Stock Code:3679

NISHOKU TECHNOLOGY INC.
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019 and 2018
(With Independent Auditors' Review Report Thereon)

Address: No. 36, Ln. 11, Huacheng Rd., Xinzhuang Dist., New Taipei City, Taiwan.
Telephone: 886-2-29983578

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

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Independent Auditors' Review Report

To the Board of Directors of Nishoku Technology Inc.:

Introduction

We have reviewed the consolidated financial statements of Nishoku Technology Inc. and its subsidiaries (”the Group”), which comprise the consolidated statement of financial position as of March 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2019 and 2018. Management are 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 the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission of the Republic of China. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

Scope of Review

Except as described in basis of opinion, we conducted our reviews in accordance with Statement on Auditing Standard 65, "Engagements to Review Financial Statements". A review consists principally of inquiries of the Group's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

Basis of opinion

Included in the accompanying consolidated interim financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent accountants. These consolidated subsidiaries had total assets of $620,546 thousand and $632,584 thousand both constituting 8% of the Group's consolidated total assets as of March 31, 2019 and 2018, respectively; total liabilities of $326,385 thousand and $317,887 thousand both constituting 10% of the Group's consolidated total liabilities as of March 31, 2019 and 2018, respectively; comprehensive income of $34,600 thousand and $39,690 thousand constituting 11% and 25% of the Group's consolidated comprehensive income for the three months ended March 31, 2019 and 2018, respectively.

Conclusion

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of some equity method investees as described in basis of opinion above been reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated interim financial statements referred to in the first paragraph in order for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 " Interim Financial Reporting" endorsed by the Financial

Notes to Readers

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

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Supervisory Commission of the Republic of China.
The engagement partners on the review resulting in this independent auditor's report are Cheng-Chien Chen and Sheng-Ho Yu

KPMG

Taipei, Taiwan (Republic of China)
Apr. 30, 2019

Notes to Readers

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Reviewed only, not audited in accordance with generally accepted auditing standards as of March 31, 2019 and 2018

NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2019, December 31, 2018 and March 31, 2018

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2019		December 31, 2018		March 31, 2018	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 3,259,614	45	3,343,043	45	3,655,325	48
1110	Financial assets at fair value through profit or loss (note 6(b))	637,681	9	263,890	4	409,074	5
1170	Accounts receivable, net (note 6(c))	932,512	12	1,348,674	18	1,170,516	15
130X	Inventories (note 6(d))	513,340	7	498,520	7	529,738	7
1470	Other current assets	46,636	1	48,535	1	70,371	1
1476	Other current financial assets (note 6(h))	7,811	-	6,902	-	12,466	-
		5,397,594	74	5,509,564	75	5,847,490	76
	Non-current assets:						
1600	Property, plant and equipment (note 6(e))	1,650,264	23	1,649,355	22	1,560,040	21
1755	Right-of-use assets(note 6(i))	68,741	1	-	-	-	-
1840	Deferred tax assets	72,053	1	67,536	1	80,923	1
1915	Prepayments for equipment	29,579	-	40,236	1	58,598	1
1985	Long-term prepaid rents	74,682	1	74,350	1	74,648	1
1990	Other non-current assets	29,121	-	21,296	-	25,978	-
		1,924,440	26	1,852,773	25	1,800,187	24
	Total assets	$ 7,322,034	100	7,362,337	100	7,347,677	100

		March 31, 2019		December 31, 2018		March 31, 2018	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(f))	$ 606,560	8	805,720	11	382,630	5
2111	Short term notes and bills payable (note 6(g))	199,907	3	99,985	2	99,960	1
2170	Notes and Accounts payable	485,905	7	601,303	8	588,658	8
2280	Current lease liabilities (note 6(j))	48,954	1	-		-	
2300	Other current liabilities	284,496	4	308,790	4	328,911	4
2320	Long-term liabilities, current portion (note 6(h))	-	-	-	-	200,000	3
		1,625,822	23	1,815,798	25	1,600,159	21
	Non-Current liabilities:						
2540	Long-term borrowings (note 6(h))	1,000,000	13	900,000	12	1,050,000	14
2570	Deferred tax liabilities and others	730,533	10	718,969	10	653,,864	9
2580	Non-current lease liabilities (note 6(j))	19,890	-	-	-	-	-
		1,750,423	23	1,618,969	22	1,703,864	23
	Total liabilities	3,376,245	46	3,434,767	47	3,304,023	44
	Equity attributable to owners of parent (note 6(l)):						
3100	Ordinary share	622,962	9	622,962	8	793,033	10
3200	Capital surplus	957,022	13	955,989	13	1,208,188	16
	Retained earnings:						
3310	Legal reserve	480,192	7	482,192	7	436,603	6
3320	Special reserve	181,708	2	181,708	2	38,354	-
3350	Unappropriated retained earnings	1,826,640	25	1,886,558	26	2,016,765	26
		2,488,540	34	2,548,458	35	2,491,722	32
3400	Other equity interest	(122,735)	(2)	(199,839)	(3)	(149,289)	(2)
	Total equity	3,954,789	54	3,927,570	53	4,343,654	56
	Total liabilities and equity	$ 7,322,034	100	7,362,337	100	7,647,677	100

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2019		2018	
		Amount	%	Amount	%
4110	**Operation Revenues (note 6(q))**	$ 652,366	102	834,773	102
4170	Less: Sales returns and allowance	14,348	2	12,553	2
	Net Operating revenues	638,018	100	822,220	100
5000	Operating costs (notes 6(d), (i),(l) and 12)	589,681	92	702,897	85
	Gross profit from operations	48,337	8	119,323	15
	Operating expenses: (notes 6(c), (i), (l) and 12)				
6100	Selling expenses	14,360	2	15,736	2
6200	Administrative expenses	70,140	11	69,639	8
6300	Research and development expenses	22,733	4	24,925	3
6450	Expected Credit Loss	761	-	458	-
		107,994	17	110,757	13
	Net operating income	(59,657)	(9)	8,566	2
	Non-operating income and expenses:				
7010	Other income (notes 6(s))	16,889	3	14,375	2
7020	Other gains and losses, net (notes 6(t))	(22,194)	(4)	(84,806)	(10)
7050	Finance costs, net	(6,605)	(1)	(6,243)	(1)
	Total non-operating income and expenses	(11,910)	(2)	(76,674)	(9)
7900	**Profit from continuing operations before tax**	(71,567)	(11)	(68,108)	(7)
7950	Less: Tax expense (note 6(m))	(11,649)	(2)	64,989	8
	Profit	(59,918)	(9)	(133,097)	(15)
8300	**Other comprehensive income:**				
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	96,380	15	40,524	5
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(m))	(19,276)	3	(8,105)	1
8300	**Other comprehensive income, net**	71,104	12	32,419	4
8500	**Total comprehensive income**	**$ 17,186**	**3**	**(100,678)**	**(11)**
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	**$ (59,918)**	**(9)**	**(133,097)**	**(15)**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	**$ 17,186**	**3**	**(100,678)**	**(11)**
	Basic earnings per share				
9750	Basic earnings per share (NT dollars) (note 6(p))	**$**	**(0.96)**		**(1.68)**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
	Share capital		Retained earnings			Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Total equity
Balance at January 1, 2018	$ 793,033	1,207,154	436,603	38,354	2,149,862	(181,708)	4,443,298	4,443,298
Profit for the period	-	-	-	-	(133,097)	-	(133,097)	(133,097)
Other comprehensive income	-	-	-	-	-	32,419	32,419	32,419
Total comprehensive income (loss)	-	-	-	-	(133,097)	32,419	(100,678)	(100,678)
Stock option compensation cost	-	1,034	-	-	-	-	1,034	1,034
Balance at March 31, 2018	**$ 793,033**	**1,208,188**	**436,603**	**38,354**	**2,016,765**	**(149,289)**	**4,343,654**	**4,343,654**
Balance at January 1, 2019	$ 622,962	955,989	480,192	181,708	1,886,558	(199,839)	3,927,570	3,927,570
Loss for the period	-	-	-	-	(59,918)	-	(59,918)	(59,918)
Other comprehensive income	-	-	-	-	-	77,104	77,104	77,104
Total comprehensive income (loss)	-	-	-	-	(59,918)	77,104	17,186	17,186
Stock option compensation cost	-	1,033	-	-	-	-	1,033	1,033
Balance at March 31, 2019	**$ 622,962**	**957,022**	**480,192**	**181,708**	**1,826,640**	**(122,735)**	**3,945,789**	**3,954,789**

See accompanying notes to consolidated financial statements.

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

NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2019	2018
Cash flows from (used in) operating activities:		
Profit (loss) before tax	$ (71,567)	(68,108)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	81,903	61,846
Expected credit loss	761	458
Interest expense	6,605	6,245
Interest income	(14,179)	(11,307)
Stock option compensation cost	1,033	1,034
Net loss (gain) on financial assets at fair value through profit or loss	(1,415)	68
Loss on disposal of property, plant and equipment	(2,071)	279
Recognition losses (reversal of provision) on inventory valuation and obsolescence	30,343	24,350
	102,980	82,971
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(372,376)	211,156
Accounts receivable	415,401	171,553
Inventories	(45,163)	(73,226)
Other current assets and other financial assets	1,378	(491)
Total changes in operating assets	(760)	308,992
Changes in operating liabilities:		
Accounts payable	(115,398)	21,944
Other current liabilities	(20,803)	(34,687)
Total changes in operating liabilities	(135,706)	(12,743)
Total adjustments	(33,486)	379,220
Cash inflow(outflow) generated from operations	(105,053)	311,112
Interest received	14,179	11,307
Interest paid	(6,675)	(6,585)
Income taxes paid	(146)	(3,235)
Net cash flows from operating activities	(97,695)	312,599
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(32,130)	(128,233)
Proceeds from disposal of property, plant and equipment	3,253	13
Increase Refundable deposits	(8,310)	(6,638)
Decrease in other non-current assets	(1,845)	(940)
Net cash flows used in investing activities	(39,032)	(135,798)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(199,160)	(54,930)
Increase (decrease) in short-term notes and bills payable	99,922	49,978
Increase in long-term debt	100,000	-
Repayments of long-term borrowings	-	(150,000)
Increase (decrease) in guarantee deposits received	10	-
Payment of lease liabilities	(14,399)	-
Net cash flows used in financing activities	(13,627)	(154,952)
Effect of exchange rate changes on cash and cash equivalents	66,925	26,980
Net Increase (decrease)in cash and cash equivalents	(83,429)	48,829
Cash and cash equivalents at beginning of period	3,343,043	3,606,496
Cash and cash equivalents at end of period	$ 3,259,614	3,655,325

See accompanying notes to consolidated financial statements.

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

NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

NISHOKU TECHNOLOGY INC. (the "Company") was incorporated in year 1980, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO on the Taiwan Stock Exchange (TWSE) on October 5, 2011. The Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") primarily are involved in the manufacture and sale of plastic injection mold, tooling manufacturing and general import and export trade, please refer to note 14.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated interim financial statements were authorized for issuance by the board of directors on April 30, 2019.

(3) New standards, amendments and interpretations adopted:

a. Impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already taken effect.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019:

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

(Continued)

Except for the items discussed below, the adoption of abovementioned standards and interpretations has not had a material impact on the Group's accounting policies. The extent and impact of significant changes are as follows:

(a) IFRS 16 "Leases

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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

(i) Definition of a lease

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

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

(ii) As a lessee

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

The Group didn't have the contract to apply recognition exemptions to short-term leases.

- Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at January 1, 2019.

Right-of-use assets are measured at either:

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

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

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

(iii) Impacts on financial statements

On transition to IFRS 16, the Group recognised additional $80,887 thousands of right-of-use assets and lease liabilities, recognising the difference in retained earnings. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 1.20%.

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

	January 1, 2019
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	$ 80,394
Recognition exemption for:	
Others	493
Discounted using the incremental borrowing rate at January 1, 2019	80,887
Finance lease liabilities recognized as at December 31, 2018	-
Lease liabilities recognized at January 1, 2019	$ 80,887

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

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

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

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

Issuance / Release Dates	Standards or Interpretations	Content of amendment
October 22, 2018	Amendments to IFRS 3 "Definition of a Business"	The IASB has issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous a definition focused on returns in the form of dividends , lower costs or

		other economic benefits to investors and others. In addition to amending the wording of the definition,the IASB has provided supplementary guidance.
October 31, 2018	Amendments to IAS1 and IAS 8“Definition of Material”	The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

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

(4) Summary of significant accounting policies:

a. Statement of compliance

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

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

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

b. Basis of consolidation

Principles of preparation of the consolidated interim financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2018. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2018. The financial statements of insignificant consolidated subsidiaries, NISHOKU BOUEKI and NISHOKU VIETNAM, were not reviewed by independent accountants

c. Lease

(a) Lease judgments

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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

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

(iii) The Group has the right to direct the use of the asset. The Group has the right to direct the use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of an asset if either:

- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(b) As a lease

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

(i) Fixed payments;

(ii) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(iii) Amounts expected to be payable under a residual value guarantee; and

(iv) Payments for purchase or termination options that are reasonably certain to be exercised.

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

(i) There is a change in future lease payments arising from the change in an index or rate; or

(ii) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(iii) There is a change of its assessment on whether it will exercise a purchase; or

(iv) There is a change of its assessment on whether it will exercise a extension or termination option; or

(v) There is any lease modifications.

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases . The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

d. Income Tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

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

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2018.

(6) Explanation of significant accounts:

In addition to the following, there is no significant difference between the notes on the significant accounting items of the consolidated interim financial statements and the consolidated financial statements for the year ended December 31, 2018. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2018.

(a) Cash and cash Equivalents

		March 31, 2019	December 31, 2018	March 31, 2018
Cash, and demand deposits	$	1,306,531	1,690,919	1,982,597
Time deposits		1,782,759	1,553,050	1,672,728
Bond acquired under repurchase agreement		170,324	99,074	-
Cash and cash equivalents in the consolidated statement of cash flows	$	3,259,614	3,343,043	3,655,325

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

		March 31, 2019	December 31, 2018	March 31, 2018
Financial assets mandatorily measured at FVTPL:				
(i) Non-derivate financial instruments				
Fund	$	13,236	12,091	13,930
Principal guaranteed financial product		618.280	245,966	389,439
Bond of oversea		6,165	5,833	5,690
Total		637,681	263,890	409,059
(ii) Non-hedging derivatives				
FX SWAP		-	-	15
Total	$	637,681	263,890	409,074

The Group entered into derivative contracts to manage exposures due to fluctuations of foreign exchange rates. As of March 31, 2019 and December 31,2018, there is no balance on the derivative financial instruments.

For the three months ended March 31, 2018, total gains and losses from derivative financial instruments, please refer to note 6(u).

(c) Notes and accounts receivable

		March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable	$	48,526	53,025	78,435
Accounts receivable		904,834	1,319,541	1,105,604
Less：allowance for impairment		(20,848)	(23,892)	(13,523)
	$	932,512	1,348,674	1,170,516

The Group measures the loss allowance for notes and accounts receivable using the simplified approach with the lifetime expected credit losses. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporate forward-looking information.

Analysis of expected credit losses was as follows:

	March 31, 2019			
	Carrying amount of accounts receivable		Expected loss rate	Loss allowance for lifetime expected credit losses
Not past due	$	771,452	-%	-
Past due less than 120 days		113,377	0%~1%	843
Past due over 1 year		3,936	100%	3,936
Total	$	888,765		4,779

	December 31, 2018			
	Carrying amount of accounts receivable		Expected loss rate	Loss allowance for lifetime expected credit losses
Not past due	$	1,267,287	-%	-
Past due less than 120 days		28,695	0%~1%	333
Past due over 1 year		7,490	100%	7,490
Total	$	1,303,472		7,823

	March 31, 2018			
	Carrying amount of accounts receivable		Expected loss rate	Loss allowance for lifetime expected credit losses
Not past due	$	973,121	-%	-
Past due less than 120 days		115,127	0%~1%	165
Past due 121~270 days		4,405	0%~30%	1,315
Past due 271~365 days		3,035	0%~100%	2,127
Past due over 1 year		9,916	100%	9,916
Total	$	1,105,604		13,523

As of March 31, 2019 and December 31, 2018 , after assessment, there is default risk on individual customer, and the gross carrying amount and loss allowance provision of the customer both amounted to $16,069 thousand.

		Three months ended March 31,	
		2019	2018
Beginning balance (IAS 39)	$	23,892	18,703
Impairment loss		761	458
Amounts written off		(3,805)	(5,638)
Ending balance	$	20,848	13,523

(d) Inventories

		March 31, 2019	December 31, 2018	March 31, 2018
Raw materials	$	161,377	182,089	168,954
Work in process		256,175	183,199	257,279
Finished goods		95,788	133,232	103,505
	$	513,340	498,520	529,738

For the three months ended March 31, 2019 and 2018, raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sale amounted to $589,681 thousand and $702,897thousand, respectively. For the three months ended March 31, 2019 and 2018, the Group recognized the losses (reversal) on inventory valuation and obsolescence as cost of goods sold amounting to $30,343 thousand and $24,350 thousand, respectively.

As of March 31, 2019, December 31, 2018, and March 31, 2018, the Group did not provide any inventories as collateral.

(e) Property, plant and equipment

The cost, depreciation and impairment loss of the property, plant and equipment of the Group for the years ended March 31, 2019 and 2018, were as follows.

		Land	Building	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:							
Balance on January 1, 2019	$	179,672	927,427	2,099,866	478,594	73,046	3,758,605
Additions		-	1,697	6,429	6,181	23,957	38,264
Reclassifications		-	-	36,152	11,543	(47,305)	390
Disposals		-	-	(52,754)	(3,516)	-	(56,270)
Effect of movements in exchange rates		-	14,023	43,041	10,900	3,041	71,005
Balance on March 31, 2019	$	179,672	943,147	2,132,734	503,702	52,739	3,811,994
Balance on January 1, 2018	$	179,672	722,490	1,848,475	460,189	221,508	3,423,334
Additions		-	2,337	54,008	15,667	37,583	109,595
Reclassifications		-	270	21,661	1,738	(23,669)	-
Disposals		-	-	(397)	(5,676)	-	(6,073)
Effect of movements in exchange rates		-	3,696	19,075	7,199	3,832	33,802
Balance on March 31, 2018	$	179,672	728,793	1,942,822	479,117	239,254	3,569,658

Depreciation and impairments loss:							
Balance on January 1, 2019	$	-	354,265	1,406,257	348,728	-	2,109,250
Depreciation for the period		-	12,994	39,935	11,941	-	64,870
Reclassifications					390		390
Disposals		-	-	(51,648)	(3,440)	-	(55,088)
Effect of movements in exchange rates		-	5,730	28,663	7,915	-	42,308
Balance on March 31, 2019	$	-	372,989	1,423,207	365,534	-	2,161,730
Balance on January 1, 2018	$	-	310,310	1,262,780	363,408	-	1,936,498
Depreciation for the period		-	10,800	40,218	8,204	-	59,222
Disposals		-	-	(397)	(5,384)	-	(5,781)
Effect of movements in exchange rates		-	2,764	11,203	5,712	-	19,679
Balance on March 31, 2018	$	-	323,989	1,313,804	371,940	-	2,009,618
Carrying amounts:							
Balance on March 31, 2019	$	179,672	570,158	709,527	138,168	52,739	1,650,264
Balance on January 1, 2019	$	179,672	573,162	693,609	129,866	73,046	1,649,355
Balance on March 31, 2018	$	179,672	404,919	629,018	107,177	239,254	1,560,040

As of March 31, 2019, December 31, 2018 and March 31, 2018, the property, plant and equipment of the Group had not been pledged as collateral.

(f) Short-term borrowings

The details were as follows:

		March 31, 2019	December 31, 2018	March 31, 2018
Credit loans, no pledge	$	606,560	805,720	382,630
Interest rate range		0.99%~3.12%	0.90%~2.98%	0.92%~2.25%

(g) Short-term notes and bills payable

The details were as follows:

		March 31, 2019	December 31, 2018	March 31, 2018
Commercial paper payable	$	200,000	100,000	100,000
Less: Discount on short-term notes and bills payable		(93)	(15)	(40)
Total	$	199,907	99,985	99,960
Interest rate range		0.650%~0.712%	0.682%	0.600%~0.672%

(h) Long-term borrowings

The details were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Unsecured loans	$ 1,000,000	900,000	1,250,000
Less: current portion			(200,000)
Total	$ 1,000,000	900,000	1,050,000
Interest rate range	1.18%~1.20%	1.19%~1.20%	1.19%~1.26%

(i) Right-of-use assets

The cost and depreciation of the leased property, plant and equipment of the Group for the years ended March 31, 2019 were as follows:

Balance on January 1, 2019	$ 80,887
Depreciation for the period	(14,267)
Effect of movements in exchange rates	2,121
Balance on March 31, 2019	$ 68,741

(j) Lease liabilities

The details were as follows:

	March 31, 2019		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	$ 49,474	520	48,954
Between one and five years	20,001	111	19,890
	$ 69,475	631	68,844
Lease liabilities - Current	$ 49,474	520	48,954
Lease liabilities -Non-current	$ 20,001	111	19,890

The Group didn’t issue and repurchase or borrow the lease liabilities for the year ended March 31, 2019.

The amounts recognized in profit or loss during the lease term were as follows:

	Three months ended March 31, 2019
Interests of lease liabilities	$ 234

Expenses relating to leases of low-value assets, excluding short-term leases

of low-value assets	$ 140

The amounts recognized in the statement of cash flows were as follows:

	Three months ended March 31, 2019
Total cash out flow of lease	$ 14,773

(k) Operating lease

There were no significant changes in operating lease for the three months ended March 31, 2019 and 2018. Please refer to Note 6(i) of the consolidated financial statements for the year ended December 31, 2018 for other related information.

(l) Employee benefits

The pension costs incurred from the contributions to the Labor Insurance were as follows:

	For the three months ended March 31,	
	2019	2018
Operating Costs	$ 7,364	7,567
Operating Expenses	1,923	1,779
Total	$ 9,287	9,346

(m) Income tax

(i) The amounts of tax expense (profit) for the three months ended March 31, 2019 and 2018 were ($11,649) thousand and $64,989 thousand, respectively.

(ii) The amount of income tax expense under other comprehensive income or loss for the three months ended March 31, 2019 and 2018 were as follows:

	For the three months ended March 31,	
	2019	2018
Exchange differences on translation of foreign financial statements	$ 19,276	8,105

(iii) The Company and NISHOKU BOUEKI income tax returns have been examined by the tax authority through the years up to 2016 and 2017, respectively.

(n) Capital and other equity

In addition to the following, there is no material change in capital and other equity of the Group for the three months ended March 31, 2019 and 2018. For the related information, please refer to Note 6(l) of the consolidated financial statements for the year ended December 31, 2018.

(i) Capital surplus

The balances of capital surplus as of March 31, 2018 and December 31, 2018, and March 31, 2017 were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Additional paid-capital	$ 949,944	949,944	1,205,337
Employee share options	7,078	6,045	2,851
Total	**$ 957,022**	**955,989**	**1,208,188**

The Company's appropriations of capital surplus had been approved by the shareholders' meeting held on June 14, 2018. The cash dividends distributed was $237,910 thousand and $3 (in dollar) per share.

(ii) Retained earnings

According to the Company's article of incorporation stipulate that Company's net profit should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate for special reserve. The remaining balance of the earnings, if any, may be appropriated according to the distribution plan proposed by the board of directors and submitted to the shareholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders in determining the stock or cash dividends to be paid. Therefore, the dividends shall be no less than 10% of the distributable earnings for the current period, and the distributable earnings will be retained when the dividend is less than $0.5 per share. However, the distribution of earnings can be made by the way of cash dividend or stock dividend.

Earnings distribution for 2018 and 2017 were decided via board of directors held on April 30, 2019, and Jane 14, 2018, respectively, and the approval of shareholders' meeting. The relevant dividend distributions to shareholders were as follow:

	2018		2017	
	Payout per share	**Amount**	**Payout per share**	**Amount**
Dividend to shareholders:				
Cash	$ 3.0	**186,889**	$ 3.0	**237,910**

(o) Share-based payment

For the three months ended March 31, 2019 and 2018, there were no significant changes in share-based payment except for the following: (Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2018 for other related information).

(i) Information about the Company's outstanding employee stock options is described as follows:

	Three months ended March 31, 2019		Three months ended March 31, 2018	
	Weighted-average Exercise Price(NT$)	Number of Stock Options	Weighted-average Exercise Price(NT$)	Number of Stock Options
Outstanding at beginning of the period	$ 99.75 (note)	560	81.80	600
Options granted	-	-	-	-
Options forfeited	-	-	-	-
Options exercised	-	-	-	-
Outstanding at end of the period	99.75	**560**	81.80	**600**
Exercisable at end of the period		**-**		**-**
The weighted average price of the stock options		**$ 18.15**		**18.15**

(Note) The Company adjusted the exercise price of stock options according to its requirements for issuance stock options due to the reduction of ordinary shares by cash this year.

The details of the stock options of the Group as of March 31, 2018 and December 31, 2018, and March 31, 2017 were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Weighted average of remaining contractual period (years)	3.32	3.57	4.32

(ii) The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Three months ended March 31, 2019
Exercise price (in dollars)	81.80
Stock price of grant date (in dollars)	81.80
Expected dividends	-%
Expected price volatility	26.78%~27.89%
Risk-free interest rate	0.67%~0.73%
Exercise option life	5 years

(iii) For the years ended March 31, 2019 and 2018, the expenses attributable to share based payment amounted to $1,033 thousand and $1,034 thousand, respectively.

(p) Earnings per share

The calculation of basic earnings per share for the three months ended March 31, 2019 and 2018 were calculated as follows:

Basic earnings per share:	For the three months ended March 31, 2019	2018
Profit attributable to ordinary shareholders of the Company	$ (59,918)	$ (133,097)
Weighted-average number of ordinary shares (thousand shares)	62,296	79,303
Basic earnings per share (NTD)	$ (0.96)	$ 1.68

(q) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31, 2019	2018
Primary geographical markets		
United States	$ 266,270	376,609
Asia	183,412	229,054
Euro	188,336	216,557
	$ 638,018	822,220
Primary productions		
Plastic injection mold	$ 594,517	733,191
Tooling mold	43,361	89,029
Others	140	-
	$ 638,018	822,220

(ii) Contract balances

For details on accounts receivable, please refer to note 6 (c).

(r) Employee, board of directors', and supervisors' compensation

In accordance with the Articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and not exceed 5% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the board of directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the three months ended March 31, 2019 and 2018 ,the Company has net loss and did not estimate employee, board of directors' and supervisors' remuneration. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating. If the actual amount of the annual distribution and the estimated amount of differences, according to the changes in accounting estimates, and the difference recognized as the next year annual profit (loss). Such as the resolution of the board of directors to take the stock of employee compensation, the stock of the number of shares based on the calculation of the basis of the board of directors based on the calculation of the day before the calculation.

For the year ended December 31, 2018 and 2017, the Company estimated its employee remuneration amounting to $17,563 thousand and $23,620 thousand, respectively, and directors' and supervisors' remuneration amounting to $6,140 thousand and $7,000 thousand respectively. There is no difference in the actual distribution situation, please refer to Market Observation Post System for further information.

(s) Other revenue

	For the three-months ended March 31,	
	2019	**2018**
Interest income	$ 14,179	11,307
Others	2,710	3,068
	$ 16,889	**14,375**

(t) Non-operating gains and losses

	For the three months ended March 31,	
	2019	**2018**
Foreign currency exchange losses, net	$ (25,251)	(84,503)
Gains (losses) on valuation of financial assets	1,415	(68)
Gains (losses) on disposal of property, plant and equipment	2,071	(279)
Others	(429)	44
Net gains and losses	**$ (22,194)**	**$ (84,806)**

(u) Financial Instruments

In addition to the following, there is no material change in financial instruments of the Group for the three months ended March 31, 2019 and 2018. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2018.

(i) Credit risk

1) Credit risk exposure

As of March 31, 2019 and 2018, the Group's maximum exposure to credit risk was mainly from the carrying amount of financial assets recognized in the consolidated statements of financial position and amounted to $4,837,618 thousand and $5,247,381 thousand, respectively. The Groups had deposited these bank deposits in different financial institutions, and the Group believes that there is no significant credit risk from the above mentioned financial institutions.

2) Concentration of credit risk

The credit risk exposure of the Group comes from the credit of individual customers, and the industry of the customer also have effect on credit risk. For the years ended March 31, 2019 and 2018, sales to the individual customers whose revenue constituting over 10% of net revenue are 46% and 43% of total revenues respectively. As of March 31, 2019 and 2018, 54% and 39%, respectively, of accounts receivable were for those customers.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years
March 31, 2019					
Non-derivative financial liabilities					
Short-term borrowings	$ 606,560	609,249	609,249	-	-
Short term notes and bills payable	199,907	200,000	200,000		
Long-term borrowings	1,000,000	1,020,286	11,935	1,008,351	-
Notes and accounts payable	489,905	485,905	485,905	-	-
Lease liabilities	68,844	69,475	485,905	489,905	
Other financial liabilities	109,998	109,998	109,998	-	-
	$ 2,402,370	2,425,438	1,417,087	1,008,351	-
December 31, 2018					
Non-derivative financial liabilities					
Short-term borrowings	$ 805,720	809,432	809,432	-	-
Short-term notes and bills payable	99,985	100,000	100,000	-	-
Long-term borrowings	900,000	920,860	10,755	910,105	-
Notes and accounts payable	601,303	601,303	601,303	-	-
Other financial liabilities	39,708	39,708	39,708	-	-
	$ 2,446,716	2,471,303	1,561,198	910,105	-
March 31, 2018					
Non-derivative financial liabilities					
Short-term borrowings	$ 382,630	384,299	384,299	-	-
Short-term notes and bills payable	99,960	100,000	100,000	-	-
Long-term liabilities, current portion	200,000	201,778	201,778		
Long-term borrowings	1,050,000	1,073,712	12,990	608,627	452,095
Notes and accounts payable	588,658	588,658	588,658	-	-
Other financial liabilities	41,243	41,243	41,243	-	-
Derivative financial assets – FX SWAP					
Outflows	-	144,765	144,765	-	-
Inflows	(15)	(145,675)	(145,675)	-	-
	$ 2,362,476	2,388,780	1,328,058	608,627	452,095

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

(iii) Market risk

1) Exchange rate risk

The Group significant exposure to foreign currency risk on financial assets and liabilities was as follows:

	March 31, 2019			December 31, 2018			March 31, 2018		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary Items									
USD	$ 51,097	30.820	1,574,802	58,004	30.715	1,781,593	84,661	29.105	2,464,066
CNY	15,540	4.580	71,174	15,349	4.472	68,641	15,057	4.647	69,970
Financial liabilities									
Monetary Items									
USD	1,183	30.820	36,460	1,375	30.715	42,224	2,019	29.105	58,768
JPY	-	-	-	-	-	-	47,200	0.2739	12,928

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, and trade and other payables that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against the USD and CNY at March 31, 2019 and 2018, would have increased or decreased the net profit before tax by $16,095 thousand and $24,623 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2019 and 2018, foreign exchange gain (including realized and unrealized portions) amounted to $25,251 thousand and $84,503 thousand, respectively.

2) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by $85 thousand and $412 thousand for the three months ended March 31, 2019 and 2018, respectively, assuming all other variable factors were constant. This mainly resulted from borrowings and bank deposits at variable interest rates.

(iv) Fair value of financial instruments

1) Fair value of financial instruments

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

	March 31, 2019					
		Fair Value				
	Carrying amounts		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$	637,681	13,236	6,165	618,280	637,681
Financial assets carried at amortized cost						
Cash and cash equivalents	$	3,259,614				
Notes and accounts receivable, net		932,512				
Other financial assets-current		7,811				
Refundable deposits		32,789				
	$	4,232,726				
Financial liabilities carried at amortized cost						
Long and short term borrowings	$	1,606,560				
Short-term notes and bills payable		199,907				
Notes and accounts payable		485,905				
Lease liability		68,844				
Other payables		41,154				
	$	2,402,370				

	December 31, 2018					
		Fair Value				
	Carrying amounts		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Non derivative financial assets mandatorily measured at fair value through profit or loss	**$**	**263,890**	**12,091**	**5,833**	**245,966**	**263,890**
Financial assets measured at amortized cost						
Cash and cash equivalents	$	3,343,043				
Notes and accounts receivable, net		1,348,674				
Other financial assets-current		6,902				
Refundable deposits		24,479				
	$	4,723,098				
Financial liabilities carried at amortized cost						
Long and short term borrowings	$	1,705,720				
Short-term notes and bills payable		99,985				
Notes and accounts payable		601,303				
Other payables		39,708				
	$	2,446,716				

	March 31, 2018				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets mandatorily measured at fair value through profit or loss	$ 15	-	-	15	15
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 409,059	13,930	5,690	389,439	409,059
	$ 409,074	**13,930**	**5,690**	**389,454**	**409,074**
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 3,655,325				
Notes and accounts receivable, net	1,170,516				
Other financial assets-current	12,466				
Refundable deposits	29,465				
	$ 4,867,772				
Financial liabilities carried at amortized cost					
Long and short term borrowings	$ 1,632,630				
Short-term notes and bills payable	99,960				
Notes and accounts payable	588,658				
Other payables	181,355				
	$ 2,502,603				

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm’s-length basis. Whether transactions are taking place ‘regularly’ is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Reconciliation of Level 3 fair values

The following table shows a reconciliation of the beginning balances to the ending balances for the fair value measurements in Level 3 of the fair value hierarchy:

	At fair value through profit or loss	
	Derivative financial assets mandatorily measured at fair value through profit or loss	Non-derivative financial assets mandatorily measured at fair value through profit or loss
Balance on January 1, 2019	$ -	245,966
Recognized in profit or loss	-	3,053
Purchase	-	618,280
Disposal	-	(249,019)
Balance on March 31, 2019	**$ -**	**618,280**
Balance on January 1, 2018	$ -	614,276
Recognized in profit or loss	15	3,028
Purchase	-	325,365
Disposal	-	(553,230)
Balance on March 31, 2018	**$ 15**	**389,439**

The aforementioned total gains and losses were recognized in "other income" and "other gains and losses".

There have been no transfers from each level for the three months ended March 31, 2019 and 2018.

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

The Group's financial instruments that use Level 3 inputs to measure fair value are financial instrument" and derivative financial assets. The financial assets' fair value are using the prior transaction price before adjustments or third-party pricing information. The unobservable inputs are not set up as the Group measures fair value, therefore the quantified information of significant unobservable inputs are not disclosed.

(v) Financial risk management

The Group's risk management policies are no material change in financial instruments of the Group for the three months ended March 31, 2019 and 2018. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2018.

(w) Capital management

As of March 31, 2019, there were no changes in the Group's approach to capital management. For the related information, please refer to Note 6(u) of the consolidated financial statements for the year ended December 31, 2018.

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

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

	January 1,2019	Cash flows	Foreign exchange movement and others	March 31,2019
Short term borrowings	$ 805,720	(199,160)	-	606,560
Short-term notes and bills payable	99,985	99,922	-	199,907
Long term borrowings	900,000	100,000	-	1,000,000
Lease liability	80,887	(14,399)	2,356	68,844
Total liabilities from financing activities	$ 1,886,592	(13,637)	2,356	1,875,311

	January 1,2018	Cash flows	Foreign exchange movement and others	March 31,2018
Short term borrowings	$ 437,560	(54,930)	-	382,630
Short-term notes and bills payable	49,982	49,978	-	99,960
Long term borrowings	1,200,000	(150,000)	-	1,050,000
Long-term liabilities, current portion	200,000	-	-	200,000
Total liabilities from financing activities	$ 1,887,542	(154,952)	-	1,732,590

(7) Related-party transactions:

(a) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
Short-term employee benefits	$ 5,670	7,738
Post-employment benefits	54	54
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	$ 5,724	7,792

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2019	December 31, 2018	March 31, 2018
Demand deposits (classified under other current financial assets)	Guarantee for Project	$ -	-	1,566
〃	Guarantee for customs	458	447	4,755
〃	Guarantee for Carbon emission	26	26	1,884
〃	Guarantee for litigation	3,206	3,130	-
		$ 3,690	3,603	8,205

(9) Significant Commitments and contingencies:

(a) The aggregate unpaid amounts of contracts pertaining to the purchase of equipment were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Acquisition of property, plant and equipment	$ 63,036	85,227	94,102

(b) For the necessary to bank loan and operating capital, the Company and its subsidiaries provide guarantee and endorsement for other parties were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Outstanding guarantee notes	$ 1,672,640	2,342,910	2,116,008
Purchase guarantee	15,410	15,358	14,553
	$ 1,688,050	2,358,268	2,130,561
Actual usage amount	$ 261,970	261,078	247,183

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	Three months ended March 31, 2019 Operating cost	2019 Operating expenses	2019 Total	2018 Operating cost	2018 Operating expenses	2018 Total
Employee benefit expenses						
Salaries	134,960	48,093	183,053	165,875	50,889	216,764
Labor and health insurance	5,490	2,363	7,753	4,978	2,363	7,341
Pension	7,364	1,923	9,287	7,567	1,779	9,346
Others	3,967	4,530	8,497	4,787	1,287	6,074
Depreciation	63,731	15,406	79,137	51,736	7,486	59,222
Amortization	1,728	1,038	2,766	1,466	1,158	2,624

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period	Interest rate	Nature of financing	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Financing limit for each borrowing company	Maximum financing limit for the lender
1	SAME START (Anguilla)	NISHOKU VIETNAM	Other accounts receivable	Yes	246,560	246,560	231,150	2.74%~2.96%	Necessary to loan other parties	-	Operating capital	-	-	-	1,856,588 (Note 1)	1,856,588 (Note 1)

Note 1: The individual amount and the total amount for lending to a company shall not exceed 10% and 40% of the lending company’s net worth in the latest financial statement, respectively. The Company for lending to the Company directly or indirectly holds 100% of their shares, with the loan amount not limited and the total amounts not exceeding the lending company’s net worth in the last financial statement.

Note 2: Related transaction have been eliminated during the preparation of the consolidated financial statements.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement Name	Relationship with the Company (Note 2)	Limitation on amount of guarantees and endorsements for a specific enterprise(Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (Note 3)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	SAME START (Anguilla)	3	1,183,737	523,940	523,940	-	-	13.28%	3,945,789	Y	N	N
〃	〃	NISHOKU VIETNAM	2	1,183,737	1,017,060	1,017,060	246,560	-	25.78%	3,945,789	〃	〃	〃
〃	〃	NISHOKU BOUEKI	2	1,183,737	131,640	131,640	-	-	3.34%	3,945,789	〃	〃	〃
1	NISHOKU KUNSHAN PLASTIC	SAME START (Anguilla)	1	756,625	15,410	15,410	15,410	-	0.61%	2,522,082	N	〃	〃

Note 1: The amount and the total amount of the guarantee to a company shall not exceed 30% and 100%, respectively, of the Company net worth in the latest financial statements. The total amount of the guarantee that the Company and its subsidiaries to a company shall not exceed 100%, of the Company’s net worth in the latest

financial statement. The Company directly or indirectly holds 100% of their shares, the guarantee amounts not limited by the Company's net worth in the latest financial statement.

Note 2: The relationship of guarantor and endorsements to related parties were as follows:

1) Business relationship between the Company

2) The Company directly or indirectly holds over 50% of subsidiaries' shares;

3) The parent company and its subsidiaries hold over 50% of investees' shares;

4) A subsidiary jointed owned over 50% by the Company and the Company's directly-owned subsidiary.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Securities held as of March 31, 2019 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of securities	Relationship with the securities issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
SAME START (Anguilla)	Bond of oversea	None	Financial assets at fair value through profit or loss	-	6,165	- %	6,165	
〃	PineBridge preferred income fund	〃	〃	-	13,236	- %	13,236	
〃		〃	〃	-		- %		
NISHOKU SHENZHEN	Principal guaranteed financial product				297,690		297,690	
〃								
NISHOKU KUNSHAN PLASTIC	Principal guaranteed financial product	〃	〃	-	320,590	- %	320,590	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
NISHOKU KUNSHAN PLASTIC	Principal guaranteed financial product	Financial assets at fair value through profit or loss	Agricltural Bank of China	None	-	89,4425	-	91,597	-	89,915	89,442	473	-	91.597
	〃	〃	Wells Fargo Asset Management (Shanghai)	〃	-	-	-	228,993	-	-	-	-	-	228,993
NISHOKU SHENZHEN	Principal guaranteed financial product	Financial assets at fair value through profit or loss	Wells Fargo Asset Management (Shanghai)	〃	-	134,163	-	297,690	-	134,613	134,163	2,450	-	297,690

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
SAME START (Anguilla)	NISHOKU KUNSHAN PLASTIC	Associate	100,436	2.49	-	-	35,544	-

Note 1: Until April 23, 2019.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

The following is the information for the three months ended March 31, 2019.

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2019			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	SAME START (Anguilla)	1	Purchase	11,880	Note 3	2%
〃	〃	〃	1	Account Payable	11,871	〃	- %
1	NISHOKU BOUEKI	〃	3	Sales	23,376	〃	4%
〃	〃	〃	3	Account receivable	27,366	〃	-%
〃	SAME START (Anguilla)	NISHOKU KUNSHAN PLASTIC	3	Sales	99,983	〃	15%
〃	〃	〃	3	Account receivable	100,436	〃	1%
〃	SAME START (Anguilla)	NISHOKU VIETNAM	3	Other receivables	232,251	Loans and interests	3%

Note 1: “0” represents the parent company, and the others represent the subsidiaries.

Note 2: “1” represents the transactions from parent company to subsidiary.

“2” represents the transactions from subsidiary to parent company.

“3” represents the transactions between subsidiaries.

Note 3: The trading price and product that purchase or sale from related parties that did not purchase or sale from third parties, so cannot be compared.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2019 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2018			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31,2019	December 31, 2018	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	SUN NICE (SAMOA)	SAMOA	Holding	1,774,490	1,774,490	56,282	100.00%	5,625,678	(39,443)	(39,443)	
〃	NISHOKU BOUEKI	Taiwan	Purchase and sales of plastic raws and parts	1,000	1,000	6,300	100.00%	150,861	6,084	5,040	
〃	NISHOKU VIETNAM	Vietnam	Manufacture and sale of tooling and plastic	267,314 (USD 8,500 thousands)	267,314 (USD 8,500 thousands)	-	100.00%	(78,430)	(28,516)	(28,516)	

			products								
SUN NICE (SAMOA)	SAME START (Anguilla)	Anguilla	Purchase and sale of mold and plastic products	634,278	634,278	21,814	100.00%	1,856,588	83,884	83,884	
〃	NISHOKU HK	HK	Holding	1,800,361 (USD 57,915 thousands)	1,800,361 (USD 57,915 thousands)	62,298	100.00%	3,044,552	(97,385)	(97,385)	
〃	SUNNICE (BVI)	BVI	〃	585,292 (USD 17,948 thousands)	585,292 (USD 17,948 thousands)	15,697	100.00%	721,827	(26,008)	(26,008)	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2018	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2018	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
NISHOKU SHENZHEN	Manufacture and sale of mold and plastic products	USD23,288 thousands	Indirect investment through third area	703,870 (USD22,939 thousands)	-	-	703,870 (USD22,939 thousands)	(32,369)	100.00%	(32,369)	1,213,396	475,841
NISHOKU KUNSHAN PLASTIC	Manufacture and sale of mold and plastic products	USD53,310 thousands	〃	1,674,270 (USD52,524 thousands)	-	-	1,674,270 (USD52,524 thousands)	(91,021)	100.00%	(91,021)	2,522,082	473,544

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
2,378,140	2,378,140	(Note 2)

Note 1: The above investment income (loss) in mainland China was based on financial statements audited by the Company’s auditors.

Note 2: The Company has received the certificate issue by the Industrial Development Bureau, Ministry of Economic Affairs, allowing it to start operating of its headquarters.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions”.

(14) Segment information:

The Group’s identifies its operating segments based on decision of the chief operating decision marker (CODM). The Group’s operating segments are in United States, Asia and Europe, etc. Those operating segments are reportable segments. The Revenue from manufacture and supply electronic parts to clients. Since the strategy of each segment is different, it is necessary to separate them for management.

The operating segment accounting policies are similar to those described in note 4 “significant accounting policies”.

The Group’s product revenues from geographical clients were as follows:

	Three months ended March 31, 2019				
	United States	**Asia**	**Europe**	**Elimination**	**Total**
Revenue from external customers	**$266,270**	**183,412**	**188,336**	**–**	**638,018**
Reportable segment profit or loss	**$(7,205)**	**(29,773)**	**(22,679)**	**–**	**(59,657)**

	Three months ended March 31, 2018				
	United States	**Asia**	**Europe**	**Elimination**	**Total**
Revenue from external customers	**$379,609**	**229,054**	**216,557**	**–**	**822,220**
Reportable segment profit or loss	**$40,949**	**(27,852)**	**(4,531)**	**–**	**8,566**