

**YIEH PHUI ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
AND INDEPENDENT AUDITORS' REVIEW REPORT**

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Independent Auditors' Review Report

To the Board of Directors and Shareholders
Yieh Phui Enterprise Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Yieh Phui Enterprise Co., Ltd. and subsidiaries (the “Group”) as of March 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission (FCS) of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 4.3 to the consolidated financial statements, the financial statements of non-significant subsidiaries were consolidated based on their unreviewed financial statements as of and for the same periods. These subsidiaries' total assets amounted to \$10,882,617 thousand and \$12,108,422 thousand, representing 12.99% and 13.55% of the consolidated assets, and their total liabilities amounted to \$4,603,417 thousand and \$4,267,633 thousand, representing 8.07% and 7.11% of the consolidated liabilities as of March 31, 2020 and 2019, respectively. And their total comprehensive income amounted to (\$347,337) thousand and \$14,330 thousand, representing 55.98% and (4.40%) of the consolidated comprehensive income for the three months ended March 31, 2020 and 2019, respectively. In addition, as described in Note 6.11 to the consolidated financial statements, the financial statements of investments accounted for using equity method were not reviewed by independent accountants. The carrying values of these investments amounted to \$10,311,085 thousand and \$11,240,692 thousand, representing 12.31% and 12.58% of the consolidated assets as of March 31, 2020 and 2019, respectively, and share of profit (loss) of these associates accounted for using equity method amounted to (\$285,648) thousand and (\$231,304) thousand, representing 64.17% and 33.01% of total consolidated income before income tax for the three months then ended, respectively. In addition, share of other comprehensive income of these associates accounted for using equity method amounted to \$13,737 thousand and \$33,422 thousand, representing (6.31%) and 11.57% of total consolidated comprehensive income for the three months then ended, respectively. These amounts and related information were recognized solely based on these investees' unreviewed financial statements for the same periods. The information related to above subsidiaries, and associates and joint ventures accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the effects of any adjustments as might have been determined to be necessary had the financial statements and related information of the Company's non-significant subsidiaries and investments accounted for using equity method described in basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2020 and 2019, and its consolidated financial performance and cash flows for the three months ended March 31, 2020 and 2019, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission (FSC) of the Republic of China.

Other Matter

We did not review the financial statements of certain investments accounted for under equity method. These financial statements were reviewed by the other independent auditors whose reports thereon have been furnished to us and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of the other independent auditors. The carrying values of these investments accounted for under equity method amounted to \$3,925,775 thousand and \$4,123,815 thousand, representing 4.69% and 4.62% of the consolidated assets as of March 31, 2020 and 2019, respectively, and share of profit (loss) of these associates accounted for using equity method amounted to (\$164,550) thousand and \$47,108 thousand, representing 36.97% and (6.72%) of total consolidated income before income tax for the three months then ended, respectively. In addition, share of other comprehensive income of these associates accounted for using equity method amounted to (\$4,090) thousand and \$2,241 thousand, representing 1.88% and 0.78% of total consolidated comprehensive income for the three months then ended, respectively.

The engagement partners on the reviews resulting in this independent auditors' review report are Ling Wen Huang and Shu Man Tsai.

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China
May 6, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

YIEH PHUI ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(The Consolidated Balance Sheets as of March 31, 2020 and 2019 Were Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)

(In Thousands of New Taiwan Dollars)

Assets	Note	March 31, 2020		December 31, 2019		March 31, 2019		Assets	Note	March 31, 2020		December 31, 2019		March 31, 2019	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
CURRENT ASSETS								CURRENT LIABILITIES							
Cash and cash equivalents	6(1)	\$4,411,238	5	\$5,023,717	6	\$8,036,423	9	Short-term loans	6(18)	\$15,834,574	18	\$15,597,746	19	\$17,595,621	20
Financial assets at fair value through profit or loss - current	6(2)	421,954	1	428,279	1	289,290	-	Short-term notes and bills payable	6(19)	932,620	1	931,272	1	988,131	1
Contract assets - current	6(31)	686,793	1	822,605	1	518,283	1	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	-	-	15,018	-
Notes receivable, net	6(3)	684,543	1	845,312	1	1,103,402	1	Contract liabilities - current	6(31)	1,398,689	2	972,787	1	917,737	1
Accounts receivable, net	6(4)	1,697,843	2	1,682,946	2	2,135,931	2	Notes payable		796,433	1	799,965	1	1,240,495	1
Accounts receivable - related parties, net	7	945,453	1	789,857	1	1,069,423	1	Accounts payable		1,374,556	2	1,188,827	1	1,398,953	2
Other receivables	6(5)	105,979	-	190,469	-	156,557	-	Other payables	6(20)	1,098,636	1	1,615,142	2	1,251,467	1
Other receivables - related parties	7	239,618	-	2,940	-	3,560	-	Other payables - related parties	7	74,941	-	36,461	-	243,752	-
Current tax assets		10,379	-	10,559	-	12,529	-	Current tax liabilities		9,782	-	3,486	-	155,263	-
Inventories	6(6)	8,339,192	11	7,749,584	9	8,923,825	12	Provisions - current	6(21)	102,126	-	90,806	-	97,771	-
Prepayments	6(7)	2,070,371	2	1,935,447	2	2,081,980	2	Liabilities directly associated with noncurrent assets held for sale	6(8)	5,100	-	7,630	-	124,846	-
Noncurrent assets held for sale	6(8)	15,129	-	23,342	-	218,993	-	Lease liabilities - current	6(13)	7,822	-	7,813	-	3,816	-
Other financial assets - current	6(9)	1,184,584	1	1,405,930	2	1,810,766	2	Advance receipts		-	-	72	-	17	-
Total Current Assets		<u>20,813,076</u>	<u>25</u>	<u>20,910,987</u>	<u>25</u>	<u>26,360,962</u>	<u>30</u>	Current portion of long-term loans	6(22)	3,788,577	5	6,359,286	8	5,847,718	7
NONCURRENT ASSETS								Total Current Liabilities		<u>25,423,856</u>	<u>30</u>	<u>27,611,293</u>	<u>33</u>	<u>29,880,605</u>	<u>33</u>
Financial assets at fair value through profit or loss - noncurrent	6(2)	290,877	-	289,289	-	1,014,861	1	NONCURRENT LIABILITIES							
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(10)	631,150	1	709,886	1	740,456	1	Long-term loans	6(22)	30,970,905	37	28,009,760	33	29,354,059	33
Investments accounted for using equity method	6(11)	14,236,860	17	14,661,318	18	15,364,507	17	Deferred tax liabilities		16,728	-	2,533	-	4,176	-
Property, plant and equipment	6(12)	43,773,039	52	43,146,104	50	42,019,712	45	Lease liabilities - noncurrent	6(13)	79,677	-	81,469	-	53,962	-
Right-of-use assets	6(13)	492,773	1	526,096	1	513,818	1	Long-term deferred revenue	6(23)	29,394	-	29,577	-	33,673	-
Investment properties	6(14)	608,640	1	622,562	1	777,265	1	Net defined benefit liability - noncurrent		533,862	1	550,777	1	682,468	1
Intangible assets	6(15)	376,958	-	432,499	1	461,020	1	Guarantee deposits		18,241	-	17,533	-	14,924	-
Deferred tax assets		1,059,560	1	983,851	1	621,857	1	Total Noncurrent Liabilities		<u>31,648,807</u>	<u>38</u>	<u>28,691,649</u>	<u>34</u>	<u>30,143,262</u>	<u>34</u>
Other noncurrent assets	6(16)	10,009	-	11,590	-	10,788	-	TOTAL LIABILITIES		<u>57,072,663</u>	<u>68</u>	<u>56,302,942</u>	<u>67</u>	<u>60,023,867</u>	<u>67</u>
Refundable deposits	6(17)	937,151	1	925,853	1	1,352,371	2	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
Other financial assets - noncurrent	8	540,208	1	532,827	1	118,356	-	Share capital	6(25)						
Total Noncurrent Assets		<u>62,957,225</u>	<u>75</u>	<u>62,841,875</u>	<u>75</u>	<u>62,995,011</u>	<u>70</u>	Common stock		19,133,275	22	19,133,275	23	18,758,113	21
								Capital surplus	6(26)	4,886,203	6	4,884,281	6	4,883,652	5
								Retained earnings	6(27)						
								Legal reserve		2,866,052	3	2,866,052	3	2,835,202	3
								Special reserve		559,232	1	559,232	1	636,655	1
								Unappropriated earnings (accumulated deficits)		(929,568)	(1)	(614,438)	(1)	687,294	1
								Other equity	6(28)	(1,173,165)	(1)	(978,171)	(1)	(278,866)	-
								Treasury stocks	6(29)	(123,395)	-	-	-	-	-
								Total equity attributable to owners of the parent		25,218,634	30	25,850,231	31	27,522,050	31
								NON-CONTROLLING INTERESTS	6(30)	1,479,004	2	1,599,689	2	1,810,056	2
								Total Equity		<u>26,697,638</u>	<u>32</u>	<u>27,449,920</u>	<u>33</u>	<u>29,332,106</u>	<u>33</u>
TOTAL ASSETS		<u>\$83,770,301</u>	<u>100</u>	<u>\$83,752,862</u>	<u>100</u>	<u>\$89,355,973</u>	<u>100</u>	TOTAL LIABILITIES AND EQUITY		<u>\$83,770,301</u>	<u>100</u>	<u>\$83,752,862</u>	<u>100</u>	<u>\$89,355,973</u>	<u>100</u>

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

YIEH PHUI ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Note	Three Months Ended March 31			
		2020		2019	
		Amount	%	Amount	%
OPERATING REVENUE	6(31)	\$12,653,193	100	\$15,181,509	100
OPERATING COST	6(6)	(11,756,874)	(93)	(14,543,503)	(96)
GROSS PROFIT		896,319	7	638,006	4
OPERATING EXPENSES					
Selling and marketing expenses		(605,134)	(5)	(746,620)	(5)
General and administrative expenses		(239,798)	(2)	(288,399)	(2)
Research and development expenses		(22,071)	-	(22,362)	-
Expected credit loss		(10)	-	-	-
Total operating expenses		(867,013)	(7)	(1,057,381)	(7)
INCOME (LOSS) FROM OPERATIONS		29,306	-	(419,375)	(3)
NON-OPERATING INCOME AND EXPENSES					
Other income	6(33)	229,827	2	145,704	1
Other gains and losses	6(34)	52,695	-	86,977	1
Finance costs	6(35)	(306,779)	(2)	(329,834)	(3)
Share of loss of associates and joint ventures		(450,198)	(4)	(184,196)	(1)
Total non-operating income and expenses		(474,455)	(4)	(281,349)	(2)
LOSS BEFORE INCOME TAX		(445,149)	(4)	(700,724)	(5)
INCOME TAX BENEFIT	6(36)	42,475	-	85,825	1
NET LOSS		(402,674)	(4)	(614,899)	(4)
OTHER COMPREHENSIVE INCOME (LOSS)	6(37)				
Items that will not be reclassified subsequently to profit or loss					
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income		(78,736)	(1)	25,339	-
Share of other comprehensive income (loss) of associates and joint ventures		(11,939)	-	3,588	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(157,830)	(1)	274,231	2
Share of other comprehensive income (loss) of associates and joint ventures		21,586	-	32,075	-
Income tax benefit related to items that may be reclassified subsequently to profit or loss		9,176	-	(46,309)	-
Total other comprehensive income (loss), net of income tax		(217,743)	(2)	288,924	2
TOTAL COMPREHENSIVE LOSS		(620,417)	(6)	(325,975)	(2)
NET LOSS ATTRIBUTABLE TO:					
Shareholders of the parent		(313,462)	(3)	(548,603)	(4)
Non-controlling interests		(89,212)	(1)	(66,296)	-
Total		(402,674)	(4)	(614,899)	(4)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Shareholders of the parent		(508,456)	(5)	(268,237)	(2)
Non-controlling interests		(111,961)	(1)	(57,738)	-
Total		(620,417)	(6)	(325,975)	(2)
LOSS PER SHARE					
Basic loss per share	6(38)	(\$0.16)		(\$0.29)	
Diluted loss per share	6(38)	(\$0.16)		(\$0.29)	

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

YIEH PHUI ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)
(In Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity Item				Total Equity		
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficits)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Stocks	Attributable to Shareholders of the parent	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	\$18,758,113	\$4,883,218	\$2,835,202	\$636,655	\$1,233,913	(\$723,803)	\$157,892	\$6,679	\$ -	\$27,787,869	\$1,853,763	\$29,641,632
Changes in equity of associates and joint ventures	-	434	-	-	1,984	-	-	-	-	2,418	1,733	4,151
Net loss for the three months ended March 31, 2019	-	-	-	-	(548,603)	-	-	-	-	(548,603)	(66,296)	(614,899)
Other comprehensive income (loss), net of income tax for the three months ended March 31, 2019	-	-	-	-	-	251,884	28,694	(212)	-	280,366	8,558	288,924
Total comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	(548,603)	251,884	28,694	(212)	-	(268,237)	(57,738)	(325,975)
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	12,298	12,298
BALANCE AT MARCH 31, 2019	\$18,758,113	\$4,883,652	\$2,835,202	\$636,655	\$687,294	(\$471,919)	\$186,586	\$6,467	\$ -	\$27,522,050	\$1,810,056	\$29,332,106
BALANCE AT JANUARY 1, 2020	\$19,133,275	\$4,884,281	\$2,866,052	\$559,232	(\$614,438)	(\$1,090,046)	\$105,537	\$6,338	\$ -	\$25,850,231	\$1,599,689	\$27,449,920
Changes in equity of associates and joint ventures	-	-	-	-	(997)	-	-	-	-	(997)	-	(997)
Net loss for the three months ended March 31, 2020	-	-	-	-	(313,462)	-	-	-	-	(313,462)	(89,212)	(402,674)
Other comprehensive income (loss), net of income tax for the three months ended March 31, 2020	-	-	-	-	-	(105,069)	(89,893)	(32)	-	(194,994)	(22,749)	(217,743)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	(313,462)	(105,069)	(89,893)	(32)	-	(508,456)	(111,961)	(620,417)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(123,395)	(123,395)	-	(123,395)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	1,922	-	-	-	-	-	-	-	1,922	(1,922)	-
Changes in ownership interests in subsidiaries	-	-	-	-	(671)	-	-	-	-	(671)	671	-
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,473)	(7,473)
BALANCE AT MARCH 31, 2020	\$19,133,275	\$4,886,203	\$2,866,052	\$559,232	(\$929,568)	(\$1,195,115)	\$15,644	\$6,306	(\$123,395)	\$25,218,634	\$1,479,004	\$26,697,638

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

YIEH PHUI ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Reviewed Only, Not Audited in Accordance with the Generally Accepted Auditing Standards in the Republic of China)

(In Thousands of New Taiwan Dollars)

Item	Three Months Ended March 31	
	2020	2019
1.CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(\$445,149)	(\$700,724)
Adjustments to reconcile profit (loss)		
Depreciation	408,145	439,146
Amortization	7,790	9,065
Expected credit loss	10	-
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	2,452	(283)
Interest expense	306,779	329,834
Interest income	(12,951)	(34,298)
Dividend income	(27,206)	(11,355)
Share of loss of associates and joint ventures	450,198	184,196
Loss on disposal and retirement of property, plant and equipment	3,482	10,230
Transfer of property, plant and equipment to expenses	566	3,345
Gain on disposal of noncurrent assets held for sale	(52,531)	-
Others	(54)	(54)
Total adjustments to reconcile profit (loss)	1,086,680	929,826
Changes in operating assets and liabilities		
Net changes in operating assets:		
Decrease (increase) in financial assets as at fair value through profit or loss	8,452	5,867
Decrease (increase) in contract assets	136,037	14,344
Decrease (increase) in notes receivable	160,633	547,662
Decrease (increase) in accounts receivables	(13,824)	(146,955)
Decrease (increase) in accounts receivables - related parties	(156,234)	97,876
Decrease (increase) in other receivables	(210,147)	114,013
Decrease (increase) in inventories	(589,608)	1,423,626
Decrease (increase) in prepayments	(134,924)	(196,204)
Decrease (increase) in other financial assets	(34)	(764)
Total net changes in operating assets	(799,649)	1,859,465
Net changes in operating liabilities:		
Increase (decrease) in contract liabilities	425,902	(492,761)
Increase (decrease) in notes payable	(3,532)	84,046
Increase (decrease) in accounts payable	185,729	153,205
Increase (decrease) in other payables	(363,860)	(221,574)
Increase (decrease) in provisions	11,320	(13,321)
Increase (decrease) in advance receipts	(72)	(52)
Increase (decrease) in net defined benefit liability	(16,915)	(50,846)
Total net changes in operating liabilities	238,572	(541,303)

Item	Three Months Ended March 31	
	2020	2019
Total net changes in operating assets and liabilities	(561,077)	1,318,162
Total adjustments	525,603	2,247,988
Cash generated from operations	80,454	1,547,264
Interest received	16,169	29,872
Dividends received	27,206	11,355
Interest paid	(319,196)	(327,161)
Income tax paid	(3,442)	(5,859)
Net cash generated from (used in) operating activities	(198,809)	1,255,471
2.CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(17,987)	(21,849)
Proceeds from capital reduction of investees accounted for using equity method	-	509
Acquisition of noncurrent assets held for sale	-	(897)
Proceeds from disposal of noncurrent assets held for sale	73,345	62,423
Acquisition of property, plant and equipment	(1,270,220)	(782,474)
Proceeds from disposal of property, plant and equipment	-	185
Decrease (increase) in refundable deposits	(11,298)	(1,754)
Acquisition of intangible assets	(578)	-
Acquisition of investment properties	(1,652)	-
Proceeds from disposal of investment properties	48,560	-
Decrease (increase) in other financial assets	213,999	(704,782)
Decrease (increase) in other noncurrent assets	1,581	(3,254)
Net cash used in investing activities	(964,250)	(1,451,893)
3.CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	236,828	1,593,985
Increase (decrease) in short-term notes and bills payable	-	150,000
Increase in long-term loans	3,716,030	3,638,063
Repayment of long-term loans	(3,310,179)	(2,516,480)
Increase (decrease) in guarantee deposits received	708	175
Repayments of principal of lease liabilities	(1,160)	(1,325)
Increase (decrease) in other noncurrent liabilities	(183)	819
Payments for buy-back of ordinary shares	(123,395)	-
Increase (decrease) in non-controlling interests	(7,473)	12,298
Net cash generated from financing activities	511,176	2,877,535
4.EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	39,404	(167,616)
5.NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(612,479)	2,513,497
6.CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,023,717	5,522,926
7.CASH AND CASH EQUIVALENTS, END OF YEAR	\$4,411,238	\$8,036,423

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

YIEH PHUI ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Amounts In Thousands of New Taiwan Dollars, Unless specified Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

- 1.1 Yieh Phui Enterprise Co., Ltd. (hereinafter referred to as the Company) was established in April 1978, currently a listed company in Taiwan Stock Exchange (hereafter referred to as TWSE). The Company engages mainly in the processing, manufacturing marketing and import/export trading of rolled steel coils, refined steel, molded steel, steel/iron wires, galvanized/ pre-painted/surface-treated metals.
- 1.2 The Company's Board of Directors resolved on May 23, 2005 to merge (simplified merger) with Lien Kang Heavy Industrial Co., Ltd, with the Company as the surviving company. The record date of the merger was set on August 30, 2005. Every 2.5 common shares of Lien Kang Heavy Industrial Co., Ltd. were converted into 1 common share of the Company. The Company issued additional 4,859 thousand common shares for this merger. Rights and obligations of holders of the newly issued shares were the same as those of the Company's original shareholders.
- 1.3 Lien Kang Heavy Industrial Co., Ltd., incorporated on November 23, 1989, mainly engages in manufacturing, processing, and trading of the various mechanical spare parts, as well as pipe installation and engineering design/manufacture/installation.
- 1.4 The Company's steel pipe department, due to its business expansion, was separated from the Company, and was named as Shin Yang Steel Co. Ltd. Relevant investment on this was approved by the Board of Directors on January 18th, 2011, and a total of 191 employees were transferred to Shin Yang Steel Co., Ltd.
- 1.5 For main operation activities of the Company and its subsidiaries (hereinafter referred to as "the Group"), please refer to Note 4.3.(2).
- 1.6 These consolidated financial statements are presented in the Company's functional currency, New Taiwan Dollars.

2. THE AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 6, 2020.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- 3.1 Effect of adoption 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 SIC (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC):

Except for the following, the application of the above issuances and amendments have no significant change on the Group's accounting policies.

The Group has no plans to acquire any business in 2020, therefore it is not expected to have any effect on the Group's financial statements when the amendment to IFRS 3 is first applied in 2020 and the amendments to IAS 1 and IAS 8 are assessed as having no effect on the Group's financial statements. The Group is not engaged in hedging transaction, so the amendments to IFRS 9, IAS 39 and IFRS 7 is assessed as having no

effect on the Group's financial statements.

3.2 Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group: None.

3.3 The IFRSs issued by IASB but not yet endorsed and issued into effect by FSC

New, Revised or Amended Standards and Interpretations	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 periods beginning on or after their respective effective dates.

A. Amendments for IAS 1 "Classification of Liabilities as Current or Noncurrent"

The amendments clarifies that when the Group judges whether liability is classified as noncurrent, the Group should assess whether the Group has the right to defer liquidation period after the reporting period at least twelve months. If the Group has the entity's right on the end of the reporting period, liability must be classified as non-current whatever the Group expects whether executing the right or not. If the Group must follow certain condition to obtain the right to defer settlement of liability, the Group must have completed certain condition on the end of reporting period even if lender tests the Group whether following certain condition later. The aforementioned liquidation means that transferring cash, other economic resources or the Group's equity instruments to counterparty to let liability wipe out. If liability clause will follow counterparty's choice to liquidate liability by the Group's equity instruments, this option must follow the regulations of IAS 32 "Financial Instruments: Presentation" to be recognized in equity individually and doesn't have affect on the classification of liability.

The Group continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2019. These policies have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Statement of Compliance

- (1) The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC.
- (2) The consolidated financial statements should be read with the consolidated financial statements for the year ended December 31, 2019.

4.2 Basis of Preparation

- (1) Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities at fair value through profit or loss (including derivative instruments).
 - (b) Financial assets measured at fair value through other comprehensive income.
 - (c) Liabilities on cash-settled share-based payment arrangements measured at fair value.
 - (d) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- (2) The preparation of the consolidated financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

4.3 Basis of Consolidation

- (1) The basis for the consolidated financial statements:
 - (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group

loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(2) The subsidiaries in the consolidated financial statements:

Investee / Subsidiary	Main Businesses	Percentage of Ownership		
		March 31, 2020	December 31, 2019	March 31, 2019
1. Yieh Phui Enterprise Co., Ltd. (the Company)				
Good Honor Holdings Ltd.	Investment	100.00%	100.00%	100.00%
Shin Yang Steel Co., Ltd.	Steel products related businesses	100.00%	100.00%	100.00%
Yieh Phui (Hong Kong) Holdings Limited	Investment	100.00%	100.00%	100.00%
Yieh Hsing Enterprise Co., Ltd.	Wire rods trading	57.36%	56.98%	56.73%
Great Emperor Hotel Co., Ltd.	Hotel industry	41.18%	41.18%	35.98%
Kings Garden International Co., Ltd.	Leasing, sales, and development of residential and commercial buildings, department stores	50.12%	49.28%	40.11%
Shin Phui Steel Corporation	Trading of steel products	100.00%	100.00%	100.00%
Worthing Honor Holdings Ltd.	Investment	100.00%	100.00%	100.00%
Sin Bang Investment & Development Co., Ltd.	Investment	100.00%	100.00%	100.00%
Gen-Wan Technology Corp	Telecommunication	86.99%	86.99%	86.99%
Champion Logistic Inc.	Investment	89.66%	89.66%	96.10%
EMMT Systems Corporation	Manufacturing and marketing of military specification printed circuit boards	78.10%	78.10%	78.10%
Kuo Chang Enterprise Co., Ltd.	Wholesale of hardware	99.04%	99.04%	99.04%
United Brightening Development Corp.	Technical consultation for steel products	95.56%	95.56%	95.56%
Hong Yuh Assets Management Co., Ltd.	Management service	80.00%	80.00%	80.00%
Lian So (H.K) Co., Limited	Investment	80.00%	80.00%	80.00%
Yieh Phui America Inc.	Steel trading	100.00%	100.00%	100.00%
2. Hong Yuh Assets Management Co., Ltd.				
Lien-Hsin steel Co., Ltd.	Metal manufacturing industry	47.88%	47.88%	52.48%
Lien-Sheng steel Co., Ltd.	Metal manufacturing industry	10.0%	10.0%	10.0%
Lien-Heng Mining Co., Ltd.	Nickle mining	75.00%	75.00%	75.00%

Investee / Subsidiary	Main Businesses	Percentage of Ownership		
		March 31, 2020	December 31, 2019	March 31, 2019
Lien-Hung Mining Co., Ltd.	Nickle mining	19.00%	19.00%	19.00%
Asiamax Mining Indonesia	Nickle mining	100.00%	100.00%	100.00%
3. Gen-Wan Technology Corp.				
EMMT Systems Corporation	Manufacturing and marketing of military specification printed circuit boards	7.48%	7.48%	7.48%
4. Yieh Phui (Hong Kong) Holdings Limited				
Yieh Phui (China) Technomaterial Co., Ltd.	Manufacturing and marketing of pickled, cold rolled, galvanized and prepainted steel coils	100.00%	100.00%	100.00%
5. Yieh Phui (China) Technomaterial Co., Ltd.				
Tianjin Lianfa Precision Steel Corporation	Manufacturing and marketing of special high grade alloy	100.00%	100.00%	100.00%
Changshou ChangHuei Trading Co.	Trading of steel products	100.00%	100.00%	100.00%
6. EMMT Systems Corporation				
Applied Wireless Identifications Group, Inc.	RFID	91.47%	91.47%	91.47%
Groupco Technology Inc.	Radio	49.97%	49.97%	49.97%
7. Applied Wireless Identifications Group, Inc.				
AWID Asia Co., Ltd.	Telecommunications equipment wholesale	100.00%	100.00%	100.00%
8. AWID Asia Co., Ltd.				
AWID Sanghai Co., Ltd.	Telecommunications equipment wholesaling	100.00%	100.00%	100.00%
AWID Changshou Co., Ltd.	Telecommunications equipment wholesaling	100.00%	100.00%	100.00%
9. Shin Phui Steel Corporation				
Groupco Technology	Radio	42.53%	42.53%	42.53%
Great Emperor Hotel Co., Ltd.	Hotel industry	0.01%	0.01%	0.01%
Kings Garden International Co., Ltd.	Leasing, sales, and development of residential and commercial buildings, and department stores	0.01%	0.01%	0.01%
10. Yieh Hsing Enterprise Co., Ltd.				
Great Emperor Hotel Co., Ltd.	Hotel industry	58.81%	58.81%	64.01%
Kings Garden International Co., Ltd.	Leasing, sales, and development of residential and commercial buildings, department stores	49.87%	50.71%	59.88%

Investee / Subsidiary	Main Businesses	Percentage of Ownership		
		March 31, 2020	December 31, 2019	March 31, 2019
11. Kings Garden International Co., Ltd.				
Yi Hua International Co., Ltd.	Leasing, selling and development of residential and commercial buildings	70.00%	70.00%	70.00%
Hua Li International Co., Ltd.	Wholesale of daily necessities and cosmetics	100.00%	100.00%	-
(Please refer to Note 4 3. (2) (A) for details)				
12. United Brightening Development Corp.				
Chao Ying Investment Development Co., Ltd.	Investment	100.00%	100.00%	100.00%
Champion Logistic Inc.	Investment	10.34%	10.34%	3.90%
13. Lian So (H.K) Co., Limited				
Lien-Hsin Steel Co., Ltd.	Metal manufacturing industry	52.12%	52.12%	47.52%
Lien-Sheng Steel Co., Ltd.	Metal manufacturing industry	90.00%	90.00%	90.00%
Lian Yang (Hong Kong) Trading Limited	Trading business	100.00%	100.00%	100.00%
14. Lien-Hsin Steel Co., Ltd.				
Lien-Heng Mining Co., Ltd. (Note)	Nickle mining	25.00%	25.00%	25.00%
Lien-Hung Mining Co., Ltd. (Note)	Nickle mining	81.00%	81.00%	81.00%

(Note): Due to legal restriction within the local jurisdiction, 25% shareholding of Lien-Heng Mining Co., Ltd. and 51% shareholding of Lien-Hung Mining Co., Ltd. are registered temporarily under the name of a third-party; in order that the rights be secured, the third-party has pledged all shares under his/her name to the Group through a contract agreement.

A. Increase and decrease in consolidated subsidiaries:

Hua Li International Co., Ltd. which was invested by Kingsgarden International Co., Ltd. with 100% shareholding, was incorporated in October 2019.

B. Except for Yieh Hsing Enterprise Co., Ltd., Kings Garden International Co., Ltd., Great Emperor Hotel Co., Ltd., Yieh Phui (Hong Kong) Holdings Limited, and Yieh Phui (China) Technomaterial Co., Ltd., the financial statements of subsidiaries consolidated above were not audited by an auditor.

(3) Subsidiaries not consolidated in the consolidated financial statements: None.

(4) Adjustments for subsidiaries with different accounting periods: Not applicable.

(5) Major restrictions:

As of March 31, 2020, December 31, 2019, and March 31, 2019, cash and bank deposits of \$2,154,257 thousand, \$3,039,247 thousand, and \$4,331,778 thousand, respectively are deposited in China and subject to the local foreign exchange control. Such foreign exchange control restricts fund remitting out from China (except for regular dividends).

(6) Securities issued by the parent company and held by subsidiaries: None.

(7) Information about subsidiaries with significant non-controlling interests:

March 31, 2020 :

<u>Name of Subsidiary</u>	<u>Shareholding %</u>	<u>Non-controlling interests</u>
Yieh Hsing Enterprise Co., Ltd.	42.64%	\$ 1,087,869
Others		391,135
Total		<u>\$ 1,479,004</u>

December 31, 2019 :

<u>Name of Subsidiary</u>	<u>Shareholding %</u>	<u>Non-controlling interests</u>
Yieh Hsing Enterprise Co., Ltd.	43.02%	\$ 1,178,613
Others		421,076
Total		<u>\$ 1,599,689</u>

March 31, 2019 :

<u>Name of Subsidiary</u>	<u>Shareholding %</u>	<u>Non-controlling interests</u>
Yieh Hsing Enterprise Co., Ltd.	43.27%	\$ 1,389,203
Others		420,853
Total		<u>\$ 1,810,056</u>

(a) Please refer to Table 8 and Table 9 in Note 13 for the main operation location and countries of registration of the subsidiaries listed above.

(b) Summary of the financial information are as follows:

A. Balance Sheets:

Yieh Hsing Enterprise Co., Ltd. and its Subsidiaries			
	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Current assets	\$ 2,638,997	\$ 3,279,346	\$ 3,099,662
Non-current assets	15,863,840	20,282,292	17,594,219
Current liabilities	3,000,364	3,043,549	2,702,256
Non-current liabilities	8,659,543	14,148,958	12,213,885
Equity	<u>\$ 6,842,930</u>	<u>\$ 6,369,131</u>	<u>\$ 5,777,740</u>

B. Statements of Comprehensive Income :

	Yieh Hsing Enterprise Co., Ltd. and its Subsidiaries	
	Three Months Ended March 31	
	2020	2019
Operating revenue	\$1,496,494	\$1,871,214
Net income (loss)	(\$194,214)	(\$134,964)
Other comprehensive income (loss) (net after tax)	(808)	830
Total comprehensive income (loss)	(\$195,022)	(\$134,134)
Total comprehensive income (loss) attributable to non-controlling interests	(\$81,829)	(\$56,395)
Dividends paid to non-controlling interests	\$ -	\$ -

C. Statements of Cash Flows :

	Yieh Hsing Enterprise Co., Ltd. and its Subsidiaries	
	Three Months Ended March 31	
	2020	2019
Net cash provided by (used in) operating activities	\$ 23,005	\$ 236,749
Net cash provided by (used in) investing activities	(854,724)	(545,476)
Net cash provided by (used in) financing activities	688,078	401,721
Net increase (decrease) in cash and cash equivalents	\$ (143,641)	\$ 92,994
Cash and cash equivalents, beginning of the period	458,375	315,729
Cash and cash equivalents, end of the period	\$ 314,734	\$ 408,723

4.4 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

4.5 Retirement benefits

The pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

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

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

6. DETAILS OF SIGNIFICANT ACCOUNTS

Except for the following, please refer to Note 6 to the consolidated financial statements for year ended December 31, 2019.

6.1 Cash and cash equivalents

Item	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand	\$6,208	\$6,394	\$10,993
Checking account	710,076	732,449	750,786
Demand deposits	3,653,399	4,239,184	6,347,326
Time deposits (with original maturities within three months)	41,555	45,690	927,318
Total	<u>\$4,411,238</u>	<u>\$5,023,717</u>	<u>\$8,036,423</u>

1. The Group has good credit quality in financial institutions, and the Group's transactions with a number of financial institutions to diversify credit risk are unlikely to be expected to default.

2. The Group had no cash and cash equivalents pledged to others.

6.2 Financial assets at fair value through profit or loss

Item	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets - current:			
Non-derivative financial assets mandatorily measured at FVTPL			
Mutual funds	\$39,277	\$43,769	\$66,718
Domestic unlisted preferred stock	378,340	376,755	221,161
Derivatives			
Cross currency swap contracts	4,337	7,755	1,411
Total	<u>\$421,954</u>	<u>\$428,279</u>	<u>\$289,290</u>
Financial assets - noncurrent:			
Non-derivative financial assets mandatorily measured at FVTPL			
Domestic unlisted preferred stock	\$281,002	\$279,285	\$1,004,847
Financial bonds	9,875	10,004	10,014
Total	<u>\$290,877</u>	<u>\$289,289</u>	<u>\$1,014,861</u>
Financial liabilities - current:			
Derivatives			
Cross currency swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$15,018</u>

1. The Group had no financial assets at fair value through profit or loss pledged to others.
2. Please refer to Note 12(3) for credit risk management and evaluation method.
3. The Group enters cross currency swaps contracts with banks to hedge exchange rate risk of assets denominated in foreign currencies. However, as the Group does not plan on adopting hedge accounting, those contracts are accounted for as financial instruments at fair value through profit or loss upon initial recognition. Outstanding contracts are as follows:

March 31, 2020 :

Currency	Contract Period	Contract Amount (in thousands)	Paid Interest Rate Range	Received Interest Rate Range
USD(SELL)	April 19, 2019	10,000	6.45%-7.21%	LIBOR+4.15%
RMB(BUY)	to June 24, 2020	68,335		

December 31, 2019 :

Currency	Contract Period	Contract Amount (in thousands)	Paid Interest Rate Range	Received Interest Rate Range
USD(SELL)	January 9, 2019	19,000	6.35%-7.21%	LIBOR+4.15%
RMB(BUY)	to June 24, 2020	129,243		

March 31, 2019 :

Currency	Contract Period	Contract Amount (in thousands)	Paid Interest Rate Range	Received Interest Rate Range
USD(SELL)	July 5, 2018 to	27,000	6.35%-7.07%	LIBOR+4.15%
RMB(BUY)	March 25, 2020	183,667		

6.3 Notes receivable, net

Item	March 31, 2020	December 31, 2019	March 31, 2019
At amortized cost			
Notes receivable	\$684,695	\$845,328	\$1,103,403
Less: Loss allowance	(152)	(16)	(1)
Net	<u>\$684,543</u>	<u>\$845,312</u>	<u>\$1,103,402</u>

1. As of March 31, 2020, December 31, 2019, and March 31, 2019, the Group pledged a portion of its notes receivable as collateral for its borrowings. Please refer to Note 8.
2. Please refer to Note 7.3.5. for accounts receivable with related parties
3. Please refer to Note 6.4 for the relevant disclosure of loss allowance for notes receivable.
4. The Group has transferred the endorsement of the bank acceptance bills of the Mainland to the suppliers to pay the accounts payable. As the risks and rewards of the notes have been transferred, the Group has derecognized the bank acceptance bills and the corresponding accounts payable. The suppliers still have the right to request the Group to settle the payment if the outstanding bank acceptance notes are

not fulfilled at the end of the period. Therefore, the Group continues to participate in the notes. The Group's maximum loss of the continued involvement in the derecognized bank acceptance bills is the amount of bank acceptance bills that have been transferred but not yet matured. As of March 31, 2020, December 31, 2019, and March 31, 2019, the balances were RMB285,913 thousand, RMB441,574 thousand, and RMB584,861, respectively. These notes will expire within 1~12 months after the balance sheet date. In consideration of the credit risk of the bank acceptance bills, the Group's assessment of the fair value of its continuing involvement is not significant. The Group did not recognise any gains and losses on the transfer of the bank's acceptance for the three months ended March 31, 2020 and 2019.

6.4 Accounts receivable, net

Item	March 31, 2020	December 31, 2019	March 31, 2019
At amortized cost			
Accounts receivable	\$1,720,640	\$1,706,965	\$2,144,045
Less: Loss allowance	(22,797)	(24,019)	(8,114)
Net	<u>\$1,697,843</u>	<u>\$1,682,946</u>	<u>\$2,135,931</u>

- A. The Group's accounts receivables that are not overdue nor impaired all meet the credit standards stipulated based on the counterparties' industrial characteristics, operation scale, and profitability. The average credit period varies: 30~60 days for Carbon Steel Department, and interest-bearing deferred payment is allowed upon mutual agreement; 7~26 days for the sale of steel products; agreed days for the Engineering Department based on the contractual terms; and 60~90 days for other departments.
- B. For the information about the Group's accounts receivable pledged as collateral, please see Note 8 for details.
- C. The Group factored part of its accounts receivables to banks without recourse. The Group had already transferred substantially all risks and rewards upon factoring the accounts receivables, which were thereby derecognized from the balance sheet. Please refer to Note 12 (5) for related information.
- D. The Group applies the simplified approach to provisions for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected credit losses provision for trade receivables. The expected credit losses on trade receivables are estimated by reference to past account aging records of the debtor, an analysis of the debtor's current financial position, industrial trend. which receivables are past due. As the Group's historical credit losses experience does not show significantly different loss patterns for different customer segments, the provision for losses based on past due status of receivables is not further distinguished between 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 of the receivable. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The Group measures the allowance for notes receivable and accounts receivable according to the preparation matrix (including related parties) :

<u>March 31, 2020</u>	<u>Expected credit loss rate</u>	<u>Gross carrying amount</u>	<u>Allowance for doubtful accounts (ECL)</u>	<u>Amortized cost</u>
No past due	0%-0.5%	\$3,332,794	(\$4,955)	\$3,327,839
Past due over 1 year	100%	19,237	(19,237)	-
Total		<u>\$3,352,031</u>	<u>(\$24,192)</u>	<u>\$3,327,839</u>

<u>December 31, 2019</u>	<u>Expected credit loss rate</u>	<u>Gross carrying amount</u>	<u>Allowance for doubtful accounts (ECL)</u>	<u>Amortized cost</u>
No past due	0%-0.5%	\$3,326,056	(\$7,941)	\$3,318,115
181 to 365 days	100%	16,699	(16,699)	-
Total		<u>\$3,342,755</u>	<u>(\$24,640)</u>	<u>\$3,318,115</u>

<u>March 31, 2019</u>	<u>Expected credit loss rate</u>	<u>Gross carrying amount</u>	<u>Allowance for doubtful accounts (ECL)</u>	<u>Amortized cost</u>
No past due	0%-0.5%	\$4,317,453	(\$8,697)	\$4,308,756

Movements of the loss allowance for notes receivable and accounts receivable (including related parties) were as follows:

	<u>Three Months Ended March 31</u>	
	<u>2020</u>	<u>2019</u>
Beginning balance	\$26,640	\$8,754
Add: Provision for impairment	235	-
Less: Reversal of impairment	-	(159)
Less: Write-offs	(149)	-
Impact of foreign exchange differences	(534)	102
Ending balance	<u>\$24,192</u>	<u>\$8,697</u>

As of March 31, 2020, December 31, 2019, and March 31, 2019, the above provision has already taken into consideration of collateral or other credit enhancement. The other credit enhancement (e.g., L/C) possessed by above receivables were \$1,986,856 thousand, \$2,806,110 thousand, and \$2,571,342 thousand, respectively.

Please refer to Note 12(3) for the relevant credit risk management and assessment.

6.5 Other receivables

Item	March 31, 2020	December 31, 2019	March 31, 2019
Business tax refundable	\$72,425	\$112,629	\$130,100
Purchase allowance receivable	15,228	2,875	1,568
Interest receivable	3,087	6,305	11,167
Proceeds receivable from disposal of land	-	48,560	-
Proceeds rereivable arising from sale of funds	-	6,181	-
Others	15,239	13,919	13,722
Total	\$105,979	\$190,469	\$156,557
Less: Loss allowance	-	-	-
Net	\$105,979	\$190,469	\$156,557

6.6 Inventories and operating cost

Item	March 31, 2020	December 31, 2019	March 31, 2019
Steel Department and other Non-heavy Industry Department:			
Raw materials	\$3,541,150	\$3,426,910	\$3,817,980
Supplies	424,222	409,573	410,105
Work in progress	939,747	1,086,084	1,421,730
Finished goods	3,374,237	2,738,642	2,917,934
Other inventories	246,033	268,945	287,494
Subtotal	\$8,525,389	\$7,930,154	\$8,855,243
Less: Valuation allowance	(283,674)	(418,538)	(319,011)
Net	\$8,241,715	\$7,511,616	\$8,536,232
Heavy Industry Department:			
Raw materials	\$95,785	\$233,533	\$381,767
Supplies	5,298	5,436	5,853
Subtotal	\$101,083	\$238,969	\$387,620
Less: Valuation allowance	(3,606)	(1,001)	(27)
Net	\$97,477	\$237,968	\$387,593
Total	\$8,339,192	\$7,749,584	\$8,923,825

1. Inventory gains (losses) recognized as cost of sales are as follows:

Item	Three Months Ended March 31	
	2020	2019
Cost of inventories sold	\$11,439,457	\$13,962,428
Construction cost	348,607	352,932
Processing cost	50,592	138,889
Unallocated manufacturing overhead	39,480	40,475
Purchase and construction contract loss (recovery gain)	10,731	(7,475)
Inventory valuation loss and obsolescence loss (recovery gain)	(132,259)	58,102
Impact of foreign exchange difference	266	(1,848)
Total operating expenses	\$11,756,874	\$14,543,503

2. The Group recognized inventory valuation loss (recovery gain) of (\$132,259) thousand and \$58,102 thousand for the three months ended March 31, 2020 and 2019, respectively, due to inventory's write-down to net realizable value, or the net realizable value of inventories recovered as a result of market stabilization that enabled the Group to raise prices on certain products.
3. The Group has no inventories pledged to others.

6.7 Prepayments

Item	March 31, 2020	December 31, 2019	March 31, 2019
Prepaid material purchase	\$1,154,546	\$1,293,220	\$1,567,847
Prepaid (overpaid) sales tax	772,618	505,202	422,115
Prepaid insurance	35,557	65,515	33,510
Prepaid sea freight	62,061	21,694	26,589
Prepaid rent	3,264	2,763	3,808
Other prepayments	42,325	47,053	28,111
Total	<u>\$2,070,371</u>	<u>\$1,935,447</u>	<u>\$2,081,980</u>

Please refer to Note 7.3.7 for prepayments with related parties

6.8 Noncurrent assests held for sale / Liabilties directly associated with noncurrent assets held for sale

Item	March 31, 2020	December 31, 2019	March 31, 2019
Noncurrent assests held for sale	\$15,129	\$23,342	\$218,993
Less : Accumulated impairment	-	-	-
Net	<u>\$15,129</u>	<u>\$23,342</u>	<u>\$218,993</u>
Liabilties directly associated with noncurrent assets held for sale	<u>\$5,100</u>	<u>\$7,630</u>	<u>\$124,846</u>

1. As stated in Note 9.10, on November 8, 2018, the Group entered into a contract to sell Land No. 0001-0002, Pingbei Section, Jiadong Township, Pingtung County, Land No. 0001-0027, Pingnan Section, Fangliao Township, Pingtung County, and Building No. 25, Pingnan Section, Fangliao Township, Pingtung County. The total contract price is \$625 million (tax included). In May 2019, the ownership transfer was completed in accordance with the scheduled payment terms as stipulated in the contracts.
2. As stated in Note 6.34, In November 2019, the Group entered into a contract to sell part of Land in Pingbei Section, Jiadong Township, Pingtung County. The contract price is \$76,344 thousand. In March 2020, the ownership transfer was completed in accordance with the scheduled payment terms as stipulated in the contracts.
3. As stated in Note 9.11, In March 2020, the Group entered into a contract to sell part of Land in Pingbei Section, Jiadong Township, Pingtung County. The contract price is \$51,000 thousand, and the disposal is expected to be completed within 12 months. As of March 31, 2020, \$5,100 thousand have been collected.
4. Please refer to Note 8 for the information of noncurrent assests held for sale pledged as collateral.

6.9 Other financial assets - current

Item	March 31, 2020	December 31, 2019	March 31, 2019
Time deposits within three months	\$26,715	\$26,681	\$28,021
Pledged demand deposits	451,093	741,017	584,343
Pledged time deposits	706,776	638,232	1,198,402
Total	<u>\$1,184,584</u>	<u>\$1,405,930</u>	<u>\$1,810,766</u>

6.10 Financial assets at fair value through other comprehensive income or loss - noncurrent

Item	March 31, 2020	December 31, 2019	March 31, 2019
Equity instruments :			
Domestic listed stocks	\$45,000	\$45,000	\$45,000
Domestic unlisted stocks	560,182	560,182	549,415
Subtotal	\$605,182	\$605,182	\$594,415
Valuation adjustment	25,968	104,704	146,041
Total	<u>\$631,150</u>	<u>\$709,886</u>	<u>\$740,456</u>

1. The Group invests in domestic listed and unlisted stocks in accordance with its medium/long-term strategies and expects to make a profit through long-term investment. Management of the Group believes that it is not consistent with the afore-mentioned long-term investment planning if the short-term fair value changes of such investment are presented in profit or loss. Therefore, the Group elects to designate such investment as to be measured at FVTOCI.
2. For related credit risk management and means of assessing, please refer to Note 12(3).
3. As of March 31, 2020, December 31, 2019, and March 31, 2019, the Group had no financial assets at FVTOCI pledged as collateral.

6.11 Investments accounted for using equity method

Investee	March 31, 2020	December 31, 2019	March 31, 2019
Associates:			
Associates with significance:			
Eliter International Corp.	\$3,516,251	\$3,536,605	\$3,578,998
E-Da Development Corp.	1,412,094	1,448,243	1,255,113
Tangeng Iron Works Co., Ltd.	3,925,775	4,094,392	4,123,815
Yieh United Steel Corp.	3,570,445	3,763,677	4,600,356
Associates without significance	1,812,295	1,818,401	1,806,225
Total	<u>\$14,236,860</u>	<u>\$14,661,318</u>	<u>\$15,364,507</u>

1. Associates:

(1) Major associates of the Group are as follows:

Company Name	Shareholding Percentage		
	March 31, 2020	December 31, 2019	March 31, 2019
Eliter International Corp.	43.56%	43.56%	43.56%
E-Da Development Corp.	34.38%	34.38%	34.38%
Tangeng Iron Works Co., Ltd.	31.16%	31.16%	31.16%
Yieh United Steel Corp.	30.43%	30.31%	29.99%

Please refer to Table 8 and Table 9 in Note 13 for the nature of business, main operation location and countries of registration of the associates listed above.

(2) The summarized financial information in respect of the Group's major associates is as follows:

A. Balance Sheets

Eliter International Corp.			
Item	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$6,895,126	\$6,971,622	\$6,976,128
Noncurrent assets	5,158,843	5,195,803	4,967,104
Current liabilities	1,584,635	1,603,831	1,569,861
Noncurrent liabilities	2,260,023	2,299,960	2,012,368
Equity	\$8,209,311	\$8,263,634	\$8,361,003
Share of net assets of associates	\$3,578,974	\$3,599,334	\$3,641,744
Unrealized gain from transactions with associates	(62,723)	(62,729)	(62,746)
Carrying amount of associate	\$3,516,251	\$3,536,605	\$3,578,998

E-Da Development Corp.			
Item	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$556,869	\$867,776	\$267,639
Noncurrent assets	8,035,804	8,123,713	8,204,175
Current liabilities	744,861	1,021,390	1,379,879
Noncurrent liabilities	3,725,964	3,735,304	3,418,401
Equity	\$4,121,848	\$4,234,795	\$3,673,534
Share of net assets of associates	\$1,419,899	\$1,456,096	\$1,263,112
Unrealized gain from transactions with associates	(7,805)	(7,853)	(7,999)
Carrying amount of associate	\$1,412,094	\$1,448,243	\$1,255,113

Tangeng Iron Works Co., Ltd.			
Item	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$3,224,953	\$4,274,280	\$4,383,023
Noncurrent assets	23,689,761	23,749,927	23,539,208
Current liabilities	3,580,840	3,638,556	4,457,463
Noncurrent liabilities	10,734,302	11,244,913	10,229,597
Equity	\$12,599,572	\$13,140,738	\$13,235,171
Share of net assets of associates	\$3,925,775	\$4,094,392	\$4,123,815
Unrealized gain (loss) from transactions with associates	-	-	-
Carrying amount of associate	\$3,925,775	\$4,094,392	\$4,123,815

Yieh United Steel Corp.			
Item	March 31, 2020	December 31, 2019	March 31, 2019
Current assets	\$6,790,418	\$8,343,346	\$7,744,967
Noncurrent assets	36,217,356	36,320,870	37,840,634
Current liabilities	23,019,886	23,899,830	19,816,328
Noncurrent liabilities	8,057,328	8,107,714	10,227,457
Equity	<u>\$11,930,560</u>	<u>\$12,656,672</u>	<u>\$15,541,816</u>
Share of net assets of associates	\$3,642,652	\$3,835,884	\$4,661,481
Unrealized gain from transactions with associates	(72,207)	(72,207)	(61,125)
Carrying amount of associate	<u>\$3,570,445</u>	<u>\$3,763,677</u>	<u>\$4,600,356</u>

B. Statements of Comprehensive Income

Eliter International Corp.		
Three Months Ended March 31		
	2020	2019
Operating revenue	<u>\$179,083</u>	<u>\$32,538</u>
Net loss	<u>(\$54,323)</u>	<u>(\$52,904)</u>
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive loss	<u>(\$54,323)</u>	<u>(\$52,904)</u>
Dividends received from associate	<u>\$ -</u>	<u>\$ -</u>

E-Da Development Corp.		
Three Months Ended March 31		
	2020	2019
Operating revenue	<u>\$135,876</u>	<u>\$207,315</u>
Net loss	<u>(\$109,309)</u>	<u>(\$71,206)</u>
Other comprehensive income (loss) (net after tax)	(3,638)	377
Total comprehensive loss	<u>(\$112,947)</u>	<u>(\$70,829)</u>
Dividends received from associate	<u>\$ -</u>	<u>\$ -</u>

Tangeng Iron Works Co., Ltd.		
Three Months Ended March 31		
	2020	2019
Operating revenue	<u>\$2,840,295</u>	<u>\$3,100,883</u>
Net income (loss)	<u>(\$528,117)</u>	<u>\$151,189</u>
Other comprehensive income (loss) (net after tax)	(13,050)	7,193
Total comprehensive income (loss)	<u>(\$541,167)</u>	<u>\$158,382</u>
Dividends received from associate	<u>\$ -</u>	<u>\$ -</u>

	Yieh United Steel Corp.	
	Three Months Ended March 31	
	2020	2019
Operating revenue	\$8,444,481	\$9,028,315
Net loss	(\$763,847)	(\$597,769)
Other comprehensive income (loss) (net after tax)	41,303	101,631
Total comprehensive loss	(\$722,544)	(\$496,138)
Dividends received from associate	\$ -	\$ -

(3) Shares of individually insignificant associates of the Group are summarized as follows:

	Three Months Ended March 31	
	2020	2019
Share of:		
Net loss	(\$10,682)	(\$2,416)
Other comprehensive income (net after tax)	2,469	2,927
Total comprehensive income (loss)	(\$8,213)	\$511

(4) Associates of the Group with quoted prices in active market (Level 1 fair value inputs) are as follow:

	March 31, 2020	December 31, 2019	March 31, 2019
Yieh United Steel Corp. (Note)	\$3,151,964	\$3,506,463	\$4,058,458
Tangeng Iron Works Co., Ltd.	4,187,635	4,678,374	4,503,889
Total	\$7,339,599	\$8,184,837	\$8,562,347

(Note): The fair value information above does not include shares acquired through private placement, which are not allowed to be transferred freely in open markets.

(5) For Skylark Hot Spring & Resort Corp., E-Da Tour Bus Corporation, E-Da Bus Transportation Co., Ltd., and E-Da Entertainment Co., the Group has significant influence over which as a result of being a director in such entities. Consequently, those entities are accounted for using equity method.

(6) The Group participated in the private placement of Yieh United Steel Corp. in February, 2017, and December, 2015, and subscribed at \$7 per share, with the total subscription amount of \$204,876 thousand and \$1,100,400 thousand, respectively. Pursuant to the Securities and Exchange Act, securities from private placement can only be traded freely in the open markets when they are held for three years from the delivery date and the issuer has to complete the supplementary procedures of public offering.

(7) Due to cross ownership and the adoption of equity method between the Group and Yieh United Steel Corp., an investee accounted for using equity method, investment gain (loss) is recognized using the treasury stock approach.

- (8) All investments accounted for using equity method and the Group's share of profit or loss and other comprehensive income in the investees, except for Tangeng Iron Works Co., Ltd., which is recognized based on the reviewed financial statements for the same periods, are calculated based on the unreviewed financial statements.
- (9) As of March 31, 2020, December 31, 2019, and March 31, 2019, the Group pledged part of its investments accounted for using equity method as collateral for its borrowings. Please refer to Note 8.

6.12 Property, Plant and Equipment

Item	March 31, 2020	December 31, 2019	March 31, 2019
Land	\$6,008,209	\$6,008,209	\$6,007,639
Buildings and structures	8,463,952	8,480,633	8,642,631
Machinery	36,184,928	34,700,290	35,480,316
Other equipment	3,261,186	3,280,289	3,359,672
Equipment to be inspected and construction in progress	15,865,259	16,386,255	13,549,010
Total cost	\$69,783,534	\$68,855,676	\$67,039,268
Less: Accumulated depreciation	(25,526,706)	(25,222,049)	(24,529,890)
Accumulated impairment	(483,789)	(487,523)	(489,666)
Total	<u>\$43,773,039</u>	<u>\$43,146,104</u>	<u>\$42,019,712</u>

Cost	Land	Buildings and structures	Machinery	Other equipment	Equipment to be inspected and construction in progress	Total
Balance, January 1, 2020	\$6,008,209	\$8,480,633	\$34,700,290	\$3,280,289	\$16,386,255	\$68,855,676
Additions	-	1,443	12,271	38,367	1,103,274	1,155,355
Transferred to expenses	-	-	-	-	(566)	(566)
Disposals	-	(726)	(6,523)	(39,513)	-	(46,762)
Reclassification	-	-	1,571,977	1,363	(1,573,340)	-
Impact of foreign exchange differences	-	(17,398)	(93,087)	(19,320)	(50,364)	(180,169)
Balance, March 31, 2020	<u>\$6,008,209</u>	<u>\$8,463,952</u>	<u>\$36,184,928</u>	<u>\$3,261,186</u>	<u>\$15,865,259</u>	<u>\$69,783,534</u>
Accumulated depreciation and impairment						
Balance, January 1, 2020	\$ -	\$3,771,355	\$19,396,108	\$2,211,471	\$330,638	\$25,709,572
Depreciation expense	-	59,595	286,872	57,571	-	404,038
Disposals	-	(232)	(3,934)	(39,114)	-	(43,280)
Impact of foreign exchange differences	-	(5,411)	(39,347)	(15,077)	-	(59,835)
Balance, March 31, 2020	<u>\$ -</u>	<u>\$3,825,307</u>	<u>\$19,639,699</u>	<u>\$2,214,851</u>	<u>\$330,638</u>	<u>\$26,010,495</u>

Cost	Land	Buildings and structures	Machinery	Other equipment	Equipment to be inspected and construction in progress	Total
Balance, January 1, 2019	\$6,007,639	\$8,648,387	\$35,150,954	\$3,319,698	\$12,628,421	\$65,755,099
Additions	-	2,086	26,737	59,413	855,094	943,330
Transferred to expenses	-	-	(105)	-	(3,240)	(3,345)
Disposals	-	(76,762)	(38,061)	(106,442)	-	(221,265)
Reclassification	-	-	9,050	48,700	(57,750)	-
Impact of foreign exchange differences	-	68,920	331,741	38,303	126,485	565,449
Balance, March 31, 2019	<u>\$6,007,639</u>	<u>\$8,642,631</u>	<u>\$35,480,316</u>	<u>\$3,359,672</u>	<u>\$13,549,010</u>	<u>\$67,039,268</u>
Accumulated depreciation and impairment						
Balance, January 1, 2019	\$ -	\$3,635,942	\$18,443,813	\$2,226,177	\$330,638	\$24,636,570
Depreciation expense	-	61,005	304,356	70,770	-	436,131
Disposals	-	(75,474)	(30,351)	(105,025)	-	(210,850)
Impact of foreign exchange differences	-	17,064	116,402	24,239	-	157,705
Balance, March 31, 2019	<u>\$ -</u>	<u>\$3,638,537</u>	<u>\$18,834,220</u>	<u>\$2,216,161</u>	<u>\$330,638</u>	<u>\$25,019,556</u>

1. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	Three Months Ended March 31	
	2020	2019
Increase in property, plant and equipment	\$1,155,355	\$943,330
Decrease (increase) in payables for purchase of equipment	114,865	(160,856)
Cash paid for acquisition of property, plants and equipment	<u>\$1,270,220</u>	<u>\$782,474</u>

2. Please refer to Note 6.35 for details on the amount of capitalized borrowing costs.
3. The Group did not assess the impairment because there is no any sign of impairment for the three months ended March 31, 2020 and 2019.
4. For the information about property, plant and equipment pledged as collateral, please see Note 8 for details.
5. The Group's land amounting to all \$78,568 thousand as of March 31, 2020, December 31, 2019, and March 31, 2019 is unable to be registered under the name of the Group due to regulation restriction. Accordingly, the ownership was registered under the name of an individual with a mortgage registration as safeguard measures.

6.13 Lease Agreement

A. Right-of-use asset

Item	March 31, 2020	December 31, 2019	March 31, 2019
Land	\$473,322	\$503,019	\$515,853
Building	39,069	38,579	810
Total cost	\$512,391	\$541,778	\$516,663
Less: Accumulated depreciation	(19,618)	(15,682)	(2,845)
Accumulated impairment	-	-	-
Total	<u>\$492,773</u>	<u>\$526,096</u>	<u>\$513,818</u>

Cost	Land	Building	Total
Balance at January 1, 2020	\$503,019	\$38,759	\$541,778
Disposals	(623)	-	(623)
Impact of foreign exchange differences	(29,074)	310	(28,764)
Balance at March 31, 2020	<u>\$473,322</u>	<u>\$39,069</u>	<u>\$512,391</u>
Accumulated depreciation and impairment			
Balance at January 1, 2020	\$9,656	\$6,026	\$15,682
Depreciation expense	2,422	1,515	3,937
Impact of foreign exchange differences	(51)	50	(1)
Balance at March 31, 2020	<u>\$12,027</u>	<u>\$7,591</u>	<u>\$19,618</u>

Cost	Land	Building	Total
Balance at January 1, 2019	\$ -	\$ -	\$ -
Adjustment on initial application of IFRS 16	500,691	810	501,501
Impact of foreign exchange differences	15,162	-	15,162
Balance at March 31, 2019	<u>\$515,853</u>	<u>\$810</u>	<u>\$516,663</u>
Accumulated depreciation and impairment			
Balance at January 1, 2019	\$ -	\$ -	\$ -
Depreciation expense	2,735	101	2,836
Impact of foreign exchange differences	9	-	9
Balance at March 31, 2019	<u>\$2,744</u>	<u>\$101</u>	<u>\$2,845</u>

B. Lease liabilities

Item	March 31, 2020	December 31, 2019	March 31, 2019
Carrying amount of lease liabilities			
- current	<u>\$7,822</u>	<u>\$7,813</u>	<u>\$3,816</u>
- noncurrent	<u>\$79,677</u>	<u>\$81,469</u>	<u>\$53,962</u>

The discount rate interval for lease liabilities is 1.9661%-2.4%.

Please refer to Note 12(3) for lease liabilities with repayment periods.

C. Significant rent operating and clause

The Group rented land and buildings for operation. The lease terms range from 1 to 31 years. Part of the lease may be extended with its duration and is calculated based on the area of the land leased and the rate based on the announced land value of the current year. In accordance with the contract, without the lessor's consent, the Group is not allowed to sublet the leased object to the third party. There is no sign of impairment of right-of-use assets, hence the Group didn't assess the impairment as of March 31, 2020, December 31, 2019, and March 31, 2019.

D. Other lease information:

(1) The Group adopted exemption for short-term leases and low-value asset recognition, and did not recognized relevant right-of-use assets and lease liabilities. The relevant expense information was as follows:

Item	Three Months Ended March 31	
	2020	2019
Short-term lease expense	\$5,739	\$4,595
Gross cash outflow (Note)	\$6,899	\$5,920

(Note): Including principle paid for current lease liabilities.

E. For the information about right-of-use assets pledged as collateral, please see Note 8 for details.

6.14 Investment properties

Item	March 31, 2020	December 31, 2019	March 31, 2019
Land	\$591,272	\$605,403	\$760,128
Buildings	45,994	46,281	49,396
Construction in progress	41,208	40,554	36,988
Total cost	\$678,474	\$692,238	\$846,512
Less: Accumulated depreciation	(1,825)	(1,667)	(1,238)
Accumulated impairment	(68,009)	(68,009)	(68,009)
Total	\$608,640	\$622,562	\$777,265

1. The movement of cost and accumulated depreciation and impairment of Investment properties were as follows:

	Land	Buildings	Construction in progress	Total
Cost				
Balance, January 1, 2020	\$605,403	\$46,281	\$40,554	\$692,238
Additions	-	-	1,652	1,652
Transferred to noncurrent assests held for sale	(14,131)	-	(998)	(15,129)
Impact of foreign exchange differences	-	(287)	-	(287)
Balance, March 31, 2020	\$591,272	\$45,994	\$41,208	\$678,474
Accumulated depreciation and impairment				
Balance, January 1, 2020	\$68,009	\$1,667	\$ -	\$69,676
Depreciation expense	-	170	-	170
Impact of foreign exchange differences	-	(12)	-	(12)
Balance, March 31, 2020	\$68,009	\$1,825	\$ -	\$69,834

	Land	Buildings	Construction in progress	Total
Cost				
Balance, January 1, 2019	\$760,128	\$48,196	\$36,988	\$845,312
Impact of foreign exchange differences	-	1,200	-	1,200
Balance, March 31, 2019	<u>\$760,128</u>	<u>\$49,396</u>	<u>\$36,988</u>	<u>\$846,512</u>
Accumulated depreciation and impairment				
Balance, January 1, 2019	\$68,009	\$1,033	\$ -	\$69,042
Depreciation expense	-	179	-	179
Impact of foreign exchange differences	-	26	-	26
Balance, March 31, 2019	<u>\$68,009</u>	<u>\$1,238</u>	<u>\$ -</u>	<u>\$69,247</u>

Please refer to Note 6.8 for details on noncurrent assets held for sale.

2. Rental revenue and direct operating expenses of investment properties:

Item	Three Months Ended March 31	
	2020	2019
Rental revenue from investment properties	\$ -	\$ -
Direct operating expenses incurred by the investment properties with rental revenue generating in current period	\$ -	\$ -
Direct operating expenses incurred by the investment properties with no rental revenue generating in current period	\$1,858	\$2,617

3. As of March 31, 2020, December 31, 2019, and March 31, 2019, the fair values of investment properties held by the Group were \$1,557,357 thousand, \$1,599,330 thousand, and \$1,788,903 thousand, respectively, which were based on evaluation appraised by independent appraisers as of December 2019 and 2017. Such evaluation adopted the comparative approach by reference to the market evidence similar to the real estate transaction prices. Those are Level 3 fair value inputs. Please refer to Note 12(4). The Group believes that there would not be any material fluctuation in the fair value of such investment properties after their appraisal. Appraisal will be taken place every two years on the investment properties.
4. For the information about investment properties pledged as collateral, please see Note 8 for details.
5. The Group's land amounting to all \$8,987 thousand as of March 31, 2020, December 31 2019, and March 31, 2019 is unable to be registered under the name of the Group due to regulation restriction. Accordingly, the ownership was registered under the name of an individual with a mortgage registration as safeguard measures.

6.15 Intangible assets

Item	March 31, 2020	December 31, 2019	March 31, 2019
Mineral right	\$444,248	\$504,111	\$504,111
Trademarks	8,207	8,207	8,207
Others	5,346	10,241	5,841
Total cost	\$457,801	\$522,559	\$518,159
Less: Accumulated amortization	(80,843)	(90,060)	(57,139)
Accumulated impairment	-	-	-
Net	\$376,958	\$432,499	\$461,020

	Mineral right	Trademarks	Others	Total
Cost				
Balance, January 1, 2020	\$504,111	\$8,207	\$10,241	\$522,559
Additions	-	-	578	578
Disposals	-	-	(5,493)	(5,493)
Impact of foreign exchange differences	(59,863)	-	20	(59,843)
Balance, March 31, 2020	\$444,248	\$8,207	\$5,346	\$457,801
Accumulated amortization and impairment				
Balance, January 1, 2020	\$84,590	\$ -	\$5,470	\$90,060
Amortization expenses	7,788	-	2	7,790
Disposals	-	-	(5,493)	(5,493)
Impact of foreign exchange differences	(11,535)	-	21	(11,514)
Balance, March 31, 2020	\$80,843	\$ -	\$ -	\$80,843

	Mineral right	Trademarks	Others	Total
Cost				
Balance, January 1, 2019	\$484,468	\$8,207	\$6,133	\$498,808
Disposals	-	-	(434)	(434)
Impact of foreign exchange differences	19,643	-	142	19,785
Balance, March 31, 2019	\$504,111	\$8,207	\$5,841	\$518,159
Accumulated amortization and impairment				
Balance, January 1, 2019	\$40,373	\$ -	\$6,072	\$46,445
Amortization expenses	9,018	-	47	9,065
Disposals	-	-	(434)	(434)
Impact of foreign exchange differences	1,922	-	141	2,063
Balance, March 31, 2019	\$51,313	\$ -	\$5,826	\$57,139

6.16 Other noncurrent assets

Item	March 31, 2020	December 31, 2019	March 31, 2019
Intangible exploration and evaluation assets	\$10,009	\$11,590	\$10,788
Less: Accumulated impairment	-	-	-
Net	\$10,009	\$11,590	\$10,788

The above-mentioned intangible exploration and evaluation assets are mainly the rights to explore nickel laterite ores, which will be reclassified as “Intangible assets - drilling rights to minerals” when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable in the future.

6.17 Refundable deposits

Item	March 31, 2020	December 31, 2019	March 31, 2019
Deposit for dumping margins	\$865,884	\$851,218	\$1,296,160
Performance deposits	27,222	27,544	14,773
Deposits	30,931	33,616	35,737
Others	13,114	13,475	5,701
Total	<u>\$937,151</u>	<u>\$925,853</u>	<u>\$1,352,371</u>

An antidumping investigation into the corrosion-resistant steel sold from Taiwan, conducted by the Department of Commerce of the U.S. in June 2015, had completed in July 2016, with an official announcement that all corrosion resistant products manufactured in or sold from Taiwan must temporarily bear a dumping margin duty. The custom was also instructed to impose a temporary dumping margin on all entries of merchandise sold by the Company to the U.S. that had been covered by the investigation. The antidumping duty is imposed by the U.S. using the retrospective system. The difference between the tax rate of the provisional tax rate paid and the final survey result is presented as “refundable deposit”.

6.18 Short-term Loans

Type of Loan	March 31, 2020	
	Amount	Interest Rate
Credit loans	\$6,568,472	1.33%-5.50%
Credit for material purchase	8,628,102	1.56%-3.12%
Mortgage loans	638,000	2.09%-2.83%
Total	<u>\$15,834,574</u>	

Type of Loan	December 31, 2019	
	Amount	Interest Rate
Credit loans	\$6,797,255	1.33%-5.50%
Credit for material purchase	8,150,491	1.54%-3.98%
Mortgage loans	650,000	2.09%-2.84%
Total	<u>\$15,597,746</u>	

Type of Loan	March 31, 2019	
	Amount	Interest Rate
Credit loans	\$8,369,034	1.21%-5.50%
Credit for material purchase	8,619,587	1.50%-4.45%
Mortgage loans	607,000	2.09%-3.00%
Total	<u>\$17,595,621</u>	

Some financial assets, and property, plant, and equipment, investment properties, and accounts receivable are pledged as collateral for short-term loans. Please refer to Note 8 for details.

6.19 Short-term notes and bills payable

Item	March 31, 2020	December 31, 2019	March 31, 2019
Commercial notes payable	\$934,000	\$934,000	\$990,000
Less: Unamortized discount	(1,380)	(2,728)	(1,869)
Net	\$932,620	\$931,272	\$988,131
Interest Rate Range	1.70%-2.78%	1.70%-2.78%	1.70%-2.78%

The Group pledged some of its property, plant, and equipment as collateral for some of its short-term notes and bills payable. Please refer to Note 8 for details.

6.20 Other Payables

Item	March 31, 2020	December 31, 2019	March 31, 2019
Compensations payable	\$130,049	\$408,153	\$237,208
Equipment payable	375,315	531,644	341,416
Interest payable	65,595	63,945	72,473
Utility expenses payable	50,086	50,256	50,436
Consumables payable	24,883	25,407	30,869
Export and transportation expenses payable	88,513	72,528	77,528
Business tax payable	11,975	56,562	62,702
Cash dividends payable - from previous period	22,994	22,994	22,922
Repairing charges payable	19,320	19,223	17,821
Others	309,906	364,430	338,092
Total	\$1,098,636	\$1,615,142	\$1,251,467

6.22 Provisions - current

Item	March 31, 2020	December 31, 2019	March 31, 2019
Employee benefits	\$83,889	\$82,750	\$85,820
Onerous contract	11,737	1,006	2,232
Warranty	3,013	3,013	2,290
Derecognized liabilities	3,487	4,037	3,748
Others	-	-	3,681
Total	\$102,126	\$90,806	\$97,771

Item	Employee benefits	Onerous contract	Warranty	Derecognized liabilities	Total
January 1, 2020	\$82,750	\$1,006	\$3,013	\$4,037	\$90,806
Recognized in current period	1,139	10,731	-	-	11,870
Write-off in current period	-	-	-	(550)	(550)
March 31, 2020	\$83,889	\$11,737	\$3,013	\$3,487	\$102,126

Item	Employee benefits	Onerous contract	Warranty	Derecognized liabilities	Others	Total
January 1, 2019	\$81,585	\$9,707	\$2,290	\$3,577	\$13,933	\$111,092
Recognized in current period	4,235	-	-	171	-	4,406
Write-off in current period	-	(7,475)	-	-	(10,252)	(17,727)
March 31, 2019	\$85,820	\$2,232	\$2,290	\$3,748	\$3,681	\$97,771

1. Provision for employee benefits is an estimate of the short-term service leave vested to employees.
2. Provision for onerous contracts covers the irrevocable material purchase contract signed by the Group, the excess of costs incurred due to the performance of contractual obligation over the economic benefits expected to be obtained from the contract, and the expected loss of construction contracts.
3. The Group's "provision for warranty" is the warranty for the sales of electronic products, and is estimated based upon the historical warranty data of such products.

6.22 Long-term Loans and Current Portion of Long-term Loans

Item	March 31, 2020	December 31, 2019	March 31, 2019
Bank syndicated loans:			
The Company	\$8,275,000	\$8,275,000	\$8,500,000
Subsidiaries	24,669,032	23,923,488	23,805,533
Subtotal	\$32,944,032	\$32,198,488	\$32,305,533
Secured loans from banks	1,552,810	1,808,880	2,492,950
Unsecured loans from banks	349,739	429,089	500,167
Others	37,763	42,036	9,868
Total	\$34,884,344	\$34,478,493	\$35,308,518
Less: Unamortized discount	(124,862)	(109,447)	(106,741)
Less: Current portion	(3,788,577)	(6,359,286)	(5,847,718)
Long-term loans	\$30,970,905	\$28,009,760	\$29,354,059
Interest rate range	1.50%-5.74%	1.50%-5.65%	1.50%-6.14%

1. Please refer to Note 8 for the collateral of the above bank loans.
2. According to syndicated loan agreements with banks, the Group needs to maintain several financial ratios, including current ratio, liability ratio and interest coverage ratio, at a certain level, calculated based on the audited annual consolidated financial statements and the reviewed semi-annual consolidated financial statements or the audited annual financial statements of subsidiaries for the duration of the contracts. Since the Group failed to meet certain financial ratios in 2019, it needed to pay to the managing bank a compensation at 0.125% of the loan balance within agreed time, or was subject to 0.10%~1.50% incremental on its interest rate. However, this is not seen as a breach of contract.

6.23 Long-term Deferred Revenue

The subsidiary, Tianjin Lianfa Precision Steel Corporation Beneficiary, had received a subsidy for engineering construction from the Tianjin Economic Technological Development Area of RMB 11,470 thousand in 2006. As it is a government grant associated with assets, donation income would be recognized based on percentage used for the recognition of depreciation expense. Details are set out below:

Item	March 31, 2020	December 31, 2019	March 31, 2019
Deferred revenue from government grants:			
Subsidy for engineering construction	\$48,986	\$49,292	\$52,610
Less: Accumulated revenue recognized	(19,592)	(19,715)	(18,937)
Ending balance	<u>\$29,394</u>	<u>\$29,577</u>	<u>\$33,673</u>

6.24 Benefit Plan After Retirement

1. Defined contribution plan

- (1) The pension system based on the Labor Pension Act which is applicable to the Group's domestic entities resided in the R.O.C. is a defined contribution plan managed by government. Companies would make monthly contribution equal to 6% of each employee's monthly salary to the employees' individual pension accounts at the Bureau of Labor Insurance. Subsidiaries outside the R.O.C. also participate in the local defined contribution plan and makes contribution to the local government accordingly.
- (2) For the three months ended March 31, 2020 and 2019, the Group recognized pension expense of \$28,050 thousand and \$30,699 thousand, respectively.

2. Defined benefit plan

- (1) Pension expense under the defined benefit plan were \$2,530 thousand and \$3,447 thousand for three months ended March 31, 2020 and 2019. The pensions were calculated using the actuarially determined pension cost discount rates as of December 31, 2019 and 2018.
- (2) The Group estimated the balance in the designated pension accounts before the end of each year. Where the amount is deemed not sufficient to cover all the payment next year to employees who are retiring in accordance with Article 53 or Article 54. 1. (1) of the same Act, a lump-sum deposit will be made before March-end of the following year to cover the difference.

6.25 Common Stock

1. Quantities and values of the Company's outstanding common shares at the beginning and ending of periods were as follows:

Item	Three Months Ended March 31, 2020	
	Shares (thousand shares)	Amount
January 1	1,913,327	\$19,133,275
Capital increase in cash	-	-
March 31	<u>1,913,327</u>	<u>\$19,133,275</u>

Item	Three Months Ended March 31, 2019	
	Shares (thousand shares)	Amount
January 1	1,875,811	\$18,758,113
Capital increase in cash	-	-
March 31	1,875,811	\$18,758,113

2.As of March 31, 2020, the Company had an authorized capital of \$20,000,000 thousand with 2,000,000 thousand shares.

6.26 Capital Surplus

Item	March 31, 2020	December 31, 2019	March 31, 2019
Share premium	\$4,060,366	\$4,060,366	\$4,060,366
Treasury stock transaction	557,739	557,739	557,739
Difference between consideration and carrying amount of subsidiaries acquired or disposed	218,122	216,200	215,064
Change in ownership interests in subsidiaries accounted for using equity method	8,665	8,665	8,665
Changes in associates and joint ventures recognized under equity method	41,311	41,311	41,818
Total	<u>\$4,886,203</u>	<u>\$4,884,281</u>	<u>\$4,883,652</u>

Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original holdings. In accordance with regulations in the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of earnings and reserves are insufficient to offset the loss. The capital surplus generated from investment under equity method shall not be used for any purposes.

6.27 Retained Earnings

1.A residual dividend distribution policy is adopted in accordance with the Company's business expansion and profitability after considering the the fact that the Company is currently in its growing phase. The annual net income, if any, should be used to pay off all the taxes and duties, as well as to compensate prior deficits. The remaining amount, if any, should be appropriated in the following order of presentation:

(1)10% as legal reserve;

(2)Set aside or reverse a certain amount as or of special reserve according to operating needs or laws or regulations;

(3)The remaining net income plus unappropriated earnings from prior years may be used as dividends or bonus for shareholders after proposed by the Board of Directors and resolved by the shareholders meeting.

In principle, earnings shall be distributed in the form of stock dividends in accordance with the Company's capital requirement for business expansion and profitability. Cash dividends are distributed at between 20% to 100% of total dividends distributed in accordance with the actual profitability while stock dividends are distributed at between 0% to 80% of the total dividends distributed.

2.Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.

3.Special reserve

Item	March 31, 2020	December 31, 2019	March 31, 2019
Provision for debit balance of other equity	\$231,475	\$231,475	\$308,898
Provision upon initial application of IAS	327,757	327,757	327,757
Total	<u>\$559,232</u>	<u>\$559,232</u>	<u>\$636,655</u>

(1)The Company may allocate earnings only after providing special reserve for debt balance in other equity on the date of balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.

(2)Upon first-time adoption of IFRSs, the special reserve provided pursuant to the official letter under Jin-Guan-Jheng-Fa-Zih No. 1010012865 dated April 6, 2012 may be reversed to allocable retained earnings in proportion to the special reserve as provided originally, if the Company uses, disposes of or reclassifies the relevant assets in the future.

4.The Company's appropriations of earnings for 2019 had been approved in the meeting of the board of directors held in March 2020. No dividends will be distributed to the shareholders due to accumulated deficit. Earnings distribution proposals and dividends per share for 2018, which were resolved by the Shareholders Meeting in June 2019, are stated below :

Item	Year Ended December 31, 2018	
	Earnings appropriation proposal	Dividends per share (NTD)
Legal reserve	\$30,850	
Appropriation for (reversal of) special reserve	(77,423)	
Cash dividends for common stock	187,581	0.1
Stock dividends for common stock	375,162	0.2
Total	<u>\$516,170</u>	

The appropriations of earnings for 2019 are to be presented for approval in the Company's annual shareholders' meeting to be held in June 2020.

5. Information about earnings distribution approved by the Board of Directors and resolved by the shareholders meeting is available at the Taiwan Stock Exchange Market Observation Post System website.

6.28 Other Equity Items

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total
Balance, January 1, 2020	(\$1,090,046)	\$105,537	\$6,338	(\$978,171)
Exchange differences on translation of foreign financial statements	(125,216)	-	-	(125,216)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(78,138)	-	(78,138)
Share of associates and joint ventures accounted for using equity method	20,147	(11,755)	(32)	8,360
Balance, March 31, 2020	<u>(\$1,195,115)</u>	<u>\$15,644</u>	<u>\$6,306</u>	<u>(\$1,173,165)</u>

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Gain (loss) on hedging instruments	Total
Balance, January 1, 2019	(\$723,803)	\$157,892	\$6,679	(\$559,232)
Exchange differences on translation of foreign financial statements	220,335	-	-	220,335
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	25,165	-	25,165
Share of associates and joint ventures accounted for using equity method	31,549	3,529	(212)	34,866
Balance, March 31, 2019	<u>(\$471,919)</u>	<u>\$186,586</u>	<u>\$6,467</u>	<u>(\$278,866)</u>

6.29 Treasury stocks

1. Purpose of shares buyback and changes in quantity:

Unit: Thousand Shares

Three Months Ended March 31, 2020			
At January 1	Current increase	Current decrease	At March 31
-	15,374	-	15,374

2. In order to protect the Company's credit and shareholders' equity. The Company's Board of Directors resolved on March 13, 2020 to repurchase 100,000 shares in the concentrated market from March 16 to May 15, 2020. The number of shares repurchased by the Company as of March 31, 2020 is 15,374 thousand shares, and amount is 123,395 thousand.

3. Pursuant to the Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.

4. Pursuant to the Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to shareholder's rights before it is reissued.

6.30 Non-controlling Interest

Item	Three Months Ended March 31	
	2020	2019
Beginning balance	\$1,599,689	\$1,853,763
Share attributable to non-controlling interests:		
Net loss for the current year	(89,212)	(66,296)
Other comprehensive income of the year		
Exchange differences on translation of foreign financial statements	(22,376)	8,035
Unrealized gain (loss) on financial asset at fair value through other comprehensive income	(598)	174
Share of associates and joint ventures accounted for using equity method		
Exchange differences on translation of foreign financial statements	409	294
Unrealized gain (loss) on financial asset at fair value through other comprehensive income	(184)	59
Gain (loss) on hedging instruments	-	(4)
Changes in associates and joint ventures recognized under equity method	-	1,733
Increase in non-controlling interests - capital increase in cash	192	12,298
Decrease in non-controlling interests - sale	(7,665)	-
Increase (decrease) in non-controlling interests	(1,251)	-
Ending balance	<u>\$1,479,004</u>	<u>\$1,810,056</u>

6.31 Operating Revenue

Item	Three Months Ended March 31	
	2020	2019
Revenue from contracts with customers		
Sales revenue	\$12,257,511	\$14,702,778
Construction revenue	379,555	369,674
Processing revenue	37,513	131,557
Realized (unrealized) profits from sales	54	54
Total sales revenue from contracts with customers	\$12,674,633	\$15,204,063
Less: Sales return	(7,437)	(11,310)
Sales discount	(14,003)	(11,244)
Net operating revenue	\$12,653,193	\$15,181,509

1. Segments of revenue from contracts with customers

The Group's source of revenue comes from providing goods and services that are transferred either over time or at a specific timing. Revenue can be split into the following segments:

(1) Segmented by revenue from different types of goods and services:

Three Months Ended March 31, 2020:

	Steel coils and steel pipes	Wire rods	Construction revenue	Others	Total
External customer					
Contract revenue	\$10,323,176	\$1,458,006	\$379,609	\$492,402	\$12,653,193
Timing of revenue recognition					
Revenue recognized at a specific timing	\$10,323,176	\$1,458,006	\$ -	\$492,402	\$12,273,584
Revenue recognized over time	-	-	379,609	-	379,609
Total	\$10,323,176	\$1,458,006	\$379,609	\$492,402	\$12,653,193

Three Months Ended March 31, 2019:

	Steel coils and steel pipes	Wire rods	Construction revenue	Others	Total
External customer					
Contract revenue	\$11,730,101	\$1,726,776	\$369,728	\$1,354,904	\$15,181,509
Timing of revenue recognition					
Revenue recognized at a specific timing	\$11,730,101	\$1,726,776	\$ -	\$1,354,904	\$14,811,781
Revenue recognized over time	-	-	369,728	-	369,728
Total	\$11,730,101	\$1,726,776	\$369,728	\$1,354,904	\$15,181,509

(2) For detailed revenue information by business segments, please refer to Note 14.

2.Contract Balance			
Item	March 31, 2020	December 31, 2019	March 31, 2019
Notes receivable and accounts receivable	\$3,327,839	\$3,318,115	\$4,308,756
Contract assets - current			
Steel structure construction and overhead cranes	\$686,793	\$822,605	\$518,283
Contract liabilities - current			
Unearned sales revenue	\$1,267,751	\$857,294	893,982
Advance construction receipts	130,938	115,493	23,755
Total	\$1,398,689	\$972,787	\$917,737

(1) Changes in contract assets and contract liabilities are caused mainly by the difference of timing between when performance obligations are fulfilled and when customers make payments.

(2) Loss allowance for contract assets:

	March 31, 2020	December 31, 2019	March 31, 2019
Expected credit loss rate	0%-0.5%	0%-0.5%	0%-0.5%
Gross carrying amount	\$688,957	\$824,994	\$520,157
Loss allowance (Lifetime ECL)	(2,164)	(2,389)	(1,874)
Net	\$686,793	\$822,605	\$518,283

The Group recognizes loss allowance on contract assets based on expected credit losses during existence. Contract assets will be transferred to accounts receivable at the time of billing. Its credit risk characteristics are the same as accounts receivable generated from similar contracts. Therefore, the Group believes that the expected credit loss rate of accounts receivable can also be applied to contracts. Changes in loss allowance on contract assets are as follows:

	Three Months Ended March 31	
	2020	2019
Beginning balance	\$2,389	\$1,715
Add: Provision for impairment	-	159
Less: Write-offs	(225)	-
Ending balance	\$2,164	\$1,874

(3) Contract liabilities recognized for the three months ended March 31, 2020 and 2019 under operating revenue amounted to \$857,294 thousand and \$1,264,258 thousand, respectively.

6.32 Employee benefits, depreciation and amortization expense

Three Months Ended March 31, 2020			
Nature	Operating Cost	Operating Expense	Total
Employee benefits			
Salary	\$368,304	\$186,987	\$555,291
Insurance	35,693	16,658	52,351
Pension (Note 1)	22,711	7,784	30,495
Other employee benefits	88,866	23,656	112,522
Depreciation (Note 1)	385,316	22,586	407,902
Amortization	7,788	2	7,790
Total	<u>\$908,678</u>	<u>\$257,673</u>	<u>\$1,166,351</u>

Three Months Ended March 31, 2019			
Nature	Operating Cost	Operating Expense	Total
Employee benefits			
Salary	\$391,203	\$192,594	\$583,797
Insurance	38,278	16,764	55,042
Pension (Note 2)	25,653	8,386	34,039
Other employee benefits	95,048	24,871	119,919
Depreciation (Note 2)	405,825	32,787	438,612
Amortization	9,018	47	9,065
Total	<u>\$965,025</u>	<u>\$275,449</u>	<u>\$1,240,474</u>

(Note 1): Excluding pension of \$85 thousand and depreciation of \$243 thousand under equipment prepayments.

(Note 2): Excluding pension of \$107 thousand and depreciation of \$534 thousand under equipment prepayments.

1. According to Articles of Incorporation, compensation to employees and remuneration to directors shall neither be less than 0.2 % nor greater than 0.1% of the net income before tax and before which the compensation to employees and remuneration to directors are deducted from. Due to the accumulated loss of the Company for the three months ended March 31, 2020 and 2019, the estimated amount of the above compensation and remuneration were both \$0 thousand.

2. Compensation to employees and remuneration to directors for the years ended December 31, of 2019 and 2018 have been resolved and approved by the Board of Directors in March 2020 and 2019. Relevant amounts recognized in the financial statement are as follows:

Year Ended December 31				
	2019		2018	
	Employees' Compensation	Directors' Remuneration	Employees' Compensation	Directors' Remuneration
Resolved distributed amount	\$ -	\$ -	\$579	\$145
Recognized amount in the annual financial report	-	-	579	290
Difference amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$145)</u>

- (1)The above-mentioned employee compensation was distributed in cash.
- (2)The differences between the amount resolved for 2018 and the amount recognized in financial statements are mainly estimate difference and has been adjusted in profit or loss for 2019.
- 3.Information about employee compensation and remuneration to directors approved by the Board of Directors is available at the Taiwan Stock Exchange Market Observation Post System website.

6.33 Other Income

Item	Three Months Ended March 31	
	2020	2019
Interest income		
Interest from bank deposits	\$12,877	\$31,417
Others	74	2,881
Subtotal	\$12,951	\$34,298
Dividend income	\$27,206	\$11,355
Other revenue		
Insurance claims income (Note)	166,000	71,952
Income from sales of scraps	8,527	20,443
Others	15,143	7,656
Subtotal	\$189,670	\$100,051
Total	\$229,827	\$145,704

(Note)The Group's Rolling Plant No. 3 was caught on fire in April 2018, resulting in damage of part of the equipment therein. The carrying amount of the damaged equipment was \$85,048 thousand. Aside from recognizing deductible for fire loss of \$7,000 thousand, an insurance claim receivable for the damaged part in the amount of \$78,048 thousand was also recognized in December 31, 2018. In January 2020 and January 2019, the Group has obtained \$166,000 thousand and \$150,000 thousand in insurance claim. After offsetting the insurance claim receivable, \$166,000 thousand and \$71,952 thousand are recorded as "other income".

6.34 Other gains and losses

Item	Three Months Ended March 31	
	2020	2019
Gain (loss) on disposal of financial assets at fair value through profit and loss	\$19	\$438
Financial assets mandatorily measured at FVTPL	(2,471)	(155)
Foreign exchange gain (loss)	8,813	100,080
Gain (loss) from disposal of property, plant, and equipment	(3,482)	(10,230)
Gain on disposal of noncurrent assets held for sale (Note)	52,531	-
Others	(2,715)	(3,156)
Total	\$52,695	\$86,977

(Note) In November, 2019, the Group sold part of Land in Pingbei Section, Jiadong Township, Pingtung County. The total contract price is \$76,344 thousand. The above-mentioned transaction price is determined by both parties upon negotiation. In March 2020, the ownership transfer was completed in accordance with the scheduled payment terms as stipulated in the contracts, and the disposal gain was \$52,531 thousand.

6.35 Finance Costs

Item	Three Months Ended March 31	
	2020	2019
Interest expense:		
Interest on loans	\$420,524	\$441,154
Interest on lease liabilities	170	25
Subtotal	\$420,694	\$441,179
Less: Amount qualified for capitalization	(113,915)	(111,345)
Finance costs	<u>\$306,779</u>	<u>\$329,834</u>

6.36 Income Tax

1. Income tax expense

(1) Components of income tax expense

Item	Three Months Ended March 31	
	2020	2019
Current income tax expense	\$9,918	\$7,760
Deferred income tax of originated and reversed temporary differences	(52,393)	(93,585)
Income tax expense (benefit)	<u>(\$42,475)</u>	<u>(\$85,825)</u>

(2) Income tax expense (benefit) associated with other comprehensive income

Item	Three Months Ended March 31	
	2020	2019
Exchange differences on translation of foreign financial statements	(\$9,176)	\$46,309
Total	<u>(\$9,176)</u>	<u>\$46,309</u>

2. The Company's income tax returns through 2018 have been rectified by the tax authorities.

6.37 Other Comprehensive Income

Item	Three Months Ended March 31, 2020		
	Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(\$78,736)	\$ -	(\$78,736)
Share of associates and joint ventures accounted for using equity method:			
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(11,939)	-	(11,939)
Subtotal	(\$90,675)	\$ -	(\$90,675)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	(\$157,830)	\$10,238	(\$147,592)
Share of associates and joint ventures accounted for using equity method:			
Exchange differences on translation of foreign financial statements	21,618	(1,062)	20,556
Gain (loss) on hedging instruments	(32)	-	(32)
Subtotal	(\$136,244)	\$9,176	(\$127,068)
Recognized in other comprehensive income	(\$226,919)	\$9,176	(\$217,743)

Item	Three Months Ended March 31, 2019		
	Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	\$25,339	\$ -	\$25,339
Share of associates and joint ventures accounted for using equity method:			
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	3,588	-	3,588
Subtotal	\$28,927	\$ -	\$28,927
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	\$274,231	(\$45,861)	\$228,370
Share of associates and joint ventures accounted for using equity method:			
Exchange differences on translation of foreign financial statements	32,291	(448)	31,843
Gain (loss) on hedging instruments	(216)	-	(216)
Subtotal	\$306,306	(\$46,309)	\$259,997
Recognized in other comprehensive income	\$335,233	(\$46,309)	\$288,924

6.38 Earnings Per Share

Item	Three Months Ended March 31	
	2020	2019
A. Basic earnings (loss) per share		
Net income (loss) attributable to shareholders of parent company (A)	(\$313,462)	(\$548,603)
Weighted average number of outstanding shares (thousand shares)	1,910,307	1,875,811
Weighted average number of shares outstanding after retrospective adjustment (thousand shares) (B)	1,910,307	1,913,327
Basic earnings (loss) per share (after tax) (NT\$)(A)/(B)	(\$0.16)	(\$0.29)
B. Diluted earnings (loss) per share		
Net income (loss) attributable to shareholders of parent company (C)	(\$313,462)	(\$548,603)
Weighted average number of outstanding shares (thousand shares)	1,910,307	1,913,327
Impact on employees' compensation (Note)	-	-
Weighted average number of ordinary shares outstanding after dilution (thousand shares) (D)	1,910,307	1,913,327
Diluted earnings (loss) per share (after tax) (NT\$) (C)/(D)	(\$0.16)	(\$0.29)

The Company's shareholders' meeting held on June 20, 2019 had resolved to capitalize earnings and issue 37,516 thousand new shares. The record date for capital increase was set on September 2, 2019. After retrospective adjustment for the three months ended March 31, 2019, the number of shares was 1,913,327 thousand shares.

(Note) Since the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would 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 per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

6.39 Transactions with Non-controlling Interests

1. Acquisition of additional equities in subsidiaries

Three months ended March 31, 2020:

Between March 2020, the Group had purchased in cash additional equities of 0.38% for the subsidiaries, Yieh Hsing Enterprise Co., Ltd. with \$7,665 thousand, resulting in the changes in its shareholding percentage from 56.98% to 57.36%, respectively. Since the said transaction did not change the Group's control over the said subsidiaries, it is deemed as an equity transaction.

	Yieh Hsing Enterprise Co., Ltd.
Carrying amount of non-controlling interests acquired	\$9,587
Capital surplus - consideration paid to non-controlling interests	(7,665)
Capital surplus - Difference between consideration and carrying amount of subsidiaries acquired or disposed	<u>\$1,922</u>

Three months ended March 31, 2019: None.

2. The sub-subsidiary, Kings Garden International Co., Ltd., issued common stocks in March 2020. After the subscription, the Company's shareholding will increase from 49.28% to 50.12%. Yieh Hsing Enterprise Co., Ltd's shareholding will be reduced from 50.71% to 49.87%. Shin Phui Steel Corporation's shareholding is 0.01%. Since the said transaction did not change the Group's control over the said subsidiary, it is deemed as an equity transaction.

	Yieh Phui Enterprise Co., Ltd.	Yieh Hsing Enterprise Co., Ltd.	Shin Phui Steel Corporation
Subscription in cash	(\$72,100)	\$ -	\$ -
Share of equity of subsidiaries' net assets computed using relative equity changes	70,576	852	1
Recognized changes in ownership interests in subsidiaries accounted for using equity method	(\$1,524)	\$852	1

7. RELATED PARTY TRANSACTIONS

7.1 Parent and ultimate controlling party.

The Company is the ultimate controlling party of the Group.

7.2 Names of related parties and relationship categories

Name of related party	Related party category
Yieh United Steel Corp.	Associate
Yieh Mau Corp.	Associate
Asiazone Co., Ltd.	Associate
Zheng Xin Security Co., Ltd.	Associate
Eliter International Corp.	Associate
Unipattern Corporation Co., Ltd.	Associate
E-Da Bus Transportation Co., Ltd.	Associate
E-DA Tour Bus Co., Ltd.	Associate
E-Da Development Corp.	Associate

Name of related party	Related party category
E United Japan Co., Ltd.	Associate
E- Da Visual Effects Company Limited	Associate
Yieh Hong Enterprise Co., Ltd.	Other related party
Yieh Mau Corp.	Other related party
Li-Hsin Co., Ltd.	Other related party
Angang Lianzhong (Guangzhou) Stainless Steel Corporation	Other related party
Fujian Lian Wei Logistics Co., Ltd.	Other related party
Fujian Lian De Enterprise Co., Ltd.	Other related party
Skylark International Hotel Co., Ltd.	Other related party
Pacific Harbor Stevedoring Corporation	Other related party
Royal Palace Hong Kong Style Restaurant Co., Ltd.	Other related party
Jinghua Commercial Asset Management Limited	Other related party
I-Hsiang-Le International Co., Ltd.	Other related party
Chiao-Ling Leisure Co., Ltd.	Other related party
New Spring Construction Corp.	Other related party
E-Da Royal Hotel Company Ltd.	Other related party
E-Da Hospital	Other related party
I-Shou University	Other related party
I-Shou University Internship Center	Other related party
Long Hua Travel Services Co., Ltd.	Other related party
I-Shou International School	Other related party

7.3 Significant transactions with related parties

Balances and transactions between the Company and subsidiaries (i.e., related parties) were eliminated and not disclosed when preparing such consolidated financial statements. Disclosure of related party transactions are as follows:

1. Operating revenue

Item	Related party category	Three Months Ended March 31	
		2020	2019
Sales revenue	Associates	\$618,620	\$980,372
	Other related parties	211,014	720,117
	Total	\$829,634	\$1,700,489
Construction revenue	Associates	\$297	\$527
	Other related parties	212,255	162,298
	Subtotal	\$212,552	\$162,825
	Less: construction revenue that are eliminated in consolidation	(11,215)	(8,345)
	Total	\$201,337	\$154,480

- (a) Selling price to the Group's related parties, including hot rolled steel coils, galvanized steel coils, scraps (bars), etc. and trading terms are the same with those to other customers. Payment periods were within one to two months.
- (b) Selling price of hot-rolled steel coil and nickel laterite ores to related parties are set by reference to the purchase price of a non-related party as a trading counterparty. Payment term is 3 months.
- (c) Selling price of carbon steel and steel scraps to related parties are set with reference to the purchase price of a non-related party as a trading counterparty. Payment term is monthly and closes in 15 days.
- (d) The construction contracts between the Group and above-mentioned related parties were established at prices negotiated by both parties. Contract proceeds were collected according to the collection clauses stated in these contracts. Unless agreed on by both parties, payments cannot be delayed.
- (e) Since the Group contracted from and sub-contracted to related parties a portion of steel construction engineering at the same time, where the construction engineering belonged to the same project, the accounting treatment of which was deemed the same as such project would have been managed and supervised by other related parties. For the three months ended March 31, 2020 and 2019, the eliminated construction revenue was \$11,215 thousand and \$8,345 thousand, respectively.

2. Purchases

Related party category	Three Months Ended March 31	
	2020	2019
Associate :		
Yieh United Steel Corp.	\$786,559	\$1,028,870
Other related parties	437,202	538,820
Total	<u>\$1,223,761</u>	<u>\$1,567,690</u>

Items purchased by the Group from above related parties were mainly stainless billets and carbon steel billets. The purchase prices are similar to that offered to other suppliers. Payment term is LC at sight (not significantly different than terms to other suppliers) or T/T before shipment.

3. Contract assets

Related party category	March 31, 2020	December 31, 2019	March 31, 2019
Associates	\$3,732	\$3,435	\$3,383
Other related party:			
New Spring construction Corp.	494,548	518,380	133,470
Total	<u>\$498,280</u>	<u>\$521,815</u>	<u>\$136,853</u>
Less: Loss allowance	-	-	-
Net	<u>\$498,280</u>	<u>\$521,815</u>	<u>\$136,853</u>

4. Contract liabilities			
Related party category	March 31, 2020	December 31, 2019	March 31, 2019
Other related party:			
New Spring construction Corp.	\$83,694	\$84,625	\$6,516
Others	1,091	1,091	-
Total:	<u>\$84,785</u>	<u>\$85,716</u>	<u>\$6,516</u>

5. Receivables from related parties (excluding loans to related parties)				
Accounting Item	Related party category	March 31, 2020	December 31, 2019	March 31, 2019
Notes receivable	Associates	\$38	\$45	\$88
	Other related parties	20	23	82
	Total	<u>\$58</u>	<u>\$68</u>	<u>\$170</u>
	Less: Loss allowance	-	-	-
	Net	<u>\$58</u>	<u>\$68</u>	<u>\$170</u>
Accounts receivable	Associate :			
	Asiazone Co., Ltd.	\$307,234	\$169,307	\$127,234
	Yieh United Steel	500,063	446,230	500,377
	Other related			
	Fujian Lian Wei	47,193	173,026	422,872
	Others	92,206	1,899	19,522
	Total	<u>\$946,696</u>	<u>\$790,462</u>	<u>\$1,070,005</u>
	Less: Loss allowance	<u>(1,243)</u>	<u>(605)</u>	<u>(582)</u>
	Net	<u>\$945,453</u>	<u>\$789,857</u>	<u>\$1,069,423</u>
Other receivables	Associate :			
	Yieh United Steel	\$238,586	\$2,134	\$2,125
	Others	72	160	129
	Other related parties	960	646	1,306
	Total	<u>\$239,618</u>	<u>\$2,940</u>	<u>\$3,560</u>
	Less: Loss allowance	-	-	-
	Net	<u>\$239,618</u>	<u>\$2,940</u>	<u>\$3,560</u>

6. Payables to related parties (excluded loans from related parties)				
Accounting Item	Related party category	March 31, 2020	December 31, 2019	March 31, 2019
Notes payable	Associates	\$2,014	\$2,638	\$2,774
	Other related parties	1	1,159	4,161
	Total	<u>\$2,015</u>	<u>\$3,797</u>	<u>\$6,935</u>
Accounts payable	Associates	\$ -	\$20,525	\$83,090
	Other related parties	6,973	6,876	10,446
	Total	<u>\$6,973</u>	<u>\$27,401</u>	<u>\$93,536</u>
Other payables	Associates	\$72,839	\$27,833	\$12,126
	Other related party:			
	New Sprins	853	1,921	229,806
	Construction Corp.			
	Others	1,249	6,707	1,820
	Total	<u>\$74,941</u>	<u>\$36,461</u>	<u>\$243,752</u>
Advance receipts	Other related parties	<u>\$ -</u>	<u>\$72</u>	<u>\$17</u>

7. Prepayments

Related party category	March 31, 2020	December 31, 2019	March 31, 2019
Other related parties	\$191,269	\$28,823	\$40,628
Associates	56	-	6
Total	<u>\$191,325</u>	<u>\$28,823</u>	<u>\$40,634</u>

8. Asset transaction

(1) Acquisition of property, plant and equipment:

Three months ended March 31, 2020:

Type of related party	Transaction target	Transaction amount
Other related party :		
New Spring Construction Corp.	Construction in progress (Note 1)	\$204,874
Associates	Other equipment (Note 2)	70,287

(Note 1) The above-mentioned transaction price was by reference to appraisal reports offered by professional institutions, and were agreed on by both parties upon negotiation or through price comparison. As of March 31, 2020, the unpaid portion was \$853 thousand.

(Note 2) The above-mentioned transaction price was agreed on by both parties upon negotiation. As of March 31, 2020, the unpaid portion was \$69,574 thousand.

Three months ended March 31, 2019:

Type of related party	Transaction target	Transaction amount
Other related party :		
New Spring Construction Corp.	Construction in progress (Note 1)	\$353,776
Associates	Other equipment (Note 2)	15,285

(Note 1) The above-mentioned transaction price was by reference to appraisal reports offered by professional institutions, and were agreed on by both parties upon negotiation or through price comparison. As of March 31, 2019, the unpaid portion was \$229,806 thousand.

(Note 2) The above-mentioned transaction price was agreed on by both parties upon negotiation. As of March 31, 2019, the unpaid portion was \$10,165 thousand.

9. Others

(1) Miscellaneous income

Related party category	Three Months Ended March 31	
	2020	2019
Associates	\$3,421	\$6,272
Other related parties	110	539
Total	<u>\$3,531</u>	<u>\$6,811</u>

These are mainly technical service income, and sporadic rent income. The rent price is determined by contract and received monthly or quarterly.

(2) Miscellaneous expenses

Related party category	Three Months Ended March 31	
	2020	2019
Associates	\$14,378	\$16,778
Other related parties	27,673	46,538
Total	<u>\$42,051</u>	<u>\$63,316</u>

These are mainly service charges, export expenses, and rent expenses not applicable to IFRS 16. The rent prices are determined by contracts and paid monthly or quarterly.

(3) Construction contracts

(a) Unfinished construction contracts with related parties as of March 31, 2020 were as follows:

Type of related party / Name	Name of construction	Total contract price	Contract assets / liabilities
Associates	Flue pipe installation construction	\$12,310	\$3,732/\$ -
Other related party :			
New Spring Construction Corp.	Above-ground structures construction for E-Da Asia Commercial Plaza, etc.	\$3,376,861 (Note)	\$494,548/\$83,694

(b) Unfinished construction contracts with related parties as of December 31, 2019 were as follows:

Type of related party / Name	Name of construction	Total contract price	Contract assets / liabilities
Associates	Flue pipe installation construction	\$12,271	\$3,435/\$ -
Other related party :			
New Spring Construction Corp.	Above-ground structures construction for E-Da Asia Commercial Plaza, etc.	\$3,376,861 (Note)	\$518,380/\$84,625

(c) Unfinished construction contracts with related parties as of March 31, 2019 were as follows:

Type of related party / Name	Name of construction	Total contract price	Contract assets / liabilities
Associates	Flue pipe installation construction	\$8,975	\$3,383/\$ -
Other related party :			
New Spring Construction Corp.	Above-ground structures construction for E-Da Asia Commercial Plaza, etc.	\$3,426,701 (Note)	\$133,470/\$6,516

(Note) As stated in Note 7.3.1.(e), where the Group contracts from and sub-contracts to related parties the same construction project, the accounting treatment of which is deemed the same as such construction project would have been commissioned to other related parties to manage and supervise.

7.4 Information about remunerations to the major management:

Item	Three Months Ended March 31	
	2020	2019
Salary and other short-term employee benefits	\$26,286	\$24,690
Benefits after retirement	417	356
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	\$26,703	\$25,046

8. PLEDGED ASSETS

The following assets have been pledged as collateral for long-term and short-term loans:

Item	March 31, 2020	December 31, 2019	March 31, 2019
Pledged demand deposits	\$451,093	\$741,017	\$584,343
Pledged time deposits	706,776	638,232	1,198,402
Subtotal of other financial assets - current	\$1,157,869	\$1,379,249	\$1,782,745
Pledged demand deposits	\$134,294	\$130,202	\$71,481
Pledged time deposits	405,914	402,625	46,875
Subtotal of other financial assets - noncurrent	\$540,208	\$532,827	\$118,356
Property, plant and equipment (net)	\$24,585,243	\$24,934,945	\$21,096,695
Noncurrent assets held for sale	14,131	23,342	207,097
Right-of-use asset	57,185	57,975	63,263
Investment properties	488,659	502,790	657,514
Investments accounted for using equity method	1,346,322	1,415,693	1,396,333
Notes receivable and accounts receivable	334,153	176,523	4,878
Total	\$28,523,770	\$29,023,344	\$25,326,881

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

- (1) Guarantee notes issued by the Group to banks for loans and purchases performance totaled \$49,270,518 thousand, \$49,635,722 thousand and \$51,271,816 thousand as of March 31, 2020, December 31, 2019, and March 31, 2019, respectively.
- (2) Guarantee notes received by the Group for its contract performance and creditor's right totaled \$191,545 thousand, \$187,662 thousand and \$472,504 thousand as of March 31, 2020, December 31, 2019, and March 31, 2019, respectively.

- (3) The unused letters of credit as of March 31, 2020, December 31, 2019, and March 31, 2019 are as follows:

Item	March 31, 2020	December 31, 2019	March 31, 2019
L/C Amount	USD 22,874	USD 19,634	USD 16,692
	NTD 817,100	NTD 708,194	NTD 685,722
	JPY 3,200	JPY 4,679	JPY 7,127
	EUR 85		

- (4) As of March 31, 2020, December 31, 2019, and March 31, 2019, guarantees provided to banks by the Group for performance and warranty amounted to \$124,395 thousand, \$134,679 thousand and \$213,040 thousand, respectively.
- (5) As of March 31, 2020, December 31, 2019, and March 31, 2019, guarantee letters of credit issued by the Group for export business totaled USD13,400 thousand, USD13,400 thousand, and USD12,900 thousand, respectively.
- (6) The Group entered into raw material purchase agreements with suppliers of billets, including AMBICA and EAST. The price was agreed on by both parties upon negotiation. As of March 31, 2020, the unperformed portion totaled 9,520 tons, amounting to \$124,618 thousand.
- (7) Capital expenditures committed but not yet incurred are as follows:

Item	March 31, 2020	December 31, 2019	March 31, 2019
Property, plant and equipment	\$2,914,099	\$3,619,656	\$3,752,399

- (8) Establishment of important construction contracts

- (a) As of March 31, 2020, estimated total contract costs, contract costs paid, and expected completion dates but not completed are summarized below:

Type of construction	Contract price /Total estimated construction cost	Construction cost paid /Completion %	Expected year of completion /Accumulated profit or loss recognized
Construction and installation of 40T*42M tracked overhead container crane for China Container Transport at pier 10 and 11 of Taichung Harbor	202,300 205,019	204,853 99.92%	Year 2020 (2,719)
Manufacture and installation of overhead cranes sized 300t(150t+150t)*43m for the Wind Power Department of Century Iron and Steel Industrial Co., Ltd.	205,000 197,878	159,507 80.61%	Year 2020 5,741
6 40T-gantry cranes for storage in the rear area at Wharf No. 120 of Kaohsiung Harbor	311,100 260,717	259,208 99.42%	Year 2020 50,091
Construction of phase 1 Pangu buildings by Greaten Construction Co., Ltd.	220,807 213,663	192,663 90.17%	Year 2020 6,442

Manufacturing and installation of 13 overhead cranes, their steel tracks and safety electric bus-way for GMTC steel furnace plant at Liuying	313,600 312,494	235,592 75.39%	Year 2020 834
YKK Taiwan's Chungli Plant No.2 construction project by Chung Lu Construction	342,086 332,449	319,346 96.06%	Year 2020 9,257
Development project phase 1 of district C of the core area of Shalun Smart Green Energy Science City by Reiju Construction	261,804 260,244	248,772 95.59%	Year 2020 1,491
Steel structure engineering construction of E-Da Empire Buildings by New Spring Construction Corp.	1,320,433 1,280,441	971,090 75.84%	Year 2020 30,330
New Construction of New Crystal Section of Tainan City by Dongpu Construction	203,675 200,918	116,709 58.09%	Year 2020 1,602
Manufacturing and installation of 14 overhead cranes, and safety electric bus-way by CSBC Corporation Taiwan	170,567 165,017	62,952 38.15%	Year 2020 2,117

(b)As of December 31, 2019, estimated total contract costs, contract costs paid, and expected completion dates but not completed are summarized below:

Type of construction	Contract price /Total estimated construction cost	Construction cost paid /Completion %	Expected year of completion /Accumulated profit or loss recognized
Construction and installation of 40T*42M tracked overhead container crane for China Container Transport at pier 10 and 11 of Taichung Harbor	202,300 205,019	204,853 99.92%	Year 2020 (2,716)
Manufacture and installation of overhead cranes sized 300t(150t+150t)*43m for the Wind Power Department of Century Iron and Steel Industrial Co., Ltd.	205,000 200,458	156,173 77.91%	Year 2020 3,539
6 40T-gantry cranes for storage in the rear area at Wharf No. 120 of Kaohsiung Harbor	311,100 260,717	259,208 99.42%	Year 2020 50,091
Construction of phase 1 Pangu buildings by Greaten Construction Co., Ltd.	220,807 224,596	185,857 82.75%	Year 2020 (3,789)
Manufacturing and installation of 13 overhead cranes, their steel tracks and safety electric bus-way for GMTC steel furnace plant at Liuying	313,600 312,494	227,278 72.73%	Year 2020 804

YKK Taiwan's Chungli Plant No.2 construction project by Chung Lu Construction	341,610 335,419	317,844 94.76%	Year 2020 5,867
Development project phase 1 of district C of the core area of Shalun Smart Green Energy Science City by Reiju Construction	261,804 260,244	247,754 95.20%	Year 2020 1,485
Steel structure engineering construction of E-Da Empire Buildings by New Spring Construction Corp.	1,320,433 1,280,441	779,886 60.91%	Year 2020 24,358
New Construction of New Crystal Section of Tainan City by Dongpu Construction	203,675 200,918	45,632 22.71%	Year 2020 626
Manufacturing and installation of 14 overhead cranes, and safety electric bus-way by CSBC Corporation Taiwan	170,567 165,017	18,659 11.31%	Year 2020 628

(c)As of March 31, 2019, estimated total contract costs, contract costs paid, and expected completion dates but not completed are summarized below:

Type of construction	Contract price /Total estimated construction cost	Construction cost paid /Completion %	Expected year of completion /Accumulated profit or loss recognized
Construction and installation of 40T*42M tracked overhead container crane for China Container Transport at pier 10 and 11 of Taichung Harbor	202,300 203,114	198,728 97.84%	Year 2019 (814)
Construction of E-Da Empire Buildings by New Springb Construction Corp.	151,680 134,047	129,547 96.64%	Year 2019 17,041
Manufacture and installation of overhead cranes sized 300t(150t+150t)*43m for the Wind Power Department of Century Iron and Steel Industrial Co., Ltd.	205,000 201,019	68,622 34.14%	Year 2019 1,359
6 40T-gantry cranes for storage in the rear area at Wharf No. 120 of Kaohsiung Harbor	311,100 260,717	258,992 99.34%	Year 2019 50,049
Construction of phase 1 Pangu buildings by Greaten Construction Co., Ltd.	220,806 224,596	142,951 63.65%	Year 2019 (3,790)
Manufacturing and installation of 13 overhead cranes, their steel tracks and safety electric bus-way for GMTC steel furnace plant at Liuying	313,600 312,494	169,230 54.15%	Year 2019 599
YKK Taiwan's Chungli Plant No.2 construction project by Chung Lu Construction	331,610 331,262	307,906 92.95%	Year 2019 324

Development project phase 1 of district C of the core area of Shalun Smart Green Energy Science City by Reiju Construction	259,065 257,640	206,515 80.16%	Year 2019 1,142
Steel structure engineering construction of E-Da Empire Buildings by New Spring Construction Corp.	1,320,433 1,280,441	216,998 16.95%	Year 2020 6,778

- (9) Great Emperor Hotel Co., Ltd. and Kings Garden International Co., Ltd., two subsidiaries, entered into the syndicated loan agreements with Land Bank of Taiwan and First Commercial Bank in August 2014. Yieh United Steel Corp., Yieh Phui Enterprise Co., Ltd., and Yieh Hsing Enterprise Co., Ltd. issued a commitment letter before the first use that the Company and its related parties shall jointly hold more than 50% of Kings Garden International Co., Ltd. and Great Emperor Hotel Co., Ltd.'s issued shares and gain the majority of directors' seats at all times. The Group held 100% of Kings Garden International Co., Ltd. and Great Emperor Hotel Co., Ltd. and acquired all directors' seats of both companies as of March 31, 2019.
- (10) On November 8, 2018, the Group sold to San-Hsin Crop. (1) Land No. 0001-0002 in Pingbei Section, Jiadong Township, Pingtung County; (2) Land No. 0001-0027 in Pingnan Section, Fangliao Township, Pingtung County; and (3) Building No. 25 in Pingnan Section, Fangliao Township, Pingtung County. The contract price is \$625 million(tax incl). The afore-mentioned transaction price is determined by both parties upon negotiation by reference to the appraisal report made by Euro-Asia Asset Evaluation Group. In May 2019, the ownership transfer was completed in accordance with the scheduled payment terms as stipulated in the contracts, and the disposal gain was \$401,121 thousand.
- (11) In March 2020, the Group sold part of Land in Pingbei Section and Pingnan Section , Jiadong Township, Pingtung County. The total contract price is \$51,000 thousand, from which the expected disposal gain of \$35,871 thousand is derived. The above-mentioned transaction price is determined by both parties upon negotiation. As of March 31, 2019, contract deposits of \$5,100 thousand have been collected. The ownership transfer will be completed in accordance with the scheduled payment terms as stipulated in the contracts.

10. SIGNIFICANT DISASTER LOSS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS:

- (1) On May 6, 2020, the Group sold to Taoyuan Environment Scientific Co., Ltd. (1) Land No. 0001-0030 in Pingbei Section, Jiadong Township, Pingtung County; and (2) Land No. 0001-0021 in Pingbei Section, Fangliao Township, Pingtung County. The contract price is \$385,697 thousand, from which the expected disposal gain of \$270,062 thousand is derived. The afore-mentioned transaction price is determined by both parties upon negotiation by reference to the appraisal report made by Euro-Asia Asset Evaluation Group. As of May 6, 2020, contract deposits of \$10,600 thousand have been collected. The ownership transfer will be completed in accordance with the scheduled payment terms as stipulated in the contracts.

- (2) On May 6, 2020, the Group sold to Zhaoyuneng Technology Co., Ltd. (1) Land No. 0001-0021 in Pingbei Section, Jiadong Township, Pingtung County; (2) Land No. 0001-0041 in Pingbei Section, Fangliao Township, Pingtung County; and (3) Land No. 0001-0040 in Pingbei Section, Fangliao Township, Pingtung County. The contract price is \$614,557 thousand, from which the expected disposal gain of \$407,837 thousand is derived. The afore-mentioned transaction price is determined by both parties upon negotiation by reference to the appraisal report made by Euro-Asia Asset Evaluation Group. As of May 6, 2020, contract deposits of \$30,700 thousand have been collected. The ownership transfer will be completed in accordance with the scheduled payment terms as stipulated in the contracts.

12. OTHERS

(1) Seasonality or periodicity of operations

The operation of the Group's is not influenced by seasonality and periodicity.

(2) Capital risk management

There were no significant changes in the Group's policies for capital risk management for the three months ended March 31, 2020 as compared with the consolidated financial statements for the year ended December 31, 2019. Please refer to Note 12(1) of the consolidated financial statements for the year ended December 31, 2019 for the related information.

(3) Financial Instruments

(1) Financial risk of financial instruments

- i. There were no significant changes in the Group's Financial risk management policies and objectives for the three months ended March 31, 2020 as compared with the consolidated financial statements for the year ended December 31, 2019. Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2019 for the related information.

ii. The nature and degree of significant financial risks

A. Market risks

(A) Foreign exchange rate risk

- a. There were no significant changes in the nature and degree of material financial risk for the three months ended March 31, 2020 as compared with the consolidated financial statements for the year ended December 31, 2019. Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2019 for the related information.
- b. Exchange rate exposure and sensitivity analysis

March 31, 2020

				March 31, 2020		
	Amount in Foreign Currency	Exchange rate	Carring amount (New Taiwan Dollars)	Sensitivity Analysis		
				Range of change	Effects on profitor loss	Effects on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	93,947	30.225	2,838,770	Up 1%	28,388	-
USD:RMB	31,270	7.0771	945,125	Up 1%	9,451	-
EUR:USD	4,325	1.1034	144,223	Up 1%	1,442	-
Investments accounted for using equity method						
USD:NTD	24,818	30.225	750,100	Up 1%	-	7,501
Financial liabilities						
Monetary items						
USD:NTD	4,269	30.225	129,025	Up 1%	(1,290)	-
USD:RMB	131,541	7.0771	3,963,732	Up 1%	(39,637)	-
EUR:RMB	4,317	7.809	143,974	Up 1%	(1,440)	-

December 31, 2019

	Amount in Foreign Currency	Exchange rate	Carring amount (New Taiwan Dollars)	Sensitivity Analysis		
				Range of change	Effects on profitor loss	Effects on Equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	76,643	29.98	2,298,005	Up 1%	22,980	-
USD:RMB	24,564	6.9762	736,427	Up 1%	7,364	-
EUR:USD	4,323	1.1203	145,181	Up 1%	1,452	-
USD:IDR	3,322	13,924.50	101,641	Up 1%	1,016	
Investments accounted for using equity method						
USD:NTD	24,737	29.98	741,614	Up 1%	-	7,416
Financial liabilities						
Monetary items						
USD:RMB	120,368	6.9762	3,608,632	Up 1%	(36,086)	-
EUR:RMB	4,316	7.8155	144,977	Up 1%	(1,450)	-

			March 31, 2019				
			Carring amount (New Taiwan Dollars)	Sensitivity Analysis			
	Amount in Foreign Currency	Exchange rate		Range of change	Effects on profitor loss	Effects on Equity	
(Foreign currency: Functional currency)							
Financial assets							
Monetary items							
USD:NTD	109,185	30.820	3,354,998	Up 1%	33,550	-	
USD:RMB	73,461	6.7193	2,264,077	Up 1%	22,641	-	
RMB:USD	32,942	0.1490	151,100	Up 1%	1,511	-	
EUR:USD	4,316	1.1220	149,301	Up 1%	1,493	-	
Investments accounted for using equity method							
USD:NTD	24,315	30.820	749,402	Up 1%	-	7,494	
Financial liabilities							
Monetary items							
EUR:RMB	14,400	7.542	498,157	Up 1%	(4,982)	-	
USD:RMB	172,245	6.7193	5,308,586	Up 1%	(53,086)	-	

If NTD appreciates against the above-mentioned currencies, held all other variables constant, the impact generated as of March 31, 2020, December 31, 2019, and March 31, 2019 would stay the same with the reverse result.

c. Due to the exchange rate volatility, total exchange gains and losses (including realized and unrealized) from the Group's monetary items amounted to \$8,813 thousand and \$100,080 thousand for the three months ended March 31, 2020 and 2019, respectively.

(B) Price risk

Since the Group's investment in securities is classified as financial assets at FVTPL or financial assets at FVTOCI on the consolidated balance sheet, the Group does not expose to price risks of securities.

The Group mainly invests in domestic listed and unlisted stocks and beneficiary certificates. The price of such securities can be affected by changes in future value of those investment targets.

If the security price goes up or down by 1%, the post-tax profit or loss for the three months March 31, 2020 and 2019 will increase or decrease by \$7,085 thousand and \$13,027 thousand due to the increase or decrease of the fair value of financial assets measured at FVTPL. The post-tax other comprehensive income for the three months ended March 31, 2020 and 2019 will increase or decrease by \$6,312 thousand and \$7,405 thousand due to the increase or decrease of the fair value of financial assets measured at FVTOCI.

(C)Interest rate risk

The carrying amount of the Group's financial assets and financial liabilities that are exposed to interest rate risk at the reporting date is stated as follows:

Item	Carrying Amount		
	March 31, 2020	December 31, 2019	March 31, 2019
With fair value interest rate risk			
Financial assets	\$1,840,302	\$1,385,094	\$3,426,624
Financial liabilities	(1,020,119)	(1,020,554)	(1,045,909)
Net	<u>\$820,183</u>	<u>\$364,540</u>	<u>\$2,380,715</u>
With cash flow interest rate risk			
Financial assets	\$4,265,349	\$5,523,436	\$7,013,164
Financial liabilities	(50,594,056)	(49,966,792)	(52,797,398)
NET	<u>(\$46,328,707)</u>	<u>(\$44,443,356)</u>	<u>(\$45,784,234)</u>

a. Sensitivity analysis of those with fair value interest rate risk:

The Group classifies its investment in preferred stocks with fixed income as financial assets measured at FVTPL. Fair value of such preferred stock investment changes in line with the interest rate changes in the market. If the market interest rate goes up 1% and other variables are held constant, the profit or loss will decrease by \$6,534 thousand and \$28,040 thousand for the three months ended March 31, 2020 and 2019, respectively.

b. Sensitivity analysis of those with cash flow interest rate risk:

The interest-fluctuate instruments possessed by the Group were floating-interest assets (liabilities). Therefore the effective interest rate, as well as the future cash flows, changes along with the market movement. Every one percent increase in the market interest will increase (reduce) the net profit by (\$115,822) thousand and (\$114,461) thousand for the three months ended March 31, 2020 and 2019, respectively.

B.Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by counter-parties of financial instruments on the contract obligations. Credit risk of the Group mainly comes from receivables under operating activities and bank deposits and other financial instruments under investing activities. Credit risks related to operation and finance risks are managed separately.

Credit risk related to operations

To maintain the quality of accounts receivable, the Group has established the procedures for credit risk management with regards to its operations.

Risk assessment on individual customer includes factors that could affect the customer's ability to pay, such as the customer's financial status, the Group's internal credit ratings, historical transactions and current economic conditions.

Financial credit risk

The credit risks of bank deposits and other Financial instruments are measured and monitored by the Group's financial departments. The Group does not expect significant credit risk because the counterparties are creditworthy and investment-graded financial institutions, companies and government agencies without any significant default concerns. In addition, the Group does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI.

(A) Credit concentration risk

As of March 31, 2020, December 31, 2019, and March 31, 2019 the top ten clients accounted for 51.26%, 45.14%, and 34.42% of the Group's accounts receivable, indicating a credit concentration risk. However, no significant credit concentration risk was shown from the remaining accounts receivables.

(B) Measurement of expected credit impairment loss

- Accounts receivables and contract assets apply the simplified approach. Please refer to Note 6.4. for details.
- Indications for determining whether the credit risk is increased significantly: None (the Group does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI).
- Collaterals and other credit enhancement held to avoid credit risks from financial assets:

The following table shows the maximum exposure to credit risk regarding financial assets recognized in the consolidated balance sheets, pledged collateral, master netting arrangements and other credit enhancement held by the Group:

March 31, 2019	Carrying Amount	Decreased amount of maximum exposure to credit risks			
		Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	\$-	\$-	\$-	\$-	\$-
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at fair value through profit and loss	712,831	-	-	-	-
Financial assets measured at FVTOCI	631,150	-	-	-	-
Total	<u>\$1,343,981</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

December 31, 2019	Carrying Amount	Decreased amount of maximum exposure to credit risks			
		Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	\$-	\$-	\$-	\$-	\$-
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at fair value through profit and loss	717,568	-	-	-	-
Financial assets measured at FVTOCI	709,886	-	-	-	-
Total	<u>\$1,427,454</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

March 31, 2019	Carrying Amount	Decreased amount of maximum exposure to credit risks			
		Collateral	Net Settlement Agreement	Other Credit Enhancement	Total
Credit-impaired financial instruments to which impairment requirements of IFRS9 are applicable	\$-	\$-	\$-	\$-	\$-
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at fair value through profit and loss	1,304,151	-	-	-	-
Financial assets measured at FVTOCI	740,456	-	-	-	-
Total	<u>\$2,044,607</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

C.Liquidity risk

(A)Liquidity risk management

There were no significant changes in the Group's objects and policies for liquidity risk management for the three months ended March 31, 2020. Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2019 for the related information.

(B)The table below shows an analysis of the financial liabilities held by the Group with defined repayment terms based on maturity dates and undiscounted payment at maturity:

Non-derivative financial Liabilities	March 31, 2019						Carrying amount
	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	
Short-term loans	\$ 14,352,402	\$1,482,142	\$ -	\$ -	\$ -	\$ 15,834,574	\$ 15,834,574
Short-term notes and bills payable	934,000	-	-	-	-	934,000	932,620
Notes payable	796,339	94	-	-	-	796,433	796,433
Accounts payable	1,374,556	-	-	-	-	1,374,556	1,374,556
Other payables	1,173,577	-	-	-	-	1,173,577	1,173,577
Lease liabilities (including current)	5,751	3,296	9,250	26,533	60,475	105,305	87,499
Long-term loans (including current portion)	1,404,875	2,400,858	9,724,583	14,342,638	7,011,390	34,884,344	34,759,482
Guarantee deposits Received	1,896	2,554	542	10,124	3,125	18,241	18,241
Subtotal	<u>\$20,043,396</u>	<u>\$3,888,974</u>	<u>\$9,734,375</u>	<u>\$14,379,295</u>	<u>\$7,074,990</u>	<u>\$55,121,030</u>	<u>\$54,976,982</u>

Further information on lease liability maturity analysis is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease payments
Lease liabilities	<u>\$9,047</u>	<u>\$35,783</u>	<u>\$16,522</u>	<u>\$12,278</u>	<u>\$12,278</u>	<u>\$19,397</u>	<u>\$105,305</u>

December 12, 2019							
Non-derivative financial Liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Short-term loans	\$ 13,978,543	\$1,619,203	\$ -	\$ -	\$ -	\$ 15,597,746	\$ 15,597,746
Short-term notes and bills payable	934,000	-	-	-	-	934,000	931,272
Notes payable	799,785	180	-	-	-	799,965	799,965
Accounts payable	1,188,827	-	-	-	-	1,188,827	1,188,827
Other payables	1,651,603	-	-	-	-	1,651,603	1,651,603
Lease liabilities (including current)	5,766	3,310	9,279	26,621	62,343	107,319	89,282
Long-term loans (including current portion)	3,223,243	3,151,262	8,168,322	12,699,886	7,235,780	34,478,493	34,369,046
Guarantee deposits Received	2,026	1,845	559	9,972	3,131	17,533	17,533
Subtotal	<u>\$21,783,793</u>	<u>\$4,775,800</u>	<u>\$8,178,160</u>	<u>\$12,736,479</u>	<u>\$7,301,254</u>	<u>\$54,775,486</u>	<u>\$54,645,274</u>

Further information on lease liability maturity analysis is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease payments
Lease liabilities	<u>\$ 9,076</u>	<u>\$35,900</u>	<u>\$18,390</u>	<u>\$12,278</u>	<u>\$12,278</u>	<u>\$19,397</u>	<u>\$ 107,319</u>

March 31, 2019							
Non-derivative financial Liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Short-term loans	\$16,237,738	\$1,357,883	\$-	\$-	\$-	\$17,595,621	\$17,595,621
Short-term notes and bills payable	990,000	-	-	-	-	990,000	988,131
Notes payable	1,240,371	124	-	-	-	1,240,495	1,240,495
Accounts payable	1,398,953	-	-	-	-	1,398,953	1,398,953
Other payables	1,494,494	725	-	-	-	1,495,219	1,495,219
Lease liabilities (including current)	1,937	2,602	3,216	8,421	57,893	74,069	57,778
Long-term loans (including current portion)	1,649,060	4,216,390	9,359,470	15,043,973	5,039,625	35,308,518	35,201,777
Guarantee deposits Received	230	429	291	11,974	2,000	14,924	14,924
Subtotal	<u>\$23,012,783</u>	<u>\$5,578,153</u>	<u>\$9,362,977</u>	<u>\$15,064,368</u>	<u>\$5,099,518</u>	<u>\$58,117,799</u>	<u>\$57,992,898</u>
Derivative financial liabilities							
Cross currency swap contracts	<u>\$3,478</u>	<u>\$11,540</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$15,018</u>	<u>\$15,018</u>

Further information on lease liability maturity analysis is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Total undiscounted lease payments
Lease liabilities	<u>\$4,539</u>	<u>\$11,637</u>	<u>\$13,899</u>	<u>\$11,985</u>	<u>\$11,985</u>	<u>\$20,024</u>	<u>\$74,069</u>

The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(2) Types of Financial instruments

As of March 31, 2020, December 31, 2019, and March 31, 2019, the carrying amount of the various financial assets and financial liabilities is as follows:

Financial assets	March 31, 2020	December 31, 2019	March 31, 2019
Financial assets measured at amortized cost			
Cash and cash equivalents	\$4,411,238	\$5,023,717	\$8,036,423
Notes receivables and accounts receivables (including related parties)	3,327,839	3,318,115	4,308,756
Other receivables(including related parties)	345,597	193,409	160,117
Other financial assets - current	1,184,584	1,405,930	1,810,766
Refundable deposits	937,151	925,853	1,352,371
Other financial assets - noncurrent	540,208	532,827	118,356
Financial assets at fair value through profit or loss - current	421,954	428,279	289,290
Financial assets at fair value through profit or loss - noncurrent	290,877	289,289	1,014,861
Financial assets at fair value through other comprehensive income or loss - noncurrent	631,150	709,886	740,456
Financial liabilities			
Financial liabilities measured at amortized costs			
Short-term loans	15,834,574	15,597,746	17,595,621
Short-term notes and bills payable	932,620	931,272	988,131
Notes receivables and accounts payable (including related parties)	2,170,989	1,988,792	2,639,448
Other payables (including related parties)	1,173,577	1,651,603	1,495,219
Long-term loans (including current portion)	34,759,482	34,369,046	35,201,777
Guarantee deposits	18,241	17,533	14,924
Lease liabilities (including due within one year)	87,499	89,282	57,778
Financial liabilities at fair value through profit or loss - current	-	-	15,018

(4) Fair Value Information:

1. For information on fair value of financial assets and financial liabilities not measured at fair value, please refer to Note 12(3). For fair value of investment property measured at cost, please refer to Note 6.14. For fair value of investments in associates with quoted prices in an open market, please refer to Note 6.11 for details.

2. Definition of the three levels in fair value

Level 1

Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices is included in Level 1.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in off-the-run government bonds, corporate bonds, bank debentures, convertible bonds and most derivative instruments is included in Level 2.

Level 3

Unobservable inputs for the asset or liability. The fair value of the Group's investment in certain derivative instruments, equity investment without active market and investment property is included in Level 3.

3. Financial instruments not measured at fair value

Management of the Group thinks that the carrying amount of financial instruments not measured at fair value, including cash and cash equivalents, accounts receivables, other financial assets, refundable deposits, short term loans, short-term bills payable, accounts payable, lease liabilities (including current and noncurrent), long-term loans (including current portion), and deposits received, is the reasonable approximation of their fair value.

4. Fair value hierarchy:

The fair value hierarchy of financial instrument is measured at fair value on a recurring basis. Information about the Group's fair value hierarchy is disclosed in the following table:

Item	March 31, 2020			Total
	Level 1	Level 2	Level 3	
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	\$39,277	\$9,875	\$-	\$49,152
Domestic unlisted stocks	-	-	659,342	659,342
Derivative financial instruments	-	4,337	-	4,337
Financial assets measured at FVTOCI				
Domestic unlisted stocks	-	-	614,338	614,338
Domestic listed stocks	16,812	-	-	16,812
Total	<u>\$56,089</u>	<u>\$14,212</u>	<u>\$1,273,680</u>	<u>\$1,343,981</u>

Item	December 31, 2019			Total
	Level 1	Level 2	Level 3	
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	\$43,769	\$10,004	\$-	\$53,773
Domestic unlisted stocks	-	-	656,040	656,040
Derivative financial instruments	-	7,755	-	7,755
Financial assets measured at FVTOCI				
Domestic unlisted stocks	-	-	676,001	676,001
Domestic listed stocks	33,885	-	-	33,885
Total	<u>\$77,654</u>	<u>\$17,759</u>	<u>\$1,332,041</u>	<u>\$1,427,454</u>

Item	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	\$66,718	\$10,014	\$-	\$76,732
Domestic unlisted stocks	-	-	1,226,008	1,226,008
Derivative financial instruments	-	1,411	-	1,411
Financial assets measured at FVTOCI				
Domestic unlisted stocks	-	-	707,606	707,606
Domestic listed stocks	32,850	-	-	32,850
Total	<u>\$99,568</u>	<u>\$11,425</u>	<u>\$1,933,614</u>	<u>\$2,044,607</u>
Liabilities:				
<u>Recurring fair value</u>				
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	<u>\$-</u>	<u>\$15,018</u>	<u>\$-</u>	<u>\$15,018</u>

5. Fair value valuation technique for instruments measured at fair value:

- (1) The fair value of financial instruments with quoted prices in active markets is the quoted market prices. Market prices published by major trading centers and exchanges for on-the-run government bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in active markets. A market is regarded as active 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. If one of the conditions fails, the market is not deemed active. In general, indications of an inactive market include a wide bid-ask spread, a significant increase in the bid-ask spread and low level of trading volume.

The fair value of financial instruments with active markets held by the Group are stated by their natures and types as follows:

- a. Listed stocks: closing prices
- b. Open-end funds: net worth
- (2) Except for financial assets with an active market, the fair value of other financial assets is obtained either based on the valuation technique or by reference to the quotes from counter-parties. Fair value can be obtained by using a valuation technique that refers to the fair value of financial instruments having substantially the same terms and characteristics, the discounted cash flow method, or other valuation technique e.g. the one that applies market information available on the balance sheet date to a pricing model for calculation.

The fair value of the Group's holding of unlisted stocks for which no active market exists is estimated by using the market approach, which refers to the valuation of similar entities, quoted prices from a third party, the net worth of an entity and the operating performance. In addition, the significant unobservable inputs mainly comprise liquidity discount, in which the possible changes would not result in a potentially material financial effect. Therefore, the Group does not disclose the quantitative information.

- (3) When evaluating financial instruments that are non-standard and with lower complexity, e.g. debt instruments with no active markets, interest rate swaps, foreign exchange swaps and options, the Group adopts valuation techniques that are commonly used by market participants. The parameters used in the valuation models for those financial instruments are normally observable data in the market.
 - (4) Valuation of derivative financial instruments adopts valuation models that are commonly used by market participants, e.g. discounted cash flows method and option pricing model.
 - (5) Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, when needed, estimates from the valuation model would be adjusted based on additional parameters, e.g. model risk or liquidity risk. According to the Group's policies of fair value valuation management and relevant control procedures, the Group's management considers that valuation adjustments as being necessary and appropriate for a fair and just presentation of financial and non-financial instruments on the consolidated balance sheet. Every price data and parameters used in the valuation is reviewed thoroughly and adjusted for current market conditions.
 - (6) The Group incorporates the adjustment of credit risk assessment into the fair value measurement of financial and non-financial instruments to reflect the credit risk of counter-party and the credit quality of the Group.
6. Transfers between Level 1 and Level 2 fair value hierarchy: None.
7. Statement of changes in Level 3 fair value hierarchy:

Item	Investment in unquoted financial instruments	
	Three Months Ended March 31	
	2020	2019
Beginning balance	\$1,332,041	\$1,905,843
Recognized in profit and loss	3,301	4,232
Recognized in other comprehensive income	(61,662)	23,539
Ending balance	<u>\$1,273,680</u>	<u>\$1,933,614</u>

8. Valuation process for Level 3 fair value measurement:

Valuation process regarding fair value Level 3 is conducted by the Group's finance department, by which the independence of fair value of financial instruments is verified through use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed so as to ensure their reasonableness.

(5) Transfer of financial assets:**1. Transferred financial assets fully derecognized**

The Group entered accounts receivable factoring agreement with Chang Hwa Bank. According to the contract, the Group does not bear the risk of default over the transferred accounts receivables but only the loss from trade disputes. As the Group did not have any continued participation over those transferred accounts receivables, they were derecognized from the accounts. Information on outstanding receivables is as follows:

March 31, 2020 :

<u>Counter-party</u>	<u>Factoring Amount</u>	<u>Amount Collected in Cash</u>	<u>Advance Amount - End of the Period</u>	<u>Annual Interest Rate for the Advance Amount</u>	<u>Line of Credit</u>
Chang Hwa Bank	13,512 (EUR 409)	-	12,161 (EUR 368)	1.16464%	EUR 3,200

December 31, 2019 :

<u>Counter-party</u>	<u>Factoring Amount</u>	<u>Amount Collected in Cash</u>	<u>Advance Amount - End of the Period</u>	<u>Annual Interest Rate for the Advance Amount</u>	<u>Line of Credit</u>
Chang Hwa Bank	27,884 (EUR 829)	-	25,096 (EUR 746)	1.16464%	EUR 3,200

March 31, 2019 :

<u>Counter-party</u>	<u>Factoring Amount</u>	<u>Amount Collected in Cash</u>	<u>Advance Amount - End of the Period</u>	<u>Annual Interest Rate for the Advance Amount</u>	<u>Line of credit</u>
Chang Hwa Bank	1,530 (EUR 44)	-	- (EUR -)	-	EUR 1,200

2. Transferred financial assets not fully derecognized: None**(6) Offsetting financial assets and financial liabilities: None.**

13. SUPPLEMENTARY DISCLOSURES

A. Significant transactions information

- (a) Loans to others: Please see Table 1 attached.
- (b) Endorsements and guarantees provided to others: Please see Table 2 attached.
- (c) Marketable securities held (excluding investments in subsidiaries and associates) at the end of the period: Please see Table 3 attached.
- (d) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- (e) Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: Please see Table 4 attached.
- (f) Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- (g) Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: Please see Table 5 attached.
- (h) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached.
- (i) Information about the derivative financial instruments transaction: Please see Note 6.2. for details.
- (j) The business relationship between the parent and the subsidiaries and significant transactions between them: Please see Table 7 attached.

B. Information on investees (before consolidated elimination): Please see Table 8 attached.

C. Information on investment in Mainland China (before consolidated elimination): Please see Table 9 attached.

D. Information on major shareholders (including name of the shareholders with shareholding above 5%, shares held and shareholding ratio): Please see Table 10 attached.

TABLE 1

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Loans to Others
March 31, 2020

Unit: Thousands of NT Dollar/ Foreign Currency

No.	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance for the period	Ending balance	Amount actually drawn	Interest rate	Nature of loan	Transaction amount	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted
													Item	Value		
1	Yieh Phui (Hong Kong) Holdings Limited	Yieh Phui (China) Technomaterial Co., Ltd.	Long-term receivable – related party and Other receivables - related party	Y	3,893,985 (RMB 20,160) (USD 121,240) (EUR 4,300)	3,893,985 (RMB 20,160) (USD 121,240) (EUR 4,300)	2,972,122 (RMB 20,160) (USD 90,740) (EUR 4,300)	2.00%– 7.6925%	2	—	Operating capital	—	—	—	10,087,454 (Note 3)	10,087,454 (Note 3)
2	Yieh Phui (China) Technomaterial Co., Ltd.	Tianjin Lianfa Precision Steel Corporation	Long-term receivable – related party	Y	108,990 (RMB 25,000)	106,770 (RMB 25,000)	106,770 (RMB 25,000)	4.00%	2	—	Operating capital	—	—	—	10,087,454 (Note 3)	10,087,454 (Note 3)
3	Good Honor Holdings Ltd.	Yieh Phui (Hong Kong) Holdings Limited	Long-term receivable – related party	Y	136,125 (USD 4,500)	136,013 (USD 4,500)	136,013 (USD 4,500)	—	2	—	Operating capital	—	—	—	10,087,454 (Note 3)	10,087,454 (Note 3)
4	Shin Yang Steel Co., Ltd.	Yieh Phui (Hong Kong) Holdings Limited	Other receivables - related party	Y	302,250	302,250	302,250	4.00%	2	—	Operating capital	—	—	—	366,299 (Note 2)	366,299 (Note 1)
5	Applied Wireless Identifications Group, Inc.	Yieh Phui (Hong Kong) Holdings Limited	Other receivables - related party	Y	66,550 (USD 2,200)	66,495 (USD 2,200)	66,495 (USD 2,200)	4.00%	2	—	Operating capital	—	—	—	86,156 (Note 2)	86,156 (Note 1)

(Note 1) The maximum amount of total loans to others shall not exceed 40% of the creditor's net worth.

(Note 2) The maximum amount of loans granted to a single entity shall not exceed 40% of the creditor's net worth.

(Note 3) Total loans between foreign entities that are 100% owned directly or indirectly by the Company shall not exceed 40% of the Company's net worth and loans to a single entity shall not exceed 40% of the Company's net worth.

(Note 4) Nature of loans is classified as follows: Entities having business relations with the Company is '1'; entities with needs for short-term financing is '2'.

(Note 5) Transactions between the aforesaid subsidiaries and the parent company have been written off.

TABLE 2

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Endorsements and Guarantees Provided to Others
March 31, 2020

Unit: Thousands of NT Dollar/ Foreign Currency

No.	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsement/ guarantees provided for a single party	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantees collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statement	Maximum endorsement/ guarantee allowable	Guarantee provided by parent company to subsidiary	Guarantee provided by a subsidiary to parent company	Guarantee provided to subsidiaries in Mainland China
		Company name	Relationship with the endorser/ guarantor										
0	Yieh Phui Enterprise Co., Ltd. (Note 1)	Yieh Phui (China) Technomaterial Co., Ltd.	Sub-subsidiary of the Company	25,218,634	6,484,905 (RMB 1,487,500)	6,352,815 (RMB 1,487,500)	2,282,209 (RMB 534,375)	—	25.19%	25,218,634	Y	—	Y
		Shin Yang Steel Co., Ltd.	Subsidiary of the Company	25,218,634	1,236,000	1,236,000	925,175	336,000	4.90%	25,218,634	Y	—	—
		Yieh Phui (Hong Kong) Holdings Limited	Subsidiary of the Company	25,218,634	5,687,000 (USD 188,000)	4,171,050 (USD 138,000)	2,805,885 (USD 85,240) (RMB 20,160) (EUR 4,300)	—	16.54%	25,218,634	Y	—	—
1	Shin Phui Steel Corporation (Note 2)	Yieh Phui Enterprise Co., Ltd.	Parent company of the company	1,081,316	942,230	942,230	942,230	942,230	435.69%	1,081,316	—	Y	—
2	Kings Garden International Co., Ltd. (Note 3)	Great Emperor Hotel Co., Ltd.	(Note 9)	29,365,236	7,186,000	7,186,000	5,980,000	7,186,000	171.30%	29,365,236	—	—	—
3	Great Emperor Hotel Co., Ltd. (Note 4)	Kings Garden International Co., Ltd.	(Note 9)	26,305,741	7,413,000	7,413,000	6,008,000	7,413,000	197.26%	26,305,741	—	—	—
4	Shin Yang Steel Co., Ltd. (Note 6)	Yieh Phui Enterprise Co., Ltd.	Parent company of the company	2,747,239	900,000	900,000	490,000	900,000	98.28%	2,747,239	—	Y	—
5	Yieh Phui (China) Technomaterial Co., Ltd. (Note 5)	Tianjin Lianfa Precision Steel Corporation	Subsidiary of the Company	8,245,668	43,291 (RMB 9,930)	42,409 (RMB 9,930)	42,409 (RMB 9,930)	—	0.51%	8,245,668	Y	—	Y
6	Champion Logistic Inc. (Note 7)	Yieh Phui (Hong Kong) Holdings Limited	The same ultimate parent company	464,409 (USD 15,365)	484,000 (USD 16,000)	453,375 (USD 15,000)	405,237 (USD 13,904)	434,281 (USD 14,368)	97.62%	464,409 (USD 15,365)	—	—	—

- (Note 1): The maximum amount of endorsement/guarantee provided by the Company shall not exceed the Company's net worth. The same limit applies to the endorsement/guarantee provided by the Company to a single subsidiary.
- (Note 2): The maximum amount of endorsement/guarantee provided by Shin Phui shall not exceed 5 times of Shin Phui's net worth. The same limit applies to the endorsement/guarantee provided by Shin Phui to a single entity.
- (Note 3): The maximum amount of endorsement/guarantee provided by Kings Garden International Co., Ltd. shall not exceed 7 times of Kings Garden's net worth. The same limit applies to the endorsement/guarantee provided by Kings Garden International Co., Ltd. to a single entity.
- (Note 4): The maximum amount of endorsement/guarantee provided by Great Emperor Hotel Co., Ltd. shall not exceed 7 times of Great Emperor Hotel's net worth. The same limit applies to endorsement/guarantee provided by Great Emperor Hotel Co., Ltd. to a single entity.
- (Note 5): The maximum amount of endorsement/guarantee provided by Yieh Phui (China) Technomaterial Co., Ltd. shall not exceed the net worth of Yieh Phui (China) Technomaterial Co., Ltd. The same limit applies to the endorsement/guarantee provided Yieh Phui (China) Technomaterial Co., Ltd. to a single subsidiary.
- (Note 6): The maximum amount of endorsement/guarantee provided by Shin Yang shall not exceed 3 times of Shin Yang's net worth. The same limit applies to the endorsement/guarantee provided by Shin Yang to a single entity.
- (Note 7): The maximum amount of endorsement/guarantee provided by Champion Logistic Inc. shall not exceed 100% of its net worth; the same limit applies to the endorsement/guarantee provided by Champion Logistic Inc. to a single entity.
- (Note 8): The net worth referred to above is based on the latest financial statements audited or reviewed by independent auditors.
- (Note 9): Mutually guaranteed companies based on the need of construction contract.

TABLE 3

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Marketable securities held at the end of the period (not including subsidiaries, associates and joint ventures)
March 31, 2020

Unit: Thousands of NT Dollar/ Foreign Currency

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2020				Note
				Shares (in thousands)	Carrying value	Ownership (%)	Fair value	
Yieh Phui Enterprise Co., Ltd.	Fund/ Schroder 2023 Maturity Asian Emerging Bond Fund	None	Financial assets at fair value through profit or loss - current	25	6,811	—	6,811	
	Fund/ Fubon 3-Year Maturity Asia USD Bond Fund	None	Financial assets at fair value through profit or loss - current	500	4,552	—	4,552	
	Fund/ Neuberger Berman High Quality Corporate Bond Fund	None	Financial assets at fair value through profit or loss - current	500	4,530	—	4,530	
	Fund/ Manulife Fixed Term 7 Year Ladder Maturity Emerging Market Bond Fund	None	Financial assets at fair value through profit or loss - current	15	4,531	—	4,531	
	Fund/HSBC Three to Four Year Maturity Emerging Asia Bond Fund	None	Financial assets at fair value through profit or loss - current	17	5,085	—	5,085	
	Preferred stock/ Eliter International Corp.- Preferred stock D	An investee accounted for using equity method	Financial assets at fair value through profit or loss - current	26,275	285,399	—	285,399	
		Total			310,908		310,908	
	Financial bonds/ Bank of Panhsin Sinsing Branch – 2014 First term subordinated financial bonds	None	Financial assets at fair value through profit or loss - noncurrent	10,000	9,875	—	9,875	
	Preferred stock/ Eliter International Corp.- Preferred stock E	An investee accounted for using equity method	Financial assets at fair value through profit or loss - noncurrent	19,706	211,978	—	211,978	
		Total			221,853	—	221,853	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Shares (in thousands)	Carrying value	Ownership (%)	Fair value	Note
Yieh Phui Enterprise Co., Ltd.	Stock/ TaiwanVes-Power Co., Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income or loss - noncurrent	1,800	50,559	3.60%	50,559	
	Stock/ New Spring Construction Corp.	Related party in substance	Financial assets at fair value through other comprehensive income or loss - noncurrent	15,187	112,438	15.49%	112,438	
	Stock/ Ascentke Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	1,693	16,139	6.42%	16,139	
	Stock/ Taiwan Implant Technology Company, Ltd.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	701	4,560	4.20%	4,560	
	Stock/ Sunny Bank	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	4,367	34,528	0.17%	34,528	
	Stock/ Universal Venture Capital Investment Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	1,100	6,184	0.91%	6,184	
	Stock/ Yieh Corporation Limited	Related party in substance	Financial assets at fair value through other comprehensive income or loss - noncurrent	200	76,905	4.82%	76,905	
	Stock/ Pacific Harbor Stevedoring Corporation	Director of the entity is the Company's director	Financial assets at fair value through other comprehensive income or loss - noncurrent	150	4,091	3.00%	4,091	
	Stock/ Image DJ Software Corp.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	24	535	0.96%	535	
	Stock/ Chao-Feng Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	1,000	6,844	0.79%	6,844	
	Stock/ Skylark International Hotel Co.,Ltd.	Related party in substance	Financial assets at fair value through other comprehensive income or loss - noncurrent	20,528	288,250	13.68%	288,250	
	Stock/ Neolink Capital Corp.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	1,500	9,214	2.41%	9,214	
	Stock/ Asia Pacific Telecom Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - noncurrent	2,949	16,812	—	16,812	
		Total			627,059		627,059	
Worthing Honor Holdings Ltd.	Stock/ SEE Corporation None Financial assets at fair value through profit	None	Financial assets at fair value through profit or loss - current	1	—	—	—	
EMMT Systems Corporation	Stock/ Rodan (Taiwan) Ltd.	None	Financial assets at fair value through other comprehensive income - noncurrent	17	—	0.73%	—	
Kuo Chang Enterprise Co., Ltd.	Preferred stock/ Eliter International Corp.- Preferred stock D	An investee of the Parent Company under equity method	Financial assets at fair value through profit or loss - current	1,997	21,592	—	21,592	
	Preferred stock/ Eliter International Corp.- Preferred stock E	An investee of the Parent Company under equity method	Financial assets at fair value through profit or loss - noncurrent	1,498	16,014	—	16,014	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Shares (in thousands)	Carrying value	Ownership (%)	Fair value	Note
United Brightening Development Corp.	Preferred stock/ Eliter International Corp.- Preferred stock D	An investee of the Parent Company under equity method	Financial assets at fair value through profit or loss - current	639	6,909	—	6,909	
	Preferred stock/ Eliter International Corp.- Preferred stock E	An investee of the Parent Company under equity method	Financial assets at fair value through profit or loss - noncurrent	479	5,125	—	5,125	
Yieh Hsing Enterprise Co., Ltd	Fund/ SinoPac CSI 300 Dividend Index Fund	None	Financial assets at fair value through profit or loss - current	221	3,678	—	3,678	
	Fund/ Manulife Fixed Term 7 Year Ladder Maturity Emerging Market Bond Fund	None	Financial assets at fair value through profit or loss - current	15	4,532	—	4,532	
	Fund/ Yuanta Taiwan High-yield Leading Company Fund	None	Financial assets at fair value through profit or loss - current	300	3,000	—	3,000	
	Fund/ Dah-Fa Fund	None	Financial assets at fair value through profit or loss - current	62	1,721	—	1,721	
	Fund/ Amundi TW - Emerging Markets High Yield Bond Fund	None	Financial assets at fair value through profit or loss - current	100	837	—	837	
	Preferred stock/Eliter International Corp.- Preferred stock D	An investee accounted for using equity method	Financial assets at fair value through profit or loss - current	5,934	64,440	—	64,440	
	Total				78,208	—	78,208	
	Preferred stock/Eliter International Corp.- Preferred stock E	An investee accounted for using equity method	Financial assets at fair value through profit or loss - noncurrent	4,450	47,885	—	47,885	
	Pacific Harbor Stevedoring Corporation	Director of the entity is the Company's chairman	Financial assets at fair value through other comprehensive income - noncurrent	150	4,091	3.00%	4,091	

TABLE 4

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Acquisition of individual Real Estate Properties at Costs of At Least NT\$300 Million or 20% of the Paid-in Capital
For the Three Months Ended March 31, 2020

Company name	Real estate	Transaction date	Transaction amount	Payment terms	Counterparty	Relationship with the seller	Prior transaction of related counterparty				Price reference	Purpose of acquisition	Other terms
							Owner	Relationship	Transfer Date	Amount			
Kings Garden International Co., Ltd.	Construction of commercial building at E-da Asia Plaza	January 28, 2014 ~ January 13, 2020	5,399,904	4,702,299	New Spring Construction Corp., Taiwan Cement Corporation, Yieh Hsing Enterprise Co., Ltd. and Yieh Phui Enterprise Co., Ltd. Union Engineering Co., Ltd. Teco Electric & Machinery Co., Ltd., Hsin Kao Gas Co., Ltd. etc.	Related party in substance, Parent company, ultimate parent company	—	—	—	—	Determined at prices agreed on by both parties upon negotiation or through price comparison with reference to appraisal reports issued by professional appraisal institutions	To build a boutique shopping mall	None
Great Emperor Hotel Co., Ltd.			5,981,009	4,489,481								For development of an international hotel	

Note: Transactions between the aforesaid subsidiaries and the parent company are eliminated.

TABLE 5

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Purchases from or Sales to Related Parties of at Least NT\$100 Million or 20% of the Paid-in Capital
March 31, 2020

Unit: Thousands of NT Dollars/Foreign Currency

Purchaser/ seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Note
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Yieh Phui Enterprise Co., Ltd.	Yieh Hong Enterprise Co., Ltd.	Related party in substance	Purchases	409,812	9.88%	T/T or Sight L/C before goods acceptance.	—	—	—	—	—
	Yieh Corporation Limited	Related party in substance	Sales	201,858	3.28%	1-2 months	—	—	—	—	—
	Asiazone Co., Limited	An investee accounted for using equity method	Sales	301,810	4.91%	1-2 months	—	—	278,051	17.46%	Accounts receivable
	Shin Yang Steel Co., Ltd.	Subsidiary of the Company	Sales	179,222	2.92%	1-2 months	—	—	76,961	4.83%	Accounts receivable
	New Spring Construction Corp.	Related party in substance	Sales	212,256	3.45%	Pursuant to the agreement	—	—	91,056	5.72%	Accounts receivable
Yieh Phui (Hong Kong) Holdings Limited	Yieh United Steel Corporation	An investee of the Parent Company under equity method	Sales	219,947 (USD 7,292)	100%	The agreed period is 3 months, but a grace period may be granted by mutual agreement.	—	—	476,739 (USD 15,773)	90.99%	Accounts receivable
Yieh Phui (China) Technomaterial Co., Ltd.	Tianjin Lianfa Precision Steel Corporation	Subsidiary	Sales	289,213 (RMB 67,024)	6.12%	1-2 months	—	—	232,066 (RMB 54,338)	40.72%	Accounts receivable
Yieh Hsing Enterprise Co., Ltd.	Yieh United Steel Corporation	An investee accounted for using equity method	Purchases	769,647	75.14%	T/T or Sight L/C before goods acceptance.	—	—	—	—	—

Note: Transactions between the aforesaid subsidiaries and the parent company are eliminated.

TABLE 6

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Receivables from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
March 31, 2020

Unit: Thousands of NT Dollars/Foreign Currency

Creditor	Counterparty	Relationship with the counterparty	Ending balance	Turnover rate	Overdue receivables		Amount collected subsequent to the end of the reporting period (Note 3)	Allowance for doubtful accounts
					Amount	Action taken		
Yieh Phui Enterprise Co., Ltd.	Asiazone Co., Limited	Associate	278,051	5.40	—	—	131,197	—
Yieh Phui (Hong Kong) Holdings Limited	Yieh Phui (China) Technomaterial Co., Ltd.	Subsidiary	2,972,122 (RMB 20,160) (USD 90,740) (EUR 4,300)	(Note 1)	—	—	921,863 (USD 30,500)	—
	Yieh United Steel Corporation	An investee of the Parent Company under equity method	476,739 (USD 15,773)	1.96	—	—	—	—
Shin Yang Steel Co., Ltd.	Yieh Phui (Hong Kong) Holdings Limited	The same ultimate parent company	302,250	(Note 1)	—	—	—	—
Yieh Phui (China) Technomaterial Co., Ltd.	Tianjin Lianfa Precision Steel Corporation	Subsidiary	106,770 (RMB 25,000)	(Note 1)	—	—	—	—
			232,066 (RMB 54,338)	5.38	—	—	RMB 21,944	—
Good Honor Holdings Ltd.	Yieh Phui (Hong Kong) Holdings Limited	Subsidiary	136,013 (USD 4,500)	(Note 1)	—	—	—	—
Yieh Hsing Enterprise Co., Ltd.	Yieh United Steel Corporation	An investee accounted for using equity method	236,932	(Note 2)			236,932	

(Note 1): These are accounts receivable financing, on which the calculation of turnover doesn't apply.

(Note 2): Yieh United Steel Corporation shall pay the group's purchase quantity discount according to the contract.

(Note 3): Amounts received as of May 6, 2020.

(Note 4): Transactions between the aforesaid subsidiaries and the parent company have been written off.

TABLE 7

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Intercompany Relationship and Significant Intercompany Transactions
March 31, 2020

Individual transactions not exceeding NT\$50,000 thousand are not disclosed. Transactions disclosed in assets or revenue will not be disclosed in the opposite transaction.

Unit: Thousands of NT Dollars

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				Account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Yieh Phui Enterprise Co., Ltd.	Shin Phui Steel Corporation	1	Right-of-use asset	72,500	—	0.09%
		Shin Yang Steel Co., Ltd.	1	Sales revenue	179,222	—	1.42%
				Accounts receivable	76,961		0.09%
1	Shin Yang Steel Co., Ltd.	Yieh Phui (Hong Kong) Holdings Limited	2	Other receivables	302,250	—	0.36%
2	Yieh Phui (Hong Kong) Holdings Limited	Yieh Phui (China) Technomaterial Co., Ltd.	1	Long-term receivables	2,972,122 (RMB 20,160) (USD 90,740) (EUR 4,300)	—	3.55%
3	Yieh Phui (China) Technomaterial Co., Ltd.	Tianjin Lianfa Precision Steel Corporation	1	Sales revenue	289,213 (RMB 67,024)	—	2.29%
				Accounts receivable	232,066 (RMB 54,338)	—	0.28%
				Long-term receivables	106,770 (RMB 25,000)	—	0.13%
4	Good Honor Holdings Ltd.	Yieh Phui (Hong Kong) Holdings Limited	3	Long-term receivables	136,013 (USD 4,500)	—	0.16%

5	Applied Wireless Identifications Group, Inc.	Yieh Phui (Hong Kong) Holdings Limited	3	Long-term receivables	66,495 (USD 2,200)	—	0.08%
6	Hong Yuh Assets Management Co., Ltd.	Lien-Hsin steel Co., Ltd.	1	Other receivables	50,160	—	0.06%
7	Kings Garden International Co., Ltd.	Yieh Phui Enterprise Co., Ltd.	2	Land	2,522,985	(Note 4)	3.01%
8	Great Emperor Hotel Co., Ltd.	Yieh Hsing Enterprise Co., Ltd.	2	Land	2,445,476	(Note 4)	2.92%
9	Yieh Hsing Enterprise Co., Ltd.	Kings Garden International Co., Ltd.	1	Construction in progress	79,906	—	0.10%
		Great Emperor Hotel Co., Ltd.	1	Construction in progress	76,564	—	0.09%

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

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

Note 4: Gain from disposal of \$4,968,461 thousand is derived from the proceeds of sale of \$7,633,283 thousand less land value increment tax of \$20,491 thousand and book value of \$2,644,331 thousand. However, as it is unrealized gain from downstream transactions between the parent company and its subsidiary, this amount was eliminated.

Note 5: Transactions between the aforesaid subsidiaries and the parent company have been written off.

TABLE 8

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Information on Investees
March 31, 2020

Unit: Thousands of NT Dollar/ Foreign Currency

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Yieh Phui Enterprise Co., Ltd.	Yieh Phui (Hong Kong) Holdings Limited	Hong Kong	Investment	7,455,887	7,455,887	233,500	100%	8,213,734	(125,682)	(125,682)	
	Champion Logistic Inc.	Samoa	Investment	504,629	504,629	13,000	89.66%	418,295	2,147	1,925	
	Eliter International Corp.	Kaohsiung City	Construction of buildings	2,833,595	2,833,595	283,584	32.84%	2,653,054	(54,323)	(13,499)	
	Yieh Hsing Enterprise Co., Ltd.	Kaohsiung City	Wire rods trading	2,260,228	2,252,564	304,370	57.36%	1,112,092	(189,352)	(105,170)	
	Tangeng Iron Works Co., Ltd.	Kaohsiung City	Steel trading	1,453,572	1,453,572	39,553	11.30%	1,160,306	(528,117)	(59,682)	
	E-Da Development Corp.	Kaohsiung City	Leisure development	2,096,196	2,096,196	209,619	28.44%	1,168,803	(109,309)	(26,828)	
	United Brightening Development Corp.	Kaohsiung City	Technical consultation for steel products manufacturing	1,836,383	1,836,383	152,972	95.56%	1,517,040	(73,836)	(70,559)	
	Shin Yang Steel Co., Ltd.	Kaohsiung City	Steel products related business	870,000	870,000	87,000	100%	880,657	(36,056)	(35,906)	
	Yieh Mau Corp.	Kaohsiung City	Trading & manufacturing	422,605	422,605	51,124	23%	605,955	(38,080)	(8,757)	
	Kuo Chang Enterprise Co., Ltd.	Kaohsiung City	Wholesale of hardware	1,307,236	1,287,428	102,468	99.04%	1,055,702	(44,677)	(44,248)	
	Asiazone Co., Limited	Hong Kong	Steel trading	595,424	595,424	15,090	32.80%	655,840	3,151	1,034	
	Shin Phui Steel Corporation	Kaohsiung City	Trading of steel products	185,736	185,736	20,715	100%	219,459	1,610	1,844	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Yieh Phui Enterprise Co., Ltd.	Sin Bang Investment & Development Co., Ltd.	Kaohsiung City	Investment	265,809	265,809	19,313	100%	214,499	(10,952)	(10,952)	
	EMMT Systems Corporation	Taichung City	Manufacturing and marketing of military specification printed circuit boards	308,076	308,076	33,187	78.10%	458,265	31,357	24,490	
	Good Honor Holdings Ltd.	British Virgin Islands	Investment	14,723	14,723	46	100%	161,285	5	5	
	Gen-Wan Technology Corp.	Kaohsiung City	Telecommunication	148,610	148,610	2,814	86.99%	38,951	2,316	2,015	
	Cheng Shin Security Co., Ltd.	Kaohsiung City	Security	14,000	14,000	1,400	35%	11,958	(2,200)	(770)	
	E-Da Bus Transportation Co., Ltd.	Kaohsiung City	Bus transportation	49,755	49,755	1,845	17.09%	7,208	(14,833)	(2,534)	
	E-DA Tour Bus Co., Ltd.	Kaohsiung City	Bus transportation	20,900	20,900	1,349	19%	13,299	(410)	(78)	
	Worthing Honor Holdings Ltd.	Kaohsiung City	Cultural creativity	6,672	6,672	100	100%	2,787	-	-	
	E United Japan Co., Ltd.	British Virgin Islands	Investment	8,027	8,027	-	47%	3,845	(117)	(55)	
	Skylark Hot Spring & Resort Corp.	Japan	Steel trading	11,700	11,700	1,170	14.63%	-	(723)	-	
	E-Da Entertainment Co., Ltd.	Kaohsiung City	Hotel industry	74,100	74,100	7,410	19%	39,160	(209)	(40)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Yieh Phui Enterprise Co., Ltd.	Li Hui Development Co., Ltd.	Kaohsiung City	Investment	321,216	321,216	64,045	44.56%	310,570	(821)	(366)	(Note 1)
	Ji Chang Enterprise Co., Ltd.	Kaohsiung City	Investment	5,050	5,050	1,042	45%	4,798	(12)	(5)	(Note 1)
	Yieh United Steel Corporation	Kaohsiung City	Steel products related businesses	5,012,114	4,995,078	674,431	25.74%	3,017,145	(763,847)	(203,235)	(Note 1)
	Hong Yuh Assets Management Co., Ltd.	Kaohsiung City	Management service	1,167,200	1,167,200	119,920	80%	475,229	(34,711)	(27,769)	
	E-Da Visual Effects Company Limited.	Kaohsiung City	Entertainment industry	10,393	10,393	1,470	49%	-	(1,954)	-	
	Lian So(H.K) Co., Limited	Hong Kong	Investment	507,342	507,342	16,560	80%	305,784	(11,865)	(9,492)	
	E-Da Health Biotechnology Co., Ltd.	Kaohsiung City	Manufacturer of food additives	3,800	3,800	380	19%	3,703	(9)	(2)	
	Yieh Phui America Inc.	U.S.	Trading of steel products	292	292	1	100%	627	735	735	
	Great Emperor Hotel Co., Ltd.	Kaohsiung City	Hotel industry	1,514,100	1,514,100	147,000	41.18%	1,451,209	(5,361)	(2,207)	
	Prepayment for stock subscription - Great Emperor Hotel Co., Ltd.	Kaohsiung City	Hotel industry	233,597	133,597	-	-	233,597	-	-	
	Kings Garden International Co., Ltd.	Kaohsiung City	Leasing, sales, and development of residential and commercial buildings, and department stores	2,193,900	2,121,800	213,000	50.12%	2,102,452	(8,484)	(4,181)	
	Total			33,712,867	33,496,259	-	-	28,517,308	(2,014,619)	(719,969)	

Note 1: Due to cross ownership and the adoption of equity method between the Company and Yieh United Steel Corporation and its subsidiaries, Li Hui Development Co., Ltd. and Ji Chang Enterprise Co., Ltd., investment income/loss is accounted for using the treasury stock approach. Thus, the income/loss of investee for the period excludes income/loss accounted for using equity method by Yieh United Steel Corporation in relation to the Company.

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Shin Phui Steel Corporation	Groupco Technology Inc.	Taichung City	RADIO	37,492	37,492	3,830	42.53%	4,000	206	88	
	Yieh United Steel Corporation	Kaohsiung City	Steel products related businesses	24,562	24,562	3,178	0.12%	14,307	(763,847)	(478)	(Note 1)
	Great Emperor Hotel Co., Ltd.	Kaohsiung City	Hotel industry	515	515	50	0.01%	494	(5,361)	(1)	
	Kings Garden International Co., Ltd.	Kaohsiung City	Leasing, sales, and development of residential and commercial buildings, and department stores	515	515	50	0.01%	494	(8,484)	(1)	
Gen-Wan Technology Corp.	EMMT Systems Corporation	Taichung City	Manufacturing and marketing of military specification printed circuit boards	27,630	27,630	3,178	7.48%	43,884	31,357	2,345	
EMMT Systems Corporation	Groupco Technology Inc.	Taichung City	RADIO	45,000	45,000	4,500	49.97%	4,699	206	103	
	Applied Wireless Identifications Group, Inc.	San Francisco, US	RFID	242,545	242,545	40,488	91.47%	202,136	5,745	5,255	
	UniPattern Corporation	Taipei City	Manufacturing of computer and peripherals	54,960	54,960	5,200	43.33%	54,580	4,094	1,774	
Applied Wireless Identifications Group, Inc.	AWID Asia Co., Ltd.	Kaohsiung City	Telecommunications equipment wholesale	75,835 (USD 2,509)	75,220 (USD 2,509)	3,030	100%	16,089 (USD 532)	(1,646) (USD 55)	(1,646) (USD 55)	

Note 1: Due to cross ownership and the adoption of equity method between the Company and Yieh United Steel Corporation, investment income/loss is accounted for using the treasury stock approach. Thus, the income/loss of investee for the period excludes income/loss accounted for using equity method by Yieh United Steel Corporation in relation to the Company.

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Shin Yang Steel Co., Ltd.	Yieh United Steel Corporation	Kaohsiung City	Steel products related businesses	17,385	17,385	2,195	0.08%	9,886	(763,847)	(330)	(Note 1)
Sin Bang Investment & Development Co., Ltd.	Tangeng Iron Works Co., Ltd.	Kaohsiung City	Steel trading	265,482	265,482	7,224	2.07%	211,919	(528,117)	(10,900)	
Kuo Chang Enterprise Co., Ltd.	Yieh United Steel Corporation	Kaohsiung City	Steel products related businesses	439,197	439,197	56,817	2.17%	255,827	(763,847)	(8,540)	(Note 1)
	Eliter International Corp.	Kaohsiung City	Construction of buildings	219,977	219,977	21,558	2.50%	201,157	(54,323)	(1,599)	
	Tangeng Iron Works Co., Ltd.	Kaohsiung City	Steel trading	786,714	786,714	21,328	6.09%	924,036	(528,117)	(32,182)	
United Brightening Development Corp.	Chao Ying Investment Development Co., Ltd.	Kaohsiung City	Investment	341,992	341,992	30,400	100%	262,511	(13,461)	(13,461)	
	Yieh United Steel Corporation	Kaohsiung City	Steel products related businesses	449,508	449,508	58,151	2.22%	261,833	(763,847)	(8,740)	(Note 1)
	Champion Logistic Inc.	Samoa	Investment	49,376	49,376	1,500	10.34%	48,265	2,147	222	
	Tangeng Iron Works Co., Ltd.	Kaohsiung City	Steel trading	1,177,838	1,177,838	32,050	9.16%	1,368,487	(528,117)	(48,360)	
	Eliter International Corp.	Kaohsiung City	Construction of buildings	70,393	70,393	6,898	0.8%	64,378	(54,323)	(512)	

Note 1: Due to cross ownership and the adoption of equity method between the Company and Yieh United Steel Corporation , investment income/loss is accounted for using the treasury stock approach. Thus, the income/loss of investee for the period excludes gain/loss accounted for using equity method by Yieh United Steel Corporation in relation to the Company.

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Chao Ying Investment Development Co., Ltd.	Tangeng Iron Works Co., Ltd.	Kaohsiung City	Steel trading	336,957	336,957	8,898	2.54%	261,027	(528,117)	(13,426)	
Hong Yuh Assets Management Co., Ltd.	Lien-Hsin Steel Co., Ltd.	Indonesia	Metal manufacturing industry	514,670	514,670	1,640	47.88%	315,865	(20,573)	(9,851)	
	Lien-Sheng Steel Co., Ltd.	Indonesia	Metal manufacturing industry	1,633	1,633	0.05	10%	581	(82)	(8)	
	Lien-Hung Mining Co., Ltd.	Indonesia	Nickle mining	100,303	100,303	3,319	19%	71,508	(24,496)	(6,134)	
	Lien-Heng Mining Co., Ltd.	Indonesia	Nickle mining	9,371	9,371	381	75%	(24,166)	(968)	(726)	
	Prepayment of stock subscription - Lien Heng Mining Co., Ltd.	Indonesia	Nickle mining	69,365	69,365	-	-	69,365	-	-	
	Asiamax Mining Indonesia	Indonesia	Nickle mining	89,386	89,386	55	100%	64,759	(1,608)	(1,608)	
Lian So (H.K) Co., Limited	Lien-Sheng Steel Co., Ltd.	Indonesia	Metal manufacturing industry	13,601 (USD 450)	13,491 (USD 450)	0.45	90%	5,231 (USD 173)	(82) (USD 3)	(74) (USD 2)	
	Lian Yang (Hong Kong) Trading Limited	Hong Kong	Trading business	3,023 (USD 100)	2,998 (USD 100)	100	100%	15,053 (USD 498)	(36) (USD 1)	(36) (USD 1)	
	Lien-Hsin Steel Co., Ltd.	Indonesia	Metal manufacturing industry	539,516 (USD 17,850)	535,143 (USD 17,850)	1,785	52.12%	343,793 (USD 11,374)	(20,573) (USD 682)	(10,722) (USD 355)	

Note 1: Due to cross ownership and the adoption of equity method between the Company and Yieh United Steel Corporation , investment income/loss is accounted for using the treasury stock approach. Thus, the income/loss of investee for the period excludes gain/loss accounted for using equity method by Yieh United Steel Corporation in relation to the Company.

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as the period-end			Net income (loss) of the investee	Share of profit/loss of investee	Note
				March 31, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
Lien-Hsin steel Co., Ltd.	Lien-Hung Mining Co., Ltd.	Indonesia	Nickle mining	446,181 (USD14,762)	442,565 (USD14,762)	16,142	81%	279,616	(24,496)	(26,814)	
	Lien-Heng Mining Co., Ltd.	Indonesia	Nickle mining	20,674 (USD 684)	20,506 (USD 684)	127	25%	(8,055)	(968)	(242)	
Yieh Hsing Enterprise Co., Ltd.	Great Emperor Hotel Co., Ltd.	Kaohsiung City	Hotel industry	2,099,500	2,099,500	209,950	58.81%	-(註 1)	(5,361)	(3,153)	(Note 2)
	Kings Garden International Co., Ltd.	Kaohsiung City	Leasing, sales, and development of residential and commercial buildings, and department stores	2,119,500	2,119,500	211,950	49.87%	2,092,088	(8,484)	(4,275)	
	United Winner Metals L.P	Virginia, US	Scrap steel recycling	107,474	107,474	-	33.75%	94,260	4,101	1,384	
	Cheng Shin Security Co., Ltd.	Kaohsiung City	Security	4,000	4,000	400	10%	3,417	(2,200)	(220)	
	Eliter International Corp.	Kaohsiung City	Construction of buildings	639,772	639,772	64,043	7.42%	597,662	(54,323)	(4,750)	
	E-Da Development Corp.	Kaohsiung City	Leisure development	437,915	437,915	43,791	5.94%	243,291	(109,309)	(8,119)	
	Yieh United Steel Corporation	Kaohsiung City	Steel products related business	20,204	20,204	2,542	0.1%	11,447	(763,847)	(382)	(Note 1)
	E-Da Health Biotechnology Co., Ltd.	Kaohsiung City	Manufacturer of food additives	3,800	3,800	380	19%	3,702	(9)	(1)	
Kings Garden International Co., Ltd.	Yi Hua International Co., Ltd	Kaohsiung City	Leasing, selling and development of residential and commercial buildings	7,000	7,000	700	70%	12,161	(125)	(88)	
	Hua Li International Co., Ltd.	Kaohsiung City	Daily necessities and cosmetics wholesaler	60,000	60,000	6,000	100%	57,335	(1,850)	(1,850)	

(Note 1): Due to cross ownership and the adoption of equity method between the Company and Yieh United Steel Corporation, investment gain/loss is accounted for using the treasury stock approach. Thus, the income/loss of investee for the period excludes gain/loss accounted for using equity method by Yieh United Steel Corporation in relation to the Company.

(Note 2): The Group sold land lot No. 16, 17 and 18 at Long Dong Section, Gushan District, Kaohsiung City to subsidiaries, Great Emperor Hotel Co., Ltd. and Kings Garden International Co., Ltd., in December 2012. The unrealized gain from the sale of land was about \$2,445,476 thousand. After deducting the investments accounted for using equity method, the credit balance of investment of \$450,459 thousand was reclassified to “other noncurrent liabilities - others”.

(Note 3): The internal gains under the consolidation basis are eliminated.

(Note 4): Transactions between the aforesaid subsidiaries and the parent company are eliminated.

TABLE 9

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Information on Investment in Mainland China
For the Three Months Ended March 31, 2020

Unit: Thousands of NT Dollar/ Foreign Currency

Name of investor	Investee in Mainland China	Main business activities	Total amount of Paid-in Capital	Investment method (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated outflow of investment from Taiwan as of March 31, 2020	Net Income (loss) of the investee	Ownership held by the Company (direct or indirect) (%)	Share of profit/loss (Note 2)	Carrying amount as of March 31, 2020	Accumulated inward remittance of earnings as of March 31, 2020
						Outflow	Inflow						
Yieh Phui Enterprise Co., Ltd.	Yieh Phui (China) Techno material Co., Ltd.	Manufacturing and marketing of pickled, cold rolled, galvanized and pre-painted steel coils	7,139,145 (USD 236,200) (Note 6)	(2) a	7,057,538 (USD 233,500)	—	—	7,057,538 (USD 233,500)	(119,384)	100%	(119,384) (2) 2	8,245,668	—
	Changshou ChangHuei Trading Co.	Trading of steel products	42,708 (RMB 10,000)	(2) a (Note 4)	—	—	—	—	206	100%	206 (2) 3	45,025	—
	Tianjin Lianfa Precision Steel Corporation	Manufacturing and marketing of special high grade alloy	408,038 (USD 13,500)	(2) a (Note 5)	—	—	—	—	(6,750)	100%	(6,750) (2) 3	(140,056)	—
AWID Asia Co., Ltd.	AWID Sanghai Co., Ltd.	Telecommunications equipment wholesale	21,158 (USD 700)	(1)	21,158 (USD 700)	—	—	21,158 (USD 700)	150	100%	150 (2) 3	2,429	—
	AWID Changshou Co., Ltd.	Telecommunications equipment wholesale	9,068 (USD 300)	(1)	9,068 (USD 300)	—	—	9,068 (USD 300)	(1,336)	100%	(1,336) (2) 3	2,169	—

Investor	Investee in Mainland China	Accumulated investment in Mainland China as of March 31, 2020	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
Yieh Phui Enterprise Co., Ltd.	Yieh Phui (China) Technomaterial Co., Ltd.	7,057,538 (USD 233,500)	7,139,145 (USD 236,200)	15,131,180
AWID Asia Co., Ltd.	AWID Sanghai Co., Ltd.	21,158 (USD 700)	21,158 (USD 700)	80,000
	AWID Changshou Co., Ltd.	9,068 (USD 300)	9,068 (USD 300)	80,000

(Note 1): Investment methods are classified into the following three categories.

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
 - a. Yieh Phui (Hong Kong) Holdings Limited
- (3) Others

(Note 2): Investment gain or loss recognized in the current period:

- (1) Please specify if it is in the preparation stage without any investment gains or losses generated.
- (2) Recognition basis of investment profit or loss is categorized into three types, which shall be identified.
 1. Financial statements audited and certified by the international CPA firms that cooperates with ROC CPA firms.
 2. Financial statements reviewed, or audited and certified by the CPA firm of the parent company in Taiwan.
 3. Others

(Note 3): The figures in the Table shall be expressed in New Taiwan Dollars. Carrying amount at the end of the period is converted using the exchange rate on the reporting date (USD:NTD 1:30.225; RMB: NTD 1:4.2708). Investment gain or loss recognized in the current period is converted using the average exchange rate in from January 1 to March 31, 2020 (USD: NTD 1:30.1613; RMB: NTD 1:4.3153).

(Note 4): Yieh Phui (China) Technomaterial Co., Ltd. invests in Changshou ChangHuei Trading Co. with equity funds of RMB 10 million. As of March 31, 2020, accumulated investment amounted to RMB 10 million.

(Note 5): The Company originally holds 100% of Tianjin Lianfa Precision Steel Corporation Beneficiary (paid-in capital equals USD 13,500 thousand) through its holding in Hsing Jui Investments Limited. It transferred its ownership to Yieh Phui (China) Technomaterial Co., Ltd. at RMB 20,000 thousand in July 2015. The said proceed, net of tax, of RMB 19,990 thousand (equivalent to USD 3,213 thousand) has been transferred back to the Company's account in Taiwan.

(Note 6): Yieh Phui (China) Technomaterial Co., Ltd. recapitalized its retained earnings of USD 2,700 thousand in April 2016.

(Note 7): Investment in Changshu Chief Leading Edge Construction Materials Co., Ltd. was completely sold in February 2013. Investment amount and earnings were received.

Investment in Jiangsu J & Y Engineering Co., Ltd. was liquidated in 2012. Thus:

(1) Accumulated investment of NT\$ 498,539 thousand by investees in China that were disposed of.

(2) Investment gains received from China investees that were disposed: NT\$ 69,518 thousand.

(2) Significant transactions between the Company and investees in Mainland China for the three months ended March 31, 2020, directly or indirectly through the third area are as follows:

1. Significant transactions between the Company and investees in China: Table 7 attached ~ Table 9 attached in Note 13.

2. Financing between the Company and investees in China: Table 1 attached in Note 13.

3. Endorsement and guarantee provided by the Company for investees in China: Table 2 attached in Note 13.

TABLE 10

Yieh Phui Enterprise Co., Ltd. and Subsidiaries
Information on Investment in Mainland China
MARCH 31, 2020

Shares Name of major shareholder	Number of shares	Percentage of ownership (%)
Yieh United Steel Corporation	302,105,336	15.78%
Weiqiao Investment Development Co., Ltd.	205,719,551	10.75%
Wei Hong Investment Development Co., Ltd.	100,528,532	5.25%

Note: The information of major shareholders is based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of March 31, 2020. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

14. Segment Information

(1) General information

For the purpose of management, the Group separates its operations based on business unit and have four reportable segments as below:

- Business Unit Yieh Phui: Primarily engaging in manufacturing and marketing of coated steel and manufacturing and installation of crane.
- Business Unit Yieh Hsing: Primarily engaging in manufacturing and selling of wire rods.
- Business Unit Yieh Phui (China, including Yieh Phui Hong Kong): Primarily engaging in manufacturing and selling of coated steel.
- Other business units: Primarily engaging in manufacturing and selling of steel, iron, and military supplies, wholesale of telecommunication equipment, and investment.

(2) Measurement basis

Management monitors the operation results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax and is measured consistently with profit or loss before tax in the consolidated financial statements. Furthermore, because the information of assets and liabilities is not reported to the chief operating decision maker for operation decision making, segment assets and liabilities are measured as zero. The accounting policies for reportable segments are the same as Group's accounting policies described in Note 2.

The segment information provided to the chief operating decision maker:

Three Months Ended March 31, 2020	Business Unit Yieh Phui	Business Unit Yieh Hsing	Business Unit Yieh Phui (China)	All other business units	Elimination	Total
Sales from external customers	\$ 5,325,941	\$ 1,496,493	\$ 4,610,723	\$ 1,231,251	\$ (11,215)	\$ 12,653,193
Sales among intersegments	232,370	-	289,213	24,851	(546,434)	-
Total sales	<u>\$ 5,558,311</u>	<u>\$ 1,496,493</u>	<u>\$ 4,899,936</u>	<u>\$ 1,256,102</u>	<u>\$ (557,649)</u>	<u>\$ 12,653,193</u>
Operating income (loss)	<u>\$ 147,839</u>	<u>\$ (149,324)</u>	<u>\$ 72,825</u>	<u>\$ (46,900)</u>	<u>\$ 4,866</u>	<u>\$ 29,306</u>
Non-operating income and expenses						(474,455)
Loss before income tax						\$ (445,149)
Income tax benefit						42,475
Net loss						<u>\$ (402,674)</u>
Total assets						<u>\$ 83,770,301</u>
Total liabilities						<u>\$ 57,072,663</u>

Three Months Ended March 31, 2019	Business Unit Yieh Phui	Business Unit Yieh Hsing	Business Unit Yieh Phui (China)	All other business units	Elimination	Total
Sales from external customers	\$6,543,005	\$1,871,215	\$5,309,124	\$1,466,510	(\$8,345)	\$15,181,509
Sales among intersegments	300,235	-	291,386	31,436	(623,057)	-
Total sales	<u>\$6,843,240</u>	<u>\$1,871,215</u>	<u>\$5,600,510</u>	<u>\$1,497,946</u>	<u>(\$631,402)</u>	<u>\$15,181,509</u>
Operating income (loss)	<u>(\$78,964)</u>	<u>(\$89,900)</u>	<u>(\$252,221)</u>	<u>\$1,494</u>	<u>\$216</u>	<u>(\$419,375)</u>
Non-operating income and expenses						(281,349)
Loss before income tax						(\$700,724)
Income tax benefit						(85,825)
Net loss						<u>(\$614,899)</u>
Total assets						<u>\$89,355,973</u>
Total liabilities						<u>\$60,023,867</u>

- (3) Information on product and service: No disclosure requirement for Interim financial statements.
- (4) Geographical information : No disclosure requirement for Interim financial statements.
- (5) Major customer information: No disclosure requirement for Interim financial statements.