

**Sunjuice Holdings Co., Limited and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2018 and 2017 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunjuice Holdings Co., Limited

Opinion

We have audited the accompanying consolidated financial statements of Sunjuice Holdings Co., Limited and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2018 is stated as follows:

Revenue Recognition

In consideration of the materiality, auditing standard and recognition of sales revenue, which is considered as significant risk, the transactions with those main parties have been identified as a key audit matter. Refer Note 4(k) for related accounting policies.

Our main audit procedures performed in respect of the above mentioned area included the following:

1. We understood and tested the design and operating effectiveness of the key controls.
2. We obtained information about sales revenue derived from main customers, and sampled the ordering form and delivery note to test the occurrence of the revenue recognition.
3. We obtained the operating license and customer's declaration for the transactions involving contrasting payers that were stated in the order forms.

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

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

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

Those charged with governance (including supervisors of the Group) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Chung Hsieh and Hui-Ming Chen.

Hsieh, Ming Chung

Deloitte & Touche
Taipei, Taiwan
Republic of China

Chen, Hui-Ming

March 7, 2019

Notice to Readers

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

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

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 511,020	20	\$ 975,872	42
Financial assets at fair value through profit or loss - current (Notes 7 and 27)	192,296	7	-	-
Financial assets at amortized cost - current (Note 8)	31,468	1	-	-
Debt investments with no active market - current (Note 9)	-	-	7,760	-
Notes receivable	5,992	-	2,283	-
Trade receivables (Note 10)	192,001	7	143,433	6
Other receivables	4,192	-	4,026	-
Inventories (Note 11)	250,439	10	222,605	10
Prepayments (Notes 14 and 15)	64,185	3	72,828	3
Other financial assets (Notes 15 and 29)	29,344	1	17,429	1
Other current assets (Note 15)	599	-	287	-
Total current assets	1,281,536	49	1,446,523	62
NON-CURRENT ASSETS				
Property, plant and equipment (Note 13)	1,047,894	40	581,674	25
Intangible assets	24,227	1	27,429	1
Deferred income tax assets (Note 22)	15,740	1	25,487	1
Prepaid equipment (Note 15)	100,661	4	87,026	4
Refundable deposits (Note 15)	10,532	-	21,059	1
Prepaid rent - non-current (Note 14)	127,326	5	132,897	6
Total non-current assets	1,326,380	51	875,572	38
TOTAL	\$ 2,607,916	100	\$ 2,322,095	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	\$ 232,314	9	\$ 237,622	10
Contract liabilities - current (Note 20)	14,211	1	-	-
Trade payables (Notes 17 and 28)	143,173	5	131,733	6
Other payables (Note 18)	256,283	10	242,405	10
Current tax liabilities (Note 22)	20,466	1	24,580	1
Receipts in advance	-	-	16,380	1
Current portion of long-term borrowings (Notes 16 and 29)	6,306	-	24,843	1
Other current liabilities	404	-	12	-
Total current liabilities	673,157	26	677,575	29
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 29)	-	-	6,437	-
Deferred income tax liability (Note 22)	106,560	4	59,676	2
Deferred revenue - non-current (Notes 18 and 24)	14,113	1	14,718	1
Guarantee deposits received (Note 18)	34,779	1	38,438	2
Total non-current liabilities	155,452	6	119,269	5
Total liabilities	828,609	32	796,844	34
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Capital				
Share capital	307,656	12	307,656	13
Capital surplus				
Additional paid-in capital	425,602	16	425,602	18
Retained earnings				
Reserve	142,650	6	113,976	5
Special reserve	36,041	1	31,646	1
Unappropriated earnings	902,645	35	647,909	28
Total retained earnings	1,081,336	42	793,531	34
Other equity				
Exchange differences arising on translation of foreign operations	(68,828)	(3)	(36,041)	(1)
Total equity attributable to owners of the Company	1,745,766	67	1,490,748	64
NON-CONTROLLING INTERESTS	33,541	1	34,503	2
Total equity	1,779,307	68	1,525,251	66
TOTAL	\$ 2,607,916	100	\$ 2,322,095	100

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

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 33)				
Sales revenue	\$ 3,250,442	101	\$ 2,938,231	101
Sales returns	(21,043)	(1)	(18,023)	(1)
Sales allowance	<u>(8,160)</u>	<u>-</u>	<u>(3,025)</u>	<u>-</u>
Total operating revenues	3,221,239	100	2,917,183	100
OPERATING COSTS (Notes 11, 21 and 28)	<u>(2,077,143)</u>	<u>(64)</u>	<u>(2,044,393)</u>	<u>(70)</u>
GROSS PROFIT	<u>1,144,096</u>	<u>36</u>	<u>872,790</u>	<u>30</u>
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	(184,022)	(6)	(179,418)	(6)
General and administrative expenses	(268,540)	(8)	(202,470)	(7)
Research and development expenses	<u>(87,150)</u>	<u>(3)</u>	<u>(41,297)</u>	<u>(2)</u>
Total operating expenses	<u>(539,712)</u>	<u>(17)</u>	<u>(423,185)</u>	<u>(15)</u>
PROFIT FROM OPERATIONS	<u>604,384</u>	<u>19</u>	<u>449,605</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Other income	44,451	1	31,075	1
Other gains and losses	(14,350)	-	(10,643)	-
Finance costs	<u>(9,440)</u>	<u>-</u>	<u>(22,663)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>20,661</u>	<u>1</u>	<u>(2,231)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	625,045	20	447,374	15
INCOME TAX EXPENSE (Note 22)	<u>(183,310)</u>	<u>(6)</u>	<u>(160,212)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	441,735	14	287,162	10
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	<u>(33,851)</u>	<u>(1)</u>	<u>25,667</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 407,884</u>	<u>13</u>	<u>\$ 312,829</u>	<u>11</u>

(Continued)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 441,633	14	\$ 286,745	10
Non-controlling interests	<u>102</u>	<u>-</u>	<u>417</u>	<u>-</u>
	<u>\$ 441,735</u>	<u>14</u>	<u>\$ 287,162</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 408,846	13	\$ 282,350	10
Non-controlling interests	<u>(962)</u>	<u>-</u>	<u>30,479</u>	<u>1</u>
	<u>\$ 407,884</u>	<u>13</u>	<u>\$ 312,829</u>	<u>11</u>
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	<u>\$ 14.35</u>		<u>\$ 10.01</u>	
Diluted earnings per share	<u>\$ 14.32</u>		<u>\$ 10.00</u>	

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

(Concluded)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company									
	Capital Stock - Common Stock			Retained Earnings			Other Equity			Total Equity
	Shares (In Thousands)	Amount	Capital Surplus	Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests	
BALANCE AT JANUARY 1, 2017	27,166	\$ 271,656	\$ 60,109	\$ 91,293	\$ -	\$ 529,589	\$ (31,646)	\$ 921,001	\$ 4,024	\$ 925,025
Appropriation of 2016 earnings	-	-	-	-	-	(22,683)	-	-	-	-
Reserve	-	-	-	22,683	-	(31,646)	-	-	-	-
Special Reserve	-	-	-	-	31,646	(114,096)	-	(114,096)	-	(114,096)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2017	-	-	-	-	-	286,745	-	286,745	417	287,162
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	(4,395)	(4,395)	30,062	25,667
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	-	286,745	(4,395)	282,350	30,479	312,829
Issuance of common stock for cash	3,600	36,000	365,493	-	-	-	-	401,493	-	401,493
BALANCE AT DECEMBER 31, 2017	30,766	307,656	425,602	113,976	31,646	647,909	(36,041)	1,490,748	34,503	1,525,251
Appropriation of 2017 earnings	-	-	-	-	-	(28,674)	-	-	-	-
Reserve	-	-	-	28,674	-	(4,395)	-	-	-	-
Special Reserve	-	-	-	-	4,395	(153,828)	-	(153,828)	-	(153,828)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2018	-	-	-	-	-	441,633	-	441,633	102	441,735
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	(32,787)	(32,787)	(1,064)	(33,851)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	-	441,633	(32,787)	408,846	(962)	407,884
BALANCE AT DECEMBER 31, 2018	30,766	\$ 307,656	\$ 425,602	\$ 142,650	\$ 36,041	\$ 902,645	\$ (68,828)	\$ 1,745,766	\$ 33,541	\$ 1,779,307

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

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 625,045	\$ 447,374
Adjustments for:		
Depreciation expenses	84,365	90,010
Amortization expenses	4,009	2,284
Expected credit loss recognized on trade receivables	5,797	46
Net (gain)/loss on fair value changes of financial assets designated as at fair value through profit or loss	-	(52)
Finance costs	9,440	22,663
Interest income	(13,071)	(15,847)
Gain on disposal of property, plant and equipment	(816)	160
Write-downs of inventories	2,538	3,012
Amortization of prepayments for leases	2,919	2,884
Government grants	(313)	(321)
Changes in operating assets and liabilities		
Notes receivable	(3,709)	(1,821)
Trade receivables	(54,339)	(1,534)
Other receivables	344	(350)
Inventories	(30,143)	(8,053)
Prepayments	9,966	4,528
Other current assets	(312)	32
Trade payables	(2,169)	-
Other payables	11,440	8,615
Contract liabilities	15,927	17,975
Receipts in advance	-	(11,374)
Other current liabilities	392	(121)
Cash generated from operations	667,310	560,110
Interest paid	(8,589)	(22,748)
Income taxes paid	(130,793)	(151,614)
Net cash generated from operating activities	527,928	385,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at amortized cost	(77,852)	-
Financial instruments at fair value through profit or loss	(516,375)	-
Debt investments with no active market	-	(15,279)
Property, plant and equipment	(349,622)	(104,043)
Intangible assets	(1,025)	(24,452)
Proceeds from disposal or redemption of:		
Financial assets at amortized cost	45,697	-
Financial instruments at fair value through profit or loss	319,878	15,415
Debt investments with no active market	11,542	52,577
Property, plant and equipment	2,082	1,049

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SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
Increase in prepayments for equipment	\$ (242,903)	\$ (198,719)
Increase in other financial assets	(42,937)	(18,085)
Decrease in other financial assets	26,625	13,662
Interest received	12,561	14,959
Refundable deposit paid	(1,619)	(19,430)
Refundable deposit refunded	<u>11,938</u>	<u>4,323</u>
Net cash used in investing activities	<u>(802,010)</u>	<u>(278,023)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	238,446	594,891
Repayments of short-term borrowings	(238,923)	(638,856)
Proceeds from long-term borrowings	-	49,162
Repayments of long-term borrowings	(24,869)	(62,499)
Proceeds from guarantee deposits received	9,595	5,668
Refund of guarantee deposits received	(12,534)	(5,029)
Dividends paid to owners of the Company	(153,828)	(114,096)
Issuance of common stock for cash	<u>-</u>	<u>401,493</u>
Net cash (used in) generated from financing activities	<u>(182,113)</u>	<u>230,734</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(8,657)</u>	<u>25,450</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(464,852)</u>	<u>363,909</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>975,872</u>	<u>611,963</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 511,020</u>	<u>\$ 975,872</u>

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

(Concluded)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunjuice Holdings Co., Limited (the “Company”) was incorporated in the Cayman Islands in January 2010.

The Company and its subsidiaries (collectively, the “Group”) mainly engage in the production and wholesale of juice and juice dispenser machines.

The Company’s shares were listed on the Taipei Exchange (“TPEX”) since September 5, 2012 and have been listed on the mainboard of the Taiwan Stock Exchange (“TWSE”) since March 17, 2016.

The functional currency of the Company is Renminbi. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 7, 2019.

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

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

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

- 1) Annual Improvements to IFRSs 2014-2016 Cycle

Several standards, including IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures,” were amended in this annual improvement.

- 2) IFRS 9 “Financial Instruments” and related amendment

IFRS 9 supersedes IAS 39 “Financial Instruments: Recognition and Measurement”, with consequential amendments to IFRS 7 “Financial Instruments: Disclosures” and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances that existed as at January 1, 2018, the Group has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods.

The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the Group's financial assets and financial liabilities as at January 1, 2018.

	Measurement Category		Carrying Amount		Remark
	IAS 39	IFRS 9	IAS 39	IFRS 9	
<u>Financial assets</u>					
Cash and cash equivalents	Loans and receivables	Amortized cost	\$ 975,872	\$ 975,872	a)
Time deposits with original maturities of more than 3 months	Loans and receivables	Amortized cost	7,760	7,760	b)
Notes and trades receivable (including related parties), Other financial assets and other receivables	Loans and receivables	Amortized cost	167,171	167,171	a)
Refundable deposits	Loans and receivables	Amortized cost	21,059	21,059	-

a) Cash and cash equivalents, notes and trades receivable, other receivables and other financial assets that were previously classified as loans and receivables under IAS 39 were classified as at amortized cost with an assessment of expected credit losses under IFRS 9.

b) Debt investments previously classified as held-to-maturity financial assets/debt investments with no active market and measured at amortized cost under IAS 39 were classified as at amortized cost with an assessment of expected credit losses under IFRS 9, because on January 1, 2018, the contractual cash flows were solely payments of principal and interest on the principal outstanding and these investments were held within a business model whose objective is to collect contractual cash flows.

3) IFRS 15 “Revenue from Contracts with Customers” and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies.

The net effect of revenue recognized and consideration received and receivable is recognized as a contract assets or a contract liability.

The Group elected only to retrospectively apply IFRS 15 to contracts that were not complete as of January 1, 2018 and recognize the cumulative effect of the change in retained earnings on January 1, 2018. The effect of the change is detailed below:

Impact on assets, liabilities and equity for current period

	<u>January 1, 2018 As Originally Stated</u>	<u>Adjustments Arising from Initial Application</u>	<u>January 1, 2018 Restated</u>
Contract liabilities - current	\$ -	\$ 16,380	\$ 16,380
Advance receipts	<u>16,380</u>	<u>(16,380)</u>	<u>-</u>
Total effect on liabilities	<u>\$ 16,380</u>	<u>\$ -</u>	<u>\$ 16,380</u>

4) Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendments clarify that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses as deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendments also stipulate that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve the higher amount and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Prior to the amendment, in assessing a deferred tax asset, the Group assumed that it will recover the asset at its carrying amount when estimating probable future taxable profit. The Group applied the above amendments retrospectively in 2018.

b. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2019

New, Amended or Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment Features with Negative Compensation”	January 1, 2019 (Note 2)
IFRS 16 “Leases”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 3)
Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”	January 1, 2019
IFRIC 23 “Uncertainty Over Income Tax Treatments”	January 1, 2019

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations.

Definition of a lease

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

The Group as lessee

Upon initial application of IFRS 16, except for payments for low-value asset and short-term leases which will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities and computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

The Group will apply the following practical expedients to measure right-of-use assets and lease liabilities on January 1, 2019:

The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

Impact on assets, liabilities and equity on January 1, 2019

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right-of-use assets	\$ -	\$ 6,967	\$ 6,967
Lease liabilities - current	\$ -	\$ 1,890	\$ 1,890
Lease liabilities - non-current	-	5,077	5,077
Total effect on liabilities	\$ -	\$ 6,967	\$ 6,967

2) IFRIC 23 “Uncertainty Over Income Tax Treatments”

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

Upon initial application of IFRIC 23, the Group will recognize the cumulative effect of retrospective application in retained earnings on January 1, 2019.

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

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

For long-term interests that, in substance, form part of the Group’s net investment in an associate or joint venture and are governed by IFRS 9, the Group shall, based on the facts and circumstances that exist on January 1, 2019, perform an assessment of the classification under IFRS 9 applied retrospectively.

Upon initial application of the above amendments, the Group will recognize the cumulative effect of retrospective application in retained earnings on January 1, 2019.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 2)
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 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

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

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

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

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

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

See Note 12, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the group entities (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the group entities into the presentation currency, are not subsequently reclassified to profit or loss.

f. Inventories

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

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

h. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

i. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

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

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

2018

Financial assets are classified into the following category: Financial assets at amortized cost.

Financial assets at amortized cost

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

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

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

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

- Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

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

2017

Financial assets are classified into the following category: Loans and receivables.

Loans and receivables

Loans and receivables (including cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, other receivables and refundable deposit) are measured using the effective interest method at amortized cost less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

b) Impairment of financial assets and contract assets

2018

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

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

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

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

2017

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence, as a result of one or more events that occurred after the initial recognition of such financial assets, that the estimated future cash flows of the investment have been affected.

Financial assets at amortized cost, such as trade receivables, are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience with collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 45 days, as well as observable changes in national or local economic conditions that correlate with defaults on receivables.

For a financial asset at amortized cost, the amount of the impairment loss recognized is the difference between such an asset's carrying amount and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate.

For a financial asset at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment (at the date on which the impairment is reversed) does not exceed what the amortized cost would have been had the impairment not been recognized.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

c) Derecognition of financial assets

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

Before 2018, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

k Revenue recognition

2018

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

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of juice products.

As the juice products is sold, the customer has the right to use the goods and bear the risk of loss or damage to the goods. The Group recognizes the revenue and trade receivables at that time.

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- 1) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) The amount of revenue can be measured reliably;
- 4) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

l. Leasing

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

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

Contingent rentals are recognized as expenses in the period in which they are incurred.

m. Borrowing costs

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

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

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

n. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

o. Taxation

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

1) Current tax

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	2017
Cash on hand	\$ 507	\$ 448
Demand deposits	355,408	466,427
Cash equivalent		
Time deposits with original maturities less than three months	<u>155,105</u>	<u>508,997</u>
	<u>\$ 511,020</u>	<u>\$ 975,872</u>

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	December 31	
	2018	2017
Bank deposits	0.001%-2.030%	0.001%-2.030%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2018	2017
<u>Financial assets - current</u>		
Financial assets designated as at FVTPL		
Combined financial assets		
Principal protected structured products	<u>\$ 192,296</u>	<u>\$ -</u>

Structured deposits are mainly for the financial product issued by bank in China. The total subscription amount is RMB43,000 thousand as of December 31, 2018.

8. FINANCIAL ASSETS AT AMORTIZED COST - 2018

December 31,
2018

Current

Domestic investments

Time deposits with original maturity of more than 3 months (a)	\$ 9,108
Structured product (b)	<u>22,360</u>
	<u>\$ 31,468</u>

a. As of December 31, 2018, the interest rates of the time deposits with original maturity more than 3 months were 1.75%-1.9%. The time deposits were classified as debt investments with no active market under IAS 39. Refer to Note 3 and Note 9 for information relating to their reclassification and comparative information for 2017.

b. As of December 31, 2018, the interest rates of the structured products were 4%.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - 2017

December 31,
2017

Current

Time deposits with original maturity more than 3 months	<u>\$ 7,760</u>
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As of December 31, 2017, the market interest rates of the time deposits with original maturities of more than 3 months were 1.75%-2.00%.

10. TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 198,557	\$ 145,819
Less: Allowance for impairment loss	<u>(6,556)</u>	<u>(2,386)</u>
	<u>\$ 192,001</u>	<u>\$ 143,433</u>

Trade Receivables

For the year ended December 31, 2018

The average credit period of sales of goods was 30 days. No interest was charged on trade receivables. The Group considers any change in credit quality from the initial credit date to the balance sheet date.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 365 days past due, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2018

	1 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 366 Days	Total
Gross carrying amount	\$ 181,667	\$ 14,190	\$ 2,263	\$ 2	\$ 435	\$ 198,557
Loss allowance (Lifetime ECL)	-	(3,856)	(2,263)	(2)	(435)	(6,556)
Amortized cost	<u>\$ 181,667</u>	<u>\$ 10,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,001</u>

The Group's expected credit loss rates of the aging less than 365 days is 1% to 100% and over 366 days is 100%.

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

	For the Year Ended December 31, 2018
Balance at January 1, 2018 per IAS 39	\$ 2,386
Adjustment on initial application of IFRS 9	-
Balance at January 1, 2018 per IFRS 9	2,386
Add: Net remeasurement of loss allowance	5,797
Less: Amounts written off	(1,601)
Foreign exchange gains and losses	(26)
Balance at December 31, 2018	<u>\$ 6,556</u>

Due to the execution of the liquidation procedure by the customer, the related trade receivables were written off at \$1,601 thousand, and the allowance for loss was \$1,601 thousand.

For the year ended December 31, 2017

The Group applied the same credit policy in 2018 and 2017. The Group recognized an allowance for impairment loss of 100% against all receivables over 180 days because historical experience was that receivables that are past due beyond 180 days are not recoverable. Allowance for impairment loss was recognized against trade receivables between 1 days and 180 days based on the estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

For some trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements for these balances.

The aging of trade receivables was as follows:

	December 31, 2017
0 day to 90 days	\$ 144,084
91 days to 180 days	7
181 days to 365 days	85
Over 365 days	<u>1,643</u>
	<u>\$ 145,819</u>

The above aging schedule was based on the number of past due days from the invoice date.

The aging of receivables that were past due but not impaired was as follows:

	December 31, 2017
Up to 90 days	\$ 170
91 to 180 days	-
181 to 365 days	-
Over 365 days	<u>-</u>
	<u>\$ 170</u>

The above aging schedule was based on the number of past due days from the invoice date.

The movements of the allowance for doubtful trade receivables were as follows:

	Collectively Assessed for Impairment
Balance at January 1, 2017	\$ 2,586
Add: Impairment losses recognized on receivables	(214)
Less: Amounts written off during the period as uncollectible	46
Foreign exchange translation gains and losses	<u>(32)</u>
Balance at December 31, 2017	<u>\$ 2,386</u>

11. INVENTORIES

	December 31	
	2018	2017
Finished goods	\$ 89,406	\$ 71,493
Work in process	7,128	4,616
Raw materials and supplies	<u>153,905</u>	<u>146,496</u>
	<u>\$ 250,439</u>	<u>\$ 222,605</u>

As of December 31, 2018 and 2017, the allowance for inventory devaluation was \$11,010 thousand and \$8,701 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 was \$2,077,143 thousand and \$2,044,393 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 included inventory write-downs of \$2,538 thousand and \$3,012 thousand, respectively.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Nature of Activities	Percentage of Ownership (%)		Remark
			December 31		
			2018	2017	
Sunjuice Holdings Co., Limited	Power Keen Limited	Investment	100.00	100.00	1)
	Sunjuice I International Limited	Investment	75.00	75.00	2)
Power Keen Limited	Sunjuice (Hong Kong) Limited	Investment	100.00	100.00	3)
	Sunjuice Co., Ltd.	Manufacturing and sale of fresh juices, mixed vegetable juices, protein drinks, others, etc.	37.36	37.36	4)
Sunjuice (Hong Kong) Limited	Sunjuice Co., Ltd.	Manufacturing and sale of fresh juices, mixed vegetable juices, protein drinks, others, etc.	62.64	62.64	4)
Sunjuice Co., Ltd.	Fresh Juice Industry (Tianjin) Co., Ltd.	Drinks processing	100.00	100.00	5)
	Fresh Food (Kunshan) Co., Ltd.	Sale of concentrated juices, fruit puree, fruit powder, flavored syrups, juice elated and drinks used equipment, etc.	100.00	100.00	6)
Sense International Limited	Guangdong Fresh Juice Biological Technology Co., Ltd.	R&D and technical service, sale of drinks, fruit products, fruit extract, fruit enzyme products, etc.	100.00	100.00	7)
	Sense International Limited	Investment	100.00	100.00	8)
	Shanghai Sense Beverage Company Limited	Drinks, prepackaged food, juice dispenser machine, coffee maker, all-in-one tea maker, wholesale of electronic products, import and export, equipment for rent, etc.	100.00	100.00	9)
	Sunjuice I International Limited	Suzhou Sunjuice I International Limited	Primary processing and sale of agricultural products, manufacturing, sale, import and export	100.00	100.00
Fresh Food (Kunshan) Co., Ltd.	Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd.	Cultivating and sale of agricultural products	51.00	51.00	11) and 12)

Remarks:

1) Power Keen Limited was established at Samoa on December 16, 2009.

2) Sunjuice I International Limited was established in Hong Kong in October 7, 2016. After a capital increase by joint venture on December 2016 and January 2017, the Group's percentage of ownership declined to 75%.

3) Sunjuice (Hong Kong) Limited was established in Hong Kong on May 11, 2009.

- 4) Sunjuice Co., Ltd. acquired the “Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People’s Republic of China” and was established on June 26, 2009. Sunjuice acquired the operating license during the same year, and the effective period of the license was 50 years (from September 22, 2009 to September 21, 2059). In December 2018, the Company’s name has been changed with approval, from Fresh Juice Industry (Kunshan) Co., Ltd. to Sunjuice Co., Ltd.
- 5) Fresh Juice Industry (Tianjin) Co., Ltd. was established with approval on May 6, 2014. Fresh Juice Industry (Tianjin) Co., Ltd. acquired the operating license during the same year, and the effective period of the license was 20 years (from May 6, 2014 to May 5, 2034).
- 6) Fresh Food (Kunshan) Co., Ltd. acquired the “Certificate of Approval for Establishment of Enterprises with Foreign Investment in the People’s Republic of China” in February 10, 1998. During the same year, Fresh Food (Kunshan) Co., Ltd. acquired the operating license, and the effective period was 50 years (from February 10, 1998 to February 9, 2048).
- 7) Guangdong Fresh Juice Biological Technology Co., Ltd. was approved to establish on October 22, 2014. During the same year, Guangdong Fresh Juice Biological Technology Co., Ltd. acquired the permanent operating license.
- 8) Sense International Limited was established at Samoa on October 21, 2014.
- 9) Shanghai Sense Beverage Company Limited was approved to establish on December 8, 2014. During the same year, Shanghai Sense Beverage Company Limited was acquired operating license which effective period was 30 years (from December 8, 2014 to December 7, 2044).
- 10) Suzhou Sunjuice I International Limited was approved to establish on April 5, 2017. During the same year, Shanghai Sense Beverage Company Limited acquired the operating license, and the effective period was 50 years (from April 5, 2017 to April 4, 2067).
- 11) Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd. was approved to establish on December 14, 2010. During the same year, Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd. acquired the operating license, and the effective period was 30 years (from December 14, 2010 to December 13, 2040).
- 12) As for non-material subsidiary, the Group’s management has come to a decision that there will not be any significant change despite the fact that the above non-material subsidiary’s financial statement is not audited.

b. Subsidiaries excluded from the consolidated financial statement: None.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Biological Assets	Construction in Progress	Total
<u>Cost</u>								
Balance at January 1, 2017	\$ 232,878	\$ 157,082	\$ 11,901	\$ 11,213	\$ 256,705	\$ 4,191	\$ 20,808	\$ 694,778
Additions	4,197	2,624	2,400	243	11,715	22	88,287	109,488
Disposal	(6,969)	(1,144)	(1,799)	(9,011)	(8,339)	(45)	-	(27,307)
Reclassified	2,906	40,029	1,647	-	11,461	-	67,470	123,513
Effect of foreign currency exchange differences	(2,272)	(1,055)	(8)	187	(2,237)	(46)	2,234	(3,197)
Balance at December 31, 2017	<u>\$ 230,740</u>	<u>\$ 197,536</u>	<u>\$ 14,141</u>	<u>\$ 2,632</u>	<u>\$ 269,305</u>	<u>\$ 4,122</u>	<u>\$ 178,799</u>	<u>\$ 897,275</u>

(Continued)

	Buildings	Machinery and Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Biological Assets	Construction in Progress	Total
<i>Accumulated depreciation</i>								
Balance at January 1, 2017	\$ 82,957	\$ 52,798	\$ 7,684	\$ 10,591	\$ 98,109	\$ 305	\$ -	\$ 252,444
Depreciation expense	18,973	16,925	2,143	721	51,094	154	-	90,010
Disposal	(6,969)	(821)	(1,445)	(9,011)	(7,852)	-	-	(26,098)
Effect of foreign currency exchange differences	(443)	(342)	(9)	199	(158)	(2)	-	(755)
Balance at December 31, 2017	<u>\$ 94,518</u>	<u>\$ 68,560</u>	<u>\$ 8,373</u>	<u>\$ 2,500</u>	<u>\$ 141,193</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 315,601</u>
Carrying amounts at December 31, 2017	<u>\$ 136,222</u>	<u>\$ 128,976</u>	<u>\$ 5,768</u>	<u>\$ 132</u>	<u>\$ 128,112</u>	<u>\$ 3,665</u>	<u>\$ 178,799</u>	<u>\$ 581,674</u>
<i>Cost</i>								
Balance at January 1, 2018	\$ 230,740	\$ 197,536	\$ 14,141	\$ 2,632	\$ 269,305	\$ 4,122	\$ 178,799	\$ 897,275
Additions	12,439	4,598	394	-	9,210	76	320,005	346,722
Disposal	(2,887)	(1,481)	(782)	-	(13,762)	(151)	-	(19,063)
Reclassified	2,580	57,037	2,646	-	19,723	-	145,643	227,629
Effect of foreign currency exchange differences	(4,966)	(5,313)	(338)	(53)	(5,841)	(83)	(13,596)	(30,190)
Balance at December 31, 2018	<u>\$ 237,906</u>	<u>\$ 252,377</u>	<u>\$ 16,061</u>	<u>\$ 2,579</u>	<u>\$ 278,635</u>	<u>\$ 3,964</u>	<u>\$ 630,851</u>	<u>\$ 1,422,373</u>
<i>Accumulated depreciation</i>								
Balance at January 1, 2018	\$ 94,518	\$ 68,560	\$ 8,373	\$ 2,500	\$ 141,193	\$ 457	\$ -	\$ 315,601
Depreciation expense	22,406	21,426	2,979	123	37,273	158	-	84,365
Disposal	(2,887)	(1,106)	(850)	-	(12,954)	-	-	(17,797)
Effect of foreign currency exchange differences	(2,296)	(1,783)	(210)	(53)	(3,336)	(12)	-	(7,690)
Balance at December 31, 2018	<u>\$ 111,741</u>	<u>\$ 87,097</u>	<u>\$ 10,292</u>	<u>\$ 2,570</u>	<u>\$ 162,176</u>	<u>\$ 603</u>	<u>\$ -</u>	<u>\$ 374,479</u>
Carrying amounts at December 31, 2018	<u>\$ 126,165</u>	<u>\$ 165,280</u>	<u>\$ 5,769</u>	<u>\$ 9</u>	<u>\$ 116,459</u>	<u>\$ 3,361</u>	<u>\$ 630,851</u>	<u>\$ 1,047,894</u>

(Concluded)

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

Buildings	
Main buildings	20 years
Power system engineering	5 years
Machinery and equipment	3-10 years
Transportation equipment	4-10 years
Biological assets	10-28 years
Leasehold improvements	2 years
Other equipment	1-10 years

14. PREPAID RENT

	December 31	
	2018	2017
Current	\$ 9,693	\$ 9,615
Non-current	<u>127,326</u>	<u>132,897</u>
	<u>\$ 137,019</u>	<u>\$ 142,512</u>

Prepaid rent is mainly for Sunjuice Co., Ltd., Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biological Technology Co., Ltd.'s right for usage of land as well as the rentals of factories of Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biological Technology Co., Ltd.

15. OTHER ASSETS

	December 31	
	2018	2017
<u>Current</u>		
Prepaid rent - current	\$ 9,693	\$ 9,615
Prepayments	14,358	23,249
Other prepayments	11,783	20,459
Offset against business tax payable	<u>28,351</u>	<u>19,505</u>
	<u>64,185</u>	<u>72,828</u>
Other financial assets	29,344	17,429
Other current assets	<u>599</u>	<u>287</u>
	<u>\$ 94,128</u>	<u>\$ 90,544</u>
<u>Non-current</u>		
Prepaid equipment	\$ 100,661	\$ 87,026
Refundable deposits	<u>10,532</u>	<u>21,059</u>
	<u>\$ 111,193</u>	<u>\$ 108,085</u>

- a. Prepayments is due to the purchase of raw materials.
- b. Other financial assets are for the collateral of bank borrowings and the tariffs of imported raw materials guarantee, refer Note 29 for the details.
- c. Prepaid equipment is due to the purchase of automatic warehousing equipment and other equipment for the factories.
- d. Refundable deposits are for rentals of land and factories.

16. BORROWINGS

- a. Short-term borrowings

	December 31	
	2018	2017
<u>Unsecured borrowings</u>		
Bank loan	<u>\$ 232,314</u>	<u>\$ 237,622</u>

The range of weighted average effective interest rate of bank loans was 3.448%-4.350% and 2.814%-4.437% per annum as of December 31, 2018 and 2017, respectively.

b. Long-term borrowings

		December 31	
		2018	2017
Borrowing Content			
<u>Secured borrowings</u> (Note 29)			
Bank loan	Maturity date: August 30, 2019	\$ 4,730	\$ 11,264
	Repayment term: The first installment starts after 15 months from August 30, 2016, repayable every three months, repayable in 8 installments		
	Maturity date: August 30, 2019	1,576	3,755
	Repayment term: The first installment starts after 15 months from August 30, 2016, repayable every three months, repayable in 8 installments		
		<u>6,306</u>	<u>15,019</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	Maturity date: December 25, 2018	-	3,576
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	2,682
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	2,682
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	2,414
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
	Maturity date: December 25, 2018	-	4,907
	Repayment term: The first installment starts after 15 months from December 25, 2015, repayable every three months, repayable in 8 installments		
		<u>-</u>	<u>16,261</u>
		6,306	31,280
	Less: Expires within 1 year - current	<u>(6,306)</u>	<u>(24,843)</u>
	Long-term borrowings	<u>\$ -</u>	<u>\$ 6,437</u>

The range of weighted average effective interest rate of bank loans was 4.9875% and 4.9875%-5.1063% per annum as of December 31, 2018 and 2017, respectively.

17. TRADE PAYABLES

The average credit period of purchases of certain goods was 30 days. The Group has financial risk management policies to ensure in place that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	December 31	
	2018	2017
<u>Current</u>		
Other payables		
Accrued payroll and bonuses	\$ 78,650	\$ 62,065
Accrued employee bonus and director compensation	12,587	8,425
Professional service fees	4,849	4,083
Rent	3,877	1,718
Other tax expenses	1,699	1,968
Insurance	44,092	44,614
Shipping expenses	9,523	7,878
Selling bonuses/commissions	73,927	92,017
Payable for purchase of equipment	4,532	7,432
Sale tax	2,508	3,547
Others (employee welfare, other purchase, etc.)	<u>20,039</u>	<u>8,658</u>
	<u>\$ 256,283</u>	<u>\$ 242,405</u>
<u>Non-current</u>		
Deferred revenue		
Government grant (Note 24)	\$ 14,113	\$ 14,718
Guarantee deposits received	<u>34,779</u>	<u>38,438</u>
	<u>\$ 48,892</u>	<u>\$ 53,156</u>

Accrued selling bonuses are calculated based on the past experience, contract terms and other known reason, and they resulted in a reduction of the sales revenue when related product is sold.

19. SHAREHOLDERS' EQUITY

Share Capital

Ordinary shares

	December 31	
	2018	2017
Number of shares authorized (in thousands)	<u>60,000</u>	<u>60,000</u>
Shares authorized	<u>\$ 600,000</u>	<u>\$ 600,000</u>
Number of shares issued and fully paid (in thousands)	<u>30,766</u>	<u>30,766</u>
Shares issued	<u>\$ 307,656</u>	<u>\$ 307,656</u>

The Company has issued \$150,000 thousand ordinary shares on January 12, 2010 according to the net worth of Fresh Food (Kunshan) Co., Ltd. and Sunjuice Co., Ltd. at the end of March. The Company acquired 100% equity of Power Keen Limited through the share exchange with the shareholders, in addition, directly and indirectly acquired 100% equity of Fresh Food (Kunshan) Co., Ltd. and Sunjuice Co., Ltd. For the year ended December 31, 2018, the authorized capital of the Company was \$600,000 thousand; paid in capital was \$307,656 thousand with a par value of NT\$10, and 30,766 shares are all ordinary shares.

On May 12, 2017, the Company's board of directors resolved to issue 3,600 thousand ordinary shares, with a par value of NT\$10, for a consideration of NT\$112 per share, which increased the share capital issued and fully paid to \$307,656 thousand. On June 14, 2017, the above transaction was approved by the FSC, and the subscription base date was determined as at August 4, 2017 by the board of directors.

Capital Surplus

The capital surplus arising from shares issued in excess of par may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 21-(f).

According to the Company's Articles of Incorporation and the law of corporation in Cayman, distribution of earnings should be made by way of shareholder's dividend or bonus after the consideration of financial, business and operating factor, provided that the ratio shall not less than 20% of the net profit for the year. The shareholder's dividend may be distributed by way of cash dividend and/or stock dividend, provided that the ratio for cash dividend shall not less than 30% of the total distribution.

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

The appropriations of earnings for 2017 and 2016 were approved in the shareholders' meetings on May 28, 2018 and May 3, 2017, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2017	2016	2017	2016
Legal reserve	\$ 28,674	\$ 22,683	\$ -	\$ -
Special reserve	4,395	31,646	-	-
Cash dividends	153,828	114,096	5.0	4.2

The appropriation of earnings for 2018 had been proposed by the Company's board of directors on March 7, 2019. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 44,163	\$ -
Special reserve	32,787	-
Cash dividends	190,747	6.2
Share dividends	30,766	1.0

The appropriation of earnings for 2018 are subject to the resolution of the shareholders' meeting to be held on May 29, 2019.

20. REVENUE

	For the Year Ended December 31	
	2018	2017
Revenue from contracts with customer		
Revenue from sale of goods	<u>\$ 3,221,239</u>	<u>\$ 2,917,183</u>

a. Contract balances

	December 31, 2018
Trade receivables (Note 10)	<u>\$ 192,001</u>
Contract liabilities - current	<u>\$ 14,211</u>

b. Details of the revenue from contracts with customer

Refer to Note 33 for the details.

21. OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2018	2017
Interest income	\$ 13,071	\$ 15,847
Income from government grants (Note 24)	28,476	14,144
Others	<u>2,904</u>	<u>1,084</u>
	<u>\$ 44,451</u>	<u>\$ 31,075</u>

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Gains (loss) on disposal of property, plant and equipment	\$ 816	\$ (160)
Net foreign exchange losses	(10,516)	(8,762)
Gain on trading investments	-	52
Others	<u>(4,650)</u>	<u>(1,773)</u>
	<u>\$ (14,350)</u>	<u>\$ (10,643)</u>

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	<u>\$ (9,440)</u>	<u>\$ (22,663)</u>

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
Property, plant and equipment	\$ 84,365	\$ 90,010
Intangible assets	<u>4,009</u>	<u>2,284</u>
	<u>\$ 88,374</u>	<u>\$ 92,294</u>
An analysis of depreciation by function		
Operating costs	\$ 46,875	\$ 41,791
Operating expenses	<u>37,490</u>	<u>48,219</u>
	<u>\$ 84,365</u>	<u>\$ 90,010</u>
An analysis of amortization by function		
Operating costs	\$ 155	\$ 154
Operating expenses	<u>3,854</u>	<u>2,130</u>
	<u>\$ 4,009</u>	<u>\$ 2,284</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2018	2017
Other employee benefits	<u>\$ 390,774</u>	<u>\$ 309,086</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 130,394	\$ 112,052
Operating expenses	<u>260,380</u>	<u>197,034</u>
	<u>\$ 390,774</u>	<u>\$ 309,086</u>

f. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at the rates of no less than 0.15% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors.

The employees' compensation and remuneration of directors and supervisors for the year of 2018 and 2017 were resolved by the board of directors on March 7, 2019 and March 13, 2018 respectively were as follow:

Accrual rate

	For the Year Ended December 31	
	2018	2017
Employees' compensation	2%	2%
Remuneration of directors and supervisors	1%	1%

Amount

	For the Year Ended December 31	
	2018	2017
Employees' compensation	\$ 9,187	\$ 5,617
Remuneration to directors and supervisors	3,400	2,808

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

The appropriations for employees' compensation and remuneration of directors and supervisors for 2017 and 2016 approved by the Company's board of directors on March 13, 2018 and March 17, 2017, respectively, were as follows:

	For the Year Ended December 31	
	2017	2016
	Cash	Cash
Employees' compensation	\$ 5,617	\$ 4,787
Remuneration of directors and supervisors	2,808	2,393

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2017 and 2016.

Information on the employees' compensation and remuneration of directors and supervisors approved by the Company's board of directors in 2018 and 2017 is available at the Market Observation Post System.

22. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2018	2017
Current tax		
In respect of the current year	\$ 146,118	\$ 134,355
Adjustments for prior periods	<u>(21,426)</u>	<u>15,573</u>
	124,692	149,892
Deferred tax		
In respect of the current year	62,689	10,320
Effect of tax rate changes	<u>(4,071)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ 183,310</u>	<u>\$ 160,212</u>

A reconciliation of accounting income and income tax expenses used is as follow:

	For the Year Ended December 31	
	2018	2017
Profit before income tax	<u>\$ 625,045</u>	<u>\$ 447,374</u>
Income tax expense calculated at the statutory rate	\$ 191,715	\$ 147,384
Nondeductible expense in determining taxable income	(48,462)	(28,554)
Unrecognized deductible temporary differences	12,233	(7,571)
Effect of the subsidiaries' deferred tax	49,250	33,416
Adjustment for prior year's tax	<u>(21,426)</u>	<u>15,537</u>
Income tax expense recognized in profit or loss	<u>\$ 183,310</u>	<u>\$ 160,212</u>

- 1) For the Company and subsidiaries' profit-seeking enterprise annual income tax return matter, except of the Company, Sunjuice I International Limited, Sunjuice (Hong Kong) Limited, Sense International Limited and Kunshan Jiang Hang Ecological Agriculture Technology Development Co., Ltd. are tax free, the applicable tax rate used by Fresh Juice Industry (Tianjin) Co., Ltd. and Guangdong Fresh Juice Biological Technology Co., Ltd. is 15% as they have acquired high-tech enterprise authenticated certificate. The applicable tax rate used by other group entities in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the law in those jurisdictions.
- 2) The surplus remittance tax rate used by Power Keen Limited and Sunjuice (Hong Kong) Limited in China is 10%.

b. Deferred tax assets

The movements of deferred tax assets were as follows:

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Paid-in Current Year	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Impairment loss on non-financial assets	\$ 2,175	\$ 447	\$ (50)	\$ -	\$ 2,572
Unrealized selling bonus/commissions	22,716	(10,886)	(301)	-	11,529
Bad debt	<u>596</u>	<u>1,071</u>	<u>(28)</u>	<u>-</u>	<u>1,639</u>
	<u>\$ 25,487</u>	<u>\$ (9,368)</u>	<u>\$ (379)</u>	<u>\$ -</u>	<u>\$ 15,740</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unappropriated earnings of subsidiaries	<u>\$ 59,676</u>	<u>\$ 49,250</u>	<u>\$ (2,366)</u>	<u>\$ -</u>	<u>\$ 106,560</u>

For the year ended December 31, 2017

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Paid-in Current Year	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Impairment loss on non-financial assets	\$ 1,428	\$ 752	\$ (5)	\$ -	\$ 2,175
Unrealized selling bonus/commissions	-	22,386	330	-	22,716
Bad debt	<u>646</u>	<u>(42)</u>	<u>(8)</u>	<u>-</u>	<u>596</u>
	<u>\$ 2,074</u>	<u>\$ 23,096</u>	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 25,487</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Unappropriated earnings of subsidiaries	<u>\$ 36,681</u>	<u>\$ 33,416</u>	<u>\$ (74)</u>	<u>\$ (10,347)</u>	<u>\$ 59,676</u>

23. EARNINGS PER SHARE

	For the Year Ended December 31	
	2018	2017
Basic earnings per share	\$ 14.35	\$ 10.01
Diluted earnings per share	\$ 14.32	\$ 10.00

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

Net Profit for the Year

	For the Year Ended December 31	
	2018	2017
Earnings used in computation of basic earnings per share	\$ 441,633	\$ 286,745
Earnings used in computation of diluted earnings per share	\$ 441,633	\$ 286,745

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2018	2017
Weighted average number of ordinary shares used in the computation of basic earnings per share	30,765	28,645
Effect of potentially dilutive ordinary shares		
Bonus to employees	73	39
Weighted average number of ordinary shares in computation of diluted earnings per share	30,838	28,684

If the Company offered to settle compensation to employees in cash or shares, the Company will assume the entire amount of the compensation would be settled in shares; if the effect of this settlement is dilutive, the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. The dilutive effect of the potential shares will be included in the computation of diluted earnings per share until the number of shares to be distributed to employees is approved in the following year.

24. GOVERNMENT GRANTS

In January 2016, the Group received a government grant of RMB3,400 thousand towards its construction of a manufacturing plant. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. This policy resulted in a credit to income of \$313 thousand and \$321 thousand for the year ended December 31, 2018 and 2017, respectively.

The amounts of agricultural technology innovation and production safety received for the years ended December 31, 2018 and 2017 were \$28,163 thousand and \$11,223 thousand, respectively. The government grants were recognized in non-operating income and expenses - other income in the consolidated statements of comprehensive income.

25. NON-CASH TRANSACTIONS

For the years ended December 31, 2018 and 2017, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

- a. The Group acquired property, plant and equipment with an aggregate fair value of \$346,722 thousand, with a cash payment of \$349,622 thousand and \$2,900 thousand was decreased from payables for equipment for the year ended December 31, 2018 (refer to Note 13).
- b. The Group acquired property, plant and equipment with an aggregate fair value of \$109,488 thousand, with a cash payment of \$104,043 thousand and \$5,445 thousand was increased from payables for equipment for the year ended December 31, 2017 (refer to Note 13).

26. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued and the amount of existing debt redeemed.

27. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not carried at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to be approximate amounts of their fair values.

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

- 1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Structured deposits	\$ _____ -	\$ _____ -	\$ 192,296	\$ 192,296

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

For the year ended December 31, 2018

Financial Assets	Financial Assets at FVTPL			Total
	Derivatives	Equity Instruments	Debt Instruments	
Balance at January 1, 2018	\$ -	\$ -	\$ -	\$ -
Purchases	-	-	192,296	192,296
Balance at December 31, 2018	\$ -	\$ -	\$ 192,296	\$ 192,296

c. Categories of financial instruments

	December 31	
	2018	2017
<u>Financial assets</u>		
FVTPL		
Mandatorily at FVTPL	\$ 192,296	\$ -
Loans and receivables (Note 1)	-	1,150,803
Financial assets at amortized cost (Note 2)	774,017	-
<u>Financial liabilities</u>		
Amortized cost (Note 3)	546,839	572,550

Note 1: The balances include loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, other receivables and other financial assets.

Note 2: The balance include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and other financial assets.

Note 3: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, trade payables, other payables, current portion of long-term loans payable and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt investments, trade receivables, trade payables and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk) and credit risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rate (see (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign deposit and loans, which expose the Group to foreign currency risk. There is no change in the financial instrument's market risk and exposure of management and measurement since prior period.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in Renminbi (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the Renminbi weakening 1% against the relevant currency. For a 1% strengthening of the Renminbi against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2018	2017
Profit or loss	\$ (1,993)	\$ (195)

* This was mainly attributable to the exposure outstanding on U.S. dollar cash in the bank and borrowings, which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2018	2017
Cash flow interest rate risk		
Financial assets	\$ 571,325	\$ 1,000,613
Financial liabilities	238,620	268,902

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2018 and 2017 would increase by \$3,327 thousand and \$7,317 thousand, respectively, which would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in variable rate debt investments.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation pertain to financial assets recognized in the consolidated balance sheet.

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

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed below:

- a. Name and relationship of related parties

<u>Name of Related-party</u>	<u>Related-party Category</u>
Great Eastern Food Co., Ltd.	Associates

- b. Purchases of goods

<u>Related-Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
Associates		
Great Eastern Food Co., Ltd.	\$ <u>28,938</u>	\$ <u>106,064</u>

The Group purchased customized goods from associates. In addition, the price were not significantly different from those transactions with third parties.

- c. Payables to related parties (excluding loans from related parties)

<u>Line Item</u>	<u>Related-Party Category</u>	<u>December 31</u>	
		<u>2018</u>	<u>2017</u>
Trade payables	Associates		
	Great Eastern Food Co., Ltd.	\$ <u>596</u>	\$ <u>640</u>

The outstanding trade payables from associates are unsecured.

- d. Compensation of key management personnel

	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
Short-term benefits	\$ <u>27,436</u>	\$ <u>17,843</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and the tariffs of imported raw materials guarantees:

	December 31	
	2018	2017
Restricted bank deposits (classified as other financial assets)	\$ -	\$ 3,711
Guarantee (classified as other financial assets)	<u>29,344</u>	<u>13,718</u>
	<u>\$ 29,344</u>	<u>\$ 17,429</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2018 and 2017 were as follows:

Significant Commitments

Unrecognized commitments are as follows:

	December 31	
	2018	2017
Acquisition of property, plant and equipment	<u>\$ 297,588</u>	<u>\$ 406,630</u>

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2018

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 506	6.8632 (USD:RMB)	<u>\$ 15,526</u>
<u>Financial liabilities</u>			
Monetary items			
USD	7,000	6.8632 (USD:RMB)	<u>\$ 214,846</u>

December 31, 2017

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 946	6.5342 (USD:RMB)	<u>\$ 28,224</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,600	6.5342 (USD:RMB)	<u>\$ 47,726</u>

The significant (realized and unrealized) foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
2018			2017	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	6.8632 (USD:RMB)	<u>\$ (10,516)</u>	6.5342 (USD:RMB)	<u>\$ (8,762)</u>

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financings provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities). (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 6)

11) Information on investees. (Table 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of the investee, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and the limit on the amount of investment in the mainland China area. (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

33. SEGMENT INFORMATION

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

Manufacture and sale of fresh juice segment - direct sales

Sale of juice dispenser machine segment - direct sales

The sale of juice dispenser machine segment supply product by collect refundable deposit, then main product was the fresh juice that for the juice dispenser machine used.

The manufacture and sale of fresh juice (direct sales) segment includes a number of direct sales operations in various cities within Country A each of which is considered separate operating segment by the chief operating decision maker (CODM). For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- These operating segments have similar long-term gross profit margins;
- The nature of the products and production processes are similar; and
- The methods used to distribute the products to the customers are the same.

a. Segment revenue and results

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

	Manufacture and Sale of Fresh Juice	Sale of Juice Dispenser Machinery	Total
<u>For the year ended December 31, 2018</u>			
Revenue from external customers	\$ 3,114,282	\$ 106,957	\$ 3,221,239
Inter-segment revenue	71,568	-	71,568
Eliminations	<u>(71,568)</u>	<u>-</u>	<u>(71,568)</u>
Consolidated revenue	<u>\$ 3,114,282</u>	<u>\$ 106,957</u>	<u>\$ 3,221,239</u>
Segment income	<u>\$ 618,388</u>	<u>\$ (14,004)</u>	\$ 604,384
Interest income			13,071
Government grants			28,476
Gains on disposal of property, plant and machinery			816
Foreign exchange losses			(10,516)
Others			(1,746)
Interest expenses of bank loan			<u>(9,440)</u>
Profit before tax (continuing operations)			<u>\$ 625,045</u>
<u>For the year ended December 31, 2017</u>			
Revenue from external customers	\$ 2,804,174	\$ 113,009	\$ 2,917,183
Inter-segment revenue	68,445	-	68,445
Eliminations	<u>(68,445)</u>	<u>-</u>	<u>(68,445)</u>
Consolidated revenue	<u>\$ 2,804,174</u>	<u>\$ 113,009</u>	<u>\$ 2,917,183</u>
Segment income	<u>\$ 468,758</u>	<u>\$ (19,153)</u>	\$ 449,605
Interest income			15,847
Government grants			14,144
Losses on disposal of property, plant and machinery			(160)
Foreign exchange losses			(8,762)
Valuation gains on financial instruments			52
Others			(689)
Interest expenses of bank loan			<u>(22,663)</u>
Profit before tax (continuing operations)			<u>\$ 447,374</u>

Above segment revenue was accounted for according to the transactions with external customers.

Segment profit represented the profit before tax earned by each segment without allocation of interest income, government grants gains or losses on disposal of property, plant and equipment, exchange gains or losses, valuation gains or losses on financial instruments, others and finance costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	December 31	
	2018	2017
<u>Segment assets</u>		
Manufacture and sale of fresh juice	\$ 2,453,965	\$ 2,136,461
Sale of juice dispenser machines	<u>108,867</u>	<u>142,718</u>
Total segment assets	2,562,832	2,279,179
Other financial assets	29,344	17,429
Deferred tax assets	<u>15,740</u>	<u>25,487</u>
Consolidated total assets	<u>\$ 2,607,916</u>	<u>\$ 2,322,095</u>

All assets were allocated to reportable segments other than other financial assets equally and deferred tax assets. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments.

c. Geographical information

The Group principally operates in one geographical area - China.

d. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2018	2017
Customer A	<u>\$ 392,887</u>	<u>\$ 274,331</u> (Note)

Note: Revenue less than 10% of the Group's revenue.

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	Sunjuice Holdings Co., Limited	Sense International Limited	Other receivables - related parties	Yes	\$ 33,787 (US\$ 1,100)	\$ 33,787 (US\$ 1,100)	\$ 32,251 (US\$ 1,050)	-	For short-term financing	\$ -	Working capital loan	\$ -	-	\$ -	\$ 698,306 (Note 3)	\$ 698,306 (Note 3)	
1	Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited	Other receivables - related parties Other receivables - related parties Other receivables - related parties	Yes Yes Yes	80,000 (RMB 17,899) 223,600 (RMB 50,000) 76,024 (RMB 17,000)	- 223,600 (RMB 50,000) 76,024 (RMB 17,000)	- - 71,552 (RMB 16,000)	4.35 4.35 4.35	For short-term financing For short-term financing For short-term financing	- - -	Working capital loan Working capital loan Working capital loan	- - -	- - -	- - -	2,618,649 (Note 4) 2,618,649 (Note 4) 2,618,649 (Note 4)	2,618,649 (Note 4) 2,618,649 (Note 4) 2,618,649 (Note 4)	
2	Fresh Food (Kunshan) Co., Ltd.	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	134,160 (RMB 30,000)	-	-	-	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
		Sunjuice Co., Ltd.	Other receivables - related parties	Yes	98,384 (RMB 22,000)	98,384 (RMB 22,000)	80,496 (RMB 18,000)	4.35	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
3	Power Keen Limited	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	268,320 (RMB 60,000)	-	-	1.50	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
		Sunjuice Co., Ltd.	Other receivables - related parties	Yes	313,040 (RMB 70,000)	313,040 (RMB 70,000)	313,040 (RMB 70,000)	1.50	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
4	Fresh Juice Industry (Tianjin) Co., Ltd.	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	44,720 (RMB 10,000)	-	-	-	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	
5	Guangdong Fresh Juice Biological Technology Co., Ltd.	Sunjuice Co., Ltd.	Other receivables - related parties	Yes	44,720 (RMB 10,000)	-	-	-	For short-term financing	-	Working capital loan	-	-	-	2,618,649 (Note 4)	2,618,649 (Note 4)	

Note 1: The total amount of the financing provided by Sunjuice Holdings Co., Limited in the short term shall not exceed 40% of Sunjuice Holdings Co., Limited's net worth. If it is necessary to lend to a company for funding, the total amount shall not exceed 40% of Sunjuice Holdings Co., Limited's net worth.

Note 2: The total amount of the financing to a company that has business dealings with Sunjuice Holdings Co., Limited shall not exceed the transaction amount, and the transaction amount indicates the purchase or sales amount, whichever is higher.

Note 3: The total amount for lending to a company for funding for in the short term shall not exceed 40% of the parent's net worth. The amount for lending was the accumulated amount for funding in the short term. Sunjuice Holdings Co., Limited's net worth was \$1,745,766 thousand x 40% = \$698,306 thousand.

Note 4: The subsidiaries whose voting shares are 100% owned directly or indirectly by Sunjuice Holdings Co., Limited are not subject to the above restrictions (refer to Notes 1 and 3). For corporate governance's need, the total amount of the financing to an individual entity shall not exceed 150% of the parent's net worth. Sunjuice Holdings Co., Limited's net worth was \$1,745,766 thousand x 150% = \$2,618,649 thousand.

Note 5: Transactions have been written off in these consolidated financial statements.

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guaranteee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 3 and 5)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 3 and 5)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)										
0	Sunjuice Holdings Co., Limited	Power Keen Limited Sunjuice Co., Ltd. Sunjuice Co., Ltd. Sense International Limited	b b b b	\$ 872,883 872,883 872,883 872,883	\$ 61,430 (US\$ 2,000) 30,715 (US\$ 1,000) 134,160 (RMB 30,000) 49,144 (US\$ 1,600)	\$ - - 134,160 (RMB 30,000) -	\$ - - - -	\$ - - - -	- - 7.68 -	\$ 1,745,766 1,745,766 1,745,766 1,745,766	N N N N	N Y Y N	
1	Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited Guangdong Fresh Juice Biological Technology Co., Ltd. Guangdong Fresh Juice Biological Technology Co., Ltd. Fresh Juice Industry (Tanjin) Co., Ltd. Fresh Juice Industry (Tanjin) Co., Ltd.	d d d d d	3,491,532 3,491,532 3,491,532 3,491,532 3,491,532	80,496 (RMB 18,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 125,216 (RMB 28,000)	80,496 (RMB 18,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 67,080 (RMB 15,000) 125,216 (RMB 28,000)	6,306 (RMB 1,410) - 17,468 (RMB 3,906) -	49,192 (RMB 11,000) - - -	4.61 3.84 3.84 3.84 7.17	3,491,532 3,491,532 3,491,532 3,491,532 3,491,532	N N N N N	Y Y Y Y Y	
2	Fresh Juice Industry (Tanjin) Co., Ltd.	Sunjuice Co., Ltd.	d	3,491,532	67,080 (RMB 15,000)	-	-	-	-	3,491,532	N	Y	
3	Guangdong Fresh Juice Biological Technology Co., Ltd.	Sunjuice Co., Ltd.	d	3,491,532	67,080 (RMB 15,000)	-	-	-	-	3,491,532	N	Y	

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- "0" for the Company.
- Subsidiaries are numbered from "1".

Note 2: Relationships between the endorser/guarantor and the endorsee/guaranteee party:

- The Company and guarantee party have business deals.
- The Company directly and indirectly owned over 50% of guaranteed party's voting stocks.
- The guaranteed party owned directly and indirectly over 50% of the Company's voting stocks.
- The guaranteed party owned directly and indirectly over 90% of the Company's voting stocks.
- The guarantor and guaranteed party are peers in contract projects or cobuilders in accordance with contract provisions which require mutual insurance company.
- Owing to the joint venture funded by all shareholders on its endorsement of its holding company.
- Peers in performance bond joint security of pre-sale house contract under Consumer Protection Act.

Note 3: The maximum balance of the aggregate endorsement/guarantee should not exceed 100% of the endorser's net value as shown in its most recent financial statements. The maximum balance of the endorsement/guarantee to an individual counterparty should not exceed 50% of the endorser's net value as shown in its most recent financial statements.

The total amount of guarantee shall not exceed 100% of the net worth Sunjuice Holdings Co., Limited \$1,745,766 thousand x 100% = \$1,745,766 thousand.
The total amount of guarantee provided to any individual entity shall not exceed 50% of the net worth Sunjuice Holdings Co., Limited \$1,745,766 thousand x 50% = \$872,883 thousand

(Continued)

Note 4: The total amount of guarantee provided to the guaranteed party owned directly and indirectly over 90% of the Company's voting stocks shall not exceed 10% of the net worth Sunjuice Holdings Co., Ltd.

Note 5: The foreign company whose voting shares are 100% owned directly and indirectly by Sunjuice Holdings Co., Limited are not subjected to the above restrictions (refer to Notes 1 and 3). For corporate governance's need, the total amount of guarantee to an individual entity shall not exceed 200% of the Company's net worth. Sunjuice Holdings Co., Limited's net worth was \$1,745,766 thousand x 200% = \$3,491,532 thousand.

(Concluded)

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2018

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2018			Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	
Sunjuice Co., Ltd.	Industrial and Commercial Bank of China "Sui Xin E" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	\$ 89,440	-	\$ 89,440
	China Merchants Bank "Bu Bu Sheng Jin" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	(RMB 20,000)	-	(RMB 20,000)
	China Construction Bank "Qian Yuan Zhou Zhou Li" guaranteed financial product	NA	Financial assets at fair value through profit or loss - current	-	(RMB 10,000)	-	(RMB 10,000)
	Bank of Shanghai "Winner Currency and Bond Senes (Dian Di Cheng Jin)" financial product	NA	Financial assets at amortized cost - current	-	(RMB 13,000)	-	(RMB 13,000)
					(RMB 22,360)		(RMB 22,360)
					(RMB 5,000)		(RMB 5,000)

Note 1: The marketable securities in this table is related to stock, bonds and short-term investments of "IFRS 9 Financial Instruments".

Note 2: The exchange rate was RMB1=NT\$4.472 as of December 31, 2018.

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited	Affiliated company	Sales	\$ 71,568	2.00	Net 90 days from invoice date	According to the Group's transfer pricing policy system	-	\$ 8,850	4.47	

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Power Keen Limited	Sunjuice Co., Ltd.	Parent company	\$ 317,736	(Note)	\$ -	-	\$ -	-
Fresh Food (Kunshan) Co., Ltd.	Sunjuice Co., Ltd.	Parent company	82,539	(Note)	-	-	-	-
Sunjuice Co., Ltd.	Shanghai Sense Beverage Company Limited	Parent company	73,627	(Note)	-	-	-	-

Note: The ending balance is primarily comprised of other receivables, which are not applicable in the calculation of the turnover ratio.

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2018 (Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details		
				Financial Statement Account	Amount (Note 6)	Payment Terms
0	Sunjuice Holdings Company Limited	Sense International Limited	a	Other receivables	\$ 32,227	Financing provided, annual interest rate 0%
1	Power Keen Limited	Sunjuice Co., Ltd.	c	Other receivables	317,736	Financing provided, annual interest rate 1.15%
2	Fresh Food (Kunshan) Co., Ltd.	Power Keen Limited Sunjuice Holdings Co., Ltd. Sunjuice Co., Ltd.	c b c	Other receivables Other receivables Other receivables	15,748 6,158 82,539	Note 4 Note 4 Financing provided, annual interest rate 4.35%
3	Sunjuice Co., Ltd.	Sunjuice Holdings Co., Limited Fresh Juice Industry (Tanjin) Co., Ltd. Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited Shanghai Sense Beverage Company Limited Guangdong Fresh Juice Biological Technology Co., Ltd. Shanghai Sense Beverage Company Limited	b c c c c c c	Other receivables Sales revenue Sales revenue Sales revenue Trade receivables Trade receivables Other receivables	13,255 27,949 18,504 71,568 8,850 1,152 73,627	Note 4 Note 4 Note 4 Note 4 Note 4 Note 4 Financing provided, annual interest rate 4.35%

Note 1: Intercompany relationships and significant intercompany transactions information are noted within the number column as follows:

- a. Number 0 represents the parent company.
- b. Number 1 to 3 represents subsidiaries.

Note 2: Parties involved in the transaction have a directional relationship noted by the following:

- a. "a" represents transactions from parent company to subsidiary.
- b. "b" represents transactions from subsidiary to parent company.
- c. "c" represents transactions between subsidiaries.

Note 3: The amounts of asset accounts and liability accounts are calculated as a percentage of the consolidated total assets. The amounts of income accounts are calculated as a percentage of the consolidated total sales.

Note 4: Since there is no relevant similar transaction to follow, the trading conditions are determined by both parties depending on actual operational needs.

Note 5: Above transactions have been written off in these consolidated financial statements.

Note 6: The difference between the amount of other receivables arising from the loan of funds and Table 1 is therefore the interest receivable.

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

**INFORMATION OF INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2018**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2018	December 31, 2017	Number of Shares	%	Carrying Amount			
Sunjuice Holdings Co., Limited	Power Keen Limited	Samoa	Investment	\$ 545,861 (US\$ 17,785)	\$ 545,861 (US\$ 17,785)	17,785	100	\$ 1,867,229	\$ 476,738	\$ 476,738	Note 1
Sunjuice Holdings Co., Limited	Sunjuice I International Limited	Hong Kong	Investment	89,451 (RMB 20,003)	89,451 (RMB 20,003)	20,003	75	85,983	(2,790)	(2,075)	Note 1
Power Keen Limited	Sunjuice (Hong Kong) Limited	Hong Kong	Investment	175,713 (US\$ 5,725)	175,713 (US\$ 5,725)	15,300	100	976,232	295,324	295,324	Note 1
Sunjuice Co., Ltd.	Sense International Limited	Samoa	Investment	30,692 (US\$ 1,000)	30,692 (US\$ 1,000)	1,000	100	(51,709)	(17,918)	(17,918)	Note 1

Note 1: Parent-subsidiary transactions have been written off in these consolidated financial statements.

Note 2: For information of investments in mainland China, refer to Table 8.

Note 3: The exchange rate was RMB1=NT\$4.472; US\$1=NT\$30.692 as of December 31, 2018.

TABLE 8

SUNJUICE HOLDINGS CO., LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018	Note
					Outward	Inward							
Fresh Food (Kunshan) Co., Ltd.	Sale of concentrated juices, fruit puree, fruit powder, flavoured syrups, juice related and drinks used equipment, etc.	RMB 15,273	Sunjuice Co., Ltd. reinvested in Mainland China	\$ -	\$ -	\$ -	\$ -	\$ 2,347 (RMB 514)	100.00	\$ 2,347 (RMB 514)	\$ 119,371 (RMB 26,693)	\$ -	Note 1
Sunjuice Co., Ltd.	Manufacturing and sale of fresh juices, mixed vegetable juices, protein drinks, solid drinks and others	US\$ 9,100	Sunjuice (Hong Kong) Limited and Power Keen Limited reinvested in Mainland China	-	-	-	-	\$20,455 (RMB 113,893)	100.00	\$20,455 (RMB 113,893)	1,661,446 (RMB 371,522)	-	Note 1
Kunshan Jian Hang Ecological Agriculture Technology Development Co., Ltd.	Cultivating and sale of agricultural products	RMB 500	Fresh Food (Kunshan) Co., Ltd. reinvested in Mainland China	-	-	-	-	1,642 (RMB 359)	51.00	837 (RMB 183)	5,080 (RMB 1,136)	-	Note 2
Fresh Juice Industry (Tianjin) Co., Ltd.	Drinks processing	RMB 21,500	Sunjuice Co., Ltd. reinvested in Mainland China	-	-	-	-	93,953 (RMB 20,560)	100.00	93,953 (RMB 20,560)	323,156 (RMB 72,262)	-	Note 1
Guangdong Fresh Juice Biological Technology Co., Ltd.	R&D and technical service, sale of drinks, fruit products, fruit extract, fruit enzyme products, etc.	RMB 20,550	Sunjuice Co., Ltd. reinvested in Mainland China	-	-	-	-	141,497 (RMB 30,964)	100.00	141,497 (RMB 30,964)	379,525 (RMB 84,867)	-	Note 1
Shanghai Sense Beverage Company Limited	Drinks, prepackaged food, juice dispenser machine, coffee maker, all-in-one tea maker, wholesale of electronic product, import and export, commission agent, equipment for rent	US\$ 2,000	Sense International Limited reinvested in Mainland China	-	-	-	-	(15,798) (RMB -3,457)	100.00	(15,798) (RMB -3,457)	(19,998) (RMB -4,472)	-	Note 1
Suzhou Sunjuice I International Limited	Primary processing and sale of agricultural products, manufacturing, sale, import and export	RMB 14,000	Sunjuice I International Limited reinvested in Mainland China	-	-	-	-	(1,796) (RMB -393)	75.00	(1,347) (RMB -295)	60,693 (RMB 13,572)	-	Note 1

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA		Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
	NA	NA	NA

Note 1: The net income (loss) of the investee was recognized based on the audited financial statements.

Note 2: The net income (loss) of the investee was recognized based on the financial statements, which had not been audited.