ltd.	Coxon Precise Industrial Co., Ltd.	Subsidiaries	Sales	836,278	100	120 days	In accordance with mutual agreements	120 days	Trade receivables 466,004	100	
	Sinxon Plastic (Dong Guan) Ltd.	Subsidiaries	Purchases	810,158	100	120 days	In accordance with mutual agreements	120 days	Trade payables 105,116	54	
Dong Guan Chensong Plastic Co., Ltd.	Coxon Industry Ltd.	Subsidiaries	Sales	337,687	39	120 days	In accordance with mutual agreements	120 days	Trade receivables 87,285	41	
	Tonly Electronic (Huizhou) Co., Ltd.	Affiliated company	Sales	295,283	34	120 days	In accordance with mutual agreements	120 days	Trade receivables 61,016	28	
Sinxon Plastic (Dong Guan) Ltd.	Sun Can International Ltd.	Subsidiaries	Sales	810,158	44	120 days	In accordance with mutual agreements	120 days	Trade receivables 105,116	27	

Note: The related party transactions between subsidiaries have been eliminated upon consolidation.

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Coxon Industry Ltd.	Coxon Precise Industrial Co., Ltd.	Ultimate parent company	$ 239,481	1.63	$ -	-	$ -	$ -
Sun Can International Ltd.	Coxon Precise Industrial Co., Ltd.	Ultimate parent company	466,004	1.33	-	-	-	-
	Sinxon Plastic (Dong Guan) Ltd.	Associate	149,900 (Note 1)	-	-	-	-	-
Sinxon Plastic (Dong Guan) Ltd.	Sun Can International Ltd.	Ultimate parent company	105,116	4.69	-	-	-	-
Coxon Industry (Changshu) Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Associate	279,825 (Note 1)	-	-	-	-	-
Changshu Huaxon Industry Co., Ltd.	Sinxon Plastic (Dong Guan) Ltd.	Associate	172,200 (Note 1)	-	-	-	-	-
Coxon Industry (Changshu) Co., Ltd.	Dong Guan Chensong Plastic Co., Ltd.	Associate	163,590 (Note 1)	-	-	-	-	-

Note 1: Listed on other receivables.

Note 2: The related party transactions between subsidiaries had been eliminated upon consolidation.

TABLE 6

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	%	Carrying Amount			
Coxon Precise Industrial Co., Ltd.	Teckyork Enterprise Co., Ltd.	Samoa	Global investing activities	$ -	$ 901,356	-	-	$ -	$ 45,294	$ 45,294	Note 3
	Sun Can International Ltd.	Samoa	Global investing activities	551,004	551,004	16,932,762	100	599,190	(311,878)	(311,878)	
	Coxon Industry Ltd.	Samoa	Global investing activities	1,371,321	1,371,321	42,870,000	100	316,286	(417,818)	(417,818)	
	Cheng Da Industry	Samoa	Global investing activities	1,098,824	1,098,824	35,769,500	100	239,143	(145,115)	(145,115)	
	Cheng Yee Enterprise Ltd.	Samoa	Global investing activities	1,074,180	841,793	23,000,000	100	1,904,636	(79,530)	(79,530)	Note 3
	Soartek Optoelectronics Technology Co., Ltd.	Taiwan	Manufacturing and sale of nonmetal molding and automobile parts	51,000	51,000	-	-	-	(15)	(15)	Note 5
	Plenty Link Technology Co., Ltd.	Cayman Islands	Global investing activities	368,107	368,107	11,700,000	65	90,269	(76,997)	(50,048)	
Cheng Yee Enterprise Ltd.	Hang Yuan Enterprise Ltd.	Samoa	Global investing activities	714,760	570,464	20,000,000	100	1,558,448	(98,753)	(98,753)	Note 3
	Coxon Precise International Limited	Virgin Islands	Global investing activities	91,020	91,020	3,000,000	100	226,926	667	667	
	Coxon Medical Limited	Samoa	Global investing activities	95,760	95,760	3,000,000	80	109,060	(12,037)	(9,630)	
Coxon Industry Ltd.	Siix Coxon Precision Phils, Inc.	Philippines	Manufacturing and sale of nonmetal molding	121,642	121,642	4,050,000	45	-	(37,711)	(9,280)	Note 4
Plenty Link Technology Co., Ltd.	Shuang Ying Science and Technology Ltd.	Taiwan	Manufacturing of optical instrument and electronic components	19,500	19,500	1,950,000	65 (Note 2)	1,086	(13,487)	(8,767)	

Note 1: All investments and equity of the investee company are eliminated upon consolidation.

Note 2: Coxon Precise Industrial Co., Ltd. holds directly 65% of the voting shares of Plenty Link Technology Co., Ltd., Plenty Link Technology Co., Ltd. holds directly 100% of the voting shares of Sun Can International Ltd. and Coxon Precise Industrial Co., Ltd. holds indirectly 65% of the voting shares of Shuang Ying Science and Technology Ltd.

Note 3: Company reorganization on March 31, 2019, Changshu Huaxon Industry Co., Ltd. shares hold by Teckyork Enterprise Co., Ltd. transfer to Hang Yuan Enterprise Ltd., so that the investment amount and shares hold on December 31, 2019 has changed.

Note 4: Because Coxon Industry Co., Ltd. only holds 45% of the voting shares of Siix Coxon Precision Phils, Inc. not the largest shareholder, the Group recognized share of loss to the amount of zero.

Note 5: Liquidated in August 2019.

TABLE 7

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars and U.S. Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Shanghai Teckyork Enterprise Co., Ltd. (Note 1)	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	$ -	Investment through third party	$ 667,893	$ -	$ -	$ 667,893	$ -	-	$ (623)	$ - (Note 11)	$ -	
Shanghai Sonor Enterprise Co., Ltd. (Note 1)	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	-	Investment through third party	218,175	-	123,081	95,094	-	-	(300)	- (Note 11)	-	
Vastech Plastic (Shanghai) Industrial Co., Ltd. (Note 2)	Manufacturing and sale of nonmetal molding, precision plastic injection parts and optical lens	-	Investment through third party	42,786	-	-	42,786	-	-	-	-	-	
Changshu Huaxon Industry Co., Ltd.	Leasehold estate	938,525	Investment through third party	64,270	-	-	64,270	(7,442)	100	(7,442)	758,220 (Note 11)	-	
Sinxon Plastic (Dong Guan) Ltd.	Manufacturing and sale of nonmetal molding and automobile parts	550,844	Investment through third party	320,818	-	-	320,818	(268,401)	100	(268,401)	97,942 (Note 11)	-	
Coxon Industry (Changshu) Co., Ltd.	Manufacturing and sale of nonmetal molding, precision plastic injection parts, related semi-finished goods and components	1,211,000	Investment through third party	863,138	-	-	863,138	(112,527)	100	(112,527)	758,469 (Note 11)	-	
Toyo Precision Appliance (Kunshan) Co., Ltd. (Note 3)	Manufacturing and processing of sheet metal-press work parts	936,141	Investment through third party	194,278	-	-	194,278	-	-	-	-	-	
Shanghai Coxon Medical Ltd. (Notes 3 and 5)	Manufacturing of medical materials	149,770	Investment through third party	23,120	-	-	23,120	4,555	80	3,644	90,172	-	
Dong Guan Cheng Da Metal Product Company Ltd. (Note 6)	Manufacturing instrument, electronic products and plastic products	145,871	Investment through third party	141,448	-	-	141,448	(112,633)	100	(112,633)	155,575 (Note 11)	-	
Dong Guan Chensong Plastic Co., Ltd. (Note 3)	Manufacturing and sale of metal and nonmetal molding and automobile parts	1,367,130	Investment through third party	471,320	-	-	471,320	(249,430)	100	(249,430)	221,597 (Note 11)	-	
Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd.	Manufacturing of optical instrument and electronic components	465,025	Investment through third party	279,595	-	-	279,595	(63,436)	65	(41,233)	133,277 (Note 11)	-	
Guangdong Tonly Precision Structure Co., Ltd.	Design, production, processing and sales of precision plastic products, molds, plastic parts and hardware components; technical advice, technical services; import and export of goods and technology import and export	92,968	Note 9	-	-	-	-	(67,079)	30	(20,124)	214 (Note 12)	-	
Wuhan Resin-hill Co., Ltd.	Manufacturing of automotive hardware	5,000 (Note 13)	Note 14	-	-	-	-	(6,703)	40	(2,681)	4,775 (Note 12)	-	

(Continued)

Accumulated Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$3,290,180	$6,865,415	Note 10

Note 1: The Company invested in Shanghai Teckyork Enterprise Co., Ltd., Shanghai Sonor Enterprise Co., Ltd. and Changshu Houkennixx Plastic Product Co., Ltd. through Teckyork Enterprise Co., Ltd. in a third region. Changshu Houkennixx Plastic Product Co., Ltd. was sold in full on December 17, 2018, and Teckyork Enterprise Co., Ltd. has received relevant proceeds.

Note 2: The Company invested in Vastech Industrial Co., Ltd. through Teckyork Enterprise Co., Ltd. in a third region, and then Vastech Industrial Co., Ltd. invested in Vastech Plastic (Shanghai) Industrial Co., Ltd., which was liquidated in June 2018. In June 2018, Company F remitted the relevant capital back to Vastech Industrial Co., and then Vastech Industrial Co. remitted it back to the Company.

Note 3: The Company invested in 100% of the equity of Hang Yuan Enterprise Ltd. and Coxon Precise International Limited and 80% of the equity of Coxon Medical Limited through Cheng Yee Enterprise Ltd. in a third region. Hang Yuan Enterprise Ltd., Coxon Precise International Limited and Coxon Medical Limited then respectively invested in 100% of the equity of Coxon Industry (Changshu) Co., Ltd., 30% of the equity of Toyo Precision Appliance (Kunshan) Co., Ltd. and 100% of the equity of Shanghai Coxon Medical Limited. Toyo Precision Appliance (Kunshan) Co., Ltd. has been sold in full on October 9, 2018, and Coxon Precise International Limited has received the relevant proceeds.

Note 4: The Company invested in Sinxon Plastic (Dong Guan) Ltd. through Sun Can International Ltd. in a third region.

Note 5: Investment funds of Shanghai Coxon Medical Limited of US$3,700 thousand came from the own funds of Coxon Medical Limited which Shanghai Coxon Medical Limited invests in.

Note 6: The Company invested in Dong Guan Cheng Da Metal Product Company Limited through Cheng Da Industry Ltd. in a third region.

Note 7: The Company invested in Dong Guan Chensong Plastic Co., Ltd. through Coxon Industry Ltd. in a third region.

Note 8: The Company invested in Dongguan Shuang-Ying Photoelectric Technology Co., Ltd. through Plenty Link Technology Co., Ltd. in a third region.

Note 9: 30% of the equity is invested with own funds of Coxon Industry (Changshu) Co., Ltd.

Note 10: According to the new revised “Principles for Reviewing Investment or Technical Cooperation in Mainland China” on August 29, 2008, the Company has obtained from the Industrial Development Bureau of the Ministry of Economic Affairs the certification regarding its compliance with the operation scope of operational headquarters; therefore, no investment limit shall be applied.

Note 11: Financial statement audited by the accountant from parent company in Taiwan.

Note 12: Financial statement not audited by the accountant.

Note 13: Paid-in capital expressed in RMB.

Note 14: 40% of the equity is invested with own funds of

Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table 3.

Endorsements/guarantees provided with investee companies in mainland China, either directly or indirectly through a third party: None.

Financing provided with investee companies in mainland China, either directly or indirectly through a third party: Table 1.

Other transactions which significantly affect profit and loss or the financial situation: None.

(Concluded)

TABLE 8

COXON PRECISE INDUSTRIAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% of Total Sales or Assets (Note 4)
0	Coxon Precise Industrial Co., Ltd.	Coxon Industrial Ltd.	a	Other receivables	$ 275	Note	-
			a	Trade payables	239,481	Note	-
			a	Purchases	339,353	Note	7
		Sun Can International Ltd.	a	Other receivables	542	Note	-
			a	Trade payables	466,004	Note	9
			a	Purchases	836,278	Note	19
		Hang Yuan Enterprise Ltd.	a	Other receivables	1,128	Note	-
			a	Trade payables	10,959	Note	-
			a	Purchases	19,826	Note	-
		Coxon Medical Ltd.	a	Other receivables	304	Note	-
		Cheng Da Industrial Ltd.	a	Other receivables	263	Note	-
		Sinxon Plastic (Dong Guan) Ltd.	a	Trade receivables	7	Note	-
			a	Trade payables	873	Note	-
			a	Sales	96	Note	-
			a	Purchases	3,650	Note	-
		Plenty Link Technology Co., Ltd.	a	Other receivables	161	Note	-
1	Coxon Industrial Ltd.	Dong Guan Chensong Plastic Co., Ltd.	a	Trade payables	87,285	Note	2
			a	Sales	3,044	Note	-
			a	Purchases	337,687	Note	8
			a	Miscellaneous expenditures	505	Note	-
		Coxon Precise International Limited	c	Other payable	47,968	Note	1
			c	Finance cost	741	Note	-
2	Dong Guan Chensong Plastic Co., Ltd.	Coxon Industry (Changshu) Ltd.	c	Other payable	163,590	Note	3
		Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd.	c	Other receivables	3,867	Note	-
			c	Other payable	10,036	Note	-
			c	Sales	151	Note	-
			c	Manufacturing overhead	9,651	Note	-
		Sinxon Plastic (Dong Guan) Ltd.	c	Trade receivables	14,843	Note	-
			c	Trade payables	9,922	Note	-
			c	Other payable	14,361	Note	-
			c	Sales	51,842	Note	1
			c	Purchases	24,946	Note	-
			c	Manufacturing overhead	28,628	Note	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms (Note 3)	% of Total Sales or Assets (Note 4)
		Dong Guan Cheng Da Metal Product Co., Ltd.	c	Other receivables	$ 1,815	Note	-
			c	Other payable	2	Note	-
			c	Other income	2,782	Note	-
3	Sun Can International Ltd.	Sinxon Plastic (Dong Guan) Ltd.	a	Trade receivables	7	Note	-
			a	Other receivables	149,900	Note	-
			a	Trade payables	105,116	Note	2
			a	Purchases	810,158	Note	19
4	Sinxon Plastic (Dong Guan) Ltd.	Dong Guan Cheng Da Metal Product Co., Ltd.	c	Trade receivables	76	Note	-
			c	Trade payables	2,579	Note	-
			c	Other payable	21	Note	-
			c	Sales	218	Note	-
			c	Other income	3,816	Note	-
			c	Purchases	5,918	Note	-
			c	Manufacturing overhead	74	Note	-
			c	Finance cost	141	Note	-
		Coxon Industry (Changshu) Ltd.	c	Trade receivables	867	Note	-
			c	Other receivables	510	Note	-
			c	Other payable	279,825	Note	5
			c	Sales	780	Note	-
			c	Other income	471	Note	-
			c	Purchases	975	Note	-
			c	Finance cost	1,848	Note	-
		Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd.	c	Trade receivables	420	Note	-
			c	Other receivables	42,650	Note	-
			c	Other payable	2,276	Note	-
			c	Contract liabilities	1,137	Note	-
			c	Sales	3,678	Note	-
			c	Other income	13	Note	-
			c	Manufacturing overhead	12,241	Note	-
		Changshu Huaxon Industry Co., Ltd.	c	Other payable	172,000	Note	3
			c	Finance cost	718	Note	-
5	Changshu Huaxon Industry Co., Ltd.	Coxon Industry (Changshu) Ltd.	c	Rental revenue	29,910	Note	-
6	Coxon Medical Limited	Shanghai Coxon Medical Limited	a	Trade payables	9,731	Note	-
			a	Purchases	55,201	Note	-
7	Dong Guan Shuang-Ying Photoelectric Technology Co., Ltd.	Shuang-Ying Science and Technology, Ltd.	a	Sales	336	Note	-
		Dong Guan Cheng Da Metal Product Co., Ltd.	c	Other payable	11	Note	-
		Plenty Link Technology Co., Ltd.	c	Payables on equipment	1,656	Note	-
8	Hang Yuan Enterprise Ltd.	Coxon Industry (Changshu) Ltd.	a	Trade payables	1,099	Note	-
			a	Purchases	10,250	Note	-

(Continued)

Note 1: The numbers above are identified as follows:

a. "0" for the Company.
b. "1" for the subsidiary.

Note 2: The flow of transactions was as follows:

a. From the Company to the subsidiary.
b. From the subsidiary to the Company.
c. Between subsidiaries.

Note 3: The transaction terms with the related party are not significantly different from those to third parties.

Note 4: For assets and liabilities, the amount is shown as a percentage to consolidated total assets as of December 31, 2019, while revenue, costs and expenses are shown as a percentage to consolidated total operating revenue for the year ended December 31, 2019.

(Concluded)