ECOVE ENVIRONMENT CORPORATION

NON-CONSOLIDATED FINANCIAL STATEMENTS

AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2018 AND 2017

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

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REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of ECOVE ENVIRONMENT CORPORATION

Opinion

We have audited the accompanying non-consolidated balance sheets of ECOVE Environment Corporation (the "Company") as at December 31, 2018 and 2017, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at December 31, 2018 and 2017, and its non-consolidated financial performance and its non-consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Independent Accountant's Responsibilities for the Audit of non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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The most significant key audit matters in our audit of the non-consolidated financial statements of the current period are as follows:

Service revenue of subsidiaries accounted for under the equity method

As at December 31, 2018, the investments in subsidiaries, ECOVE Wujih Energy Corp., ECOVE Environmental Services Corp., ECOVE Waste Management Corp., ECOVE Miaoli Energy Corp. and SINOGAL-Waste Services Co., Ltd., were accounted for under the equity method and amounted to $3,255,272, constituting 66% of the Company's total assets and are material to the non-consolidated financial statements. Thus, we consider the accuracy of service revenue of subsidiaries accounted for under the equity method as a key audit matter.

Description

Please refer to Note 4(28) for accounting policies on operating revenue.

Operating revenue mainly arises from service revenue and electricity sales revenue. The service revenue mainly arises from contracts entered into with certain governments (grantors) that involve charging for the service per unit in accordance with contracts and self-undertook services. As the relevant revenue is the main operating income of each subsidiary and also material to investment income and losses. Thus, we consider the accuracy of service revenue of subsidiaries a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding of the procedures of waste treatment and tested relevant internal controls, including randomly checking the actual amount of disposals that are treated at the waste treatment plant monthly, the consistency of monthly statements that management used in calculating revenue, and the consistency between service fees per unit and contract.

B. Verified the accuracy of statements that management used in calculating revenue, including the amount of disposals treated and the service fees per unit, recalculating the accuracy of cash amount and ascertained whether it was in agreement with recorded revenue.

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Responsibilities of management and those charged with governance for the non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Independent accountant's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ROC GAAS 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 non-consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the non-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.

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B. 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 Company's internal control.

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

D. 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the 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.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Weng, Shih-Jung

Chang, Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2019

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 210,529	4	$ 745,686	16
1110	Financial assets at fair value through profit or loss - current	6(2)	2,045	-	98,073	2
1120	Current financial assets at fair value through other comprehensive income	6(3)	20,017	-	-	-
1125	Available-for-sale financial assets - current	12(4)	-	-	24,849	1
1200	Other receivables		673	-	710	-
1210	Other receivables - related parties	7	119,072	3	7,974	-
1410	Prepayments		891	-	-	-
1470	Other current assets	8	-	-	10,000	-
11XX	**Current Assets**		353,227	7	887,292	19
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	543	-	-	-
1543	Financial assets carried at cost - non-current	12(4)	-	-	543	-
1550	Investments accounted for using equity method	6(4)	4,555,274	93	3,819,621	81
15XX	**Non-current assets**		4,555,817	93	3,820,164	81
1XXX	**Total assets**		$ 4,909,044	100	$ 4,707,456	100

(Continued)

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current liabilities					
2150	Notes payable		$ 480	-	$ -	-
2200	Other payables		18,802	1	19,380	1
2220	Other payables - related parties	7	1,292	-	842	-
2230	Current income tax liabilities		7,485	-	1,388	-
21XX	**Current Liabilities**		28,059	1	21,610	1
	Non-current liabilities					
2640	**Accrued pension liabilities**	6(5)	2,747	-	2,207	-
2XXX	**Total Liabilities**		30,806	1	23,817	1
	Equity					
	Share capital	6(7)				
3110	Common stock		671,051	14	668,106	14
	Capital surplus	6(8)				
3200	Capital surplus		2,193,473	44	2,161,029	46
	Retained earnings	6(9)				
3310	Legal reserve		603,629	12	527,495	11
3320	Special reserve		32,284	1	145	-
3350	Unappropriated retained earnings		1,380,044	28	1,359,148	29
	Other equity interest					
3400	Other equity interest		(2,243)	-	(32,284)	(1)
3XXX	**Total equity**		4,878,238	99	4,683,639	99
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 4,909,044	100	$ 4,707,456	100

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

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

			Year ended December 31			
			2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Operating revenue**	6(4)	$ 788,260	100	$ 791,864	100
5900	**Gross profit**		788,260	100	791,864	100
	Operating expenses					
6200	General and administrative expenses	6(12) and 7	(50,275)	(7)	(49,795)	(7)
6000	**Total operating expenses**		(50,275)	(7)	(49,795)	(7)
6900	**Operating profit**		737,985	93	742,069	93
	Non-operating income and expenses					
7010	Other income	6(10) and 7	48,283	6	18,285	2
7020	Other gains and losses	6(11)	29,807	4	3,638	1
7000	**Total non-operating income and expenses**		78,090	10	21,923	3
7900	**Profit before income tax**		816,075	103	763,992	96
7950	Income tax expense	6(14)	(9,163)	(1)	(2,653)	-
8200	**Profit for the year**		$ 806,912	102	$ 761,339	96
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(5)	$ 37	-	$ 2,184	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(2,591)	-	-	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(1,193)	-	(8,170)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations		2,922	-	(33,896)	(4)
8362	Unrealized loss on valuation of available-for-sale financial assets		-	-	(710)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		-	-	337	-
8300	**Other comprehensive loss for the year**		($ 825)	-	($ 40,255)	(5)
8500	**Total comprehensive income for the year**		$ 806,087	102	$ 721,084	91
	Basic earnings per share					
9750	**Basic earnings per share**	6(15)	$ 12.04		$ 11.41	
	Diluted earnings per share					
9850	**Diluted earnings per share**	6(15)	$ 12.04		$ 11.39	

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

ECOVE ENVIRONMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

		Share capital		Retained earnings			Other equity interest			
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Total equity
For the year ended December 31, 2017										
Balance at January 1, 2017		$ 664,614	$2,126,850	$ 442,686	$ 145	$1,445,777	$ 34,600	$ -	($ 32,615)	$4,682,057
Profit for the year		-	-	-	-	761,339	-	-	-	761,339
Other comprehensive loss		-	-	-	-	(5,986)	(33,896)	-	(373)	(40,255)
Total comprehensive income		-	-	-	-	755,353	(33,896)	-	(373)	721,084
Appropriation of 2016 earnings	6(9)									
Legal reserve		-	-	84,809	-	(84,809)	-	-	-	-
Cash dividends		-	-	-	-	(757,173)	-	-	-	(757,173)
Share-based payment transactions		-	183	-	-	-	-	-	-	183
Employee stock options exercised	6(6)(7)	3,492	33,996	-	-	-	-	-	-	37,488
Balance at December 31, 2017		$ 668,106	$2,161,029	$ 527,495	$ 145	$1,359,148	$ 704	$ -	($ 32,988)	$4,683,639
For the year ended December 31, 2018										
Balance at January 1, 2018		$ 668,106	$2,161,029	$ 527,495	$ 145	$1,359,148	$ 704	$ -	($ 32,988)	$4,683,639
Effect of retrospective application and retrospective restatement	12(4)	-	-	-	-	1,799	-	(34,787)	32,988	-
Balance at 1 January after adjustments		668,106	2,161,029	527,495	145	1,360,947	704	(34,787)	-	4,683,639
Profit for the year		-	-	-	-	806,912	-	-	-	806,912
Other comprehensive income(loss)		-	-	-	-	(1,782)	2,922	(1,965)	-	(825)
Total comprehensive income		-	-	-	-	805,130	2,922	(1,965)	-	806,087
Appropriation of 2017 earnings	6(9)									
Legal reserve		-	-	76,134	-	(76,134)	-	-	-	-
Special reserve		-	-	-	32,139	(32,139)	-	-	-	-
Cash dividends		-	-	-	-	(647,313)	-	-	-	(647,313)
Share-based payment transactions		-	5,055	-	-	-	-	-	-	5,055
Employee stock options exercised	6(6)(7)	2,945	27,389	-	-	-	-	-	-	30,334
Disposal of financial assets measured at fair value through other comprehensive income		-	-	-	-	(30,447)	-	30,883	-	436
Balance at December 31, 2018		$ 671,051	$2,193,473	$ 603,629	$ 32,284	$1,380,044	$ 3,626	($ 5,869)	$ -	$4,878,238

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

ECOVE ENVIRONMENT CORPORATION
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 816,075	$ 763,992
Adjustments			
Adjustments to reconcile profit (loss)			
Interest income	6(10)	(3,886)	(4,362)
Dividend income	6(10)	(645)	(1,145)
Salary expense-employee stock options	6(6)(13)	687	-
Gain on valuation of financial assets	6(2)	(310)	(280)
Share of profit of associates and joint ventures accounted for under equity method	6(4)	(788,260)	(791,864)
Proceeds from capital reduction of investee company	6(11)	(29,402)	(3,610)
Impairment loss	6(11) and 12(4)	-	13
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		96,338	304,569
Other receivables		(470)	145
Other receivables-related parties		(24,040)	(4,859)
Prepayments		(891)	-
Other current assets		10,000	(10,000)
Changes in operating liabilities			
Notes payable		480	-
Other payables		(578)	(337)
Other payables - related parties		450	(199)
Preference share liabilities-non-current		577	733
Cash inflow generated from operations		76,125	252,796
Interest received		2,141	2,226
Dividends received		708,551	801,406
Income tax paid		(3,066)	(1,365)
Net cash flows from operating activities		783,751	1,055,063
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,223	1,816
(Increase) decrease in other receivables-related parties		(87,029)	29,000
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		9,484	-
Acquisition of financial assets measured at fair value through other comprehensive income		(7,243)	-
Increase in available-for-sale financial assets-current		-	(10,301)
Decrease in other current financial assets		-	95,948
Proceeds from disposal of investee company	12(4)	-	3,610
Increase in investments accounted for using the equity method-subsidiaries	6(4)	(619,364)	(89,474)
Proceeds from reduction of capital of investee company	6(4)	-	176,400
Net cash flows (used in) from investing activities		(701,929)	206,999
CASH FLOWS FROM FINANCING ACTIVITIES			
Employee stock options exercised		30,334	37,488
Cash dividends paid	6(9)	(647,313)	(757,173)
Net cash flows used in financing activities		(616,979)	(719,685)
Net (decrease) increase in cash and cash equivalents		(535,157)	542,377
Cash and cash equivalents at beginning of year		745,686	203,309
Cash and cash equivalents at end of year		$ 210,529	$ 745,686

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

ECOVE ENVIRONMENT CORPORATION
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

(1) ECOVE Environment Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on December 13, 1999, and consolidated investee-Chang Ting Corporation in December, 2005.

(2) The Company is primarily engaged in waste management. However, the Board of Directors resolved to change its main activity to investment holding on March 27, 2007. The Company's shares were issued through an initial public offering on December 3, 2007, and have been listed in the Taiwan OTC market since May 27, 2010.

(3) CTCI Corporation, the Company's ultimate parent company, holds 57.31% equity interest in the Company as of December 31, 2018.

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

These non-consolidated financial statements were authorised by the Board of Directors on March 8, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 15, 'Clarifications to IFRS 15 Revenue from contracts with customers'	January 1, 2018
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'	January 1, 2017
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle- Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment. The quantitative impact will be disclosed when the assessment is complete.

A. IFRS 9, 'Financial instruments'

(a) Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.

(b) The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognize 12-month expected credit losses ('ECL') or lifetime ECL (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.

In adopting the new standards endorsed by the FSC effective from 2018, the Company applied the new rules under IFRS 9 using the modified restrospective approach from January 1, 2018, with the practical expedients permitted under the statement. The significant effects of applying the new standard as of January 1, 2018 are summarised below:

In accordance with IFRS 9, the Company reclassifies available-for-sale financial assets and financial assets at cost in the amounts of $24,849 and $543, respectively, and makes an irrevocable election at initial recognition on equity instruments not held for dealing or trading purpose, by increasing financial assets at fair value through other comprehensive income in the amount of $25,392.

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

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

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

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 16, 'Leases'

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

In the year of 2018, the Company reported to the Board of Directors that IFRS 16 has no material impact to the Company.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 1 and IAS 8, 'Disclosure Initiative-Definition of Material'	January 1, 2020
Amendments to IFRS3,'Definition of a business'	January 1, 2020
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2021

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The non-consolidated financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

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

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

(b) Financial assets at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.

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

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

C. In adopting IFRS 9 effective January 1, 2018, the Company has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognised as retained earnings or other equity as of January 1, 2018 and the financial statements of the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), and related financial reporting interpretations. Please refer to Note 12(4) for details of significant accounting policies.

(3) <u>Classification of current and non-current items</u>

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Assets held mainly for trading purposes;

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

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

(4) <u>Cash equivalents</u>

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

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Company measures the financial assets at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial assets at fair value with any gain or loss recognised in profit or loss.

(6) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(7) Accounts and notes receivable

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

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

(8) Impairment of financial assets

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

(9) Derecognition of financial assets

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

(10) Investments accounted for using equity method/ subsidiaries and associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised gains on transactions between the Company and its subsidiaries had been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profits or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the associate, the Company continues recognizing its share of further losses.

D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

E. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

F. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

G. The Company accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

H. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the non-consolidated financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(11) Impairment of non-financial assets

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

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

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(12) Employee benefits

A. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds (at the balance sheet date).

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

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

B. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

C. Employees' compensation directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as a change in estimate.

(13) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(14) Income tax

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

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

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the non-consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

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

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

(15) Share capital

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

(16) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

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

The preparation of these non-consolidated financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Judgements and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Company has no critical accounting judgements, estimates and assumption uncertainty.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Checking accounts	$ 485	$ 555
Demand deposits	8,902	11,285
Time deposits	201,142	733,846
	$ 210,529	$ 745,686

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

B. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss-current

Items	December 31, 2018
Currents items	
Financial assets mandatorily measured at fair value through profit or loss	
Beneficiary certificates	$ 2,041
Valuation adjustment	4
Total	$ 2,045

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the year ended December 31, 2018
Financial assets mandatorily measured at fair value through profit or loss	
Beneficiary certificates	$ 310

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

C. The information on financial assets at fair value through profit or loss as of December 31, 2017 is provided in Note 12(4).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2018
Current items:	
Equity instruments	
Listed stocks	$ 21,268
Valuation adjustment	(1,251)
	$ 20,017
Non-current items:	
Equity instruments	
Unlisted stocks	$ 2,342
Valuation adjustment	(1,799)
	$ 543

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31, 2018
Equity instruments at fair value through other comprehensive income	
Fair value change recognised in other comprehensive income	($ 2,591)
Cumulative losses reclassified to retained earnings due to derecognition	($ 14,039)

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

C. The information on available-for-sale financial assets and financial assets at cost as of December 31, 2017 is provided in Note 12(4).

(4) Investments accounted for under the equity method

	2018	2017
At January 1	$ 3,819,621	$ 3,956,490
Addition of investments accounted for under the equity method	619,364	89,474
Gain on remeasurement of business combination	29,402	-
Proceeds from reduction of capital of investee Company	-	(176,400)
Share of profit or loss of investments accounted for under the equity method	788,260	791,864
Earnings distribution of investments accounted for under equity method	(707,906)	(800,261)
Changes in capital surplus	4,368	183
Changes in other equity items	2,165	(41,729)
At December 31	$ 4,555,274	$ 3,819,621

	December 31, 2018	December 31, 2017
Subsidiaries:		
ECOVE Wujih Energy Corp.	$ 1,242,060	$ 1,228,849
ECOVE Environmental Services Corp.	895,799	853,832
ECOVE Waste Management Corp.	113,462	100,974
ECOVE Miaoli Energy Corp.	1,003,951	1,007,915
Yuan Ding Resources Corp.	23,543	23,496
ECOVE Solar Energy Corporation	854,787	-
ECOVE Solvent Recycling Corporation	80,168	-
Associate:		
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	292,168	293,441
EVER ECOVE Corporation	49,336	-
Joint venture:		
ECOVE Solar Energy Corporation	-	311,114
	$ 4,555,274	$ 3,819,621

A. Subsidiaries

(a) The basic information of the subsidiaries that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2018	Shareholding ratio December 31, 2017	Nature of relationship	Methods of measurement
ECOVE Wujih Energy Corp.	Taiwan	98.00%	98.00%	Subsidiaries	Equity method
ECOVE Environmental Services Corp.	"	93.15%	93.15%	"	"
ECOVE Waste Management Corp.	"	100.00%	100.00%	"	"
ECOVE Miaoli Energy Corp.	"	74.999%	74.999%	"	"
ECOVE Solar Energy Corporation	"	100.00%	49.998%	Note	"

Note: On September 20, 2018, the Company acquired 50% of the shares of Gintech Energy Corp. by cash. ECOVE Solar Energy Corporation became a wholly-owned subsidiary of the Company.

(b) The summarized financial information of the associate that is material to the Company is as follows:

Balance sheet

	ECOVE Wujih Energy Corp. December 31, 2018	ECOVE Wujih Energy Corp. December 31, 2017
Current assets	$ 701,861	$ 487,473
Non-current assets	866,934	999,428
Current liabilities	(187,098)	(134,991)
Non-current liabilities	(114,289)	(97,982)
Total net assets	$ 1,267,408	$ 1,253,928
Share in subsidiary's net assets	$ 1,242,060	$ 1,228,849
Carrying amount of the subsidiary	$ 1,242,060	$ 1,228,849

	ECOVE Environmental Services Corp.	
	December 31, 2018	December 31, 2017
Current assets	$ 1,807,036	$ 1,633,911
Non-current assets	278,759	292,559
Current liabilities	(957,983)	(860,907)
Non-current liabilities	(161,477)	(144,266)
Total net assets	$ 966,335	$ 921,297
Share in subsidiary's net assets	$ 900,159	$ 858,206
Carrying amount of the subsidiary	$ 895,799	$ 853,832

	ECOVE Waste Management Corp.	
	December 31, 2018	December 31, 2017
Current assets	$ 407,127	$ 400,990
Non-current assets	65,100	54,066
Current liabilities	(219,173)	(224,289)
Non-current liabilities	(139,592)	(129,793)
Total net assets	$ 113,462	$ 100,974
Share in subsidiary's net assets	$ 113,462	$ 100,974
Carrying amount of the subsidiary	$ 113,462	$ 100,974

	ECOVE Miaoli Energy Corp.	
	December 31, 2018	December 31, 2017
Current assets	$ 175,062	$ 173,463
Non-current assets	1,337,570	1,463,676
Current liabilities	(102,176)	(225,856)
Non-current liabilities	(71,831)	(67,372)
Total net assets	$ 1,338,625	$ 1,343,911
Share in subsidiary's net assets	$ 1,003,951	$ 1,007,915
Carrying amount of the subsidiary	$ 1,003,951	$ 1,007,915

	ECOVE Solar Energy Corporation
	December 31, 2018
Current assets	$ 79,041
Non-current assets	1,383,498
Current liabilities	(175,952)
Non-current liabilities	(555,491)
Total net assets	$ 731,096
Share in subsidiary's net assets	$ 731,096
Carrying amount of the subsidiary	$ 854,787

Statement of comprehensive income

	ECOVE Wujih Energy Corp.	
	For the years ended December 31,	
	2018	2017
Revenue	$ 705,067	$ 727,576
Profit for the period from continuing operations	$ 275,512	$ 295,010
Other comprehensive (loss) income, net of tax	1,074	(1,798)
Total comprehensive income	$ 276,586	$ 293,212
Dividend received from subsidiary	$ 257,886	$ 249,220

	ECOVE Environmental Services Corp.	
	For the years ended December 31,	
	2018	2017
Revenue	$ 3,405,140	$ 2,929,747
Profit for the period from continuing operations	$ 367,025	$ 369,656
Other comprehensive income (loss), net of tax	137	(24,072)
Total comprehensive income	$ 367,162	$ 345,584
Dividend received from subsidiary	$ 302,462	$ 410,681

	ECOVE Waste Management Corp.	
	For the years ended December 31,	
	2018	2017
Revenue	$ 1,203,941	$ 1,157,573
Profit for the period from continuing operations	$ 58,674	$ 44,366
Other comprehensive income (loss), net of tax	185	(3,486)
Total comprehensive income	$ 58,859	$ 47,852
Dividend received from subsidiary	$ 46,784	$ 35,172

	ECOVE Miaoli Energy Corp.	
	For the years ended December 31,	
	2018	2017
Revenue	$ 347,786	$ 348,186
Profit for the period from continuing operations	$ 129,055	$ 150,527
Other comprehensive loss, net of tax	(48)	(1,107)
Total comprehensive income	$ 129,007	$ 149,420
Dividend received from subsidiary	$ 100,774	$ 105,188

	ECOVE Solar Energy Corporation
	For the year ended December 31,
	2018
Revenue	$ 83,711
Profit for the period from continuing operations	$ 43,423
Other comprehensive income, net of tax	10,422
Total comprehensive income	$ 53,845
Dividend received from subsidiary	$ -

B. Associates

(a) The basic information of the associate that is material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2018	Shareholding ratio December 31, 2017	Nature of relationship	Methods of measurement
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Is.	20.00%	20.00%	Associate	Equity method

(b) The summarized financial information of the subsidiaries that are material to the Company is as follows:

Balance sheets

	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	
	December 31, 2018	December 31, 2017
Current assets	$ 300,925	$ 334,230
Non-current assets	788,200	747,923
Current liabilities	(10,908)	(2,673)
Total net assets	$ 1,078,217	$ 1,079,480
Share in associate's net assets	$ 215,643	$ 215,896
Carrying amount of the associate	$ 292,168	$ 293,441

Statement of comprehensive income

	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	
	For the years ended December 31,	
	2018	2017
Revenue	$ -	$ -
Gain (loss) for the period from continuing operations	2,188	(13,126)
Other comprehensive loss, net of tax	(9,131)	(35,701)
Total comprehensive loss	($ 6,943)	($ 48,827)

C. Joint venture

(a) The basic information of the joint venture that is material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2018	Shareholding ratio December 31, 2017	Nature of relationship	Method of measurement
ECOVE Solar Energy Corporation	Taiwan	-	49.998%	Joint venture	Equity method

(b) The summarized financial information of the joint venture that is material to the Company is as follows:

Balance sheet

	ECOVE Solar Energy Corporation December 31, 2017
Cash and cash equivalents	$ 101,988
Other current assets	11,483
Current assets	113,471
Non-current assets	1,031,074
Total assets	$ 1,144,545
Current financial liabilities	$ 197,049
Other current liabilities	51,160
Current liabilities	248,209
Non-current liabilities	274,084
Total liabilities	522,293
Total net assets	$ 622,252
Share in joint venture's net assets	$ 311,114
Carrying amount of the joint venture	$ 311,114

Statement of comprehensive income

	ECOVE Solar Energy Corporation For the year ended December 31, 2017
Revenue	$ 59,167
Depreciation and amortisation	($ 24,060)
Interest income	$ 1,153
Interest expense	($ 4,694)
Profit before income tax	$ 27,601
Income tax expense	(2,762)
Profit for the year	24,839
Other comprehensive loss, net of tax	(25,111)
Total comprehensive loss	($ 272)

C. Explanation of the Company's holding ECOVE Solar Energy Corporation

(a) The Company and Gintech Energy Corp. established the joint venture - ECOVE Solar Energy Corporation, the main activity of which is energy technology services. The Company held 50% equity of ECOVE Solar Energy Corporation.

(b) The Board of Directors had resolved to invest in ECOVE Solar Energy Corporation, in March 2018 and December 2016. The Company invested in ECOVE Solar Energy Corporation, amounting to $27,500 and $89,474 in March 2018 and February 2017, respectively.

(c) On September 20, 2018, the Company acquired 50% of the shares of ECOVE Solar Energy Corporation by cash. The acquired company became a wholly-owned subsidiary.

D. The Board of Directors of subsidiary, ECOVE Wujih Energy Corp., has proposed a capital reduction of $180,000 in March 2017, and resolved by the stockholders during their meeting in June 2017. The Company received proceeds from the capital reduction in proportion to its ownership of $176,400.

E. On May 10, 2018, the Company acquired a 90% equity interest of ECOVE Solvent Recycling Corporation in the amount of $49,590.

F. In August 2018, the Company acquired 5% of the shares of EVER ECOVE Corporation for $50,000 in accordance with the resolution of the Board of Directors adopted in their meeting on July 30, 2018. The Company's ownership in EVER ECOVE Corporation is less than 20%, but the Company and the parent Company own 30% of the shares of EVER ECORE Corporation, therefore this investment is accounted for using the equity method.

(5) Pensions

A. Defined benefit pension plan

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

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2018	December 31, 2017
Present value of defined benefit obligations	$ 4,011	$ 3,248
Fair value of plan assets	(1,264)	(1,041)
Net defined benefit liability	$ 2,747	$ 2,207

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2018			
At January 1	$ 3,248	($ 1,041)	$ 2,207
Current service cost	723	-	723
Interest expense (income)	32	(10)	22
	4,003	(1,051)	2,952
Remeasurements:			
Return on plan asset	22	-	22
Change in financial assumptions			
Experience adjustments	(14)	(45)	(59)
	8	(45)	(37)
Pension fund contribution	-	(168)	(168)
Paid pension	-	-	-
At December 31	$ 4,011	($ 1,264)	$ 2,747

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2017			
At January 1	$ 5,278	($ 1,620)	$ 3,658
Current service cost	879	-	879
Interest expense (income)	74	(23)	51
	6,231	(1,643)	4,588
Remeasurements:			
Change in financial assumptions	72	-	72
Experience adjustments	(2,263)	7	(2,256)
	(2,191)	7	(2,184)
Pension fund contribution	-	(197)	(197)
Paid pension	(792)	792	-
At December 31	$ 3,248	($ 1,041)	$ 2,207

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2018 and 2017 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2018	2017
Discount rate	0.90%	1.00%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with the 5th Taiwan Standard Ordinary Experience Mortality Table.

(f) Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2018				
Effect on present value of defined benefit obligation	($ 55)	$ 56	$ 45	($ 44)
December 31, 2017				
Effect on present value of defined benefit obligation	($ 46)	$ 47	$ 38	($ 37)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(g) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2019 amounts to $146.

B. Defined contribution pension plan

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

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2018 and 2017 were $584 and $699, respectively.

(6) Share-based payment

A. For the years ended December 31, 2018 and 2017, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Fourth plan of employee stock options	2011.6.17	1,200 units	6 years	Service of 2 years
Fifth plan of employee stock options	2012.6.28	1,200 units	6 years	Service of 2 years
Sixth plan of employee stock options	2018.7.9	1,500 units	6 years	Service of 2 years

B. The above employee stock options are as follows:

(a) Details of the fourth plan of employee stock options outstanding as of December 31, 2018 and 2017, are as follows:

	For the years ended December 31,					
	2018			2017		
Stock options	No. of units (in thousands)	Weighted-average exercise price (in dollars)		No. of units (in thousands)	Weighted-average exercise price (in dollars)	
Options outstanding at beginning of period	3.00	NT$	106.30	215.25	NT$	106.30
Options granted	-		-	-		-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-		-	-		-
Options waived	(3.00)	NT$	106.30	-		-
Options exercised	-		-	(212.25)	NT$	106.30
Options revoked	-		-	-		-
Options outstanding at end of year	-		-	3.00	NT$	106.30
Options exercisable at end of year	-		-	3.00	NT$	106.30

(b) Details of the fifth plan of employee stock options outstanding as of December 31, 2018 and 2017, are as follows:

	For the years ended December 31,			
	2018		2017	
Stock options	No. of units (in thousands)	Weighted-average exercise price (in dollars)	No. of units (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of period	298.25	NT$ 103.00	435.25	NT$ 110.00
Options granted	-	-	-	-
Distribution of stock dividends / adjustments for number of shares granted for one unit of option	-	-	-	-
Options waived	(3.75)	-	-	-
Options exercised	(294.50)	NT$ 103.00	(137.00)	NT$ 108.95
Options revoked	-	-	-	-
Options outstanding at end of year	-	-	298.25	NT$ 103.00
Options exercisable at end of year	-	-	298.25	NT$ 103.00

(c) Details of the sixth plan of employee stock options outstanding as of December 31, 2018, are as follows:

	For the year ended December 31, 2018	
Stock options	No. of units (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	-	-
Options granted	1,500	NT$ 173.5
Distribution of stock dividends/adjustments for number of shares granted for one unit of option	-	-
Options waived	(52)	-
Options exercised	-	-
Options revoked	-	-
Options outstanding at end of year	1,448	NT$ 173.5
Options exercisable at end of year	-	-

C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2018 and 2017 was NT$172.63 and NT$171.9 (in dollars), respectively.

D. As of December 31, 2018 and 2017, the range of exercise prices of stock options outstanding was NT$173.5 and NT$103~NT$106.3 (in dollars), respectively; the weighted-average remaining contractual period was as follows:

Type of arrangement	December 31, 2018	December 31, 2017
Fourth plan of employee stock options	-	-
Fifth plan of employee stock options	-	0.5 years
Sixth plan of employee stock options	5.5 years	-

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

Type of arrangement	Grant date	Market value (Note)	Exercise price	Expected price volatility	Expected duration	Expected dividend yield rate	Risk-free interest rate	Fair value per unit (in dollars)
Fourth plan of employee stock options	2011.6.17	NT$146.0	NT$146.0	38.65%	4.50 years	0%	1.05%	NT$ 48.82
Fifth plan of employee stock options	2012.6.28	NT$145.0	NT$145.0	33.63%	4.60 years	0%	1.00%	NT$ 42.79
Sixth plan of employee stock options	2018.7.9	NT$173.5	NT$173.5	11.38%~ 12.71%	4~5 years	0%	0.66%~ 0.71%	NT$ 17.88

F. Expenses incurred on share-based payment transactions are shown below:

	For the years ended December 31, 2018	For the years ended December 31, 2017
Equity-settled	$ 687	$ -

(7) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows:

	2018	2017
At January 1	66,810,648	66,461,398
Employee stock options exercised	294,500	349,250
At December 31	67,105,148	66,810,648

B. As of December 31, 2018, the Company’s authorized capital was $800,000, consisting of 80,000 thousand shares of ordinary stock (including 6,000 thousand shares reserved for employee stock options), and the paid-in capital was $671,051 with a par value of NT$10 (in dollars) per share. All proceeds from shares issued have been collected.

(8) Capital surplus

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

B. Changes in capital surplus are as follows:

	Share premium	Employee stock options	Others	Total
At January 1, 2018	$ 1,971,969	$ 188,747	$ 313	$ 2,161,029
Share-based payment transaction	-	5,055	-	5,055
Employee stock options expired	188,877	(188,564)	(313)	-
Employee stock options exercised	27,389	-	-	27,389
At December 31, 2018	$ 2,188,235	$ 5,238	$ -	$ 2,193,473

	Share premium	Employee stock options	Others	Total
At January 1, 2017	$ 1,936,651	$ 189,886	$ 313	$ 2,126,850
Share-based payment transaction	-	183	-	183
Employee stock options exercised	35,318	(1,322)	-	33,996
At December 31, 2017	$ 1,971,969	$ 188,747	$ 313	$ 2,161,029

C. Please refer to Note 6 (6) for detailed information about capital surplus from employee stock options.

(9) Retained earnings

As of December 31, 2018 and 2017, the Company's retained earnings are set forth below:

	2018	2017
At January 1	$ 1,359,148	$ 1,445,777
Effect of retrospective restatement	1,799	-
At January 1(after restatement)	1,360,947	1,445,777
Legal reserve appropriated	(76,134)	(84,809)
Special reserve appropriated	(32,139)	-
Distribution of retained earnings	(647,313)	(757,173)
Profit for the year	806,912	761,339
Remeasurement on post employment benefit obligations, net of tax	(1,782)	(5,986)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(30,447)	-
At December 31	$ 1,380,044	$ 1,359,148

A. When net profit occurs in the annual accounts, the Company may, after reserving a sufficient amount of the income before tax to cover the accumulated losses, upon the resolution of the Board of Directors, distribute at least 0.01% of the income before tax as employees' remuneration, and distribute no more than 2% of the income before tax as directors' remuneration. The remuneration could be in the form of stock or cash, and the employees' remuneration could be distributed to the employees of subsidiaries of the Company under certain conditions. A report of the distribution of employees' compensation or the directors' remuneration shall be submitted to the shareholders at the shareholders' meeting.

B. The Company shall, after all taxes and dues have been paid and its losses have been covered and at the time of allocating surplus profits, first set aside 10% of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. Furthermore, in accordance with the provisions of laws and regulations and the rules prescribed by the central competent authority, a special reserve shall be set aside. If there is recovery of the balance of special reserve, the recovered amount shall be included in the distribution of the profit for the current year.

   The allocable profit for the current year, which is the balance after the profit distribution and covering losses aforementioned in the preceding paragraph, together with the undistributed retained earnings accrued from prior years shall be referred to as accumulated distributable earnings, which shall be distributed as dividends to shareholders according to shareholders' resolutions.

In order to meet the requirements of business expansion and industry growth, fulfilling future operating needs and stabilizing financial structure is the priority of the Company's dividend policy. Thus, the distribution of the accumulated distributable earnings corresponds with the shareholders' resolutions. And, the amount of shareholders' bonus shall not be less than 20% of accumulated distributable earnings of the Company, and in particular cash dividend shall not be less than 5%.

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

D. Special reserve

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

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Order No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. The Company recognised dividends of $647,313 (NT$9.68 per share) and $757,173 (NT$11.37 per share) in 2018 and 2017, respectively. In addition, outstanding stocks will be influenced by employees' share rights. Thus, the Board of Directors gave the right to adjust the rate of distributed dividends from NT$9.68 per share to NT$9.64624522 per share.

F. The appropriation of 2017 and 2016 earnings had been resolved at the stockholders' meeting on May 31, 2018 and June 26, 2017, respectively.

Details are summarized below:

	2017	2016
Legal reserve	$ 76,134	$ 84,809
Special reserve	32,139	-
Cash dividends	647,313	757,173
	$ 755,586	$ 841,982

G. The appropriation of 2018 earnings had been proposed by Board of Directors during their meeting on March 8, 2019. Details are summarised below:

	2018	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 80,691	NT$ -
Special reserve	(30,041)	-
Cash dividends	726,078	10.82
	$ 776,728	NT$ 10.82

The appropriation of 2018 earnings has not been resolved at the stockholders' meeting as of March 8, 2019.

H. For information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, please refer to Note 6 (13).

I. For information relating to effect of retrospective restatement, please refer to Note 12 (4).

(10) Other income

	For the years ended December 31,	
	2018	2017
Interest income:		
Interest income from bank deposits	$ 1,634	$ 2,559
Other interest income	2,252	1,803
	3,886	4,362
Dividend revenue	645	1,145
Other income, others	43,752	12,778
	$ 48,283	$ 18,285

(11) Other gains and losses

	For the years ended December 31,	
	2018	2017
Gains on disposals of investments	$ 29,402	$ 3,610
Foreign exchange gain (losses)	95	(237)
Gains on financial assets at fair value through profit or loss	310	280
Impairment loss	-	(13)
Miscellaneous disbursements	-	(2)
	$ 29,807	$ 3,638

(12) Expenses by nature

	For the years ended December 31,	
	2018	2017
Employee benefit expense	$ 40,480	$ 42,417
Services	2,303	2,341
Insurances	123	100
Other expenses	7,369	4,937
Total operating expenses	$ 50,275	$ 49,795

(13) Employee benefit expense

	For the years ended December 31,	
	2018	2017
Salaries	$ 31,576	$ 33,533
Employee stock options	687	-
Labor and health insurance fees	1,266	1,329
Pension costs	1,329	1,629
Directors' remuneration	5,200	5,200
Other personnel expenses	422	726
	$ 40,480	$ 42,417

As of December 31, 2018 and 2017, the Company had 17 and 18 employees, respectively. There were 9 directors who were not concurrently employees.

A. When net profit occurs in the annual accounts, the Company may, after reserving a sufficient amount of the income before tax to cover the accumulated losses, upon the resolution of the Board of Directors, distribute at least 0.01% of the income before tax as employees' compensation, and distribute no more than 2% of the income before tax as Directors' remuneration. The remuneration could be in the form of stock or cash, and the employees' compensation could be distributed to the employees of subsidiaries of the Company under certain conditions. A report of the distribution of employees' compensation or the Directors' remuneration shall be submitted to the shareholders at the shareholders' meeting.

B. For the years ended December 31, 2018 and 2017, employees' compensation was accrued at $343 and $359, respectively; directors' and supervisors' remuneration was accrued at $5,200 and $5,200, respectively. The aforementioned amounts were recognised in salary and other expenses.

   The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 0.01% at minimum and 2% at maximum of distributable profit of current year as of the end of December 31, 2018. The employees' compensation and directors' and supervisors' remuneration has not been resolved by the Board of Directors. The employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2017 amounting to $359 and $5,200, respectively, as resolved by the meeting of Board of Directors were in agreement with those amounts recognised in the 2017 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(14) Income tax

A. Income tax expense:

	For the years ended December 31,	
	2018	2017
Current tax:		
Current tax on profits for the period	$ 9,107	$ 2,737
Prior year income tax under (over) estimation	56	(84)
Income tax expense	$ 9,163	$ 2,653

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2018	2017
Tax calculated based on profit before tax and statutory tax rate	$ 163,216	$ 129,879
Prior year income tax under (over) estimation	56	(84)
Effect of exempt income	(154,109)	(127,142)
Income tax expense	$ 9,163	$ 2,653

C. As of December 31, 2018, the Company's and its subsidiaries' income tax returns through 2016 have been assessed and approved by the Tax Authority.

D. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China on February 7, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Company has assessed the impact of the change in income tax rate.

(15) Earnings per share

	For the year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
Basic earnings per share:			
Profit attributable to owners of the parent	$ 806,912	67,024	NT$ 12.04
Diluted earnings per share:			
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	2	
Profit attributable to owners of the parent plus dilutive effect of common stock equivalents	$ 806,912	67,026	NT$ 12.04

The Company's employee stock options had anti-dilution effect; thus, they were not included in the calculation of diluted earnings per share.

	For the year ended December 31, 2017		
	Amount after tax	Weighted average number of ordinary shares outstanding (in thousands)	Earnings per share (in dollars)
Basic earnings per share:			
Profit attributable to owners of the parent	$ 761,339	66,739	NT$ 11.41
Diluted earnings per share:			
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	110	
Employees' bonus	-	3	
Profit attributable to owners of the parent plus dilutive effect of common stock equivalents	$ 761,339	66,852	NT$ 11.39

(16) Operating leases

The Company leases offices under non-cancellable operating lease agreements. These leases have terms expiring between 1 year and 2 years. The Company recognised rental expenses of $790 and $965, for these leases for the years ended December 31, 2018 and 2017, respectively.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2018	December 31, 2017
Less than one year	$ 790	$ 790
More than one year but not less than five years	1,127	1,867
More than five years	2,268	2,318
	$ 4,185	$ 4,975

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by CTCI Corporation (incorporated in R.O.C.), which owns 57.31% of the Company's shares. The remaining 42.43% of the shares are widely held by the public.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
CTCI Corp.	The ultimate parent
ECOVE Wujih Energy Corp.	Subsidiary
ECOVE Environmental Services Corp.	Subsidiary
ECOVE Waste Management Corp.	Subsidiary
ECOVE Miaoli Energy Corp.	Subsidiary
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Associate
ECOVE Solar Energy Corporation	This entity became a subsidiary on September 20, 2018, before which it was a joint venture
Gintech Energy Corp.	Other related party

(3) Significant transactions and balances with related parties

A. Directors' and supervisors' remuneration (shown in 'Other income')

	For the years ended December 31,	
	2018	2017
ECOVE Wujih Energy Corp.	$ 14,138	$ 2,177
ECOVE Environmental Services Corp.	19,462	6,250
Subsidiaries	5,975	749
	$ 39,575	$ 9,176

B. Other revenue / receivables from related parties

(a) Receivables from related parties

		December 31, 2018		December 31, 2017
-Loans to related parties				
ECOVE Solar Energy Corporation	$	87,029	$	-
-Others				
ECOVE Solar Energy Corporation		4,437		6,745
Subsidiaries (Note)		27,606		1,229
	$	119,072	$	7,974

Note: It is refers to directors' and supervisors' remuneration as well as payments on behalf of others.

(b) Other revenue

	For the years ended December 31,			
		2018		2017
Interest revenue				
The ultimate parent	$	2,223	$	1,295
ECOVE Solar Energy Corporation (Note)		29		508
	$	2,252	$	1,803
Personnel transfers revenue				
ECOVE Solar Energy Corporation	$	2,272	$	3,458
Associates		999		385
	$	3,271	$	3,843

Note: The terms of lending include interest to be calculated and received monthly, using the annual rate of 1.01% for the year ended December 31, 2018.

C. Operating expenses / other payables-related parties

(a) Operating expenses

	For the years ended December 31,			
		2018		2017
CTCI Corp. (Notes 1 and 2)	$	4,254	$	5,068
Subsidiaries (Notes 2 and 3)		1,458		1,269
	$	5,712	$	6,337

Note 1: For the years ended December 31, 2018 and 2017, the Company paid directors' and supervisors' remuneration amounting to $200 and $102, respectively.

Note 2: For personnel transfers from related parties, information system service expense and office rent.

Note 3: Amortization of rent and administrative expense of the office in Neihu.

(b) As of December 31, 2018 and 2017, the Company has unpaid obligations to related parties as follows: (shown in "other payables")

	December 31, 2018	December 31, 2017
CTCI Corp.	$ 1,236	$ 785
Subsidiaries	56	57
	$ 1,292	$ 842

D. Acquisition of financial assets

	Accounts	No. of shares	Objects	For the year ended December 31, 2018 Consideration
Other related parties	Investments accounted for using equity method	31,622,726	ECOVE Solar Energy Corporation	$ 455,384

E. Endorsements and guarantees for others

	December 31, 2018	December 31, 2017
ECOVE Solar Energy Corporation	$ 1,143,589	$ 631,253

(4) Key management compensation

	For the years ended December 31,	
	2018	2017
Salaries and other short-term employee benefits	$ 22,424	$ 22,484

8. PLEDGED ASSETS

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

	Book value		
Assets	December 31, 2018	December 31, 2017	Purposes
Other current assets			
Restricted bank deposits	$ -	$ 10,000	Guarantee for bid and performance guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Please refer to Note 7(3) D for detailed information.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriation of 2018 earnings had been proposed at the Board of Directors' meeting on March 8, 2019, please refer to Note 6(9)G for detailed information.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2018	December 31, 2017
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 2,045	$ -
Financial assets held for trading	-	98,073
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	20,560	-
Available-for-sale financial assets	-	24,849
	$ 22,605	$ 122,922

	December 31, 2018		December 31, 2017	
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	$	210,529	$	745,686
Financial assets at cost		-		543
Other receivables		673		710
Other receivables-related parties		119,072		7,974
Other financial assets		-		10,000
	$	330,274	$	764,913

	December 31, 2018		December 31, 2017	
Financial liabilities				
Financial liabilities at amortised cost				
Notes payable	$	480	$	-
Other payable		18,802		19,380
Other payable-related parties		1,292		842
	$	20,574	$	20,222

B. Risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require Company companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury.

iii. The Company has certain investments in foreign operations, therefore, does not hedge the risk.

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

	December 31, 2018		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
Financial Assets			
Monetary items			
USD：NTD	$ 108	30.740	$ 3,319

	December 31, 2017		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency : functional currency)			
Financial Assets			
Monetary items			
USD：NTD	$ 104	29.848	$ 3,105

The unrealised exchange gain arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2018 and 2017 amounted to $95 and $128, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	For the year ended December 31, 2018		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD：NTD	1.00%	$ 33	$ -

	For the year ended December 31, 2017		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD：NTD	1.00%	$ 31	$ -

Price risk

The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contractual cash flow of debt instruments classified as financial assets at fair value through other comprehensive income.

ii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

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

iv. Credit risk information of 2017 is provided in Note 12(4).

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

Non-derivative financial liabilities December 31, 2018	Up to 1 year	Over 1 year
Notes payable	$ 480	$ -
Other payables (including related parties)	20,094	-

Non-derivative financial liabilities December 31, 2017	Up to 1 year	Over 1 year
Other payables (including related parties)	$ 20,222	$ -

(3) Fair value estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

The related information of natures of the assets and liabilities is as follows:

December 31, 2018	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 2,045	$ -	$ -	$ 2,045
Financial assets at fair value through other comprehensive income				
Equity securities	20,017	-	543	20,560
	$ 22,062	$ -	$ 543	$ 22,605

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 98,073	$ -	$ -	$ 98,073
Available-for-sale financial assets				
Equity securities	24,849	-	-	24,849
	$ 122,922	$ -	$ -	$ 122,922

C. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

D. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

E. For the years ended December 31, 2018 and 2017, there were no transfers between Level 1 and Level 2.

F. For the years ended December 31, 2018 and 2017, there were no input and output into Level 3.

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

A. Summary of significant accounting policies adopted in 2017:

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

i. They are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.

ii. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.

iii. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(b) Available-for-sale financial assets

i. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using settlement date accounting.

iii. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in ‘financial assets measured at cost’.

(c) Loans and receivables

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(d) Impairment of financial assets

i. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii. The criteria that the Company uses to determine whether there is objective evidence of an impairment loss is as follows:

(i) Significant financial difficulty of the issuer or debtor;

(ii) A breach of contract, such as a default or delinquency in interest or principal payments;

(iii) The Company, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) The disappearance of an active market for that financial asset because of financial difficulties;

(vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(vii) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

(viii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Company assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(i) Financial assets at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. 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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset directly.

(ii) Financial assets at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(iii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

B. The reconciliations of carrying amount of financial assets transferred from December 31, 2017, IAS 39, to January 1, IFRS 9, were as follows:

Under IAS 39, because the equity instruments, which were classified as: available-for-sale financial assets and financial assets at cost, amounting to $24,849 and $543, respectively, were not held for the purpose of trading, they were reclassified as "financial assets at fair value through other comprehensive income (equity instruments)", increased retained earnings and decreased other equity interest in the amounts of $1,799 and $1,799 on initial application of IFRS 9.

C. The significant accounts as of December 31, 2017 are as follows:

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

Items	December 31, 2017
Current items:	
Financial assets held for trading	
Beneficiary certificates	$ 97,892
Valuation adjustment	181
	$ 98,073

The Company recognised net profit amounting to $280 on financial assets held for trading for the year ended December 31, 2017.

(b) Available-for-sale financial assets

Items	December 31, 2017
Current items:	
Listed stocks	$ 37,548
Valuation adjustment	(12,699)
	$ 24,849

i. The Company recognised $710 in other comprehensive loss for fair value change for the year ended December 31, 2017.

ii. Due to the global financial crisis in 2008, the Company, in accordance with IAS No. 39, paragraph 50 (c), reclassified certain listed stocks previously classified as financial assets at fair value through profit or loss into available-for-sale financial assets amounting to $7,298. The detailed information is set forth below:

(i) The above reclassified assets that have not yet been disposed of are as follows:

	December 31, 2017 Book value/fair value
Listed stocks	$ 6,553

(ii) The changes in fair value of the above listed stocks that were recognised in profit or loss and other comprehensive income were $0 and $234, respectively, for the year ended December 31, 2017. And, the accumulated total changes in fair value of the above listed stocks that were recognised in profit or loss and other comprehensive (loss) income before January 1, 2017 were $0 and $1,411, respectively.

(iii) If the above listed stocks had not been reclassified to 'available-for-sale financial assets' on July 1, 2008, the gain (loss) from changes in fair value of these assets that should have been recognised in profit or loss is as follows:

	For the year ended December 31, 2017
Listed stocks	$ 234

(c) Financial assets measured at cost

Items	December 31, 2017
Teamwin Opto-Electronics Co., Ltd.	$ 2,261
Eastern Pacific Energy Sdn.Bhd.	81
Accumulated impairment	(1,799)
	$ 543

i. According to the Company's intention, its investments in the above corporation stocks should be classified as 'available-for-sale financial assets'. However, as above corporation stocks are not traded in active market, and the fair value of the investments in the above corporation stocks cannot be measured reliably. The Company classified those stocks as 'financial assets measured at cost'.

ii. As of December 31, 2017, no financial assets measured at cost held by the Company were pledged to others.

iii. In 2017, the Company has provided impairment loss amounting to $13 since Eastern Pacific Energy Sdn. Bhd. was assessed to be impaired based on objective evidences.

iv. In June, 2017, the shareholders of TSC Venture Management, Inc. at their meeting resolved to dissolve and distribute the remaining property amounting to $3,610. The difference is $3,610 when compared with its carrying amount of $0 and is recognised in gains on disposal of investments.

D. Credit risk information as of December 31, 2017 are as follows:

(a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

(b) As of December 31, 2017, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

(c) The credit quality information of financial assets that are neither past due nor impaired is as follows:

	December 31, 2017		
	Group 1	Group 2	Group 3
Other receivables	$ -	$ -	$ 710
Other receivables-related parties	-	-	7,974
	$ -	$ -	$ 8,684

Company 1: Government

Company 2: Listed companies

Company 3: Others

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to table 4.

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

ECOVE ENVIRONMENT CORPORATION
Loans to others
For the year ended December 31, 2018

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
0	ECOVE Environment Corp.	CTCI Corp.	Other receivables-related parties	Yes	$ 430,000	$ -	$ -	-	2	$ -	For operational needs	$ -	-	$ -	$ 487,824	$ 1,951,295	-
0	"	ECOVE Solar Energy Corporation	"	"	200,000	200,000	87,000	1.01%	"	"	"	"	"	"	487,824	1,951,295	-
1	ECOVE Waste Management Corp.	CTCI Corp.	"	"	14,000	7,000	-	-	"	"	"	"	"	"	11,346	45,385	-
1	"	CTCI Machinery Corp.	"	"	14,000	7,000	-	-	"	"	"	"	"	"	11,346	45,385	-
1	"	E&C Engineering Corp.	"	"	14,000	7,000	7,000	1.01%	"	"	"	"	"	"	11,346	45,385	-
2	ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corporation	"	"	70,000	70,000	50,000	1.57%	"	"	"	"	"	"	96,634	386,534	-
2	"	ECOVE Miaoli Energy Corporation	"	"	70,000	70,000	39,500	1.01%	"	"	"	"	"	"	96,634	386,534	-
2	"	CTCI Machinery Corp.	"	"	140,000	35,000	-	-	"	"	"	"	"	"	96,634	386,534	-
2	"	Resources Engineering Services Inc.	"	"	140,000	35,000	-	-	"	"	"	"	"	"	96,634	386,534	-
2	"	CTCI Corp.	"	"	140,000	70,000	-	-	"	"	"	"	"	"	96,634	386,534	-
2	"	E&C Engineering Corp.	"	"	140,000	70,000	-	-	"	"	"	"	"	"	96,634	386,534	-

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
3	ECOVE Solar Energy Corporation	ECOVE South Corporation Ltd.	"	"	$ 14,000	$ 14,000	$ -	-	"	"	"	"	"	"	$ 292,439	$ 292,439	-
3	"	ECOVE Solar Power Corporation	"	"	200,000	200,000	-	-	"	"	"	"	"	"	292,439	292,439	-
3	"	ECOVE Central Corporation Ltd.	"	"	17,000	17,000	1,000	1.71%	"	"	"	"	"	"	292,439	292,439	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1)The Company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.
Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.
Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2018.
Note 4: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing:
(1)The Business association is ‘1’.
(2) The Short-term financing are numbered in order starting from ‘2’
Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.
Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.
Note 7: The calculation and amount on ceiling of loans are as follows:
(1)The limit on loans granted to a single party shall not exceed 10% of the Company’s net assets value.
(2) The ceiling on totals loans shall not exceed 40% of the Company’s net assets value.
Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in installments alments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

ECOVE ENVIRONMENT CORPORATION

Provision of endorsements and guarantees to others

For the year ended December 31, 2018

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	ECOVE Environment Corp.	ECOVE Solar Energy Corporation	2	$ 9,756,476	$ 1,143,589	$ 1,143,589	$ 968,043	$ -	23.44%	$ 14,634,714	Y	N	N	-
1	ECOVE Solar Energy Corporation	ECOVE South Corporation Ltd.	2	1,462,194	14,000	14,000	14,000	-	1.91%	2,193,291	N	N	N	-
1	"	ECOVE Central Corporation Ltd.	2	1,462,194	19,790	16,790	16,790	-	2.71%	2,193,291	N	N	N	-
1	"	ECOVE Solar Power Corporation	2	1,462,194	694,248	694,248	600,355	-	94.96%	2,193,291	N	N	N	-
2	ECOVE Solar Power Corporation	ECOVE Solar Energy Corporation	5	408,122	12,420	12,420	12,420	-	6.09%	612,183	N	N	N	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1)Having business relationship.

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

(3) The endorser / guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed / guaranteed company.

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

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements / guarantees to the endorsed / guaranteed company in proportion to its ownership.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

(1)The limit on endorsements and guarantees granted to a single party shall not exceed 200% of the Company’s net assets value in last financial statement which was audited by accountant.

(2)The ceiling on total endorsements and guarantees shall not exceed 300% of the Company’s net assets value in last financial statement which was audited by accountant.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Once endorsement / guarantee contracts or promissory notes are signed / issued by the endorser / guarantor company to the banks, the endorser/guarantor company bears endorsement/guarantee liabilities. And all other events involve endorsements and guarantees should be included in the balance of outstanding endorsements and guarantees.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

ECOVE ENVIRONMENT CORPORATION

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2018

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

	Marketable securities（Note 1）		Relationship with the securities issuer（Note 2）	General ledger account	December 31, 2018				Footnote（Note 4）
Securities held by	Type	Name			Number of shares/ denominations	Book value（Note 3）	Ownership (%)	Fair value	
ECOVE Environment Corp.	Fund	Franklin Templeton Sinoam Money Market Fund	N/A	Financial assets at fair value through profit or loss-current	198,085	$ 2,041	-	$ 2,045	-
				Adjustment		4			
						$ 2,045			
"	Common Stock	Taiwan Cement Corp.	"	Financial assets at fair value through other comprehensive income-current	472,758	16,671	-	16,735	-
"	"	United Renewable Energy Co., Ltd.	"	"	455,157	4,597	-	3,282	-
				Adjustment		(1,251)			
						$ 20,017			
"	"	Teamwin Opto-Electronics Co., Ltd.	"	Financial assets at fair value through other comprehensive income-not-current	150,000	2,261	2.46%	475	
"	"	Eastern Pacific Energy Sdn. Bhd	The Chairman of the Company is the Board of director	"	10,000	81	10.00%	68	-
		less: Accumulated impairment				(1,799)			-
						$ 543		$ 543	
ECOVE Wujih Energy Corp.	Fund	FSITC Taiwan Money Market Fund	N/A	Financial assets at fair value through profit or loss-current	65,511	$ 1,001	-	$ 1,001	-
"	"	Taishin 1699 Money Market Fund	"	"	148,083	2,000	-	2,000	-
"	"	Franklin Templetor Money Market Fund	"	"	4,616,996	47,650	-	47,650	-
"	Common Stock	Taiwan Cement Corp.	"	Equity instruments at fair value through other comprehensive income- current	475,508	16,833	-	16,833	-
ECOVE Environment Services Corp.	Fund	Schroder 2022 Maturity Emerging Market Quality Sovereign Bond Fund	N/A	Financial assets at fair value through profit or loss-current	35,000	10,596	-	10,596	-
"	"	Taishin 1699 Money Market Fund	"	"	3,366,412	45,470	-	45,470	-
"	"	Capital Money Market Fund	"	"	620,717	10,000	-	10,000	-
"	Common Stock	CTCI Corp.	Ultimate parent company	Financial assets at fair value through other comprehensive income-current	1,028	45	-	45	-
"	"	Taiwan Cement Corp.	N/A	"	1,251,971	44,320	-	44,320	-
"	"	United Renewable Energy Co., Ltd.	"	"	559,567	4,034	-	4,034	-

Securities held by	Marketable securities（Note 1） Type	Name	Relationship with the securities issuer（Note 2）	General ledger account	December 31, 2018 Number of shares/ denominations	Book value（Note 3）	Ownership (%)	Fair value	Footnote（Note 4）
ECOVE Waste Management Corp.	Fund	Prudential Financial Money Market Fund	"	Financial assets at fair value through profit or loss-current	207,498	$ 3,277	-	$ 3,277	-
"	"	FSITC Taiwan Money Market Fund	"	"	1,311,441	20,034	-	20,034	-
"	"	Taishin 1699 Money Market Fund	"	"	1,333,007	18,005	-	18,005	-
"	"	Franklin Templetor Money Market Fund	"	"	891,706	9,202	-	9,202	-
"	Common Stock	Taiwan Cement Corp.	"	Financial assets at fair value through other comprehensive income-current	478,841	16,951	-	16,951	-
ECOVE Miaoli Energy Corporation	Fund	FSIC Taiwan Money Market Fund	"	Financial assets at fair value through profit or loss-current	65,579	1,002	-	1,002	-
"	"	Taishin 1699 Money Market Fund	"	"	518,246	7,000	-	7,000	-
"	"	Franklin Templetion Sinoam Money Market Fund	"	"	581,852	6,005	-	6,005	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

ECOVE ENVIRONMENT CORPORATION

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2018

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2018		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2018	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
ECOVE Environmental Services Corp.	Franklin Templeton Sinoam Money Market Fund	Financial assets at fair value through profit or loss	-	-	18,013,095	$ 185,030	13,613,507	$ 140,000	31,626,602	$ 325,408	$ 325,030	$ 378	-	$ -
ECOVE Miaoli Energy Corporation	FSITC Taiwan Money Market Fund	"	-	-	230,205	3,500	9,411,595	143,500	9,576,221	146,022	145,999	23	65,579	1,001
ECOVE Environment Corp.	ECOVE Solar Energy Corporation	Long-term equity investments accounted for using equity method	Gintech Energy Corp.	Other related party	28,269,632	311,114	34,975,820	532,213(note5)	-	-	-	-	63,245,452	843,327

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for using the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 5: In September 2018, the Company increased its investment in ECOVE Solar Energy Corporation in the amount of $482,884. The investment gain and adjustment to net assets, including the remeasurement of the original shares owned, totalling $49,329.

ECOVE ENVIRONMENT CORPORATION

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

For the year ended December 31, 2018

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
ECOVE Wujih Energy Corp.	ECOVE Waste Management Corp.	Affiliate	(Waste disposal revenue)	($ 382,669)	(54%)	30 days quarterly	No significant difference		$ 69,964	27%	-
"	ECOVE Environment Services Corp.	"	Cost of services	236,890	(45%)	"	"		(83,809)	(97%)	-
ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	"	(Operating revenue)	(572,562)	(17%)	"	"		100,417	14%	-
"	ECOVE Wujih Energy Corp.	"	"	(236,890)	(7%)	"	"		83,809	11%	-
"	ECOVE Miaoli Energy Corp.	"	"	(149,943)	(4%)	"	"		23,224	3%	-
"	ECOVE Solvent Recycling Corporation	"	Service revenue	(108,464)	(3%)	"	"		38,491	5%	-
"	CTCI Chemicals Corp.	"	Purchase	141,821	5%	"	"		(18,332)	(4%)	-
ECOVE Waste Management Corp.	ECOVE Environment Services Corp.	"	Waste disposal cost	572,562	51%	"	"		(100,417)	(57%)	-
"	ECOVE Wujih Energy Corp.	"	"	382,669	34%	"	"		(69,964)	(40%)	-
ECOVE Miaoli Energy Corp.	ECOVE Environment Services Corp.	"	Cost of services	149,943	92%	"	"		(23,224)	(100%)	-
ECOVE Solvent Recycling Corporation	ECOVE Environment Services Corp.	"	"	108,464	Note 4	"	"		(38,491)	(100%)	-

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 4: Cost of services for ECOVE Solvent Recycling Corporation is shown as property, plant and equipment.

ECOVE ENVIRONMENT CORPORATION

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

December 31, 2018

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 （Note 1）	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
ECOVE Environment Services Corp.	ECOVE Waste Management Corp.	Affiliate	$ 100,417	5.77	-	"	-	-

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties….

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

ECOVE ENVIRONMENT CORPORATION

Significant inter-company transactions during the reporting period

For the year ended December 31, 2018

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	ECOVE Environment Corp.	ECOVE Solar Energy Corporation	1	Other receivables	$ 91,466	30 days quarterly	1.01%
1	ECOVE Wujih Energy Corp.	ECOVE Waste Management Corp.	3	Operating revenue	382,669	"	7.89%
1	"	"	"	Accounts receivable	69,964	"	0.77%
2	ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	"	Operating revenue	236,890	"	4.89%
2	"	ECOVE Miaoli Energy Corp.	"	"	149,943	"	3.09%
2	"	ECOVE Waste Management Corp.	"	"	572,562	"	11.81%
2	"	ECOVE Solvent Recycling Corporation	"	"	108,464	"	2.24%
2	"	SINOGAL-Waste Services Co., Ltd.	"	"	68,070	"	1.40%
2	"	ECOVE Environment Consulting Corp.	"	"	55,274	"	1.14%
2	"	ECOVE Waste Management Corp.	"	Accounts receivable	100,417	"	1.11%
2	"	ECOVE Wujih Energy Corp.	"	"	83,809	"	0.92%
2	"	ECOVE Miaoli Energy Corp.	"	"	23,224	"	0.26%
2	"	ECOVE Solvent Recycling Corporation	"	"	38,491	"	0.42%
2	"	SINOGAL-Waste Services Co., Ltd.	"	"	31,738	"	0.35%
2	"	ECOVE Environment Consulting Corp.	"	"	48,223	"	0.53%
3	SINOGAL-Waste Services Co., Ltd.	ECOVE Environment Services Corp.	"	Operating revenue	50,229	"	1.04%
3	"	"	"	Accounts receivable	21,254	"	0.23%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is ‘0’.
(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

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

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

ECOVE ENVIRONMENT CORPORATION
Information on investees
For the year ended December 31, 2018

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2018	Initial investment amount: Balance as at December 31, 2017	Shares held as at December 31, 2018: Number of shares	Shares held as at December 31, 2018: Ownership (%)	Shares held as at December 31, 2018: Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income(loss) recognised by the Company for the year ended December 31, 2018	Footnote
ECOVE Environment Corp.	ECOVE Wujih Energy Corp.	Taiwan	Waste services equipment installation, co-generation, waste services and other environmental services, etc.	$ 425,085	$ 425,085	29,400,000	98.00%	$ 1,242,060	$ 275,512	$ 270,002	A subsidiary
ECOVE Environment Corp.	ECOVE Environment Services Corp.	Taiwan	Refuse incineration plant’s operation, machinery and equipment maintenance,etc.	339,921	339,921	14,065,936	93.15%	895,799	367,025	341,469	A subsidiary
ECOVE Environment Corp.	ECOVE Waste Management Corp.	Taiwan	Waste services, equipment and mechanical installation, waste clear, international trade and other environmental services, etc.	20,000	20,000	2,000,000	100.00%	113,462	58,674	58,674	A subsidiary
ECOVE Environment Corp.	ECOVE Miaoli Energy Corp.	Taiwan	Waste services equipment installation, co-generation, waste services and other environmental services, etc.	1,012,483	1,012,483	56,249,000	74.999%	1,003,951	129,055	96,790	A subsidiary
ECOVE Environment Corp.	Yuan Ding Resources Corp.	Taiwan	Waste services, waste clean, other environmental services, and environmental pollution services, etc.	27,000	27,000	2,700,000	60.00%	23,543	78	47	A subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2018	Initial investment amount: Balance as at December 31, 2017	Shares held as at December 31, 2018: Number of shares	Shares held as at December 31, 2018: Ownership (%)	Shares held as at December 31, 2018: Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income(loss) recognised by the Company for the year ended December 31, 2018	Footnote
ECOVE Environment Corp.	Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	Cayman Island	Share holding and investment.	$ 309,489	$ 309,489	13,333,333	20.00%	$ 292,168	$ 2,188	$ 554	An investee under equity method
ECOVE Environment Corp.	ECOVE Solar Energy Corporation	Taiwan	Energy technology services etc.	762,349	279,465	63,245,452	100.00%	854,787	43,423	27,700	A subsidiary
ECOVE Environment Corp.	EVER ECOVE Corporation	Taiwan	Waste services, waste clean and co-generation	50,000	-	5,000,000	5.00%	49,336	(13,285)	(664)	An investee under equity method
ECOVE Environment Corp.	ECOVE Solvent Recycling Corporation	Taiwan	Operating basic chemical industry and manufacture of other chemical products	86,480	-	8,099,000	89.99%	80,168	(7,015)	(6,312)	A subsidiary
ECOVE Environment Services Corp.	ECOVE Wujih Energy Corp.	Taiwan	Waste services equipment installation, co-generation, waste services and other environmental services, etc.	6,000	6,000	600,000	2.00%	25,348	275,512	5,510	Affiliate
ECOVE Environment Services Corp.	CTCI Chemicals Corp.	Taiwan	Industrial chemicals' wholesale manufacturing and retail.	24,851	24,851	1,910,241	26.9048%	64,214	58,813	15,824	Affiliate
ECOVE Environment Services Corp.	ECOVE Miaoli Energy Corp.	Taiwan	Waste services equipment installation, co-generation, waste services and other environmental services, etc.	13	13	1,000	0.001%	18	129,055	2	Affiliate

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2018	Initial investment amount: Balance as at December 31, 2017	Shares held as at December 31, 2018: Number of shares	Shares held as at December 31, 2018: Ownership (%)	Shares held as at December 31, 2018: Book value	Net profit (loss) of the investee for the year ended December 31, 2018	Investment income(loss) recognised by the Company for the year ended December 31, 2018	Footnote
ECOVE Environment Services Corp.	SINOGAL-Waste Services Co., Ltd.	Macau	Management of waste recycling site and maintenance of related mechanical and equipment etc.	$ 4,964	$ 4,964	-	30.00%	$ 57,921	$ 167,024	$ 50,107	A subsidiary
ECOVE Environment Services Corp.	ECOVE Solvent Recycling Corporation	Taiwan	Operating basic chemical industry and manufacture of other chemical products	10	-	1,000	0.01%	8	(7,957)	(2)	Affiliate
ECOVE Waste Management Corp.	ECOVE Environmental Services Corp.	Taiwan	Refuse incineration plant's operation, machinery and equipment maintenance,etc.	53	53	1,000	0.01%	64	367,025	23	Affiliate
ECOVE Waste Management Corp.	Yuan Ding Resources Corp.	Taiwan	Waste services, waste clean, other environmental services, and environmental pollution services, etc.	18,000	18,000	1,800,000	40.00%	15,695	78	31	A subsidiary
ECOVE Solar Energy Corporation	ECOVE Solar Power Corporation	Taiwan	Energy technology services etc.	180,000	180,000	18,000,000	100.00%	204,061	18,678	18,678	A subsidiary
ECOVE Solar Energy Corporation	ECOVE Central Corporation Ltd.	Taiwan	Energy technology services etc.	7,500	7,500	750,000	100.00%	8,737	719	719	A subsidiary
ECOVE Solar Energy Corporation	ECOVE South Corporation Ltd.	Taiwan	Energy technology services etc.	16,500	6,500	1,650,000	100.00%	17,969	918	918	A subsidiary
ECOVE Solar Energy Corporation	G.D. International, LLC.	U.S.A.	Energy technology services etc.	189,197	189,197	-	100.00%	368,589	27,685	27,927	A subsidiary
G.D. International, LLC.	Lumberton Solar W2-090, LLC	U.S.A.	Energy technology services etc.	189,197	189,197	-	100.00%	367,710	27,685	27,685	A subsidiary

ECOVE ENVIRONMENT CORPORATION

Information on investments in Mainland China

For the year ended December 31, 2018

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee as of December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
ECOVE Environment Consulting Corp.	Technical development, advisory and service in environmental field; environmental pollution control equipment and related parts wholesale, import and export, etc.	$ 4,147	1	$ 4,147	-	-	$ 4,147	$ 6,720	93.16%	$ 6,260	$ 12,355	$ 8,112	"

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ECOVE Environment Corp.	$ 4,147	$ 4,147	$ 2,926,943

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1)Directly invest in a company in Mainland China.

(2)Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3)Others

Note 2: In the ‘Investment income (loss) recognised by the Company for the year ended December 31, 2018 column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A. The financial statements that are attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B. Investment income (loss) of non-significant subsidiaries was recognized based on the audited financial statements.

C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Invested by ECOVE Environment Services Corp.

ECOVE ENVIRONMENT CORPORATION

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

For the year ended December 31, 2018

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Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				Others
	Amount	%	Amount	%	Balance at December 31, 2018	%	Balance at December 31, 2018	Purpose	Maximum balance during the year ended December 31, 2018	Balance at December 31, 2018	Interest rate	Interest during the year period ended December 31, 2018	
ECOVE Environment Consulting Corp.	$ 55,274	1.62%	-	-	$ 48,223	6.53%	-	-	-	-	-	-	-

ECOVE ENVIRONMENT CORPORATION
Details of cash and cash equivalents
December 31, 2018
(Expressed in thousands of New Taiwan dollars)

Item	Summary		Amount	
Demand deposits				
－USD	USD$6	Exchange rate 30.74	$	184
－NTD				8,718
				8,902
Checking accounts				485
Time deposits				
－USD	USD$102	Exchange rate 30.74		3,135
－NTD				198,007
				201,142
			$	210,529

ECOVE ENVIRONMENT CORPORATION
Details of financial assets at fair value through profit or loss-current
December 31, 2018
(Expressed in thousands of New Taiwan dollars)

Financial commodities	Number of shares (thousand share)	Par value (in dollars)	Amount	Acquisition costs	Fair value		Note
					Price (in dollars)	Amount	
Franklin Templeton Sinoam Money Market Fund	198	$ 10.30	$ 2,041	$ 2,041	$ 10.32	$ 2,045	-

ECOVE ENVIRONMENT CORPORATION
Details of financial assets at fair value through other comprehensive income-current
December 31, 2018
(Expressed in thousands of New Taiwan dollars)

Financial Commodities	Summary	Number of Shares	Par value (in dollars)	Amount	Acquisition costs	Fair value Price (in dollars)	Fair value Amount	Notes
Taiwan Cement Corp.	Stocks	472,758	$ 10.0	$ 4,728	$ 16,671	$ 35.40	$ 16,735	-
United Renewable Energy Co., Ltd.	"	455,157	10.0	4,552	4,597	7.21	3,282	-
Less: Valuation adjustment					(1,251)		$ 20,017	
					$ 20,017			

ECOVE ENVIRONMENT CORPORATION
Details of financial assets at fair value through other comprehensive income-non-current
December 31, 2018
(Expressed in thousands of New Taiwan dollars)

Name	Beginning of the period		Additions		Reductions		End of the period		Pledged to others as collaterals
	Number of shares (per share)	Amounts	Number of shares (per share)	Amounts	Number of shares (per share)	Amounts	Number of shares (per share)	Amounts	
Teamwin Opto-Electronics Co., Ltd.	150,000	$ 2,261	-	$ -	-	$ -	150,000	$ 2,261	"
Eastern Pacific Energy Sdn.Bhd.	10,000	81	-	-	-	-	10,000	81	"
		2,342		$ -		$ -		2,342	
Less: Accumulated impairment		(1,799)						(1,799)	
		$ 543						$ 543	

ECOVE ENVIRONMENT CORPORATION

Details of investments accounted for using the equity method

For the year ended December 31, 2018

(Expressed in thousands of New Taiwan dollars)

	Beginning of the period		Additions (reductions)			Balance at December 31, 2018				Pledged to
Name	Number of shares (per share)	Amounts	Number of shares (per share)	Amounts	Investment income (loss)	Number of shares (per share)	% interest held	Amounts	Value per share	other as collaterals
ECOVE Wujih Energy Corp.	29,400,000	$ 1,228,849	-	($ 256,791)	$ 270,002	29,400,000	98.00	$ 1,242,060	$ 1,242,060	N/A
ECOVE Environmental Services Corp.	14,065,936	853,832	-	(299,502)	341,469	14,065,936	93.15	895,799	900,159	"
ECOVE Waste Management Corp.	2,000,000	100,974	-	(46,186)	58,674	2,000,000	100.00	113,462	113,462	"
ECOVE Miaoli Energy Corp.	56,249,000	1,007,915	-	(100,754)	96,790	56,249,000	74.999	1,003,951	1,003,951	"
Yuan Ding Resources Corp.	2,700,000	23,496	-	-	47	2,700,000	60.00	23,543	23,543	"
Boretech Resource Recovery Engineering Co., Ltd. (Cayman)	13,333,333	293,441	-	6,508	554	13,333,333	20.00	292,168	223,987	"
ECOVE Solar Energy Corporation	28,269,632	311,114	34,975,820	515,973	27,700	63,245,452	100.00	854,787	731,096	"
ECOVE Solvent Recycling Corporation	-	-	8,099,000	86,480	(6,312)	8,099,000	89.99	80,168	80,168	"
EVER ECOVE Corporation	-	-	5,000,000	50,000	(664)	5,000,000	5.00	49,336	49,336	"
		$ 3,819,621		($ 44,272)	$ 788,260			$ 4,555,274	$ 4,367,762	

ECOVE ENVIRONMENT CORPORATION
Details of operating expenses
For the year ended December 31, 2018
(Expressed in thousands of New Taiwan dollars)

Accounts	General & Administrative expenses
Salaries	$ 31,576
Pension costs	1,329
Services	2,303
Other expenses	15,067
	$ 50,275