

**Rotam Global AgroSciences Limited and
Subsidiaries**

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Rotam Global AgroSciences Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters for the Group's consolidated financial statements for the year ended December 31, 2018 are stated as follows:

Allowance for Impairment Losses on Trade Receivables

As of December 31, 2018, the balance of trade receivables of the Group was \$2,846,803 thousand, amounting to 17% of the total assets of the Group. When assessing the allowance for impairment losses on trade receivables, the management took into consideration the past default experience of the debtor and an analysis of the debtor's current financial position. Refer to Notes 4(m), 5(a) and 8 to the consolidated financial statements for details on the related accounting policies, accounting estimates, uncertainty of assumptions and other relevant disclosures. Since the assessment of the allowance for impairment losses on trade receivables is subject to the management's judgment, we identified such assessment as a key audit matter.

Our main audit procedures performed in respect of the abovementioned key audit matter included the following:

1. We reviewed the process of management's approval of customers' credit limits to assess if the risk categories, credit limits and credit terms determined by management were appropriate considering the customers' financial conditions.
2. We obtained the documentation of aging of trade receivables from management and verified its accuracy on a sample basis.
3. We compared the aging of trade receivables with the historical records or industry standards and performed our own calculation for the expected credit loss rate in order to assess the reasonableness of the Group's recognition of the allowance for impairment losses on trade receivables.

Assessment of the Impairment of Intangible Assets - Product Registration

As of December 31, 2018, the balance of intangible assets - product registration of the Group was \$6,187,353 thousand, amounting to 36% of the consolidated total assets of the Group. The management assessed the impairment of intangible assets - product registration annually based on the recoverable amounts by discounting the estimated future cash flows with an appropriate discount rate. Since the forecast of cash flows involved management's significant judgment and a high level of uncertainty, we identified the assessment of the impairment of intangible assets - product registration assessment as a key audit matter.

We obtained the valuation report for the assessment of impairment of intangible assets - product registration prepared by external specialists from management and analyzed the reasonableness of the assessment model and assumptions used. The related audit procedures are as follows:

1. We understood the sources of data and assumptions which management used to estimate the recoverable amounts for intangible assets - product registration and assessed the relevance of such data and assumptions related to the estimation of impairment loss of intangible assets - product registration;
2. We reviewed whether the discount rate used by the external specialists for the assessment of impairment in the valuation report was appropriate; and
3. We performed our own calculation of the recoverable amount of intangible assets - product registration.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chiang-Hsun Chen and Chien-Hsin Hsieh.



Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2019

Notice to Readers

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

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

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 3, 4 and 6)	\$ 2,335,998	14	\$ 3,034,706	17
Notes receivable, net (Notes 3, 4, 8, 24 and 35)	93,400	1	147,558	1
Trade receivables, net (Notes 3, 4, 5, 8, 24 and 35)	2,846,803	17	3,084,514	17
Trade receivables from related parties (Notes 3, 4, 24 and 34)	-	-	54,611	-
Other receivables (Notes 3, 4 and 8)	135,179	1	191,351	1
Other receivables from related parties (Notes 3, 4 and 34)	-	-	37,138	-
Current tax assets (Notes 4 and 26)	55,198	-	80,931	-
Inventories (Notes 4 and 9)	2,124,591	12	2,073,352	12
Prepayments (Notes 17 and 34)	215,935	1	260,507	2
Prepayments for leases (Notes 3 and 15)	6,056	-	5,878	-
Other financial assets - current (Notes 3, 4, 16 and 35)	712,707	4	520,025	3
Other current assets	30,999	-	20	-
Total current assets	8,556,866	50	9,490,591	53
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	9,440	-	6,807	-
Property, plant and equipment (Notes 3, 4, 12 and 35)	1,013,957	6	1,080,316	6
Goodwill (Notes 4 and 13)	116,856	1	119,696	1
Other intangible assets (Notes 3, 4, 5, 14 and 35)	6,265,418	37	5,939,949	33
Deferred tax assets (Notes 4 and 26)	495,859	3	667,538	4
Other financial assets - non-current (Notes 3, 4, 16 and 35)	369,094	2	383,968	2
Long-term prepayments for leases (Note 3 and 15)	190,769	1	195,769	1
Other non-current assets (Notes 3 and 17)	57,502	-	65,558	-
Total non-current assets	8,518,895	50	8,459,601	47
TOTAL	\$ 17,075,761	100	\$ 17,950,192	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 35)	\$ 3,623,912	21	\$ 3,714,203	21
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 19)	14,610	-	42,810	-
Contract liabilities - current (Notes 3, 4 and 24)	66,072	-	-	-
Notes payable	775,306	5	587,909	3
Notes payable to related parties (Note 34)	22,648	-	-	-
Trade payables	854,096	5	945,411	5
Trade payables to related parties (Note 34)	80,540	1	61,225	-
Other payables (Note 21)	1,093,963	6	1,138,405	7
Other payables to related parties (Note 34)	323,679	2	412,413	2
Current tax liabilities (Notes 4 and 26)	174,606	1	126,627	1
Receipts in advance (Note 3)	-	-	148,687	1
Current portion of long-term borrowings (Notes 18, 19 and 35)	3,584,266	21	1,274,210	7
Finance lease payables - current (Notes 3, 4, 20 and 35)	20,109	-	2,736	-
Other current liabilities	183	-	242	-
Total current liabilities	10,633,990	62	8,454,878	47
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4, 19 and 35)	-	-	259,276	2
Long-term borrowings (Notes 18 and 35)	109,714	1	2,870,903	16
Deferred tax liabilities (Notes 4 and 26)	287,176	2	370,563	2
Finance lease payables - non-current (Notes 3, 4, 20 and 35)	19,450	-	2,731	-
Other non-current liabilities (Note 21)	13,476	-	252	-
Total non-current liabilities	429,816	3	3,503,725	20
Total liabilities	11,063,806	65	11,958,603	67
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 23)				
Share capital				
Ordinary shares	1,711,450	10	1,519,120	8
Capital surplus	3,316,205	19	3,093,102	17
Retained earnings				
Legal reserve	287,518	2	287,518	2
Special reserve	517,246	3	517,246	3
Unappropriated earnings	1,319,868	8	1,292,612	7
Total retained earnings	2,124,632	13	2,097,376	12
Other equity	(1,140,332)	(7)	(718,009)	(4)
Total equity	6,011,955	35	5,991,589	33
TOTAL	\$ 17,075,761	100	\$ 17,950,192	100

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

For and on behalf of
NOVA GLOBAL HOLDINGS LIMITED


Authorized Signature(s)

For and on behalf of
Rotam Global AgroSciences Limited
龍燈環球農業科技有限公司


Authorized Signature(s)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

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

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 3, 4, 24 and 34)				
Sales	\$ 9,052,815	99	\$ 9,422,107	98
Processing fees	<u>71,019</u>	<u>1</u>	<u>145,623</u>	<u>2</u>
Total operating revenue	<u>9,123,834</u>	<u>100</u>	<u>9,567,730</u>	<u>100</u>
OPERATING COSTS (Notes 9, 25 and 34)				
Cost of goods sold	(5,337,978)	(58)	(5,614,240)	(59)
Processing costs	<u>(52,212)</u>	<u>(1)</u>	<u>(104,077)</u>	<u>(1)</u>
Total operating costs	<u>(5,390,190)</u>	<u>(59)</u>	<u>(5,718,317)</u>	<u>(60)</u>
GROSS PROFIT	<u>3,733,644</u>	<u>41</u>	<u>3,849,413</u>	<u>40</u>
OPERATING EXPENSES (Notes 25 and 34)				
Selling and marketing expenses	(1,835,959)	(20)	(1,968,014)	(20)
General and administrative expenses	(949,210)	(10)	(1,020,383)	(11)
Research and development expenses	(302,876)	(3)	(485,885)	(5)
Expected credit loss	<u>39,208</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>(3,048,837)</u>	<u>(33)</u>	<u>(3,474,282)</u>	<u>(36)</u>
PROFIT FROM OPERATIONS	<u>684,807</u>	<u>8</u>	<u>375,131</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 25 and 34)				
Other income (Note 29)	140,227	2	192,259	2
Other gains and losses	(153,267)	(2)	(243,444)	(3)
Finance costs	(410,931)	(5)	(393,039)	(4)
Share of loss of associates and joint ventures (Note 11)	<u>(8,123)</u>	<u>-</u>	<u>(6,400)</u>	<u>-</u>
Total non-operating income and expenses	<u>(432,094)</u>	<u>(5)</u>	<u>(450,624)</u>	<u>(5)</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	252,713	3	(75,493)	(1)
INCOME TAX EXPENSE (Notes 3, 4 and 26)	<u>(156,445)</u>	<u>(2)</u>	<u>(77,170)</u>	<u>(1)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>96,268</u>	<u>1</u>	<u>(152,663)</u>	<u>(2)</u>

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ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

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

	2018		2017	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
(Notes 4 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences on translation to the presentation currency	\$ 141,917	1	(509,997)	(5)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>(564,240)</u>	<u>(6)</u>	<u>309,234</u>	<u>3</u>
Other comprehensive loss for the year, net of income tax	<u>(422,323)</u>	<u>(5)</u>	<u>(200,763)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ (326,055)</u>	<u>(4)</u>	<u>\$ (353,426)</u>	<u>(4)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 96,268	1	\$ (152,663)	(2)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 96,268</u>	<u>1</u>	<u>\$ (152,663)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
TO:				
Owners of the Company	\$ (326,055)	(4)	\$ (353,426)	(4)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (326,055)</u>	<u>(4)</u>	<u>\$ (353,426)</u>	<u>(4)</u>
EARNINGS (LOSS) PER SHARE (Note 27)				
From continuing operations				
Basic	<u>\$ 0.61</u>		<u>\$ (1.00)</u>	
Diluted	<u>\$ 0.61</u>		<u>\$ (1.00)</u>	

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

(Concluded)

For and on behalf of
NOVA GLOBAL HOLDINGS LIMITED


Authorized Signature(s)

For and on behalf of
Rotam Global AgroSciences Limited
龍燈環球農業科技有限公司


Authorized Signature(s)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company							Total Equity
	Share Capital		Retained Earnings			Other Equity		
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	
BALANCE AT JANUARY 1, 2017	151,912	\$ 1,519,120	\$ 3,084,484	\$ 232,048	\$ 216,569	\$ 1,983,716	\$ (517,246)	\$ 6,518,691
Appropriation of 2016 earnings (Note 23)	-	-	-	55,470	-	(55,470)	-	-
Legal reserve	-	-	-	-	300,677	(300,677)	-	-
Special reserve	-	-	-	-	-	(182,294)	-	(182,294)
Cash dividends	-	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2017	-	-	-	-	-	(152,663)	-	(152,663)
Other comprehensive loss for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	(200,763)	(200,763)
Total comprehensive loss for the year ended December 31, 2017	-	-	-	-	-	(152,663)	(200,763)	(353,426)
Share-based payments (Notes 4, 25 and 28)	-	-	8,618	-	-	-	-	8,618
BALANCE AT DECEMBER 31, 2017	151,912	1,519,120	3,093,102	287,518	517,246	1,292,612	(718,009)	5,991,589
Effect of retrospective application and retrospective restatement (Note 3)	-	-	-	-	-	(69,012)	-	(69,012)
BALANCE AT JANUARY 1, 2018 AS RESTATED	151,912	1,519,120	3,093,102	287,518	517,246	1,223,600	(718,009)	5,922,577
Net profit for the year ended December 31, 2018	-	-	-	-	-	96,268	-	96,268
Other comprehensive loss for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	(422,323)	(422,323)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	96,268	(422,323)	(326,055)
Issuance of ordinary shares for cash (Note 23)	19,233	192,330	223,103	-	-	-	-	415,433
BALANCE AT DECEMBER 31, 2018	171,145	\$ 1,711,450	\$ 3,316,205	\$ 287,518	\$ 517,246	\$ 1,319,868	\$ (1,140,332)	\$ 6,011,955

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

For and on behalf of
NOVA GLOBAL HOLDINGS LIMITED

W. S. Yip
Authorized Signature(s)

For and on behalf of
Rotam Global AgroSciences Limited
龍燈環球農業科技有限公司

W. S. Yip
Authorized Signature(s)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 252,713	\$ (75,493)
Adjustments for:		
Expected credit loss reversed on trade receivables	(39,208)	-
Impairment loss recognized on trade receivables	-	207,075
Depreciation expenses	132,010	116,484
Amortization expenses	213,601	194,451
Amortization of prepayments for leases	5,962	6,019
Net gain on fair value changes of financial liabilities at fair value through profit or loss	(1,116)	(19,360)
Compensation costs of employee share options	-	8,618
Finance costs	410,931	393,039
Interest income	(72,963)	(138,664)
Share of loss of associates and joint ventures	8,123	6,400
Loss on disposal of property, plant and equipment	2,109	819
Loss on disposal of intangible assets	15,083	1,715
Write-downs of inventories	-	1,953
Reversals of write-downs of inventories	(1,788)	-
Unrealized loss on foreign currency exchange	13,143	50,918
Loss on repurchase of bonds payable	22,835	-
Loss on hyperinflation adjustments	8,663	-
Changes in operating assets and liabilities		
Notes receivable	57,018	(4,518)
Trade receivables	280,946	(31,560)
Trade receivables from related parties	66,903	236,341
Other receivables	60,106	(29,792)
Inventories	4,341	(82,821)
Prepayments	50,407	(63,893)
Other current assets	(30,501)	102
Notes payable	169,788	(37,782)
Notes payable to related parties	22,299	-
Trade payables	(113,577)	198,938
Trade payables to related parties	17,484	38,720
Other payables	(84,049)	(102,510)
Contract liabilities	(85,064)	-
Receipts in advance	-	50,573
Other current liabilities	(65)	(3,635)
Cash generated from operations	1,386,134	922,137
Interest received	72,953	138,551
Interest paid	(362,575)	(346,423)
Income tax paid	(48,140)	(201,906)
Net cash generated from operating activities	<u>1,048,372</u>	<u>512,359</u>

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ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	\$ (12,035)	\$ (12,206)
Payments for property, plant and equipment	(56,322)	(66,018)
Proceeds from disposal of property, plant and equipment	6,758	2,151
Decrease (increase) in refundable deposits	815	(13,562)
Decrease (increase) in other receivables from related parties	53,476	(53,147)
Payments for acquisition of subsidiaries	(96,519)	-
Payments for intangible assets	(490,096)	(675,900)
Increase in other financial assets	(152,434)	(96,671)
Increase in prepayments for equipment	(15,499)	(64,437)
Net cash used in investing activities	<u>(761,856)</u>	<u>(979,790)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	415,433	-
Proceeds from short-term borrowings	2,921,162	2,519,793
Repayments of short-term borrowings	(3,103,052)	(2,380,123)
Proceeds from long-term borrowings	402,505	-
Repayments of long-term borrowings	(780,992)	(45,001)
Increase in guarantee deposits received	2,681	258
Decrease in other payables to related parties	(1,172)	(4,022)
Increase in finance lease payables	21,006	1,058
Dividends paid	-	(176,529)
Repurchase of bonds payable	(517,851)	-
Net cash used in financing activities	<u>(640,280)</u>	<u>(84,566)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(344,944)</u>	<u>(75,124)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(698,708)	(627,121)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,034,706</u>	<u>3,661,827</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,335,998</u>	<u>\$ 3,034,706</u>

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

(Concluded)

For and on behalf of
NOVA GLOBAL HOLDINGS LIMITED


Authorized Signature(s)

For and on behalf of
Rotam Global AgroSciences Limited
龍燈環球農業科技有限公司


Authorized Signature(s)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Rotam Global AgroSciences Limited (the Company) was incorporated in the Cayman Islands on July 3, 2009. The Company and its subsidiaries (collectively referred to as the Group) underwent reorganization in order for Company's shares to be listed on the Taiwan Stock Exchange. The major activities of the Group are the production, sales, research and development of various crop protectants, crop nutrition, and chemicals.

The Company's shares have been listed on the Taiwan Stock Exchange since April 25, 2012.

The functional currency of the Company is U.S. dollars (US\$). For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company's shares are listed on the Taiwan Stock Exchange. (Refer to Table 11 for the presentation of the consolidated financial statements in the functional currency, US\$.)

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 27, 2019.

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

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

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

- 1) IFRS 9 "Financial Instruments" and related amendments

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

Classification, measurement and impairment of financial assets

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

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

Category of Financial Assets	Measurement Classification		Carrying Amount as of January 1, 2018		Remark		
	IAS 39	IFRS 9	IAS 39	IFRS 9			
Cash and cash equivalents	Loans and receivables	Amortized cost	\$ 3,034,706	\$ 3,034,706	Note 1		
Notes receivable, trade receivables (including related parties) and other receivables (including related parties)	Loans and receivables	Amortized cost	3,348,077	3,279,065	Notes 1 and 2		
Other financial assets and refundable deposits	Loans and receivables	Amortized cost	937,166	937,166	Note 1		
Financial Assets	IAS 39 Carrying Amount as of January 1, 2018	Reclassification	Remeasurement	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remark
<u>Amortized cost</u>							
Add: Reclassification from loans and receivables (IAS 39)	\$ _____	\$ 7,319,949	\$ (69,012)	\$ 7,250,937	\$ (69,012)	\$ _____	Notes 1 and 2

Note 1: Cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (excluding tax refund receivables), other receivables from related parties, other financial assets and refundable deposits that were previously classified as loans and receivables under IAS 39 were classified as at amortized cost with an assessment of expected credit losses under IFRS 9.

Note 2: Due to retrospective application of IFRS 9 on trade receivables (including related parties) with an assessment of expected credit loss, the allowance for impairment loss on trade receivables increased by \$69,012 thousand and retained earnings decreased by \$69,012 thousand as of January 1, 2018.

2) IFRS 15 "Revenue from Contracts with Customers" and related amendments

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

Under IFRS 15, the net effect of revenue recognized and consideration received and receivable is recognized as a contract asset or a contract liability. Prior to the application of IFRS 15, receivables were recognized or deferred revenue was reduced when revenue was recognized for the relevant contract under IAS 18.

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

The impact on liabilities as of January 1, 2018 from the initial application of IFRS 15 is set out below:

	As Originally Stated as of January 1, 2018	Adjustments Arising from Initial Application	Restated as of January 1, 2018
Contract liabilities - current	\$ -	\$ 148,687	\$ 148,687
Receipts in advance	<u>148,687</u>	<u>(148,687)</u>	<u>-</u>
Total effect on liabilities	<u>\$ 148,687</u>	<u>\$ -</u>	<u>\$ 148,687</u>

Had the Group applied IAS 18 in the current year, the following adjustments should be made to reflect the line items and balances under IAS 18.

	December 31, 2018
Decrease in contract liabilities - current	\$ (66,072)
Increase in receipts in advance	<u>66,072</u>
	<u>\$ -</u>

3) IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

IAS 21 stipulated that a foreign currency transaction shall be recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. IFRIC 22 further explains that the date of the transaction is the date on which an entity recognizes a non-monetary asset or non-monetary liability from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine the date of the transaction for each payment or receipt of advance consideration.

The Group applied IFRIC 22 prospectively to all assets, expenses and income recognized on or after January 1, 2018 within the scope of the Interpretation.

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

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

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

Note 2: The FSC permits the election for early adoption of the amendments starting from January 1, 2018.

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

1) IFRS 16 “Leases”

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

Definition of a lease

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

The Group as lessee

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

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

Lease liabilities will be recognized on January 1, 2019 for leases currently classified as operating leases with the application of IAS 17. Lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets will be measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. The Group will apply IAS 36 to all right-of-use assets.

The Group expects to apply the following practical expedients:

- a) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- c) The Group will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- d) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

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

If the Group determines that a sale and leaseback transaction does not satisfy the requirements of IFRS 15 to be accounted for as a sale of an asset, it will be accounted for as a financing transaction. If it satisfies the requirements to be accounted for as a sale of an asset, the Group will recognize only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor. Currently, the leaseback portion is classified as either a finance lease or an operating lease and accounted for differently.

The Group will not reassess sale and leaseback transactions entered into before January 1, 2019 to determine whether the transfer of an underlying asset satisfies the requirements in IFRS 15 to be accounted for as a sale. Upon initial application of IFRS 16, the aforementioned transitional provision for a lessee will apply to the leaseback portion. In addition, for leases of machinery equipment and office equipment currently accounted for as finance leases under IAS 17, the Group will continue to amortize any gains on sales over the lease term.

Anticipated impact on assets, liabilities and equity

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Prepayment for leases	\$ 196,825	\$ (196,825)	\$ -
Property, plant, and equipment	1,013,957	(56,220)	957,737
Other intangible assets	6,265,418	(1,465)	6,263,953
Right-of-use assets	<u>-</u>	<u>351,110</u>	<u>351,110</u>
Total effect on assets	<u>\$ 7,476,200</u>	<u>\$ 96,600</u>	<u>\$ 7,572,800</u>
Finance lease payables - current	\$ 20,109	\$ (20,109)	\$ -
Finance lease payables - non-current	19,450	(19,450)	-
Lease liabilities - current	-	57,449	57,449
Lease liabilities - non-current	<u>-</u>	<u>78,710</u>	<u>78,710</u>
Total effect on liabilities	<u>\$ 39,559</u>	<u>\$ 96,600</u>	<u>\$ 136,159</u>

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group shall reassess its judgments and estimates if facts and circumstances change. The Group currently adjusts any differences between estimated and actual income tax after receiving the notice of assessment from tax authorities. The adjustments are recognized in current income tax expense and current income tax liabilities.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group assesses that the application of other standards and interpretations will not have any material impact on the Group’s consolidated financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

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

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

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

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

See Note 10 and Tables 8 and 9 for the detailed information on subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

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

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

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

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

f. Hyperinflation

Argentina has been considered as a hyperinflationary economy since July 1, 2018. Subsidiaries in Argentina are required to prepare their financial statements in terms of the current measurement unit at the balance sheet date in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". The gain or loss on the net monetary position shall be included in profit or loss in the current reporting period.

The Group's functional currency (US\$) is the currency of a non-hyperinflationary economy. As a result, comparative amounts due to hyperinflation have not been restated in the 2019 consolidated financial statements. When preparing the consolidated financial statements, the Group uses the closing exchange rate prevailing at the end of the reporting period to translate the assets, liabilities, equity account items, revenue and expenses of subsidiaries in Argentina. The adjustments for hyperinflation are recognized in other comprehensive income (loss).

g. Inventories

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

h. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

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

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

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

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

i. Property, plant and equipment

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

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

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term of an item of property, plant, and equipment is shorter than its useful life, it is depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

j. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

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

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) The intention to complete the intangible asset and use or sell it;
- c) The ability to use or sell the intangible asset;
- d) How the intangible asset will generate probable future economic benefits;
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible assets are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

1. Impairment of tangible and intangible assets other than goodwill

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

2018

Financial assets are classified as financial assets at amortized cost.

Financial assets at amortized cost

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

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

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

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

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

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

2017

Financial assets are classified as loans and receivables.

Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalents and other financial assets) are measured using the effective interest method at amortized cost less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

b) Impairment of financial assets

2018

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) at the end of each reporting period.

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

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

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

2017

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

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

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

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

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for those financial assets because of financial difficulties.

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

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Before 2018, on derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except for the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on such financial liability. Fair value is determined in the manner described in Note 33.

b) Derecognition of financial liabilities

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

3) Convertible bonds

The conversion option component of the convertible bonds issued by the Group, which will be settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the Company's own equity instruments, is classified as derivative financial liability.

On initial recognition, the derivative financial liability component of the convertible bonds is recognized at fair value, and the initial carrying amount of the non-derivative financial liability component is determined by deducting the amount of the derivative financial liability component from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liability component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liability component is measured at fair value, and the changes in fair value are recognized in profit or loss.

Transaction costs that relate to the issuance of the convertible notes are allocated to the derivative financial liability component and the non-derivative financial liability component in proportion to their relative fair values. Transaction costs relating to the derivative financial liability component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liability component are included in the carrying amount of the liability component.

n. Revenue recognition

2018

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

1) Revenue from the sale of goods

Revenue from sale of goods comes from sales of crop protectants, crop nutrition, and chemicals. Sales of goods are recognized as revenue when the goods are shipped or the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

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

2) Revenue from the rendering of services

Processing fee revenue is recognized when services are provided.

2017

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowances for sales returns and liabilities for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Revenue from the sale of goods

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

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

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials' ownership.

2) Revenue from the rendering of services

Processing fee revenue is recognized when services are provided.

3) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the applicable effective interest rate.

o. Leasing

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

The Group as lessee

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

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

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

p. Borrowing costs

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

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

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

q. Government grants

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

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

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

s. Share-based payment arrangements

Employee share options granted to employee

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vesting immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

t. Taxation

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

1) Current tax

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Estimated impairment of trade receivables - 2018

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience. For details of the key assumptions and inputs used, see Note 8. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Estimated impairment of trade receivables - 2017

When there is objective evidence of impairment loss of receivables, the Group takes into consideration the estimation of the future cash flows of such assets. The amount of the impairment loss is measured as the difference between such an asset's carrying amount and the present value of its estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

c. Impairment of other intangible assets - product registration

An impairment test on other intangible assets - product registration is performed at least annually, and whenever there is an indication the asset may be impaired. Any changes in future cash flows will affect the recoverable amounts of those assets and may lead to recognition of additional impairment losses or reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2018	2017
Cash on hand	\$ 2,131	\$ 1,701
Checking accounts and demand deposits	2,207,086	2,901,809
Cash equivalents		
Time deposits (investments with original maturities of less than 3 months)	<u>126,781</u>	<u>131,196</u>
	<u>\$ 2,335,998</u>	<u>\$ 3,034,706</u>

7. FINANCIAL INSTRUMENTS AT FVTPL

	<u>December 31</u>	
	2018	2017
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible options (Note 19)	<u>\$ 14,610</u>	<u>\$ 42,810</u>

8. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	2018	2017
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	<u>\$ 93,400</u>	<u>\$ 147,558</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 3,356,473	\$ 3,587,967
Less: Allowance for impairment loss	<u>(509,670)</u>	<u>(503,453)</u>
	<u>\$ 2,846,803</u>	<u>\$ 3,084,514</u>

(Continued)

	December 31	
	2018	2017
<u>Other receivables</u>		
Tax refund receivables	\$ 98,920	\$ 167,095
Interest receivables	1,608	1,559
Others	<u>34,651</u>	<u>22,697</u>
	<u>\$ 135,179</u>	<u>\$ 191,351</u>
		(Concluded)

a. Notes receivable and trade receivables

In 2018

The average credit period of sales of goods was 90 to 270 days. No interest was charged on overdue trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers.

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

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

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

December 31, 2018

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.03%-4.25%	0.18%-15.81%	0.90%-30.01%	9.38%-76.97%	100%	
Gross carrying amount	\$ 2,518,755	\$ 191,377	\$ 137,926	\$ 116,074	\$ 392,341	\$ 3,356,473
Loss allowance (Lifetime ECL)	<u>(36,845)</u>	<u>(12,622)</u>	<u>(18,451)</u>	<u>(49,411)</u>	<u>(392,341)</u>	<u>(509,670)</u>
Amortized cost	<u>\$ 2,481,910</u>	<u>\$ 178,755</u>	<u>\$ 119,475</u>	<u>\$ 66,663</u>	<u>\$ -</u>	<u>\$ 2,846,803</u>

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

	2018
Balance at January 1, 2018 per IAS 39	\$ 503,453
Adjustment on initial application of IFRS 9	<u>63,743</u>
Balance at January 1, 2018 per IFRS 9	567,196
Add: Amounts recovered	681
Less: Net remeasurement of loss allowance	(6,141)
Less: Amounts written off	(37,492)
Foreign exchange translation differences	<u>(14,574)</u>
 Balance at December 31, 2018	 <u>\$ 509,670</u>

In 2017

The Group applied the same credit policy in 2018 and 2017. The Group recognized an allowance for impairment loss of 100% against all receivables past due over 365 days because historical experience was that receivables that are past due beyond 365 days are not recoverable. Allowance for impairment loss was recognized against trade receivables aged between 185 days and 365 days based on the estimated irrecoverable amounts determined by reference to the past default experience of the counterparties and an analysis of their current financial position.

For all trade receivables that were past due at the end of the reporting period, the Group did recognize an allowance for impairment loss.

The aging of receivables was as follows:

	December 31, 2017
Not past due	\$ 2,643,796
1-90 days	250,728
91-180 days	146,756
181-365 days	113,298
More than 365 days	<u>433,389</u>
	<u>\$ 3,587,967</u>

The above aging schedule was based on the number of past due days from the end of the credit term.

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

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2017	\$ 40,141	\$ 629,549	\$ 669,690
Add: Impairment losses recognized (reversed) on receivables	290,454	(111,521)	178,933
Less: Amounts written off during the year as uncollectible	(292,172)	-	(292,172)
Foreign exchange translation differences	<u>(1,186)</u>	<u>(51,812)</u>	<u>(52,998)</u>
 Balance at December 31, 2017	 <u>\$ 37,237</u>	 <u>\$ 466,216</u>	 <u>\$ 503,453</u>

In 2018 and 2017, the Group entered into factoring agreements for trade receivables with banks. According to the contract, if the trade receivables are not recovered at maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognize the full carrying amount of the receivables and pledged the notes and trade receivables that have been transferred as collateral for secured borrowings. Refer to Note 35 for the carrying amount of such collateral.

b. Other receivables

In 2018

Other receivables primarily included tax refund receivables, interest receivables and other. The Group continuously monitors the past default experience of the counterparties and analyzes their current financial position. Based on the aforementioned information above, the Group considers whether the credit risk of these receivables has significantly increased since initial recognition and assesses the expected credit loss.

As of December 31, 2018, the Group estimated the expected credit loss rate for other receivables to be 0%.

In 2017

Other receivables primarily included tax refund receivables, interest receivables and others. Historical experience revealed no previously stated receivables were not recoverable. The Group also considered the past default experience of the counterparties and analyzed their current financial position. No allowance for impairment loss was recognized.

9. INVENTORIES

	December 31	
	2018	2017
Finished goods	\$ 1,275,961	\$ 1,371,615
Work in progress	421,952	231,811
Raw materials	<u>426,678</u>	<u>469,926</u>
	<u>\$ 2,124,591</u>	<u>\$ 2,073,352</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2018 and 2017 was \$5,337,978 thousand and \$5,614,240 thousand, respectively.

The cost of goods sold for the years ended December 31, 2018 and 2017 included reversals of inventory write-downs of \$1,788 thousand and inventory write-downs of \$1,953 thousand, respectively.

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Subsidiaries included in the consolidated financial statements are shown below. Refer to Table 1 for the Group's organizational chart.

Investor	Investee	Nature of Activities	Proportion of Ownership		Remark
			December 31		
			2018	2017	
The Company	Rotam Investments Limited (RIL)	Investment holding	100%	100%	
Rotam Investments Limited (RIL)	Rotam CropSciences Limited (RCS)	Investment holding	100%	100%	
Rotam CropSciences Limited (RCS)	Rotam Enterprises Company Limited (REC-BVI)	Investment holding	100%	100%	
	Rotam Asia Pacific Limited	Investment holding	100%	100%	
	Rotam Enterprise International Limited (REI)	Investment holding	100%	100%	
	Amaethon Environmental Limited (Amaethon)	Investment holding	100%	100%	
	Ceres Environmental Limited (Ceres)	Investment holding	100%	100%	
	Crop Solutions Limited (Crop)	Investment holding	100%	100%	
	Fanning Investments Limited (Fanning)	Investment holding	100%	100%	
	Gate Advance Limited	Investment holding	100%	100%	
	Hollander Holdings Limited	Investment holding	100%	100%	
	Rotam International Limited	Investment holding	100%	100%	
	Rotam IP Holdings Limited	Investment holding	100%	100%	
	Rotam Maghreb Limited	Investment holding	100%	100%	
	Favour Trend Limited	Investment holding	100%	100%	
	Betulla Holdings Limited	Investment holding	100%	100%	
	Tiptop Solution Limited	Investment holding	100%	100%	
	Rotam Group Limited	Investment holding	100%	100%	
	Prime Concept Holdings Limited	Investment holding	100%	100%	
	Rotam LifeSciences Limited	Investment holding	100%	100%	
Rotam Enterprises Company Limited (REC-BVI)	Jiangsu Rotam Chemistry Co., Ltd. (JRC)	Manufacturing and distribution of crop protectants	100%	100%	
Rotam Enterprise International Limited (REI)	Rotam Agrochemical Company Limited (HK) (RACL)	Sale and marketing of crop protectants	100%	100%	
	Rotam Agrochem International Company Limited (RAI)	Research and development of products and registration of intangible assets	100%	100%	
	Rotam Limited (RL)	Property holding	100%	100%	
Hollander Holdings Limited	Rotam Management Services Limited	Management service within the Group	100%	100%	
Rotam International Limited	Rotam Agrochemical Company Limited (BVI)	Sales of crop protectants and technical support	100%	100%	
Rotam IP Holdings Limited	Canada Rotam Group Limited	Registration of trademark	100%	100%	
Amaethon Environmental Limited (Amaethon)	Rotam North America, Inc. (Rotam US)	Sales of crop protectants and technical support	100%	100%	
	Rotam USA Inc.	Sales of crop protectants and technical support	100%	100%	
Ceres Environmental Limited (Ceres)	Rotam Agrochemical Company Limited (Rotam Australia)	Registration of intangible assets	-	100%	Note 1
	Rotam Costa Rica CRI S.A. (Rotam Costa Rica)	Registration of intangible assets	100%	100%	
	Rotam Agrochemical Europe Limited (RA Europe UK)	Registration of intangible assets	100%	100%	
	Rotam RSA Proprietary Limited (Rotam RSA)	Registration of intangible assets	100%	100%	
	Rotam Agrochemical Europe SAS (Rotam France)	Sales of crop protectants and technical support	100%	100%	
	Rotam AgroSolutions Australia Pty Ltd.	Sales of crop protectants and technical support	100%	100%	
Ceres Environmental Limited (Ceres) and Crop Solutions Limited (Crop)	Rotam Caribe, S.R.L.	Registration of intangible assets	Ceres: 99.9% Crop: 0.1%	Ceres: 99.9% Crop: 0.1%	Note 2
	Rotam de Argentina Agroquimica SRL (Rotam Argentina)	Sales of crop protectants and technical support	Ceres: 20.49% Crop: 79.51%	Ceres: 95% Crop: 5%	
	Rotam do Brasil Agroquimica e Produtos Agricolas Ltda. (Rotam Brasil)	Sales of crop protectants and technical support	Ceres: 99% Crop: 1%	Ceres: 99% Crop: 1%	
	Rotam Agrochemical Colombia S.A.S. (Rotam Colombia)	Sales of crop protectants and technical support	Ceres: 99.30% Crop: 0.70%	Ceres: 99.30% Crop: 0.70%	
	Rotam Mexico S.A. de C.V. (Rotam Mexico)	Sales of crop protectants and technical support	Ceres: 99.99% Crop: 0.01%	Ceres: 99.99% Crop: 0.01%	
	Rotam de Chile Agroquimica Limitada (Rotam Chile)	Sales of crop protectants and technical support	Ceres: 99% Crop: 1%	Ceres: 99% Crop: 1%	
	Rotam Ecuador S.A. (Rotam Ecuador)	Sales of crop protectants and technical support	Ceres: 99% Crop: 1%	Ceres: 99% Crop: 1%	
	RT LifeSciences S.A. (Rotam Guatemala)	Registration of intangible assets	Ceres: 99% Crop: 1%	Ceres: 99% Crop: 1%	
	Rotam LifeSciences Kimyasal Tarim Ticaret Limited Sirketi (Rotam Turkey)	Registration of intangible assets	Ceres: 90% Crop: 10%	Ceres: 90% Crop: 10%	
	Rotam Mocambique, Limitada	Registration of intangible assets	Ceres: 97.5% Crop: 2.5%	Ceres: 97.5% Crop: 2.5%	
	Rotam Agrochemical Peru S.A. (Rotam Peru)	Sales of crop protectants and technical support	Ceres: 99% Crop: 1%	Ceres: 99% Crop: 1%	
	Rotam Sub Saharan Africa Limited	Sales of crop protectants and technical support	Ceres: 95% Crop: 5%	Ceres: 95% Crop: 5%	
	Rotam Uruguay S.A. (Rotam Uruguay)	Registration of intangible assets	Ceres: 95% Crop: 5%	Ceres: 95% Crop: 5%	
	Rotam Paraguay S.R.L. (Rotam Paraguay)	Sales of crop protectants and technical support	Ceres: 99% Crop: 1%	Ceres: 99% Crop: 1%	
	Rotam Bolivia S.R.L. (Rotam Bolivia)	Sales of crop protectants and technical support	Ceres: 26% Crop: 74%	Ceres: 99% Crop: 1%	Note 3
Fanning Investments Limited (Fanning)	Rotam Europe Limited (REL-UK)	Sales of crop protectants and technical support	100%	100%	
Gate Advance Limited	Rotam Agrochemical Company Private Limited	Sales of crop protectants and technical support	100%	100%	
	Rotam Crop Protection Private Limited	Research and development of products	100%	100%	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership		Remark
			2018	2017	
Favour Trend Limited	Rotam LifeSciences Limited (RLS)	Sales of crop protectants and technical support	100%	100%	
	Rotam Taiwan Limited (RTL)	Sales of crop protectants and technical support	100%	100%	
Betulla Holdings Limited	RoSwiss Pharmaceutical Company Limited	Sales of veterinary and technical support	100%	100%	
	PT. Rotam Indonesia	Sales of crop protectants and technical support	100%	100%	
Tiptop Solution Limited	Rotam LifeSciences Korea Limited	Sales of crop protectants and technical support	100%	100%	
Prime Concept Holdings Limited	Rotam (Cambodia) Company Limited	Registration of intangible assets	100%	100%	
	Rotam Philippines, Inc.	Registration of intangible assets	100%	100%	
Rotam LifeSciences Limited	Rotam CropSciences (Tianjin) Company Limited (Rotam Tianjin)	Manufacturing and distribution of crop protectants and nutrition	100%	100%	Note 4
Rotam Agrochemical Europe SAS (Rotam France)	Rotam Crop Protection Europe SAS	Research and development of products and registration of intangible assets	100%	100%	
Rotam Europe Limited (REL-UK)	Rotam Germany GmbH	Sales of crop protectants and technical support	100%	100%	
Jiangsu Rotam Chemistry Co., Ltd. (JRC)	Rotam Animal Health Limited (RAH)	Sales of veterinary and technical support	100%	100%	
	Yantai Rotam Fertilizer Co., Ltd.	Manufacturing and distribution of crop nutrition	100%	100%	
Yantai Rotam Fertilizer Co., Ltd.	Rotam Kunshan Fertilizer Co., Ltd.	Sales of crop nutrition	100%	100%	

(Concluded)

Note 1: Rotam Australia was dissolved on February 22, 2018.

Note 2: On April 19, 2018, Crop injected US\$15,042 thousand to its subsidiary, Rotam Argentina by offsetting the credit balance due from Rotam Argentina to Crop. After the capital injection, Crop's proportion of ownership in Rotam Argentina increased from 5% to 79.51%; while Ceres' proportion of ownership in the subsidiary decreased from 95% to 20.49%.

Note 3: On December 18, 2018, Crop injected US\$350 thousand to its subsidiary, Rotam Bolivia, by offsetting the credit balance due from Rotam Bolivia to Crop. After the capital injection, Crop's proportion of ownership in Rotam Bolivia increased from 1% to 74%; while Ceres' proportion of ownership in the subsidiary decreased from 99% to 26%.

Note 4: Formerly known as Rotachem Company, this subsidiary changed its name to Rotam CropSciences (Tianjin) Company Limited on July 19, 2017.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2018	2017
Investments in associates	\$ 9,440	\$ 6,062
Investments in joint ventures	-	745
	<u>\$ 9,440</u>	<u>\$ 6,807</u>

a. Investments in associates

	December 31	
	2018	2017
Associates that are not individually material	<u>\$ 9,440</u>	<u>\$ 6,062</u>

For the Year Ended December 31

	2018	2017
The Group's share of:		
Loss from continuing operations	\$ (8,123)	\$ (6,400)
Other comprehensive loss	<u> -</u>	<u> -</u>
Total comprehensive loss for the year	<u>\$ (8,123)</u>	<u>\$ (6,400)</u>

The Group invested US\$400 thousand in Rotrasat Technology Company Limited in January 2018 in proportion to its existing ownership percentage.

Refer to Table 9 "Information on Investments in Mainland China" for the nature of activities, principal places of business and countries of incorporation of the associates.

b. Investments in joint ventures

	December 31	
	2018	2017
Joint ventures that are not individually material	<u>\$ -</u>	<u>\$ 745</u>

For the years ended December 31, 2018 and 2017, the Group's share of profit or loss and other comprehensive income of joint ventures were both \$0.

The Group and Sipcarn Agro USA, Inc. entered into a joint venture agreement and established SipcarnRotam LLC on February 9, 2016. The purpose of the joint venture is to expand sales and technical support for crop protectants within the United States. According to the agreement, Sipcarn Agro USA, Inc. and the Group each owns 50% of the joint venture's shares.

Because of changes in business strategy, the Group entered into an agreement with Sipcarn Agro USA, Inc. to apply for dissolution of Sipcarn Rotam LLC on October 25, 2018. Sipcarn Rotam LLC was fully dissolved and liquidated on October 31, 2018.

The above joint venture is accounted for using the equity method. Refer to Table 8 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the joint ventures.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery and Equipment	Transportation Equipment	Furniture, Fixture and Equipment	Lease Assets	Leasehold Improvements	Property in Construction	Total
<i>Cost</i>									
Balance at January 1, 2017	\$ 31,241	\$ 790,746	\$ 262,942	\$ 63,485	\$ 395,548	\$ 13,039	\$ 81,644	\$ 146,456	\$ 1,785,101
Additions	-	2,205	7,528	1,456	12,656	4,451	239	35,902	64,437
Disposals	-	-	(7,960)	(1,355)	(7,033)	(283)	(7,527)	-	(24,158)
Reclassification (Note 1)	-	33,934	16,634	404	4,016	(404)	788	(40,315)	15,057
Effect of foreign currency exchange differences	<u>(4,308)</u>	<u>(18,195)</u>	<u>(5,875)</u>	<u>(2,704)</u>	<u>(14,232)</u>	<u>(1,457)</u>	<u>(5,624)</u>	<u>(2,910)</u>	<u>(55,305)</u>
Balance at December 31, 2017	<u>\$ 26,933</u>	<u>\$ 808,600</u>	<u>\$ 273,260</u>	<u>\$ 61,286</u>	<u>\$ 390,955</u>	<u>\$ 15,346</u>	<u>\$ 69,520</u>	<u>\$ 139,133</u>	<u>\$ 1,785,132</u>
<i>Accumulated depreciation</i>									
Balance at January 1, 2017	\$ -	\$ 171,113	\$ 114,495	\$ 43,603	\$ 244,889	\$ 7,604	\$ 48,249	\$ -	\$ 629,953
Depreciation expenses	-	35,676	18,282	6,371	45,393	2,518	8,244	-	116,484
Disposals	-	-	(6,362)	(1,167)	(5,883)	(249)	(7,527)	-	(21,188)
Reclassification	-	52	(74)	219	(450)	(219)	472	-	-
Effect of foreign currency exchange differences	<u>-</u>	<u>(3,483)</u>	<u>(2,525)</u>	<u>(1,667)</u>	<u>(8,777)</u>	<u>(766)</u>	<u>(3,215)</u>	<u>-</u>	<u>(20,433)</u>
Balance at December 31, 2017	<u>\$ -</u>	<u>\$ 203,358</u>	<u>\$ 123,816</u>	<u>\$ 47,359</u>	<u>\$ 275,172</u>	<u>\$ 8,888</u>	<u>\$ 46,223</u>	<u>\$ -</u>	<u>\$ 704,816</u>
Carrying amounts at December 31, 2017	<u>\$ 26,933</u>	<u>\$ 605,332</u>	<u>\$ 149,453</u>	<u>\$ 13,927</u>	<u>\$ 115,783</u>	<u>\$ 6,458</u>	<u>\$ 23,297</u>	<u>\$ 139,133</u>	<u>\$ 1,080,316</u>

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Furniture, Fixture and Equipment	Lease Assets	Leasehold Improvements	Property in Construction	Total
<u>Cost</u>									
Balance at January 1, 2018	\$ 26,933	\$ 808,690	\$ 273,269	\$ 61,286	\$ 390,955	\$ 15,346	\$ 69,520	\$ 139,133	\$ 1,785,132
Additions	-	63	4,490	1,901	19,119	9,744	141	49,606	85,064
Disposals	-	(186)	(16,298)	(4,585)	(10,983)	(3,307)	(2,367)	-	(37,726)
Reclassification (Notes 1 and 2)	-	32,106	(32,500)	851	13,042	89,300	84,591	(167,951)	19,439
Effect of foreign currency exchange differences and adjustment of hyperinflation	(2,003)	(22,703)	(6,110)	(1,149)	(8,333)	(1,410)	(3,145)	(645)	(45,498)
Balance at December 31, 2018	<u>\$ 24,930</u>	<u>\$ 817,970</u>	<u>\$ 222,851</u>	<u>\$ 58,304</u>	<u>\$ 403,800</u>	<u>\$ 109,673</u>	<u>\$ 148,740</u>	<u>\$ 20,143</u>	<u>\$ 1,806,411</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2018	\$ -	\$ 203,358	\$ 123,816	\$ 47,359	\$ 275,172	\$ 8,888	\$ 46,223	\$ -	\$ 704,816
Depreciation expenses	-	38,343	22,513	5,184	41,162	3,863	20,945	-	132,010
Disposals	-	(135)	(13,667)	(4,367)	(7,661)	(2,713)	(316)	-	(28,859)
Reclassification (Note 2)	-	-	(29,976)	-	(13,405)	43,381	-	-	-
Effect of foreign currency exchange differences and adjustment of hyperinflation	-	(6,023)	(2,631)	(1,508)	(5,418)	34	33	-	(15,513)
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ 235,543</u>	<u>\$ 100,055</u>	<u>\$ 46,668</u>	<u>\$ 289,850</u>	<u>\$ 53,453</u>	<u>\$ 66,885</u>	<u>\$ -</u>	<u>\$ 792,454</u>
Carrying amounts at December 31, 2018	<u>\$ 24,930</u>	<u>\$ 582,427</u>	<u>\$ 122,796</u>	<u>\$ 11,636</u>	<u>\$ 113,950</u>	<u>\$ 56,220</u>	<u>\$ 81,855</u>	<u>\$ 20,143</u>	<u>\$ 1,013,957</u>

(Concluded)

Note 1: The reclassification of property, plant and equipment mainly included reclassification from prepayments for equipment and reclassification to other intangible assets.

Note 2: The reclassification of property, plant and equipment mainly included the sale and leaseback transaction of machinery and equipment, and furniture, fixture, and equipment. Details of finance lease are set out in Note 20.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Main buildings	20-30 years
Attachment to buildings	5-20 years
Machinery and equipment	3-15 years
Transportation equipment	3-6 years
Furniture, fixture and equipment	3-10 years
Lease assets	2-5 years
Leasehold improvements	3-9 years

Property, plant and equipment pledged as collateral for bank borrowings or other obligations were set out in Note 35.

13. GOODWILL

	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Cost</u>		
Balance at January 1	\$ 134,178	\$ 138,026
Effect of foreign currency exchange differences	<u>(2,472)</u>	<u>(3,848)</u>
Balance at December 31	<u>\$ 131,706</u>	<u>\$ 134,178</u>

(Continued)

	For the Year Ended December 31	
	2018	2017
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 14,482	\$ 15,711
Effect of foreign currency exchange differences	<u>368</u>	<u>(1,229)</u>
Balance at December 31	<u>\$ 14,850</u>	<u>\$ 14,482</u>
Carrying amount at December 31	<u>\$ 116,856</u>	<u>\$ 119,696</u> (Concluded)

14. OTHER INTANGIBLE ASSETS

	Computer Software	Distribution Rights	Product Registrations	Total
<u>Cost</u>				
Balance at January 1, 2017	\$ 118,944	\$ 60,581	\$ 6,268,989	\$ 6,448,514
Additions	17,455	-	-	17,455
Additions from internal developments	-	-	672,964	672,964
Disposals	(1,351)	-	(2,080)	(3,431)
Reclassification (Note)	19,973	-	-	19,973
Effect of foreign currency exchange differences	<u>(8,694)</u>	<u>(4,739)</u>	<u>(450,902)</u>	<u>(464,335)</u>
Balance at December 31, 2017	<u>\$ 146,327</u>	<u>\$ 55,842</u>	<u>\$ 6,488,971</u>	<u>\$ 6,691,140</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2017	\$ 78,650	\$ 12,565	\$ 517,622	\$ 608,837
Amortization expenses	20,668	5,665	168,118	194,451
Disposals	(1,351)	-	(365)	(1,716)
Effect of foreign currency exchange differences	<u>(5,817)</u>	<u>(1,116)</u>	<u>(43,448)</u>	<u>(50,381)</u>
Balance at December 31, 2017	<u>\$ 92,150</u>	<u>\$ 17,114</u>	<u>\$ 641,927</u>	<u>\$ 751,191</u>
Carrying amount at December 31, 2017	<u>\$ 54,177</u>	<u>\$ 38,728</u>	<u>\$ 5,847,044</u>	<u>\$ 5,939,949</u>
<u>Cost</u>				
Balance at January 1, 2018	\$ 146,327	\$ 55,842	\$ 6,488,971	\$ 6,691,140
Additions	6,396	-	-	6,396
Additions from internal developments	-	-	490,458	490,458
Disposals	-	-	(15,282)	(15,282)

(Continued)

	Computer Software	Distribution Rights	Product Registrations	Total
Reclassification (Note)	\$ 3,703	\$ -	\$ -	\$ 3,703
Effect of foreign currency exchange differences and hyperinflation adjustment	<u>(1,239)</u>	<u>1,420</u>	<u>66,657</u>	<u>66,838</u>
Balance at December 31, 2018	<u>\$ 155,187</u>	<u>\$ 57,262</u>	<u>\$ 7,030,804</u>	<u>\$ 7,243,253</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2018	\$ 92,150	\$ 17,114	\$ 641,927	\$ 751,191
Amortization expenses	19,803	5,586	188,212	213,601
Disposals	-	-	(199)	(199)
Effect of foreign currency exchange differences and hyperinflation adjustment	<u>(792)</u>	<u>523</u>	<u>13,511</u>	<u>13,242</u>
Balance at December 31, 2018	<u>\$ 111,161</u>	<u>\$ 23,223</u>	<u>\$ 843,451</u>	<u>\$ 977,835</u>
Carrying amount at December 31, 2018	<u>\$ 44,026</u>	<u>\$ 34,039</u>	<u>\$ 6,187,353</u>	<u>\$ 6,265,418</u> (Concluded)

Note: The reclassification included reclassification from prepayment for equipment and property, plant and equipment.

Computer software was amortized over 3-5 years on a straight-line basis.

Distribution rights were amortized over 10 years in accordance with the distribution period stated in the agreement.

Product registrations determined with definite useful lives were amortized over 3-25 years on a straight-line basis, while those determined with indefinite lives were not amortized but tested for impairment annually and assessed whether their useful lives remained indefinite on reporting date.

	For the Year Ended December 31	
	2018	2017
An analysis of amortization by function		
Operating costs	\$ 23	\$ 4
Selling and marketing expenses	194,713	174,388
General and administrative expenses	18,560	19,620
Research and development expenses	<u>305</u>	<u>439</u>
	<u>\$ 213,601</u>	<u>\$ 194,451</u>

Computer software pledged as collateral for finance leases are set out in Note 35.

15. PREPAYMENTS FOR LEASES

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
Current	\$ 6,056	\$ 5,878
Non-current	<u>190,769</u>	<u>195,769</u>
	<u>\$ 196,825</u>	<u>\$ 201,647</u>

Prepayments for leases were land use rights for land located in mainland China. The Group has obtained the land use rights certificates.

16. OTHER FINANCIAL ASSETS

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Current</u>		
Restricted bank deposits	\$ 712,707	\$ 518,422
Bank deposits - original maturities of more than 3 months	<u>-</u>	<u>1,603</u>
	<u>\$ 712,707</u>	<u>\$ 520,025</u>
<u>Non-current</u>		
Other financial assets	\$ 77,171	\$ 73,417
Restricted bank deposits	<u>291,923</u>	<u>310,551</u>
	<u>\$ 369,094</u>	<u>\$ 383,968</u>
Interest rate range	0.00%-6.90%	0.00%-6.90%

The Group continuously tracks external credit rating information and monitors changes in credit risk of debt investments, and at the same time reviews changes in bond yields and significant information on debtors, to assess whether credit risk on these debt investments have increased significantly since initial recognition. After assessment, the Group estimates that there are no expected credit losses on other financial assets.

Refer to Note 35 for the carrying amounts of other financial assets pledged by the Group to secure bank borrowings and other obligations.

17. OTHER ASSETS

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Current</u>		
Prepayments		
Prepayments for purchases	\$ 105,127	\$ 156,199
Prepaid insurance	28,188	21,933
Prepaid customs clearance fees	8,223	7,429
Prepaid research expenses	737	1,189
Prepaid rentals	2,837	16,826
Others	<u>70,823</u>	<u>56,931</u>
	<u>\$ 215,935</u>	<u>\$ 260,507</u>
 <u>Non-current</u>		
Refundable deposits	\$ 33,189	\$ 33,173
Prepayments for equipment	<u>24,313</u>	<u>32,385</u>
	<u>\$ 57,502</u>	<u>\$ 65,558</u>

18. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Secured borrowings (Note 35)</u>		
Bank loans (1)	\$ 488,939	\$ 985,637
Secured borrowings with accounts receivable pledged (2)	<u>624,907</u>	<u>1,372,745</u>
	<u>1,113,846</u>	<u>2,358,382</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings (1)	<u>2,510,066</u>	<u>1,355,821</u>
Short-term borrowings	<u>\$ 3,623,912</u>	<u>\$ 3,714,203</u>

1) The range of weighted average effective interest rates on bank loans was 1.37%-6.98% and 1.37%-5.25% per annum as of December 31, 2018 and 2017, respectively.

2) Secured borrowings with accounts receivable pledged were secured by certain trade receivables of the Group. The weighted average effective interest rates were 4.59%-6.20% and 1.84%-29.00% per annum as of December 31, 2018 and 2017, respectively.

b. Long-term borrowings

	<u>December 31</u>	
	2018	2017
<u>Secured borrowings (Note 35)</u>		
Bank loans	\$ 91,676	\$ 89,403
<u>Unsecured borrowings</u>		
Bank loans	3,168,428	3,555,347
Other borrowings	<u>164,338</u>	<u>58,194</u>
	<u>3,332,766</u>	<u>3,613,541</u>
Less: Current portions	<u>(3,314,728)</u>	<u>(832,041)</u>
Long-term borrowings	<u>\$ 109,714</u>	<u>\$ 2,870,903</u>

The details of the long-term borrowings were as follows:

	Effective Rate	<u>December 31</u>	
		2018	2017
<u>Variable rate</u>			
Chailease Finance Co., Ltd. medium-term credit loan with a total amount of US\$4,000 thousand, from June 3, 2016 to June 3, 2019, repayable in equal semi-annual installments (principle is repaid early in September 2018)	6.48%	\$ -	\$ 58,194
Mega International Commercial Bank medium-term syndicated credit loan, with a total amount of US\$120,000 thousand, from October 28, 2016 to October 28, 2019, repayable in equal semi-annual installments from the 18 th months after the initial drawdown date, 10% of principle to be repaid on each of the first three installments, the remaining 70% of principle to be repaid when due (remark 1 below)	5.30%	2,923,958	3,555,347
Shin Kong Commercial Bank medium-term secured loan, with a total amount of US\$3,000 thousand, due on October 9, 2019, repayable when due (remark 2 below)	5.30%	91,676	89,403
Chailease Finance Co., Ltd. medium-term credit loan with a total amount of US\$5,500 thousand, from September 20, 2018 to September 20, 2021, repayable in equal annual installments	6.82%	164,338	-
Shanghai Commercial & Saving Bank, Ltd. medium-term credit loan with a total amount of US\$8,000 thousand, matured on December 31, 2019, repayable when due	4.00%	244,470	-
		<u>\$ 3,424,442</u>	<u>\$ 3,702,944</u>

Remark:

- 1) The Group obtained a syndicated credit loan financed by 10 banks, including Mega International Commercial Bank, Taiwan Cooperative Bank, Chang Hwa Commercial Bank, Hua Nan Commercial Bank, etc., in accordance with the committed proportions of each bank as stated in the agreement. As required in the agreement, during the term of the credit loan, the current ratio and interest coverage ratio (EBITDA/interest expense) from the annual consolidated financial statements shall not be lower than 100% and 300%, respectively, and the debt ratio (total liability/net equity) from the annual consolidated financial statements shall not exceed 200%.

The Group breached certain terms of the syndicated loan agreement on December 31, 2017. According to Article 7, section 3 of the agreement, should the Group breach any agreed financial ratios, it should improve the ratios before the next annual report examination. In addition, an extra 0.20% interest will be charged until the Group attains the required ratios. Should the Group fail to achieve the financial ratios in the next examination, breach of contract will be deemed to have occurred and the banks will demand immediate payment.

As of December 31, 2018, the Group failed to achieve the financial ratios required in the above mentioned agreement. Thus, in November 2018, the Group entered into a syndicated loan agreement with 5 banks, including Mega International Commercial Bank and Taiwan Cooperative Bank, etc., with a credit limit of US\$88,800 thousand, maturing in 3 years from the initial drawdown date. The purpose of the syndicated loan was for the Group to repay its existing syndicated loan. The loan would be repayable in equal semi-annual installments from the 18th month after the initial drawdown date, with 10% of principal to be repaid on each of the first three installments and the remaining 70% of the principal to be repaid on maturity. The Group has drawn down the full amount of the loan in January, 2019 and used it for repayment of its existing syndicated loan at the same time.

- 2) The original maturity date for the loan from Shin Kong Commercial Bank was April 9, 2018. On March 29, 2018, the Group extended the loan for 18 months, with all other terms of the original agreement unchanged.

19. BONDS PAYABLE

	December 31	
	2018	2017
Unsecured domestic convertible bonds	\$ 283	\$ 442,169
Secured domestic convertible bonds	<u>269,255</u>	<u>259,276</u>
	269,538	701,445
Less: Current portions	<u>(269,538)</u>	<u>(442,169)</u>
	<u>\$ -</u>	<u>\$ 259,276</u>

- a. On November 11, 2016, the Company issued the second five-year zero coupon secured domestic convertible bonds with \$100 thousand par value, in an aggregate principal amount of \$300,000 thousand.

The following items are primary clauses in the prospectus:

- 1) Term

Five-year period from November 11, 2016 to November 11, 2021.

- 2) Policy and payment of interest and principal

As the bonds bear zero interest, no interest payment schedule and policy have been set.

Except for cases when the bonds have been converted to the Company's shares, bond holders exercise resale option, the Company redeems the bonds before maturity, or when the Company repurchased the bonds from securities firms and cancelled them, the bonds will be paid at par in cash at maturity.

3) Conversion

Conversion period

Each holder of the bonds has the right during the conversion period, from December 12, 2016 (1 month after the issue date) to November 11, 2021 (the maturity date), to convert its bonds into ordinary shares, except for during the following periods: (i) the period beginning on the 15th trading day prior to the record date for the distribution of share or cash dividends, the subscription of new shares due to a capital increase until the date ending on such record date; (ii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction; and (iii) such other periods during which the Company may be required to close its share transfer books under the applicable laws and regulations.

Conversion price and adjustments

The price used by the Company in determining the number of ordinary shares to be issued upon conversion is initially NT\$36.7 per share. The conversion price will be subject to adjustment, according to a formula stated in prospectus, due to any change in issuance of ordinary shares. Due to the Company's distribution of cash dividends, the conversion price as of December 31, 2017 was NT\$35.3 per share. In addition, due to issuance of ordinary shares, the conversion price as of December 31, 2018 was NT\$35.1 per share.

4) Redemption

- a) From December 12, 2016 (1 month after issue date) to October 2, 2021 (40 days prior to maturity date), if the listed closing price of the Company exceeds 30% of the conversion price over 30 consecutive days, the Company can redeem all bonds before maturity date.
- b) From December 12, 2016 (1 month after issue date) to October 2, 2021 (40 days prior to maturity date), if the balance of outstanding convertible bonds is lower than 10% of original principal amount, the Company can redeem all bonds before maturity date.

5) Resale option of the bondholders

From October 2, 2019 to November 11, 2019 (3 years after the issue date), bondholders can request the Company to redeem the bonds in cash at 103.03% of the principal amount (yield to call is 1%).

6) Refer to Note 35 for the details of the collateral of secured convertible bonds.

- b. On November 14, 2016, the Company issued the third three-year zero coupon unsecured domestic convertible bonds with \$100 thousand par value, in an aggregate principal amount of \$500,000 thousand.

Following items are primary clauses in the prospectus:

1) Term

Three-year period from November 14, 2016 to November 14, 2019.

2) Policy and payment of interest and principal

As the bonds bear zero interest, no interest payment schedule and policy have been set.

Except for cases when the bonds have been converted to the Company's shares, bond holders exercise resale option, the Company redeems the bonds before maturity, or when the Company repurchased the bonds from securities firms and cancelled them, the bonds will be paid at par in cash at maturity.

3) Conversion

Conversion period

Each holder of the bonds has the right during the conversion period, from December 15, 2016 (1 month after the issue date) to November 14, 2019 (the maturity date), to convert its bonds into ordinary shares, except for during the following periods: (i) the period beginning on the 15th trading day prior to the record date for the distribution of share or cash dividends, the subscription of new shares due to capital increase until the date ending on such record date; (ii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction; and (iii) such other periods during which the Company may be required to close its share transfer books under the applicable laws and regulations.

Conversion price and adjustments

The price used by the Company in determining the number of ordinary shares to be issued upon conversion is initially NT\$34.8 per share. The conversion price will be subject to adjustment, according to a formula stated in prospectus, due to any change in issuance of ordinary shares. Due to the Company's distribution of cash dividends, the conversion price as of December 31, 2017 was NT\$33.5 per share. In addition, due to issuance of ordinary shares, the conversion price as of December 31, 2018 was NT\$33.3 per share.

4) Redemption

- a) From December 15, 2016 (1 month after issue date) to October 5, 2019 (40 days prior to maturity date), if the listed closing price of the Company exceeds 30% of the conversion price over 30 consecutive days, the Company can redeem all bonds before maturity date.
- b) From December 15, 2016 (1 month after issue date) to October 5, 2019 (40 days prior to maturity date), if the balance of outstanding convertible bonds is lower than 10% of original principal amount, the Company can redeem all bonds before maturity date.

5) Resale of the bondholders

From October 5, 2018 to November 14, 2018 (2 years after the issue date), bondholders can request the Company to redeem the bonds in cash at 103.63% of the principal amount (yield to call is 1.8%).

On September 10, 2018, the Group announced that, since the convertible bond had been issued for two years, bondholders can exercise their resale rights, and the record date for the resale was November 14, 2018.

- c. Movements of the host liability instrument and the conversion option derivative instrument in 2018 and 2017 were as follows:

	The Host Liability Instrument	The Conversion Option Derivative Instrument
Balance at January 1, 2017	\$ 663,725	\$ 62,170
Interest expense	37,720	-
Gain on fair value changes	<u>-</u>	<u>(19,360)</u>
Balance at December 31, 2017	<u>\$ 701,445</u>	<u>\$ 42,810</u>
Balance at January 1, 2018	\$ 701,445	\$ 42,810
Interest expense	36,025	-
Gain on fair value changes	-	(1,116)
Repurchase of convertible bonds	<u>(467,932)</u>	<u>(27,084)</u>
Balance at December 31, 2018	<u>\$ 269,538</u>	<u>\$ 14,610</u>

20. FINANCE LEASE PAYABLES

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Minimum lease payments</u>		
Not later than 1 year	\$ 22,211	\$ 3,253
Later than 1 year and not later than 5 years	<u>20,428</u>	<u>3,303</u>
	42,639	6,556
Less: Future finance charges	<u>(3,080)</u>	<u>(1,089)</u>
Present value of minimum lease payments	<u>\$ 39,559</u>	<u>\$ 5,467</u>
<u>Present value of minimum lease payments</u>		
Not later than 1 year	\$ 20,109	\$ 2,736
Later than 1 year and not later than 5 years	<u>19,450</u>	<u>2,731</u>
	<u>\$ 39,559</u>	<u>\$ 5,467</u>

The Group leased machinery equipment, transportation equipment, furniture, fixture, and equipment, and computer software under finance leases. The average terms for both years ended December 31, 2018 and 2017 were 2 to 5 years and 3 years, respectively. The range of interest rates underlying all obligations under finance leases, which were fixed at respective contract dates, were 1.00%-34.50% and 1.01%-34.50% per annum at December 31, 2018 and 2017, respectively.

In December 2018, the Group sold and leased back machinery and furniture, fixture, and equipment under a finance lease, with a lease term of 2 years. When the lease term expires, the equipment will be transferred to the Group without further payment. The difference between the proceeds from the sale and the carrying amount of the equipment was recognized as an unrealized loss on sale and leaseback. Such loss was equally allocated throughout the lease term and recognized as depreciation expenses.

Refer to Note 35 for the details concerning the collaterals of the finance lease payables described above.

21. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
<u>Current</u>		
Other payables		
Payable for salaries or bonuses (including compensation of employees and remuneration of directors)	\$ 277,845	\$ 303,518
Payable for annual leave	21,219	22,428
Rebates provision	257,974	284,048
Payable for freight	69,500	78,595
Payable for research and development expenses	57,863	38,443
Payable for taxes	107,322	85,681
Payable for interest	37,935	36,996
Payable for purchases of equipment	33,013	14,015
Payable for dividends	12,095	12,095
Payable for distribution rights	10,494	35,566
Payable for professional service fees	49,104	44,189
Others	<u>159,599</u>	<u>182,831</u>
	<u>\$ 1,093,963</u>	<u>\$ 1,138,405</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 2,982	\$ 252
Payable for long-term distribution rights	<u>10,494</u>	<u>-</u>
	<u>\$ 13,476</u>	<u>\$ 252</u>

22. RETIREMENT BENEFIT PLANS

The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits in accordance with local regulation. Except for the above mentioned, the Group does not have any other retirement or pension plans for employees.

23. EQUITY

a. Share capital

Ordinary shares

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>
Share capital authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>171,145</u>	<u>151,912</u>
Share capital issued	<u>\$ 1,711,450</u>	<u>\$ 1,519,120</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

For the purpose of increasing working capital, it was resolved in the shareholder's meeting on June 19, 2018 to issue no more than 20,000 thousand ordinary shares through private placement. The offer would be made either in one batch or several batches (no more than 3 batches) within one year from the date of resolution. The subscription price of each share should not be lower than 90% of the reference price stated in "Directions for Public companies Conducting Private Placements of Securities."

On August 27, 2018, the Company's board of directors resolved to issue 14,973 thousand ordinary shares through private placement at \$21.6 each share, amounting to \$323,417 thousand in total. The issuance date was August 29, 2018. On October 9, 2018, the Company's board of directors resolved to issue another 4,260 thousand ordinary shares through private placement at \$21.6 each share, amounting to \$92,016 thousand in total. The issuance date was October 18, 2018. The above capital injections increased the paid-up capital issued and fully paid to \$1,711,450 thousand.

b. Capital surplus

	<u>December 31</u>	
	2018	2017
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>		
Issuance of ordinary shares	\$ 3,096,790	\$ 2,873,687
Conversion of bonds	71,275	71,275
<u>May not be used for any purpose</u>		
Employee share options	<u>148,140</u>	<u>148,140</u>
	<u>\$ 3,316,205</u>	<u>\$ 3,093,102</u>

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors, refer to employee's compensation and remuneration of directors in Note 25(f).

According to the Company's Articles, dividends can be paid by shares or cash. Cash dividends should be no less than 1% and no higher than 100% of the total dividends distributed.

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

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

The appropriation of earnings for 2016 was approved in the shareholders’ meetings on June 22, 2017, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 55,470	\$ -
Special reserve	300,677	-
Cash dividends	182,294	1.2

The deficit compensation for 2017 was approved in the shareholder’s meeting on June 19, 2018. Because the Company suffered a net loss for the year ended December 31, 2017, there was no distribution of retained earnings or appropriations to legal or special reserve.

The proposal for the deficit compensation for 2018 is expected to be proposed by the Company’s board of directors in May 2019 and is subject to resolution in the shareholders’ meeting to be held on June 26, 2019.

d. Special reserve

	<u>For the Year Ended December 31</u>	
	2018	2017
Balance at January 1	\$ 517,246	\$ 216,569
Appropriation in respect of debit to other equity items	<u>-</u>	<u>300,677</u>
Balance at December 31	<u>\$ 517,246</u>	<u>\$ 517,246</u>

Additional special reserve should be appropriated for the amount equal to the difference between net debit balance of other equity items and the balance of special reserve appropriated on the reporting date. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter, distributed.

e. Other equity items

Exchange differences on translating the financial statements of foreign operations

	<u>For the Year Ended December 31</u>	
	2018	2017
Balance at January 1	\$ (718,009)	\$ (517,246)
Recognized for the year		
Exchange differences on translation to the presentation currency	141,917	(509,997)
Exchange differences on translating the financial statements of foreign operations	<u>(564,240)</u>	<u>309,234</u>
Other comprehensive income recognized for the year	<u>(422,323)</u>	<u>(200,763)</u>
Balance at December 31	<u>\$ (1,140,332)</u>	<u>\$ (718,009)</u>

24. REVENUE

	For the Year Ended December 31	
	2018	2017
Revenue from contracts with customers		
Revenue from sale of goods	\$ 9,052,815	\$ 9,422,107
Revenue from rendering of services	<u>71,019</u>	<u>145,623</u>
	<u>\$ 9,123,834</u>	<u>\$ 9,567,730</u>

a. Contract information

1) Revenue from the sale of goods

The Group's operating revenue is mainly from the sale of crop protectants, crop nutrition, and chemicals. A volume discount is offered to customers whose purchases exceed a specific threshold. The amount of discount and related revenue are estimated taking into consideration the customers' current order status. All other goods are sold at their respective fixed amounts as agreed in the contracts.

2) Revenue from the rendering of services

The Group provides processing services for crop protectants and related products. The Group recognizes processing fee revenue when processing of the products is complete, control of the goods has been transferred to the customer and the Group has no further obligations to the customer.

b. Contract balances

	December 31
	2018
Notes and trade receivables (including related parties)	<u>\$ 2,940,203</u>
Contract liabilities - current	
Receipts in advance	<u>\$ 66,072</u>

c. Disaggregation of revenue

Refer to Note 40 for details of disaggregation of revenue.

25. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other income

	For the Year Ended December 31	
	2018	2017
Government grants (Note 29)	\$ 20,906	\$ 17,230
Interest income	72,963	138,664
Others	<u>46,358</u>	<u>36,365</u>
	<u>\$ 140,227</u>	<u>\$ 192,259</u>

b. Other gains and losses

	For the Year Ended December 31	
	2018	2017
Loss on disposal of property, plant and equipment	\$ (2,109)	\$ (819)
Loss on disposal of intangible assets	(15,083)	(1,715)
Net foreign exchange losses (g)	(101,489)	(254,851)
Gain on financial assets at FVTPL	1,116	19,360
Loss on repurchase of bonds payable	(22,835)	-
Loss on hyperinflation (h)	(8,663)	-
Others	<u>(4,204)</u>	<u>(5,419)</u>
	<u>\$ (153,267)</u>	<u>\$ (243,444)</u>

c. Finance costs

	For the Year Ended December 31	
	2018	2017
Interest on bank loans	\$ 374,142	\$ 354,601
Interest on obligations under finance leases	764	718
Interest on convertible bonds	<u>36,025</u>	<u>37,720</u>
	<u>\$ 410,931</u>	<u>\$ 393,039</u>

d. Depreciation and amortization

	For the Year Ended December 31	
	2018	2017
An analysis of depreciation by function		
Operating costs	\$ 55,959	\$ 31,798
Operating expenses	<u>76,051</u>	<u>84,686</u>
	<u>\$ 132,010</u>	<u>\$ 116,484</u>
An analysis of amortization by function		
Operating costs	\$ 23	\$ 4
Operating expenses	<u>213,578</u>	<u>194,447</u>
	<u>\$ 213,601</u>	<u>\$ 194,451</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2018	2017
Short-term benefits	\$ 1,252,270	\$ 1,329,199
Post-employment benefits		
Defined contribution plans	62,759	57,209
Share-based payments		
Equity-settled	-	8,618
Other employee benefits	<u>79,082</u>	<u>50,927</u>
Total employee benefits expense	<u>\$ 1,394,111</u>	<u>\$ 1,445,953</u>

(Continued)

	For the Year Ended December 31	
	2018	2017
An analysis of employee benefits expense by function		
Operating costs	\$ 168,161	\$ 151,591
Operating expenses	<u>1,225,950</u>	<u>1,294,362</u>
	<u>\$ 1,394,111</u>	<u>\$ 1,445,953</u>
		(Concluded)

f. Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at rates no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Due to the net loss for the year ended December 31, 2017, the Company's board of directors resolved on March 27, 2018 not to accrue employee's compensation and remuneration of directors.

The employees' compensation and remuneration of directors for the year ended December 31, 2018 which have been approved by the Company's board of directors on March 28, 2019, were as follows:

	Accrual Rate	Amount	
		Cash	Shares
Employees' compensation	1%	\$ 2,557	\$ -
Remuneration of directors	0%	-	-

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

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

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

g. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2018	2017
Foreign exchange gains	\$ 1,325,046	\$ 522,963
Foreign exchange losses	<u>(1,426,535)</u>	<u>(777,814)</u>
	<u>\$ (101,489)</u>	<u>\$ (254,851)</u>

h. Loss on hyperinflation

In consideration that Argentina's accumulated inflation rate for the past three years exceeded 100%, the Group deemed Argentina a hyperinflationary economy on July 1, 2018. The Group used the series of indices defined by resolution JG No. 539/18 issued by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), based on the National Consumer Price Index (IPC) published by the Instituto Nacional de Estadística y Censos of the Argentine Republic and the Wholesale Internal Price Index published by FACPCE. As of December 31, 2018, the cumulative index (IPC CABA) is 184.25%, while on an annual index for 2018 is 48%.

The net position of the subsidiary in Argentina was stated in terms of the current measurement unit at the balance sheet date, resulting in a net loss of \$8,663 thousand. Exchange differences amounting to \$(93,856) thousand on translating the financial statements of foreign operations was recognized in other comprehensive income.

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2018	2017
<u>Current tax</u>		
In respect of the current period	\$ 108,467	\$ 144,900
Adjustments for prior periods	<u>11,105</u>	<u>1,502</u>
	<u>119,572</u>	<u>146,402</u>
<u>Deferred tax</u>		
In respect of the current period	36,858	(69,174)
Adjustments to deferred tax attributable to changes in tax rates and laws	<u>15</u>	<u>(58)</u>
	<u>36,873</u>	<u>(69,232)</u>
Income tax expense recognized in profit or loss	<u>\$ 156,445</u>	<u>\$ 77,170</u>

A reconciliation of accounting profit and income tax expense and the applicable tax rate is as follows:

	For the Year Ended December 31	
	2018	2017
Profit (loss) before tax from continuing operations	<u>\$ 252,713</u>	<u>\$ (75,493)</u>
Income tax expense calculated at the statutory rate (15%)	\$ 37,907	\$ (11,324)
Nondeductible expenses in determining taxable income	39,099	44,724
Tax-exempt income	(65,823)	(34,841)
Unrecognized loss carryforwards and temporary differences	228,028	49,135
Effect of tax rate changes	15	(58)
Effect of different tax rates of group entities operating in other jurisdictions	(130,996)	(25,040)
Adjustments for prior years' tax	11,105	1,502
Tax adjustment of transfer pricing	<u>37,110</u>	<u>53,072</u>
Income tax expense recognized in profit or loss	<u>\$ 156,445</u>	<u>\$ 77,170</u>

The major income for the Group was contributed by subsidiaries in China, predominantly JRC, which obtained approval as a high-tech enterprise by the State Administration of Taxation of the Peoples' Republic of China. Therefore, the more favorable tax rate of 15% was applicable to JRC. The applicable tax rate for the rest of the subsidiaries in China was 25%; for the subsidiaries in Hong Kong, the tax rate used was 16.5%; for the subsidiary in Brazil, the tax rate used was 34%; for the subsidiaries in the United States, the tax rate used was 21%; the tax rates used for subsidiaries located in jurisdictions not mentioned above are based on the tax laws in those jurisdictions.

In addition, in 2018, the corporate tax rate in the Republic of China was adjusted from 17% to 20%; the tax rate in the United States was adjusted from a progressive tax system of 35% for the highest tax bracket to a flat tax rate of 21%; the tax rate in Argentina was adjusted from 35% to 30%, and the tax rate in Colombia was adjusted from 34% to 33%.

b. Current tax assets and liabilities

	December 31	
	2018	2017
Current tax assets		
Tax refund receivable	<u>\$ 55,198</u>	<u>\$ 80,931</u>
Current tax liabilities		
Income tax payable	<u>\$ 174,606</u>	<u>\$ 126,627</u>

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for impaired receivables	\$ 900	\$ (338)	\$ (39)	\$ 523
Allowance for impaired inventories	4,629	(2,013)	(74)	2,542
Unrealized profit of inventory	207,676	(16,423)	5,025	196,278
Unrealized exchange loss	80,121	(68,962)	(11,159)	-
Loss carryforwards	348,286	(7,318)	(73,687)	267,281
Others	<u>25,926</u>	<u>5,271</u>	<u>(1,962)</u>	<u>29,235</u>
	<u>\$ 667,538</u>	<u>\$ (89,783)</u>	<u>\$ (81,896)</u>	<u>\$ 495,859</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Amortization of intangible asset	\$ 142,787	\$ 21,957	\$ (3,899)	\$ 160,845
Unrealized exchange gain	209,542	(72,132)	(26,901)	110,509
Others	<u>18,234</u>	<u>(2,735)</u>	<u>323</u>	<u>15,822</u>
	<u>\$ 370,563</u>	<u>\$ (52,910)</u>	<u>\$ (30,477)</u>	<u>\$ 287,176</u>

For the year ended December 31, 2017

	Opening Balance	Recognized in Profit or Loss	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for impaired receivables	\$ 13,647	\$ (12,233)	\$ (514)	\$ 900
Allowance for impaired inventories	6,647	(1,787)	(231)	4,629
Unrealized profit of inventory	273,554	(45,543)	(20,335)	207,676
Unrealized exchange loss	3,754	81,449	(5,082)	80,121
Loss carryforwards	375,117	10,107	(36,938)	348,286
Others	<u>38,350</u>	<u>(10,308)</u>	<u>(2,116)</u>	<u>25,926</u>
	<u>\$ 711,069</u>	<u>\$ 21,685</u>	<u>\$ (65,216)</u>	<u>\$ 667,538</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Amortization of intangible asset	\$ 120,486	\$ 24,581	\$ (2,280)	\$ 142,787
Unrealized exchange gain	305,665	(72,280)	(23,843)	209,542
Others	<u>19,575</u>	<u>152</u>	<u>(1,493)</u>	<u>18,234</u>
	<u>\$ 445,726</u>	<u>\$ (47,547)</u>	<u>\$ (27,616)</u>	<u>\$ 370,563</u>

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

	<u>December 31</u>	
	2018	2017
Deductible temporary differences		
Allowance for impaired receivables	\$ 132,489	\$ 85,796
Allowance for impaired inventories	27,019	32,758
Loss carryforwards	<u>113,170</u>	<u>158,680</u>
	<u>\$ 272,678</u>	<u>\$ 277,234</u>

- e. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2018 and 2017, the taxable temporary differences associated with investment in subsidiaries for which no deferred tax liabilities have been recognized were \$525,604 thousand and \$470,308 thousand, respectively.

- f. Income tax assessments

As of December 31, 2018, the Group did not have any claim or litigation regarding tax assessment.

27. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
Basic earnings (loss) per share		
From continuing operations	\$ <u>0.61</u>	\$ <u>(1.00)</u>
Diluted earnings (loss) per share		
From continuing operations	\$ <u>0.61</u>	\$ <u>(1.00)</u>

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

Net Profit (Loss) for the Year

	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
Profit (loss) for the period attributable to owners of the Company	\$ 96,268	\$ (152,663)
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax) and gain on financial assets at FVTPL	<u> -</u> (a)	<u> -</u> (a)
Earnings (loss) used in the computation of diluted earnings (loss) per share	\$ <u>96,268</u>	\$ <u>(152,663)</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2018</u>	<u>2017</u>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	157,967	151,912
Effect of potentially dilutive ordinary shares		
Convertible bonds	- (a)	- (a)
Employee share option	- (b)	- (b)
Employees' compensation	<u>136</u>	<u> -</u> (a)
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>158,103</u>	<u>151,912</u>

- Due to the anti-dilutive effect, it was excluded from the computation of diluted earnings (loss) per share.
- Since the exercise price of the options issued by the Company exceeded the average market price of the shares during 2018 and 2017, they were anti-dilutive and excluded from the computation of diluted earnings per share.

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

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Company

Qualified employees of the Company and its subsidiaries were granted 4,020 thousand options on December 11, 2014 and 4,040 thousand options on December 24, 2013. Each option entitles the holder to subscribe for one thousand common shares of the Company. The options granted are valid for 10 years and exercisable at certain percentages after the second anniversary from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares on the grant date. For any subsequent changes in the Company's share capital, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2018		2017	
	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)	Number of Options (In Thousands)	Weighted- average Exercise Price (NT\$)
Balance at January 1	6,910	\$52.76	7,120	\$52.76
Options granted	-	-	-	-
Options forfeited	(1,230)	50.92 (Note)	(210)	52.76
Options exercised	-	-	-	-
Options expired	-	-	-	-
Balance at December 31	<u>5,680</u>	49.26 (Note)	<u>6,910</u>	52.76
Options exercisable, end of year	<u>5,680</u>	-	<u>6,910</u>	-
Weighted-average fair value of options granted (NT\$)	<u>\$ -</u>		<u>\$ -</u>	

Note: The exercise prices have been adjusted to reflect the issuance of shares for cash and the distribution of share and cash dividend in accordance with the plan.

Information about outstanding options as of December 31, 2018 and 2017 was follows:

	December 31	
	2018	2017
Range of exercise price (NT\$)	\$46.30-\$52.20	\$49.40-\$56.10
Weighted-average remaining contractual life (in years)	5.46	6.46

Options granted in December 2014 and 2013 were priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	For the Year Ended December 31	
	2014	2013
Grant-date share price (NT\$)	\$52.80	\$64.10
Exercise price (NT\$)	\$52.80	\$64.10
Expected volatility	29.00%	27.69%
Expected life (in years)	6.25	6.25
Expected dividend yield	0%	0%
Risk-free interest rate	1.39%-1.43%	1.37%-1.45%

Compensation costs recognized were \$0 thousand and \$8,618 thousand for the years ended December 31, 2018 and 2017, respectively.

29. GOVERNMENT GRANTS

For the years ended December 31, 2018 and 2017, the Group received government grants of \$20,790 thousand and \$17,089 thousand, respectively, from Kunshan county, Jiangsu province, People's Republic of China. The amounts were included in other income.

30. CASH FLOW INFORMATION

a. Non-cash transactions

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

- 1) As of December 31, 2018 and 2017, the payable for purchasing of equipment (recognized as other payables) were \$33,013 thousand and \$14,015 thousand, respectively.
- 2) As of December 31, 2018 and 2017, the dividends approved in the shareholders' meeting not yet distributed (recognized as other payables) were both \$12,095 thousand.
- 3) As of December 31, 2018 and 2017, the payable for the acquisition of Rotam LifeSciences Limited and its subsidiary were \$323,679 thousand and \$411,253 thousand, respectively (recognized as other payables to related parties).
- 4) As of December 31, 2018 and 2017, the payable for distribution right were \$20,988 thousand and \$35,566 thousand, respectively (recognized as other payables and other non-current liabilities).

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2018

	Cash Flows		Non Cash Change					Closing Balance	
	Opening Balance	From Financing Activities	From Investing Activities	New Lease	Interest Expense	Loss on Disposal	Others		Exchange Differences
Short-term borrowings	\$ 3,714,203	\$ (181,890)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,599	\$ 3,623,912
Long-term borrowings	3,702,944	(378,487)	-	-	11,569	-	-	88,416	3,424,442
Guarantee deposits received	252	2,681	-	-	-	-	-	49	2,982
Payables to related parties	412,413	(1,172)	(96,519)	-	-	-	-	8,957	323,679
Finance lease payables	5,467	21,006	-	11,660	764	-	-	662	39,559
Convertible bonds	701,445	(517,851)	-	-	36,025	22,835	27,084	-	269,538
	<u>\$ 8,536,724</u>	<u>\$ (1,055,713)</u>	<u>\$ (96,519)</u>	<u>\$ 11,660</u>	<u>\$ 48,358</u>	<u>\$ 22,835</u>	<u>\$ 27,084</u>	<u>\$ 189,683</u>	<u>\$ 7,684,112</u>

31. OPERATING LEASE ARRANGEMENTS

Operating leases relate to leases of land, office and vehicle with lease terms between 0.5 and 9 years. The Group does not have a bargain purchase option to acquire the leased property at the expiration of the lease periods.

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

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
Not later than 1 year	\$ 79,441	\$ 85,861
Later than 1 year and not later than 5 years	<u>66,282</u>	<u>49,551</u>
	<u>\$ 145,723</u>	<u>\$ 135,412</u>

32. CAPITAL MANAGEMENT

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

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital, the required financial ratios for loans, and the risks associated with each class of capital. The Group balances its overall capital structure by distributing dividend, issuing new shares and raising loans.

33. FINANCIAL INSTRUMENTS

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

December 31, 2018

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	<u>\$ 269,538</u>	<u>\$ 310,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,810</u>

December 31, 2017

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	<u>\$ 701,445</u>	<u>\$ 823,960</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,960</u>

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

1) Fair value hierarchy

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Convertible bonds option	\$ _____ -	\$ _____ -	\$ 14,610	\$ 14,610

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Convertible bonds option	\$ _____ -	\$ _____ -	\$ 42,810	\$ 42,810

There were no transfers between Levels 1 and 2 for the years ended December 31, 2018 and 2017.

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

	<u>For the Year Ended December 31</u>	
	2018	2017
<u>Financial liabilities at FVTPL</u>		
Convertible bonds option		
Balance at January 1	\$ 42,810	\$ 62,170
Recognized in profit or loss (gain on financial instruments at FVTPL)		
Unrealized	(1,116)	(19,360)
Repayments/settlements	<u>(27,084)</u>	<u>-</u>
Balance at December 31	<u>\$ 14,610</u>	<u>\$ 42,810</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - convertible bond options	Binary Tree Model: Consider factors including the duration of bonds, the share price and its volatility, exercise price, risk-free rate, risk discount rate and liquidity risk.

c. Categories of financial instruments

	<u>December 31</u>	
	2018	2017
<u>Financial assets</u>		
Loans and receivables (Note 1)	\$ -	\$ 7,319,949
Financial assets at amortized cost (Note 2)	6,427,450	-
<u>Financial liabilities</u>		
Financial liabilities at FVTPL - held for trading	14,610	42,810
Financial liabilities at amortized cost (Note 3)	10,063,119	10,840,485

Note 1: The balances include loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties,) other receivables (excluding tax refund receivables), other receivables from related parties, other financial assets and refundable deposits.

Note 2: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (excluding tax refund receivables), other receivables from related parties, other financial assets and refundable deposits.

Note 3: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable (including related parties), trade payables (including related parties,) other payables (excluding salaries and bonuses payable, annual leave, tax payable, and dividends payable), other payables to related parties, current portion of long-term borrowings, bonds payable, long-term borrowings, long-term product distribution rights payable and guarantee deposits received.

d. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group regularly inspects the assets and liabilities exposed to currency risk, and makes appropriate adjustments in order to control the risk resulting from changes in foreign currency exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the fluctuations of RMB, BRL, NTD, EUR, GBP and USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with functional currency strengthening 1% against the relevant foreign currency. For a 1% weakening of functional currency against the relevant foreign currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	USD Impact		EUR Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2018	2017	2018	2017
Profit or loss	\$ (83,109) (i)	\$ (69,772) (i)	\$ 5,134 (i)	\$ 6,533 (i)

	NTD Impact		BRL Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2018	2017	2018	2017
Profit or loss	\$ (3,068) (ii)	\$ (7,622) (ii)	\$ (1,134) (i)	\$ (7,405) (i)

	RMB Impact		GBP Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2018	2017	2018	2017
Profit or loss	\$ (48,858) (i)	\$ (25,676) (i)	\$ 919 (i)	\$ 2,000 (i)

i. This was mainly attributable to the exposure of outstanding receivables, payables and borrowings in USD, EUR, RMB, GBP and BRL which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure of outstanding bonds payable in NTD, which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

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

	December 31	
	2018	2017
Fair value interest rate risk		
Financial assets	\$ 598,889	\$ 457,513
Financial liabilities	1,501,441	1,663,796
Cash flow interest rate risk		
Financial assets	1,843,532	2,612,613
Financial liabilities	5,856,010	6,460,263

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the years ended December 31, 2018 and 2017 would decrease/increase by \$40,125 thousand and increase/decrease by \$38,477 thousand, respectively, which was mainly a result of the Group's exposure to the change in interest rate on its floating rate bank borrowings and bank deposits.

2) Credit risk

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

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group's concentration of credit risk by geographical locations was mainly in Central and South America, which accounted for 59.41% and 57.92% of total trade receivables (including related parties) as of December 31, 2018 and 2017, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. On December 31, 2018, the Group's current liability exceeded its current asset. The current ratio was 80%, which indicated that the Group's current asset may not be adequate to offset its current liability. The Group entered into a long term syndicated bank loan agreement in November, 2018 and drew down the full amount of the loan on January 28, 2019 in order to repay the existing syndicated loan. Details of the syndicated loan are set out in Note 18. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2018 and 2017, the Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

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

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 1,936,649	\$ 232,956	\$ 574,241	\$ 13,476	\$ -
Finance lease payables	1,965	3,928	16,318	20,428	-
Floating interest rate liabilities	312,523	1,096,793	4,429,762	118,562	-
Fixed interest rate liabilities	<u>26,627</u>	<u>390,810</u>	<u>1,109,896</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,277,764</u>	<u>\$ 1,724,487</u>	<u>\$ 6,130,217</u>	<u>\$ 152,466</u>	<u>\$ -</u>

December 31, 2017

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 1,376,142	\$ 567,134	\$ 790,460	\$ 252	\$ -
Finance lease payables	256	592	2,405	3,303	-
Floating interest rate liabilities	630,845	632,465	2,508,437	2,969,416	-
Fixed interest rate liabilities	<u>25,212</u>	<u>214,035</u>	<u>1,240,504</u>	<u>300,000</u>	<u>-</u>
	<u>\$ 2,032,455</u>	<u>\$ 1,414,226</u>	<u>\$ 4,541,806</u>	<u>\$ 3,272,971</u>	<u>\$ -</u>

b) Financing facilities

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
Unsecured loan facilities:		
Amount used	\$ 5,843,115	\$ 5,411,531
Amount unused	<u>1,462,731</u>	<u>1,460,192</u>
	<u>\$ 7,305,846</u>	<u>\$ 6,871,723</u>
Secured loan facilities:		
Amount used	\$ 1,514,336	\$ 2,712,528
Amount unused	<u>2,154,466</u>	<u>1,541,133</u>
	<u>\$ 3,668,802</u>	<u>\$ 4,253,661</u>

34. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
SipcamRotam LLC	Joint venture
Mr. Lu Mark Chang Ken	Key management personnel
Jiangsu Rotam Boxmore Packaging Company Limited (Jiangsu Boxmore)	Related party in substance
Rotam Biotechnology Limited (Rotam Biotech)	Related party in substance
Rotam Boxmore (Tianjin) Packaging Company Limited (Tianjin Boxmore)	Related party in substance
Kunshan Rotam Reddy Pharmaceuticals Company Limited	Related party in substance
Rotrasat Technology Company Limited (Rotrasat)	Associate

b. Sales of goods

Line Item	Related Party Category/Name	<u>For the Year Ended December 31</u>	
		2018	2017
Sales	Related party in substance	\$ 1,056	\$ 74
	Joint venture	<u>-</u>	<u>508,670</u>
		<u>\$ 1,056</u>	<u>\$ 508,744</u>
Sales discounts	Joint venture	<u>\$ (5,714)</u>	<u>\$ -</u>

The selling price for related parties is calculated with reference to the market price and internal transfer price. The credit term is similar to that for general customers.

c. Purchases of goods

Related Party Category/Name	<u>For the Year Ended December 31</u>	
	2018	2017
Related party in substance	<u>\$ 185,294</u>	<u>\$ 199,816</u>

Terms of purchases from and payments to related parties were similar to those with third parties.

d. Operating costs - processing fees

Related Party Category/Name	<u>For the Year Ended December 31</u>	
	2018	2017
Related party in substance	<u>\$ 21,768</u>	<u>\$ 18,557</u>

e. Receivables from related parties

Line Item	Related Party Category/Name	December 31	
		2018	2017
Trade receivables from related parties	Joint venture	\$ -	\$ 66,265
Less: Allowance for impairment loss		-	(11,654)
		<u>\$ -</u>	<u>\$ 54,611</u>
Other receivables from related parties	Joint venture		
	SipcamRotam LLC (Note)	\$ -	\$ 52,762
	Associate	-	205
		-	52,967
Less: Allowance for impairment loss		-	(15,829)
		<u>\$ -</u>	<u>\$ 37,138</u>

Note: Refers to the trade receivables that were overdue for a period longer than the usual credit period reclassified as other receivables.

The outstanding trade receivables from related parties are unsecured.

In 2018

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position.

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

	2018
Balance at January 1, 2018 per IAS 39	\$ 27,483
Adjustment on initial application of IFRS 9	<u>5,269</u>
Balance at January 1, 2018 per IFRS 9	32,752
Less: Net remeasurement of loss allowance	(33,067)
Foreign exchange translation differences	<u>315</u>
Balance at December 31, 2018	<u>\$ -</u>

In 2017

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

	Trade Receivables	Other Receivables	Total
Balance at January 1, 2017	\$ -	\$ -	\$ -
Add: Impairment losses recognized on receivables	11,934	16,208	28,142
Foreign exchange translation differences	<u>(280)</u>	<u>(379)</u>	<u>(659)</u>
Balance at December 31, 2017	<u>\$ 11,654</u>	<u>\$ 15,829</u>	<u>\$ 27,483</u>

f. Payables to related parties (excluding loans from related parties)

Line Items	Related Party Category/Name	December 31	
		2018	2017
Notes payable to related parties	Related party in substance	\$ 22,648	\$ -
Trade payables to related parties	Related party in substance	<u>\$ 80,540</u>	<u>\$ 61,225</u>
Other payables to related parties	Key management personnel		
	Mr. Lu Mark Chang Ken	\$ 323,679	\$ 411,253
	Joint venture	-	1,060
	Related party in substance	<u>-</u>	<u>100</u>
		<u>\$ 323,679</u>	<u>\$ 412,413</u>

The outstanding trade payables to related parties are unsecured.

Other payables to key management personnel, Mr. Lu Mark Chang Ken, was the price for the acquisition of Rotam LifeSciences Limited from him.

g. Disposals of property, plant and equipment

Related Party Category/Name	For the Year Ended December 31, 2018	
	Proceeds	Gain on Disposal
Related party in substance	<u>\$ 53</u>	<u>\$ 3</u>

h. Other transactions with related parties

Line Items	Related Party Category/Name	For the Year Ended December 31	
		2018	2017
Rental revenue (1)	Associate	<u>\$ -</u>	<u>\$ 203</u>
Operating expenses (2)	Joint venture	<u>\$ 1,516</u>	<u>\$ 95,389</u>
Inspection fee	Related party in substance	<u>\$ 146</u>	<u>\$ 395</u>
Payment for supplies	Related party in substance	<u>\$ 27</u>	<u>\$ -</u>

- 1) The associate, Rotrasat, leased an office from the Group from December 1, 2016 to November 30, 2017. The rental price was based on the market price and a one-time payment of the rental was made in full upon maturity.
 - 2) In accordance with the joint venture agreement, the Group shall pay SipcamRotam LLC expenses related to the sale of crop protectants and technical support on a monthly basis.
- i. Compensation of key management personnel

	For the Year Ended December 31	
	2018	2017
Short-term employee benefits	\$ 62,275	\$ 98,858
Post-employment benefits	375	567
Share-based payments	<u>-</u>	<u>1,329</u>
	<u>\$ 62,650</u>	<u>\$ 100,754</u>

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

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the borrowings:

	December 31	
	2018	2017
Other financial assets - current		
Restricted bank deposits	\$ 712,707	\$ 518,422
Other financial assets - non-current		
Other financial assets	77,171	73,417
Restricted bank deposits	291,923	310,551
Notes receivable	-	38,828
Trade receivables	179,762	338,798
Lease assets, net	56,220	6,458
Computer software, net	<u>1,465</u>	<u>-</u>
	<u>\$ 1,319,248</u>	<u>\$ 1,286,474</u>

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. Unused letters of credit for purchases of raw materials were as follows:

	December 31	
	2018	2017
USD	<u>\$ -</u>	<u>\$ 195</u>

b. Unrecognized commitments were as follows:

	<u>December 31</u>	
	<u>2018</u>	<u>2017</u>
Acquisition of property, plant and equipment	\$ 9,795	\$ 28,347
Acquisition of intangible assets	\$ 12,032	\$ 73,399
Commitments to investments (Note 11)	\$ -	\$ 11,920

c. Contingent liabilities:

The Group's subsidiary, RACL, entered into a cooperative agreement with GAT Microencapsulation GmbH (GAT) in order to expand the product market in Europe. GAT later sold its own business and information related to the abovementioned agreement to the Group's primary competitor. RACL sued GAT for breach of contract and made three claims against GAT that totaled approximately US\$357 thousand to US\$8,000 thousand.

According to the judgment made by the Court of England on October 25, 2018, RACL was awarded US\$357 thousand in respect of its claim for unjust enrichment, but RACL was liable for part of GAT's legal cost. GAT requested payment of GBP315 thousand for legal cost, which RACL disagreed. In November, 2018, GAT and RACL entered into another round of negotiation, where both parties agreed that RACL should first pay GBP211 thousand to GAT, with the remaining amount paid later. As of December 31, 2018, the remaining amount to be paid was still under negotiation, and the result was unpredictable.

37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

For the purposes of increasing working capital and repayment of borrowings, it was resolved in the shareholder's extraordinary meeting to issue no more than 34,200 thousand ordinary shares through private placement. The offer should be made in either one batch or several batches (no more than 3 batches) within one year from the date of resolution. The subscription price of each share should not be lower than 90% of the reference price stated in "Directions for Public Companies Conducting Private Placements of Securities".

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2018

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 19,090	37.3000 (USD:ARS)	\$ 583,353
USD	688	6.9600 (USD:BOB)	21,020
USD	233	694.7700 (USD:CLP)	7,108
USD	572	3,249.7500 (USD:COP)	17,473
USD	257	0.8736 (USD:EUR)	7,864

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
USD	\$ 39,800	7.8297 (USD:HKD)	\$ 1,216,233
USD	299	101.8461 (USD:KES)	9,147
USD	180	1,118.1000 (USD:KRW)	5,504
USD	1,282	19.6829 (USD:MXN)	39,181
USD	81	30.5587 (USD:NTD)	2,485
USD	4,245	6.8632 (USD:RMB)	129,728
GBP	370	9.9475 (GBP:HKD)	14,363
GBP	2,360	1.2705 (GBP:USD)	91,616
EUR	3,791	3,719.9519 (EUR:COP)	132,598
EUR	90	7.8562 (EUR:RMB)	3,148
EUR	19,817	1.1447 (EUR:USD)	693,206
EUR	351	0.9010 (EUR:GBP)	12,281

Financial liabilities

Monetary items

USD	14,954	37.7000 (USD:ARS)	456,981
USD	981	6.9600 (USD:BOB)	29,977
USD	57,101	3.8748 (USD:BRL)	1,744,931
USD	5,006	694.7700 (USD:CLP)	152,967
USD	14,295	3,249.7500 (USD:COP)	436,851
USD	214,286	7.8297 (USD:HKD)	6,548,300
USD	2,200	14,481.0000 (USD:IDR)	67,223
USD	440	101.8461 (USD:KES)	13,446
USD	121	1,118.1000 (USD:KRW)	3,687
USD	5,168	19.6829 (USD:MXN)	157,936
USD	319	30.5587 (USD:NTD)	9,745
USD	142	5,961.0000 (USD:PYG)	4,326
USD	23,681	6.8632 (USD:RMB)	723,661
NTD	306,849	0.0327 (NTD:USD)	306,849
RMB	1,097,312	0.1457 (RMB:USD)	4,885,829
GBP	113	9.9475 (GBP:HKD)	4,377
GBP	188	1.2705 (GBP:USD)	7,288
GBP	62	1.1099 (GBP:EUR)	2,421
EUR	4,546	7.8562 (EUR:RMB)	159,006
EUR	4,826	1.1447 (EUR:USD)	168,805
BRL	14,378	2.0207 (BRL:HKD)	113,391

(Concluded)

December 31, 2017

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,076	18.6490 (USD:ARS)	\$ 449,292
USD	604	6.9600 (USD:BOB)	17,986
USD	2,165	614.7500 (USD:CLP)	64,528
USD	713	2,984.0000 (USD:COP)	21,244

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
USD	\$ 289	0.8379 (USD:EUR)	\$ 8,622
USD	65,546	7.8154 (USD:HKD)	1,947,532
USD	207	102.3123 (USD:KES)	6,169
USD	169	1,071.4000 (USD:KRW)	5,035
USD	1,864	19.7354 (USD:MXN)	55,547
USD	292	29.8009 (USD:NTD)	8,690
USD	2,697	6.5342 (USD:RMB)	68,870
GBP	163	1.1259 (GBP:EUR)	6,514
GBP	550	10.5017 (GBP:HKD)	22,022
GBP	5,224	1.3437 (GBP:USD)	208,079
EUR	582	3,561.2842 (EUR:COP)	20,703
EUR	23,659	1.1935 (EUR:USD)	819,221
EUR	354	0.8882 (EUR:GBP)	12,602

Financial liabilities

Monetary items

USD	25,723	18.6490 (USD:ARS)	766,566
USD	1,159	6.9600 (USD:BOB)	34,553
USD	64,955	3.3080 (USD:BRL)	1,935,730
USD	5,199	614.7500 (USD:CLP)	154,921
USD	11,941	2,984.0000 (USD:COP)	355,855
USD	191,039	7.8154 (USD:HKD)	5,693,120
USD	2,910	13,548.0000 (USD:IDR)	86,708
USD	905	102.3123 (USD:KES)	26,973
USD	451	1,071.4000 (USD:KRW)	13,432
USD	5,885	19.7354 (USD:MXN)	175,379
USD	430	29.8009 (USD:NTD)	12,811
USD	13,431	6.5342 (USD:RMB)	374,694
NTD	762,236	0.0336 (NTD:USD)	762,236
RMB	834,043	0.1530 (RMB:USD)	2,557,603
GBP	83	1.1259 (GBP:EUR)	3,328
GBP	832	1.3437 (GBP:USD)	33,301
EUR	5,624	1.1935 (EUR:USD)	199,224
BRL	82,199	2.3626 (BRL:HKD)	740,510

(Concluded)

For the years ended December 31, 2018 and 2017, net foreign exchange losses were \$101,489 thousand and \$254,851 thousand, respectively. It is impractical to disclose net foreign gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currency of the group entities.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 2)
- 2) Endorsements/guarantees provided (Table 3)

- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (None)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 9) Trading in derivative instruments (Note 7 and 33)
 - 10) Intercompany relationships and significant intercompany transactions (Table 7)
 - 11) Information on investees (Table 8)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 10):
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

Management considers subsidiaries in different geographical areas as separate operating segments. For financial statement presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- Such segments have similar long term gross profit; and
- The methods used to distribute the products to the customers are the same.

a. Segment revenues and results

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

	Segment Revenues		Segment Income (Loss)	
	For the Year Ended December 31		For the Year Ended December 31	
	2018	2017	2018	2017
JRC	\$ 3,280,009	\$ 3,342,932	\$ 208,743	\$ 162,042
Regional company	5,843,825	6,224,798	563,227	315,669
Profit from operations	\$ 9,123,834	\$ 9,567,730	771,970	477,711
Other income			140,227	192,259
Other gains and losses			(153,267)	(243,444)
Finance costs			(410,931)	(393,039)
Share of loss of associates and joint ventures			(8,123)	(6,400)
Head office administration cost and remuneration of directors			(87,163)	(102,580)
Profit (loss) before income tax from continuing operations			\$ 252,713	\$ (75,493)

Segment revenue reported above represents revenue generated from external customers. The inter-segment sales for the years ended December 31, 2018 and 2017 have been eliminated.

Segment profit represents the profit before tax earned by each segment without allocation of head office administration costs and remuneration of directors, other income, other gains and losses, finance costs, share of loss of associates and joint ventures accounted for using the equity method, and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The segment total assets and liabilities were not provided to the Group's chief operating decision maker. Therefore, the information could not be disclosed.

c. Revenue from major products and services

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

	For the Year Ended December 31	
	2018	2017
Crop protectants	\$ 8,221,304	\$ 8,643,117
Crop nutrition	747,413	716,722
Veterinary product	84,098	62,268
Tolling	<u>71,019</u>	<u>145,623</u>
	<u>\$ 9,123,834</u>	<u>\$ 9,567,730</u>

d. Geographical information

The Group operates in seven principal geographical locations - Hong Kong, China, Brazil, Argentina, the United States (USA), Taiwan and Europe.

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2018	2017	2018	2017
China	\$ 3,198,469	\$ 3,156,963	\$ 2,182,816	\$ 2,094,636
Brazil	1,176,892	1,607,088	301,223	329,926
Argentina	646,127	800,820	16,252	31,207
USA	1,193,351	1,132,980	1,399	1,492
Taiwan	191,981	178,276	5,359	7,187
Hong Kong	-	-	5,003,684	4,775,082
Europe	1,271,900	912,557	2,176	2,046
Others	<u>1,445,114</u>	<u>1,779,046</u>	<u>141,033</u>	<u>166,519</u>
	<u>\$ 9,123,834</u>	<u>\$ 9,567,730</u>	<u>\$ 7,653,942</u>	<u>\$ 7,408,095</u>

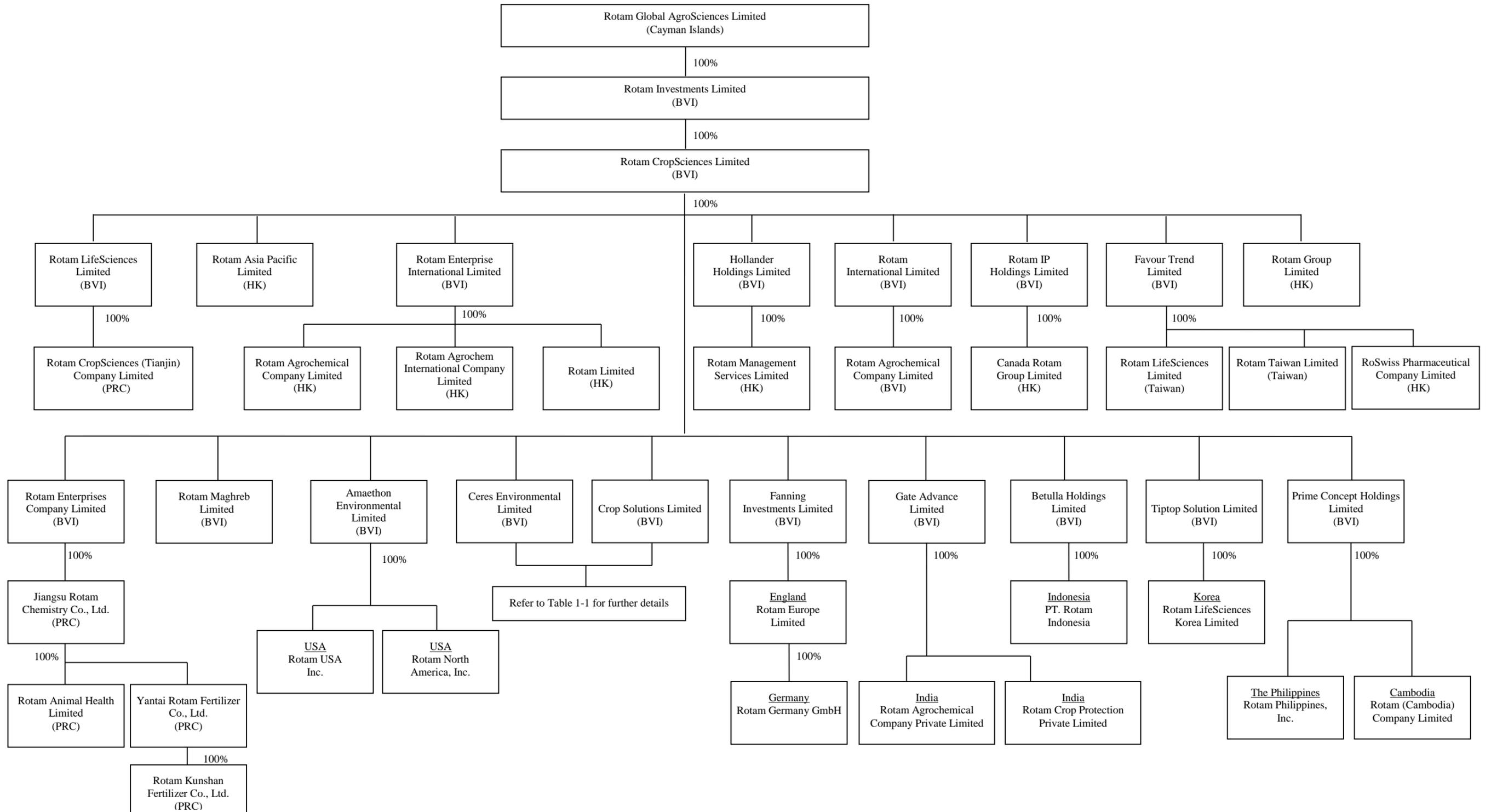
Non-current assets exclude deferred tax assets and other non-current financial assets.

e. Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2018 and 2017.

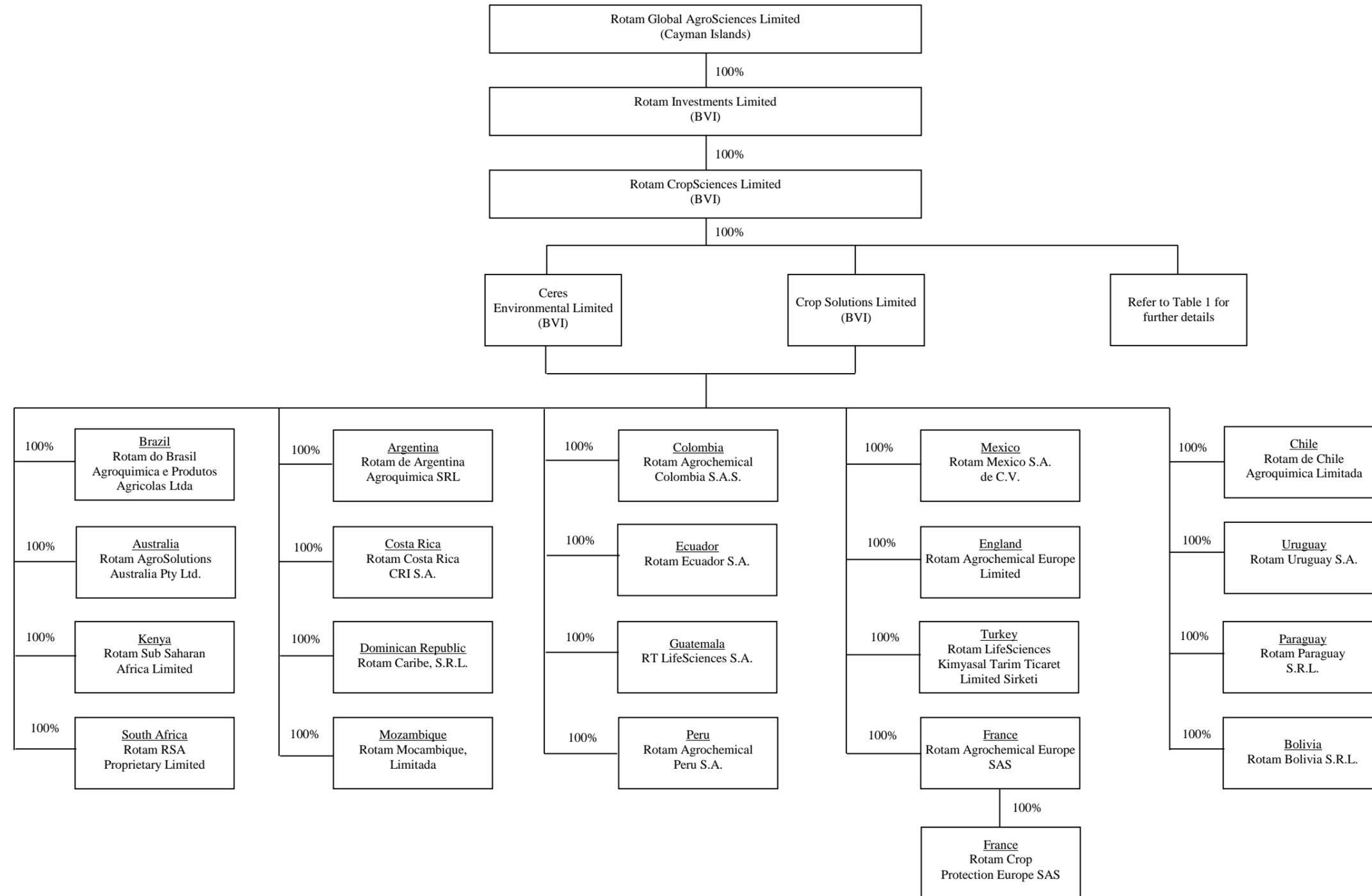
ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

GROUP CHART
DECEMBER 31, 2018



ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

**GROUP CHART
DECEMBER 31, 2018**



ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	The Company	RACL	Other receivables from related parties	Yes	\$ 1,680,729	\$ 1,680,729	\$ 336,146	2.00	Long-term and short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 2,404,782	\$ 4,809,564
1	JRC	RACL	Other receivables from related parties	Yes	1,736,492	1,558,390	1,558,390	3.50-5.60	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Tianjin	Other receivables from related parties	Yes	604,655	383,809	357,717	4.75-4.85	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
2	RACL	Amaethon	Other receivables from related parties	Yes	106,955	106,955	70,285	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Ceres	Other receivables from related parties	Yes	1,322,215	1,300,824	1,277,600	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Fanning	Other receivables from related parties	Yes	27,177	27,177	-	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		RLS	Other receivables from related parties	Yes	30,559	30,559	9,168	2.00	Long-term and short-term financing	-	Operating capital	-	-	-	993,785	6,011,955
		RCS	Other receivables from related parties	Yes	2,145,221	2,145,221	1,159,091	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Sub Saharan Africa Limited	Other receivables from related parties	Yes	45,838	13,446	13,446	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Colombia	Other receivables from related parties	Yes	244,470	244,470	184,252	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Argentina	Other receivables from related parties	Yes	305,587	305,587	187,843	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Chile	Other receivables from related parties	Yes	30,559	30,559	8,683	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Brasil	Other receivables from related parties	Yes	763,968	763,968	450,359	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		REL-UK	Other receivables from related parties	Yes	45,838	45,838	12,142	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
Rotam Mexico	Other receivables from related parties	Yes	61,117	61,117	18,087	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865		

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
		Rotam France	Other receivables from related parties	Yes	\$ 30,559	\$ 30,559	\$ -	-	Long-term and short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 9,017,933	\$ 18,035,865
		PT. Rotam Indonesia	Other receivables from related parties	Yes	48,894	48,894	41,959	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Ecuador	Other receivables from related parties	Yes	61,117	61,117	23,526	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Bolivia	Other receivables from related parties	Yes	19,863	19,863	16,242	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam US	Other receivables from related parties	Yes	611,174	611,174	154,361	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Agrochemical Company Limited (BVI)	Other receivables from related parties	Yes	94,732	94,732	948	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
4	RL	RACL	Other receivables from related parties	Yes	10,538	10,538	9,757	2.75	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
5	RCS	Amaethon	Other receivables from related parties	Yes	64,173	64,173	1,436	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Gate Advance Limited	Other receivables from related parties	Yes	21,391	21,391	21,391	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Hollander Holdings Limited	Other receivables from related parties	Yes	64,173	64,173	56,534	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
6	Amaethon	Rotam US	Other receivables from related parties	Yes	378,928	378,928	-	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
7	Ceres	Rotam Brasil	Other receivables from related parties	Yes	705,906	705,906	275,028	4.11-5.12	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Chile	Other receivables from related parties	Yes	112,610	112,610	85,627	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Mexico	Other receivables from related parties	Yes	73,341	73,341	9,168	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Colombia	Other receivables from related parties	Yes	161,961	-	-	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		Rotam Sub Saharan Africa Limited	Other receivables from related parties	Yes	27,717	-	-	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
8	Fanning	REL-UK	Other receivables from related parties	Yes	31,060	31,060	11,647	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
9	Rotam Kunshan Fertilizer Co., Ltd.	JRC	Other receivables from related parties	Yes	\$ 44,525	\$ 44,525	\$ 35,620	4.75	Long-term and short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 9,017,933	\$ 18,035,865
10	Crop	RACL	Other receivables from related parties	Yes	1,237,627	1,237,627	502,691	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
11	Rotam Brasil	Crop	Other receivables from related parties	Yes	659,245	659,245	563,739	4.11-5.12	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
14	Rotam LifeSciences Limited	Rotam Tianjin	Other receivables from related parties	Yes	268,917	268,917	203,214	3.50	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
		RACL	Other receivables from related parties	Yes	168,073	168,073	146,682	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
15	Hollander Holdings Limited	PT. Rotam Indonesia	Other receivables from related parties	Yes	27,503	27,503	19,863	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
16	REL-UK	Rotam Germany GmbH	Other receivables from related parties	Yes	12,243	12,243	12,243	4.00	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865
17	Rotam US	SipcamRotam LLC	Other receivables from related parties	Yes	106,955	-	-	-	Long-term and short-term financing	-	Operating capital	-	-	-	2,404,782	4,809,564
18	Rotam Agrochemical Company Limited (BVI)	Rotam Brasil	Other receivables from related parties	Yes	91,676	91,676	-	-	Long-term and short-term financing	-	Operating capital	-	-	-	9,017,933	18,035,865

Note 1: The total amount of loans from the Company and Rotam US to other companies shall not be more than 80% of the Company's net asset value in its latest financial statements; the amount of loans to any individual borrower shall not exceed 50% of the Company's net asset value in its latest financial statements; the total amount of loans to companies with short-term financing needs shall not be more than 40% of the Company's net asset value in its latest financial statements; the amount of loans to any individual borrower with short-term financing needs shall not exceed 40% of the Company's net asset value in its latest financial statements.

The total amount of loans from RACL to companies in Taiwan shall not be more than 100 % of the Company's net asset value in its latest financial statements; the amount of loans to any individual borrower shall not exceed 100% of RACL's net asset value in its latest financial statements; the amount of loans to any individual borrower with short-term financing needs shall not exceed 40% of RACL's net asset value in its latest financial statements.

The total amount of loans between foreign subsidiaries that are 100% owned, directly and indirectly by the Company shall not be more than 300% of the Company's net asset value in its latest financial statements; amount of loans from such subsidiaries to any individual borrower shall not exceed 150% of the Company's net asset value in its latest financial statements.

Note 2: The transactions were eliminated in the consolidated financial statements.

Note 3: The terms of loans between foreign subsidiaries that are 100% owned directly or indirectly by the Company are not limited to the one year restriction.

Note 4: The highest balance for the period, the ending balance and the actual amount borrowed were translated at the exchange rate at the end of the reporting period.

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

No.	Guarantor	Guarantee		Limit on Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Guaranteed During the Period	Outstanding Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed	Amount Guaranteed by Collateral	Ratio of Accumulated Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Guarantee Limit (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of Parent	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	The Company	RCS	(2)	\$ 4,809,564	\$ 2,713,613	\$ 2,713,613	\$ -	N/A	45	\$ 24,047,820	Yes	No	No	Note 3 Note 3
		RACL	(2)	4,809,564	2,831,580	2,739,904	1,604,494	N/A	46	24,047,820	Yes	No	No	
		JRC	(2)	4,809,564	152,794	-	-	N/A	-	24,047,820	Yes	No	Yes	
		RCS	(2)	4,809,564	3,667,044	3,667,044	2,200,226	N/A	61	24,047,820	Yes	No	No	
		RACL	(2)	4,809,564	3,667,044	3,667,044	733,409	N/A	61	24,047,820	Yes	No	No	
		Rotam Tianjin	(2)	4,809,564	91,676	91,676	91,676	N/A	2	24,047,820	Yes	No	Yes	
		Rotam LifeSciences Limited	(2)	4,809,564	241,414	241,414	168,073	N/A	4	24,047,820	Yes	No	No	
		Rotam Brasil	(2)	4,809,564	45,838	45,838	-	N/A	1	24,047,820	Yes	No	No	
		Rotam Colombia	(2)	4,809,564	18,335	18,335	-	N/A	-	24,047,820	Yes	No	No	
1	JRC	The Company	(3)	4,809,564	458,381	152,794	152,794	N/A	3	48,095,640	No	Yes	No	
		RACL	(4)	4,809,564	767,023	305,587	-	N/A	5	48,095,640	No	No	No	
		Rotam Kunshan Fertilizer Co., Ltd.	(2)	4,809,564	71,241	71,241	2,792	N/A	1	48,095,640	No	No	Yes	
		Rotam Tianjin	(4)	4,809,564	31,390	31,390	31,390	N/A	1	48,095,640	No	No	Yes	
2	RACL	The Company	(3)	4,809,564	330,000	330,000	330,000	N/A	5	48,095,640	No	Yes	No	
		Rotam Brasil	(4)	4,809,564	76,397	-	-	N/A	-	48,095,640	No	No	No	
		RCS	(3)	4,809,564	2,713,613	2,713,613	-	N/A	45	48,095,640	No	No	No	
3	RAI	RACL	(4)	4,809,564	1,395,321	1,395,321	604,132	N/A	23	48,095,640	No	No	No	
4	RL	RACL	(4)	4,809,564	1,395,321	1,395,321	604,132	N/A	23	48,095,640	No	No	No	
5	RCS	RACL	(2)	4,809,564	936,940	906,382	94,583	N/A	15	48,095,640	No	No	No	
		Rotam Brasil	(2)	4,809,564	157,730	157,730	8,184	N/A	3	48,095,640	No	No	No	
		Rotam US	(2)	4,809,564	169,601	91,676	11,337	N/A	2	48,095,640	No	No	No	
6	Amaethon	Rotam US	(2)	4,809,564	183,352	183,352	-	N/A	3	48,095,640	No	No	No	

Note 1: The 7 types of relationship between a guarantor and a guarantee are set out as follows:

- (1) The guarantor has business transactions with the guarantee.
- (2) The guarantor directly and indirectly owns more than 50% of the guarantee's voting shares.
- (3) The guarantee directly and indirectly owns more than 50% of the guarantor's voting shares.
- (4) The guarantor and guarantee are both owned by a company that holds more than 90% of each company's voting shares.
- (5) The two companies are both constructors of the same construction project and are required by contract to provide guarantee for each other.
- (6) The guarantors are a group of co-investors and provide guarantees to their investees according to their shareholding proportions.
- (7) The two companies in the same industry are both engaged in the sale of presold houses and are required by consumer protection laws to provide guarantees for each other's performance obligations.

(Continued)

Note 2: The total amount of guarantees provided by the Company to others must not be more than 400% of the Company's net asset value in its latest financial statements; the amount of guarantee to any individual entity must not exceed 80% of the Company's net asset value in its latest financial statements.

The total amount of guarantees provided by the Company and its subsidiaries must not be more than 800% of the Company's net asset value in its latest financial statements.

The total amount of guarantees provided by the Company's subsidiaries must not be more than 800% of the Company's net asset value in its latest financial statements; the amount of guarantee from the Company's subsidiaries to any individual entity must not exceed 80% of the Company's net asset value in its latest financial statements.

The amount of guarantee to any individual entity due to business relationship must not aggregate more than the amount of business transaction between the two parties in the year prior to the guarantee.

Note 3: According to the syndicated loan agreement with Mega Commercial Bank, RACL and RCS share the facility of US\$120,000 thousand (approximately NT\$3,667,044 thousand.)

Note 4: The transactions were eliminated in the consolidated financial statements.

Note 5: The maximum amount for the period, the ending balance and the actual amount borrowed were translated at the exchange rate at the end of the reporting period.

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition (Note 1)		Disposal				Other Adjustment (Note 3)		Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount	Shares	Amount
Amaethon	Rotam US	Investment using the equity method	-	-	2,500	US\$ (1,492) (NT\$ -44,457)	- (Note 2)	US\$ 10,000 (NT\$ 305,587)	-	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	-	US\$ (2,453) (NT\$ -76,094)	2,500	US\$ 6,055 (NT\$ 185,036)
Crop	Rotam Argentina	Investment using the equity method	-	-	4,167,103	US\$ (8) (NT\$ -241)	303,089,522	US\$ 15,042 (NT\$ 459,676)	-	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	-	US\$ (3,064) (NT\$ -93,635)	307,256,625	US\$ 11,970 (NT\$ 365,800)

Note 1: The transaction amounts were translated at the exchange rate at the end of the reporting period.

Note 2: Rotam US issued no-par value stock. Capital injection would not change the number of shares.

Note 3: Other adjustment includes profit recognized in the current period and exchange differences on translating foreign operations.

Note 4: The transactions were eliminated in the consolidated financial statements.

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
RACL	Rotam Argentina	Same ultimate parent company	Sale	\$ 277,941	7	120-240 days	Based on market price and transfer pricing calculation	0-240 days for third party	\$ 456,276	12	Notes 1 and 2
	Rotam Brasil	Same ultimate parent company	Sale	502,166	12	270 days	Based on market price and transfer pricing calculation	0-240 days for third party	960,388	24	Notes 1 and 2
	Rotam Colombia	Same ultimate parent company	Sale	203,312	5	90-270 days	Based on market price and transfer pricing calculation	0-240 days for third party	385,538	10	Notes 1 and 2
	Rotam Mexico	Same ultimate parent company	Sale	220,493	5	180 days	Based on market price and transfer pricing calculation	0-240 days for third party	145,020	4	Notes 1 and 2
	Rotam US	Same ultimate parent company	Sale	763,816	19	150-270 days	Based on market price and transfer pricing calculation	0-240 days for third party	790,883	20	Notes 1 and 2
	Rotam France	Same ultimate parent company	Sale	220,167	5	120-210 days	Based on market price and transfer pricing calculation	0-240 days for third party	86,354	2	Note 2
	REL-UK	Same ultimate parent company	Sale	135,040	3	210 days	Based on market price and transfer pricing calculation	0-240 days for third party	63,239	2	Notes 1 and 2
	Rotam Agrochemical Company Limited (BVI)	Same ultimate parent company	Sale	371,399	9	270 days	Based on market price and transfer pricing calculation	0-240 days for third party	372,552	9	Notes 1 and 2
Yantai Rotam Fertilizer Co., Ltd.	Rotam Kunshan Fertilizer Co., Ltd.	Same ultimate parent company	Sale	294,572	89	90 days	Based on market price and transfer pricing calculation	0-180 days for third party	43,325	50	Note 2
JRC	RACL	Same ultimate parent company	Sale	2,538,978	46	360-540 days	Based on market price and transfer pricing calculation	0-360 days for domestic customers; 30-150 days for foreign customers	3,260,021	91	Note 2
Rotam Agrochemical Company Limited (BVI)	Rotam Brasil	Same ultimate parent company	Sale	392,841	100	270 days	Based on market price and transfer pricing calculation	270 days	394,867	100	Note 2
Rotam Argentina	RACL	Same ultimate parent company	Purchase	277,941	69	120-240 days	No other suppliers in the market; unit price not comparable	0-120 days for third party	456,276	96	Note 2
Rotam Brasil	RACL	Same ultimate parent company	Purchase	502,166	55	270 days	No other suppliers in the market; unit price not comparable	30-240 days for third party	960,388	71	Note 2
	Rotam Agrochemical Company Limited (BVI)	Same ultimate parent company	Purchase	392,841	44	270 days	No other suppliers in the market; unit price not comparable	30-24- days for third party	394,867	29	Note 2
Rotam Colombia	RACL	Same ultimate parent company	Purchase	203,312	73	90-270 days	No other suppliers in the market; unit price not comparable	60-270 days for third party	385,538	88	Note 2
Rotam Mexico	RACL	Same ultimate parent company	Purchase	220,493	100	180 days	No other suppliers in the market; unit price not comparable	30 days for third party	145,020	100	Note 2
Rotam US	RACL	Same ultimate parent company	Purchase	763,816	57	150-270 days	No other suppliers in the market; unit price not comparable	30-90 days for third party	790,883	90	Note 2
Rotam France	RACL	Same ultimate parent company	Purchase	220,167	97	120-210 days	No other suppliers in the market; unit price not comparable	45-260 days for third party	86,354	95	Note 2
REL-UK	RACL	Same ultimate parent company	Purchase	135,040	93	210 days	No other suppliers in the market; unit price not comparable	60 days for third party	63,239	100	Note 2

(Continued)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Rotam Agrochemical Company Limited (BVI)	RACL	Same ultimate parent company	Purchase	\$ 371,399	100	270 days	No other suppliers in the market; unit price not comparable	270 days for third party	\$ 372,552	100	Note 2
Rotam Kunshan Fertilizer Co., Ltd.	Yantai Rotam Fertilizer Co., Ltd.	Same ultimate parent company	Purchase	294,572	100	90 days	No other suppliers in the market; unit price not comparable	0-180 days for third party	43,325	93	Note 2
RACL	JRC	Same ultimate parent company	Purchase	2,538,978	92	360-540 days	No other suppliers in the market; unit price not comparable	0-360 days for third party	3,260,021	98	Note 2
JRC	Jiangsu Boxmore	Related party in substance	Purchase	118,628	3	60-120 days	No other suppliers in the market; unit price not comparable	0-180 days for third party	92,074	6	Note 2

Note 1: Receivables include overdue trade receivables with financing nature that are reclassified to other receivables.

Note 2: The transactions were eliminated in the consolidated financial statements.

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2018

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
RACL	Rotam Argentina	Same ultimate parent company	\$ 268,433	0.72	\$ 187,843	Reclassified to other receivables	\$ 27,475	\$ -	
	Rotam Brasil	Same ultimate parent company	188,412	-	-		-	-	Note 2
		Same ultimate parent company	510,029	0.71	450,359	Reclassified to other receivables	64,142	-	
	Rotam Colombia	Same ultimate parent company	452,221	-	-		-	-	Note 2
		Same ultimate parent company	201,286	1.05	184,252	Reclassified to other receivables	11,123	-	
	Rotam Mexico	Same ultimate parent company	184,252	-	-		-	-	Note 2
		Same ultimate parent company	126,933	1.52	18,087	Reclassified to other receivables	21,901	-	
	Rotam US	Same ultimate parent company	636,522	1.32	154,361	Reclassified to other receivables	125,309	-	
	Rotam Agrochemical Company Limited (BVI)	Same ultimate parent company	154,361	-	-		-	-	Note 2
		Same ultimate parent company	371,604	1.50	948	Reclassified to other receivables	-	-	
	Amaethon	Same ultimate parent company	188,258	-	-		-	-	Note 2
	Ceres	Same ultimate parent company	1,539,545	-	-		-	-	Note 2
	RAI	Same ultimate parent company	3,350,506	-	-		-	-	Note 2
RCS	Same ultimate parent company	1,159,091	-	-		-	-	Note 2	
The Company	RACL	Parent company	936,397	-	-		-	-	Note 2
	RCS	Parent company	158,905	-	-		-	-	Note 2
JRC	RACL	Same ultimate parent company	3,260,021	0.95	-		344,221	-	
		Same ultimate parent company	1,628,228	-	-		-	-	Note 2
	Rotam Tianjin	Same ultimate parent company	364,157	-	-		-	-	Note 2
Rotam Agrochemical Company Limited (BVI)	Rotam Brasil	Same ultimate parent company	394,867	1.51	-		-	-	
RCS	REI	Same ultimate parent company	464,883	-	-		-	-	Note 2
Ceres	Rotam Brasil	Same ultimate parent company	387,500	-	-		-	-	Note 2
	Rotam Chile	Same ultimate parent company	109,038	-	-		-	-	Note 2

(Continued)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
Crop	RACL	Same ultimate parent company	\$ 782,142	-	\$ -		\$ -	\$ -	Note 2
Rotam LifeSciences Limited	RACL	Same ultimate parent company	151,385	-	-		-	-	Note 2
	Rotam Tianjin	Same ultimate parent company	305,962	-	-		-	-	Note 2
Rotam Brasil	Crop	Same ultimate parent company	677,130	-	-		-	-	Note 2

Note 1: The transactions were eliminated in the consolidated financial statements.

Note 2: Loans receivable, interest receivables, advances receivable, and overdue trade receivables with financing nature from related parties were reclassified to other receivables.

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details				
				Financial Statement Accounts	Amount in US\$	Amount in NT\$	Payment Terms	% of Total Sales or Assets (Note 3)
0	The Company	RACL	1	Other receivables	\$ 30,643	\$ 936,397		5.48
			1	Guarantee	209,660	6,406,948		37.52
		RCS	1	Other receivables	5,200	158,905		0.93
			1	Guarantee	208,800	6,380,657		37.37
		1	Guarantee	7,900	241,414	1.41		
		1	Guarantee	3,000	91,676	0.54		
1	JRC	RACL	3	Sales revenue	84,386	2,538,978	Sales price was based on market price and transfer pricing calculation; payment terms was 360-540 days.	27.83
			3	Interest income	2,015	60,628		0.66
			3	Trade receivables	106,681	3,260,021		19.09
		The Company Rotam Kunshan Fertilizer Co., Ltd. Rotam Tianjin	3	Other receivables	53,282	1,628,228	9.54	
			3	Guarantee	10,000	305,587	1.79	
			2	Guarantee	5,000	152,794	0.89	
			3	Guarantee	2,331	71,241	0.42	
			3	Other receivables	11,917	364,157	2.13	
			3	Guarantee	1,027	31,390	0.18	
			3	Guarantee				
2	RACL	Rotam Argentina	3	Sales revenue	9,238	277,941	Sales price was based on market price and transfer pricing calculation; payment terms was 120-240 days.	3.05
			3	Trade receivables	8,784	268,433		1.57
			3	Other receivables	6,166	188,412		1.10
		Rotam Brasil	3	Sales revenue	16,690	502,166	Sales price was based on market price and transfer pricing calculation; payment terms was 270 days.	5.50
			3	Trade receivables	16,690	510,029		2.99
			3	Other receivables	14,798	452,221		2.65
		Rotam Colombia	3	Sales revenue	6,757	203,312	Sales price was based on market price and transfer pricing calculation; payment terms was 90-270 days.	2.23
			3	Trade receivables	6,587	201,286		1.18
			3	Other receivables	6,029	184,252		1.08

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details				
				Financial Statement Accounts	Amount in US\$	Amount in NT\$	Payment Terms	% of Total Sales or Assets (Note 3)
		Rotam Mexico	3	Sales revenue	\$ 7,328	\$ 220,493	Sales price was based on market price and transfer pricing calculation; payment terms was 180 days.	2.42
		Rotam US	3	Trade receivables	4,154	126,933	Sales price was based on market price and transfer pricing calculation; payment terms was 150-270 days.	0.74
			3	Sales revenue	25,386	763,816		8.37
		REL-UK	3	Trade receivables	20,829	636,522	Sales price was based on market price and transfer pricing calculation; payment terms was 210 days.	3.73
			3	Other receivables	5,051	154,361		0.90
			3	Sales revenue	4,488	135,040		1.48
		Rotam France	3	Sales revenue	7,318	220,167	Sales price was based on market price and transfer pricing calculation; payment terms was 120-210 days.	2.41
		Rotam Agrochemical Company Limited (BVI)	3	Trade receivables	2,826	86,354	Sales price was based on market price and transfer pricing calculation; payment terms was 270 days.	0.51
			3	Sales revenue	12,344	371,399		4.07
		The Company	3	Trade receivables	12,160	371,604		2.18
		RAI	2	Guarantee	10,799	330,000		1.93
		Amaethon	3	Other receivables	109,642	3,350,506		19.62
		Ceres	3	Other receivables	6,161	188,258		1.10
		RCS	3	Other receivables	50,380	1,539,545		9.02
			3	Other receivables	37,930	1,159,091		6.79
			3	Guarantee	88,800	2,713,613		15.89
3	RAI	RACL	3	Management income	7,400	222,637	Based on contract.	2.44
			3	Guarantee	45,660	1,395,321		8.17
4	RL	RACL	3	Guarantee	45,660	1,395,321		8.17
5	RCS	RACL	3	Management income	5,875	176,760	Based on contract.	1.94
			3	Guarantee	29,660	906,382		5.31
		REI	3	Other receivables	15,213	464,883		2.72
		Amaethon	3	Investment using equity method	8,000	244,470	Capital injection.	1.43
		Rotam Brasil	3	Guarantee	5,162	157,730		0.92
		Rotam US	3	Guarantee	3,000	91,676		0.54
		Rotam LifeSciences Limited	3	Investment using equity method	4,300	131,402	Capital injection.	0.77
6	Amaethon	Rotam US	3	Guarantee	6,000	183,352		1.07
			3	Investment using equity method	10,000	305,587	Capital injection.	1.79

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details				
				Financial Statement Accounts	Amount in US\$	Amount in NT\$	Payment Terms	% of Total Sales or Assets (Note 3)
7	Ceres	Rotam Brasil	3	Other receivables	\$ 12,681	\$ 387,500		2.27
		Rotam Chile	3	Other receivables	3,568	109,038		0.64
10	Crop	RACL	3	Other receivables	25,595	782,142	Capital injection.	4.58
		Rotam Argentina	3	Investment using equity method	15,042	459,676		2.69
11	Rotam Brasil	Crop	3	Other receivables	22,158	677,130		3.97
12	Rotam France	RACL	3	Marketing allowance	2,979	89,636	Based on contract.	0.98
13	Yantai Rotam Fertilizer Co., Ltd.	Rotam Kunshan Fertilizer Co., Ltd.	3	Sales revenue	9,790	294,572	Sales price was based on market price and transfer pricing calculation; payment terms was 90 days.	3.23
14	Rotam LifeSciences Limited	RACL	3	Other receivables	4,954	151,385		0.89
		Rotam Tianjin	3	Other receivables	10,012	305,962		1.79
18	Rotam Agrochemical Company Limited (BVI)	Rotam Brasil	3	Sales revenue	13,057	392,841	Sales price was based on market price and transfer pricing calculation; payment terms was 270 days.	4.31
			3	Trade receivables	12,922	394,867		2.31

Note 1: Business relationships between the parent company and its subsidiaries are coded as follows:

- (1) The Company (parent company) is coded 0.
- (2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The 3 types of relationships between counterparties are set out as follows:

- (1) The Company to the subsidiary.
- (2) The subsidiary to the Company.
- (3) The subsidiary to another subsidiary.

Note 3: For balance sheet items, this column shows the percentage of ending balance of the item to the consolidated total assets; for income statement items, this column shows the percentage of the accumulated amount of the transactions in the reporting period to the consolidated total operating revenue for the reporting period.

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2018: USD/NTD = \$30.5587; net income items denominated in foreign currencies are translated using the average exchange rate of 2018: USD/NTD = \$30.0876.

Note 5: The transactions were eliminated in the consolidated financial statements.

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee (Note 3)	Share of Profit (Loss) (Note 3)	Note
				December 31 2018	December 31 2017	Number of Shares	%	Carrying Amount			
The Company	RIL	Tortola, British Virgin Islands	Investment holding	US\$ 127,125 (NT\$ 3,884,786)	US\$ 127,125 (NT\$ 3,884,786)	52,750	100.00	US\$ 181,788 (NT\$ 5,555,202)	US\$ 4,052 (NT\$ 121,898)	US\$ 4,052 (NT\$ 121,898)	Note 2
RIL	RCS	Tortola, British Virgin Islands	Investment holding	US\$ 127,125 (NT\$ 3,884,786)	US\$ 127,125 (NT\$ 3,884,786)	3,700	100.00	US\$ 181,777 (NT\$ 5,554,883)	US\$ 4,051 (NT\$ 121,894)	US\$ 4,051 (NT\$ 121,894)	Note 2
RCS	REC-BVI	Tortola, British Virgin Islands	Investment holding	US\$ 15,050 (NT\$ 459,908)	US\$ 15,050 (NT\$ 459,908)	60,000	100.00	US\$ 186,872 (NT\$ 5,710,581)	US\$ 19,197 (NT\$ 577,586)	US\$ 19,197 (NT\$ 577,586)	Note 2
	Rotam Asia Pacific Limited	Chai Wan, Hong Kong	Investment holding	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ 19 (NT\$ 590)	US\$ 9 (NT\$ 271)	US\$ 9 (NT\$ 271)	Note 2
	REI	Tortola, British Virgin Islands	Investment holding	US\$ 60,000 (NT\$ 1,833,522)	US\$ 60,000 (NT\$ 1,833,522)	4	100.00	US\$ 108,887 (NT\$ 3,327,418)	US\$ 320 (NT\$ 9,627)	US\$ 320 (NT\$ 9,627)	Note 2
	Amaethon	Tortola, British Virgin Islands	Investment holding	US\$ 18,100 (NT\$ 553,113)	US\$ 10,100 (NT\$ 308,643)	1,440,000	100.00	US\$ 1,181 (NT\$ 36,076)	US\$ (1,722) (NT\$ -51,801)	US\$ (1,722) (NT\$ -51,801)	Note 2
	Ceres	Tortola, British Virgin Islands	Investment holding	US\$ 90,740 (NT\$ 2,772,896)	US\$ 90,740 (NT\$ 2,772,896)	937,276	100.00	US\$ (12,995) (NT\$ -397,047)	US\$ (9,254) (NT\$ -278,423)	US\$ (9,254) (NT\$ -278,423)	Note 2
	Crop	Tortola, British Virgin Islands	Investment holding	US\$ 360 (NT\$ 11,001)	US\$ 360 (NT\$ 11,001)	140,810	100.00	US\$ 15,408 (NT\$ 470,844)	US\$ (314) (NT\$ -9,461)	US\$ (314) (NT\$ -9,461)	Note 2
	Fanning	Tortola, British Virgin Islands	Investment holding	US\$ 950 (NT\$ 29,031)	US\$ 950 (NT\$ 29,031)	11	100.00	US\$ 1,229 (NT\$ 37,566)	US\$ 396 (NT\$ 11,904)	US\$ 396 (NT\$ 11,904)	Note 2
	Gate Advance Limited	Tortola, British Virgin Islands	Investment holding	US\$ 1,500 (NT\$ 45,838)	US\$ 1,500 (NT\$ 45,838)	151	100.00	US\$ 1,228 (NT\$ 37,508)	US\$ 139 (NT\$ 4,215)	US\$ 139 (NT\$ 4,215)	Note 2
	Hollander Holdings Limited	Tortola, British Virgin Islands	Investment holding	US\$ 320 (NT\$ 9,779)	US\$ 320 (NT\$ 9,779)	501	100.00	US\$ 311 (NT\$ 9,495)	US\$ 5 (NT\$ 146)	US\$ 5 (NT\$ 146)	Note 2
	Rotam International Limited	Tortola, British Virgin Islands	Investment holding	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ 732 (NT\$ 22,354)	US\$ 713 (NT\$ 21,447)	US\$ 713 (NT\$ 21,447)	Note 2
	Rotam IP Holdings Limited	Tortola, British Virgin Islands	Investment holding	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ 2 (NT\$ 41)	US\$ - (NT\$ 8)	US\$ - (NT\$ 8)	Note 2
	Rotam Maghreb Limited	Tortola, British Virgin Islands	Investment holding	US\$ - (NT\$ 3)	US\$ - (NT\$ 3)	100	100.00	US\$ 54 (NT\$ 1,656)	US\$ 10 (NT\$ 302)	US\$ 10 (NT\$ 302)	Note 2
	Favour Trend Limited	Tortola, British Virgin Islands	Investment holding	US\$ 8,900 (NT\$ 271,975)	US\$ 8,900 (NT\$ 271,975)	9,000	100.00	US\$ 2,812 (NT\$ 85,936)	US\$ 125 (NT\$ 3,772)	US\$ 125 (NT\$ 3,772)	Note 2
	Betulla Holdings Limited	Tortola, British Virgin Islands	Investment holding	US\$ - (NT\$ 3)	US\$ - (NT\$ 3)	100	100.00	US\$ (1,347) (NT\$ -41,161)	US\$ (377) (NT\$ -11,343)	US\$ (377) (NT\$ -11,343)	Note 2
	Tiptop Solution Limited	Tortola, British Virgin Islands	Investment holding	US\$ 360 (NT\$ 11,004)	US\$ 360 (NT\$ 11,004)	8,100	100.00	US\$ 1,057 (NT\$ 32,309)	US\$ (46) (NT\$ -1,393)	US\$ (46) (NT\$ -1,393)	Note 2
	Rotam Group Limited	Chai Wan, Hong Kong	Investment holding	US\$ - (NT\$ 4)	US\$ - (NT\$ 4)	1,000	100.00	US\$ 1 (NT\$ 31)	US\$ - (NT\$ 6)	US\$ - (NT\$ 6)	Note 2
	Prime Concept Holdings Limited	Tortola, British Virgin Islands	Investment holding	US\$ 210 (NT\$ 6,420)	US\$ 210 (NT\$ 6,420)	5,100	100.00	US\$ 148 (NT\$ 4,517)	US\$ (10) (NT\$ -290)	US\$ (10) (NT\$ -290)	Note 2
	Rotam LifeSciences Limited	Tortola, British Virgin Islands	Investment holding	US\$ 24,300 (NT\$ 742,576)	US\$ 20,000 (NT\$ 611,174)	243,000	100.00	US\$ 12,581 (NT\$ 384,468)	US\$ (3,373) (NT\$ -101,497)	US\$ (3,485) (NT\$ -104,872)	Notes 2 and 4
REI	RACL	Chai Wan, Hong Kong	Sales and marketing of crop protectants	US\$ 39,695 (NT\$ 1,213,025)	US\$ 39,695 (NT\$ 1,213,025)	700,000	100.00	US\$ 81,302 (NT\$ 2,484,463)	US\$ 770 (NT\$ 23,171)	US\$ 770 (NT\$ 23,171)	Note 2
	RAI	Chai Wan, Hong Kong	Research and development of products and registration of intangible assets	US\$ 40,110 (NT\$ 1,225,700)	US\$ 40,110 (NT\$ 1,225,700)	800,000	100.00	US\$ 41,402 (NT\$ 1,265,197)	US\$ (450) (NT\$ -13,557)	US\$ (450) (NT\$ -13,557)	Note 2
	RL	Chai Wan, Hong Kong	Property holding	US\$ 466 (NT\$ 14,244)	US\$ 466 (NT\$ 14,244)	1,100,000	100.00	US\$ 1,397 (NT\$ 42,697)	US\$ - (NT\$ 11)	US\$ - (NT\$ 11)	Note 2
Hollander Holdings Limited	Rotam Management Services Limited	Chai Wan, Hong Kong	Management service within the Group	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ (1) (NT\$ -29)	US\$ - (NT\$ 6)	US\$ - (NT\$ 6)	Note 2
Rotam International Limited	Rotam Agrochemical Company Limited (BVI)	Tortola, British Virgin Islands	Sales of crop protectants and technical support	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ 732 (NT\$ 22,362)	US\$ 713 (NT\$ 21,444)	US\$ 713 (NT\$ 21,444)	Note 2
Rotam IP Holdings Limited	Canada Rotam Group Limited	Chai Wan, Hong Kong	Registration of trademark	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ 2 (NT\$ 50)	US\$ - (NT\$ 6)	US\$ - (NT\$ 6)	Note 2

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee (Note 3)	Share of Profit (Loss) (Note 3)	Note
				December 31 2018	December 31 2017	Number of Shares	%	Carrying Amount			
Amaethon	Rotam US	Delaware, USA	Sales of crop protectants and technical support	US\$ 23,650 (NT\$ 722,713)	US\$ 13,650 (NT\$ 417,126)	2,500	100.00	US\$ 6,055 (NT\$ 185,036)	US\$ (1,734) (NT\$ -52,169)	US\$ (1,734) (NT\$ -52,169)	Note 2
	Rotam USA Inc.	Delaware, USA	Sales of crop protectants and technical support	US\$ 50 (NT\$ 1,528)	US\$ 50 (NT\$ 1,528)	1,000	100.00	US\$ 7 (NT\$ 2,282)	US\$ 7 (NT\$ 210)	US\$ 7 (NT\$ 210)	Note 2
Ceres	Rotam Australia	Sydney, Australia	Registration of intangible assets	US\$ - (NT\$ -)	US\$ - (NT\$ 3)	-	-	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 6
	Rotam Costa Rica	San José, Costa Rica	Registration of intangible assets	US\$ - (NT\$ 6)	US\$ - (NT\$ 6)	10	100.00	US\$ 30 (NT\$ 917)	US\$ 14 (NT\$ 418)	US\$ 14 (NT\$ 418)	Note 2
	RA Europe UK	London, England	Registration of intangible assets	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	100.00	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2
	Rotam RSA	Pretoria, Republic of South Africa	Registration of intangible assets	US\$ - (NT\$ -)	US\$ - (NT\$ -)	100	100.00	US\$ 10 (NT\$ 316)	US\$ (4) (NT\$ -120)	US\$ (4) (NT\$ -120)	Note 2
	Rotam France	Lyon, France	Sales of crop protectants and technical support	US\$ 11 (NT\$ 335)	US\$ 11 (NT\$ 335)	800	100.00	US\$ 2,651 (NT\$ 81,015)	US\$ 1,134 (NT\$ 34,106)	US\$ 1,134 (NT\$ 34,106)	Note 2
	Rotam AgroSolutions Australia Pty Ltd.	Sydney, Australia	Sales of crop protectants and technical support	US\$ 187 (NT\$ 5,705)	US\$ 187 (NT\$ 5,705)	250,000	100.00	US\$ 102 (NT\$ 3,129)	US\$ (7) (NT\$ -207)	US\$ (7) (NT\$ -207)	Note 2
	Rotam Caribe, S.R.L.	Santo Domingo, Dominican Republic	Registration of intangible assets	US\$ 3 (NT\$ 85)	US\$ 3 (NT\$ 85)	999	99.90	US\$ 2 (NT\$ 61)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2
	Rotam Argentina	Santa Fe, Argentina	Sales of crop protectants and technical support	US\$ 7,140 (NT\$ 218,187)	US\$ 7,140 (NT\$ 218,187)	79,174,947	20.49	US\$ 3,085 (NT\$ 94,268)	US\$ (4,395) (NT\$ -132,228)	US\$ (900) (NT\$ -27,093)	Note 2
	Rotam Brasil	Campinas, S.P. Brasil	Sales of crop protectants and technical support	US\$ 100,351 (NT\$ 3,066,588)	US\$ 100,351 (NT\$ 3,066,588)	351,648	99.00	US\$ 23,371 (NT\$ 714,196)	US\$ (7,049) (NT\$ -212,091)	US\$ (6,979) (NT\$ -209,970)	Note 2
	Rotam Colombia	Bogota, Colombia	Sales of crop protectants and technical support	US\$ 6,782 (NT\$ 207,255)	US\$ 6,375 (NT\$ 194,823)	2,203,758	99.30	US\$ (2,786) (NT\$ -85,130)	US\$ (1,951) (NT\$ -58,693)	US\$ (1,937) (NT\$ -58,282)	Note 2
	Rotam Mexico	Jalisco, Mexico	Sales of crop protectants and technical support	US\$ 683 (NT\$ 20,879)	US\$ 683 (NT\$ 20,879)	8,725	99.99	US\$ 186 (NT\$ 5,695)	US\$ 17 (NT\$ 502)	US\$ 17 (NT\$ 502)	Note 2
	Rotam Chile	Santiago, Chile	Sales of crop protectants and technical support	US\$ 3,864 (NT\$ 118,093)	US\$ 3,864 (NT\$ 118,093)	(Note 1)	99.00	US\$ 796 (NT\$ 24,323)	US\$ (528) (NT\$ -15,893)	US\$ (523) (NT\$ -15,734)	Note 2
	Rotam Ecuador	Guayaquil, Ecuador	Sales of crop protectants and technical support	US\$ 119 (NT\$ 3,630)	US\$ 119 (NT\$ 3,630)	118,800	99.00	US\$ 241 (NT\$ 7,351)	US\$ (126) (NT\$ -3,784)	US\$ (125) (NT\$ -3,746)	Note 2
	Rotam Guatemala	Ciudad de Guatemala, Guatemala	Registration of intangible assets	US\$ 1 (NT\$ 19)	US\$ 1 (NT\$ 19)	495	99.00	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2
	Rotam Turkey	Izmir, Turkey	Registration of intangible assets	US\$ 8 (NT\$ 242)	US\$ 8 (NT\$ 242)	190	90.00	US\$ 4 (NT\$ 131)	US\$ 11 (NT\$ 336)	US\$ 10 (NT\$ 302)	Note 2
	Rotam Mocambique, Limitada	Maputo, Mocambique	Registration of intangible assets	US\$ 1 (NT\$ 23)	US\$ 1 (NT\$ 23)	(Note 1)	97.50	US\$ - (NT\$ 10)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2
	Rotam Peru	Lima, Peru	Sales of crop protectants and technical support	US\$ 6 (NT\$ 196)	US\$ 6 (NT\$ 196)	20,493	99.00	US\$ 39 (NT\$ 1,195)	US\$ 9 (NT\$ 265)	US\$ 9 (NT\$ 262)	Note 2
	Rotam Sub Saharan Africa Limited	Nairobi, Kenya	Sales of crop protectants and technical support	US\$ 2 (NT\$ 74)	US\$ 2 (NT\$ 74)	1,900	95.00	US\$ 246 (NT\$ 7,512)	US\$ 15 (NT\$ 455)	US\$ 14 (NT\$ 432)	Note 2
	Rotam Uruguay	Montevideo, Uruguay	Registration of intangible assets	US\$ 2 (NT\$ 55)	US\$ 2 (NT\$ 55)	38,000	95.00	US\$ - (NT\$ 1)	US\$ (4) (NT\$ -137)	US\$ (4) (NT\$ -130)	Note 2
	Rotam Paraguay	San Lorenzo, Paraguay	Sales of crop protectants and technical support	US\$ 2 (NT\$ 61)	US\$ 2 (NT\$ 61)	99	99.00	US\$ 38 (NT\$ 1,164)	US\$ 2 (NT\$ 75)	US\$ 2 (NT\$ 74)	Note 2
Rotam Bolivia	Santa Cruz, Bolivia	Sales of crop protectants and technical support	US\$ 120 (NT\$ 3,675)	US\$ 120 (NT\$ 3,675)	8,368	26.00	US\$ 37 (NT\$ 1,145)	US\$ (349) (NT\$ -10,509)	US\$ (91) (NT\$ -2,732)	Note 2	
Crop	Rotam Caribe, S.R.L.	Santo Domingo, Dominican Republic	Registration of intangible assets	US\$ - (NT\$ -)	US\$ - (NT\$ -)	1	0.10	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2
	Rotam Argentina	Santa Fe, Argentina	Sales of crop protectants and technical support	US\$ 15,418 (NT\$ 471,160)	US\$ 376 (NT\$ 11,484)	307,256,625	79.51	US\$ 11,970 (NT\$ 365,800)	US\$ (4,395) (NT\$ -132,228)	US\$ (3,495) (NT\$ -105,135)	Note 2
	Rotam Brasil	Campinas, S.P. Brasil	Sales of crop protectants and technical support	US\$ 1,014 (NT\$ 30,976)	US\$ 1,014 (NT\$ 30,976)	3,552	1.00	US\$ 236 (NT\$ 7,214)	US\$ (7,049) (NT\$ -212,091)	US\$ (70) (NT\$ -2,121)	Note 2
	Rotam Colombia	Bogota, Colombia	Sales of crop protectants and technical support	US\$ 8 (NT\$ 235)	US\$ 8 (NT\$ 235)	15,530	0.70	US\$ (19) (NT\$ -600)	US\$ (1,951) (NT\$ -58,693)	US\$ (14) (NT\$ -411)	Note 2
	Rotam Mexico	Jalisco, Mexico	Sales of crop protectants and technical support	US\$ - (NT\$ 10)	US\$ - (NT\$ 10)	1	0.01	US\$ - (NT\$ -)	US\$ 17 (NT\$ 502)	US\$ - (NT\$ -)	Note 2
	Rotam Chile	Santiago, Chile	Sales of crop protectants and technical support	US\$ 39 (NT\$ 1,193)	US\$ 39 (NT\$ 1,193)	(Note 1)	1.00	US\$ 8 (NT\$ 246)	US\$ (528) (NT\$ -15,893)	US\$ (5) (NT\$ -159)	Note 2
	Rotam Ecuador	Guayaquil, Ecuador	Sales of crop protectants and technical support	US\$ 1 (NT\$ 37)	US\$ 1 (NT\$ 37)	1,200	1.00	US\$ 2 (NT\$ 74)	US\$ (126) (NT\$ -3,784)	US\$ (1) (NT\$ -38)	Note 2
	Rotam Guatemala	Ciudad de Guatemala, Guatemala	Registration of intangible assets	US\$ - (NT\$ -)	US\$ - (NT\$ -)	5	1.00	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2
	Rotam Turkey	Izmir, Turkey	Registration of intangible assets	US\$ 1 (NT\$ 27)	US\$ 1 (NT\$ 27)	21	10.00	US\$ 1 (NT\$ 15)	US\$ 11 (NT\$ 336)	US\$ 1 (NT\$ 34)	Note 2
	Rotam Mocambique, Limitada	Maputo, Mocambique	Registration of intangible assets	US\$ - (NT\$ 1)	US\$ - (NT\$ 1)	(Note 1)	2.50	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 2

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee (Note 3)	Share of Profit (Loss) (Note 3)	Note
				December 31 2018	December 31 2017	Number of Shares	%	Carrying Amount			
	Rotam Peru	Lima, Peru	Sales of crop protectants and technical support	US\$ - (NT\$ 2)	US\$ - (NT\$ 2)	207	1.00	US\$ - (NT\$ 12)	US\$ 9 (NT\$ 265)	US\$ - (NT\$ 3)	Note 2
	Rotam Sub Saharan Africa Limited	Nairobi, Kenya	Sales of crop protectants and technical support	US\$ - (NT\$ 1)	US\$ - (NT\$ 1)	100	5.00	US\$ 13 (NT\$ 395)	US\$ 15 (NT\$ 455)	US\$ 1 (NT\$ 23)	Note 2
	Rotam Uruguay	Montevideo, Uruguay	Registration of intangible assets	US\$ - (NT\$ 3)	US\$ - (NT\$ 3)	2,000	5.00	US\$ - (NT\$ -)	US\$ (4) (NT\$ -137)	US\$ - (NT\$ -7)	Note 2
	Rotam Paraguay	San Lorenzo, Paraguay	Sales of crop protectants and technical support	US\$ - (NT\$ 1)	US\$ - (NT\$ 1)	1	1.00	US\$ - (NT\$ 12)	US\$ 2 (NT\$ 75)	US\$ - (NT\$ 1)	Note 2
	Rotam Bolivia	Santa Cruz, Bolivia	Sales of crop protectants and technical support	US\$ 351 (NT\$ 10,720)	US\$ 1 (NT\$ 37)	24,416	74.00	US\$ 107 (NT\$ 3,258)	US\$ (349) (NT\$ -10,509)	US\$ (258) (NT\$ -7,777)	Note 2
Fanning	REL-UK	London, England	Sales of crop protectants and technical support	US\$ 690 (NT\$ 21,087)	US\$ 690 (NT\$ 21,087)	501,000	100.00	US\$ 877 (NT\$ 26,802)	US\$ 395 (NT\$ 11,881)	US\$ 395 (NT\$ 11,881)	Note 2
Gate Advance Limited	Rotam Agrochemical Company Private Limited	Mumbai, India	Sales of crop protectants and technical support	US\$ 98 (NT\$ 2,988)	US\$ 98 (NT\$ 2,988)	870,000	100.00	US\$ 47 (NT\$ 1,427)	US\$ (24) (NT\$ -710)	US\$ (24) (NT\$ -710)	Note 2
	Rotam Crop Protection Private Limited	Mumbai, India	Research and development of products	US\$ 2,077 (NT\$ 63,477)	US\$ 1,625 (NT\$ 49,655)	73,557	100.00	US\$ 1,833 (NT\$ 56,015)	US\$ 161 (NT\$ 4,852)	US\$ 161 (NT\$ 4,852)	Note 2
Favour Trend Limited	RLS	Taipei, Taiwan	Sales of crop protectants and technical support	US\$ 5,006 (NT\$ 152,966)	US\$ 5,006 (NT\$ 152,966)	(Note 1)	100.00	US\$ 353 (NT\$ 10,799)	US\$ 16 (NT\$ 469)	US\$ 16 (NT\$ 469)	Note 2
	RTL	Taipei, Taiwan	Sales of crop protectants and technical support	US\$ 2,738 (NT\$ 83,663)	US\$ 2,738 (NT\$ 83,663)	70,000	100.00	US\$ 1,228 (NT\$ 37,519)	US\$ 111 (NT\$ 3,339)	US\$ 111 (NT\$ 3,339)	Notes 2 and 4
	RoSwiss Pharmaceutical Company Limited	Chai Wan, Hong Kong	Sales of veterinary and technical support	US\$ 10 (NT\$ 306)	US\$ 10 (NT\$ 306)	10,000	100.00	US\$ 9 (NT\$ 267)	US\$ (2) (NT\$ -38)	US\$ (2) (NT\$ -38)	Note 2
Betulla Holdings Limited	PT. Rotam Indonesia	Kuningan-Jakarta Selatan, Indonesia	Sales of crop protectants and technical support	US\$ 1,500 (NT\$ 45,838)	US\$ 1,500 (NT\$ 45,838)	15,000	100.00	US\$ 149 (NT\$ 4,561)	US\$ (377) (NT\$ -11,345)	US\$ (377) (NT\$ -11,345)	Note 2
Tiptop Solution Limited	Rotam LifeSciences Korea Limited	Seoul, Korea	Sales of crop protectants and technical support	US\$ 339 (NT\$ 10,363)	US\$ 339 (NT\$ 10,363)	36,100	100.00	US\$ 1,032 (NT\$ 31,538)	US\$ (46) (NT\$ -1,395)	US\$ (46) (NT\$ -1,395)	Note 2
Prime Concept Holdings Limited	Rotam Philippines, Inc.	Makati City, Philippines	Registration of intangible assets	US\$ 200 (NT\$ 6,112)	US\$ 200 (NT\$ 6,112)	88,126	100.00	US\$ 168 (NT\$ 5,123)	US\$ - (NT\$ -1)	US\$ - (NT\$ -1)	Note 2
	Rotam (Cambodia) Company Limited	Phnom Penh, Cambodia	Registration of intangible assets	US\$ 1 (NT\$ 31)	US\$ 1 (NT\$ 31)	1,000	100.00	US\$ (35) (NT\$ -1,069)	US\$ (11) (NT\$ -320)	US\$ (11) (NT\$ -320)	Note 2
Rotam France	Rotam Crop Protection Europe SAS	Lyon, France	Research and development of products and registration of intangible assets	US\$ 210 (NT\$ 6,422)	US\$ 210 (NT\$ 6,422)	15,266	100.00	US\$ 734 (NT\$ 22,432)	US\$ 517 (NT\$ 15,566)	US\$ 517 (NT\$ 15,566)	Note 2
REL-UK	Rotam Germany GmbH	Hannover, Germany	Sales of crop protectants and technical support	US\$ 26 (NT\$ 799)	US\$ 26 (NT\$ 799)	2,500	100.00	US\$ 23 (NT\$ 699)	US\$ 59 (NT\$ 1,764)	US\$ 59 (NT\$ 1,764)	Note 2
Rotam US	SipcamRotam LLC	Delaware, USA	Sales of crop protectants and technical support	US\$ - (NT\$ -)	US\$ 25 (NT\$ 764)	-	-	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 7

Note 1: The Company has not issued any shares.

Note 2: The transactions were eliminated in the consolidated financial statements.

Note 3: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2018: USD/NTD = \$30.5587; net income items denominated in foreign currencies are translated using the average exchange rate of 2018: USD/NTD = \$30.0876.

Note 4: Including amortization of discounts and premiums.

Note 5: Refer to Table 9 for information on investments in mainland China.

Note 6: Rotam Australia was dissolved on February 22, 2018.

Note 7: Because of changes in business strategy, the Group agreed with Sipcam Agro USA, Inc. to apply for dissolution of Sipcam Rotam LLC on October 25, 2018. Sipcam Rotam LLC was fully dissolved and liquidated on October 31, 2018.

(Concluded)

TABLE 9

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2018	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018	Note
					Outward	Inward							
JRC	Manufacturing and distribution of crop protectants	\$ 821,418 (US\$ 26,880)	(2) 1	\$ - (US\$ -)	\$ -	\$ -	\$ - (US\$ -)	\$ 577,580 (US\$ 19,197)	100	\$ 577,580 (US\$ 19,197) (Note 2(2)2)	\$ 5,706,234 (US\$ 186,730)	\$ -	Note 5
RAH	Sales of veterinary and technical support	24,785 (US\$ 811)	(3) 1	- (US\$ -)	-	-	- (US\$ -)	(3,979) (US\$ -132)	100	(3,979) (US\$ -132) (Note 2(2)2)	(7,381) (US\$ -242)	-	Note 5
Yantai Rotam Fertilizer Co., Ltd.	Manufacturing and distribution of crop nutrition	49,794 (US\$ 1,629)	(3) 1	- (US\$ -)	-	-	- (US\$ -)	8,749 (US\$ 291)	100	8,835 (US\$ 294) (Note 2(2)2 and 6)	213,657 (US\$ 6,992)	-	Note 5
Rotam Kunshan Fertilizer Co., Ltd.	Sales of crop nutrition	14,938 (US\$ 489)	(3) 2	- (US\$ -)	-	-	- (US\$ -)	8,632 (US\$ 287)	100	8,632 (US\$ 287) (Note 2(2)2)	56,728 (US\$ 1,856)	-	Note 5
Ratam Tianjin	Manufacturing and distribution of crop protectants and nutrition	427,822 (US\$ 14,000)	(2) 2	- (US\$ -)	-	-	- (US\$ -)	(101,574) (US\$ -3,376)	100	(101,574) (US\$ -3,376) (Note 2(2)2)	(138,159) (US\$ -4,521)	-	Note 5
Rotrasat Technology Company Limited	Unmanned aerial vehicle used in crop protection and related data service	122,235 (US\$ 4,000)	(3) 1	- (US\$ -)	-	-	- (US\$ -)	(40,759) (US\$ -1,355)	20	(8,123) (US\$ -270) (Note 2(2)2)	9,440 (US\$ 309)	-	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2018	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
Note 4	Note 4	Note 4

(Continued)

Note 1: The 3 methods of investment in mainland China are set out as follows:

(1) Direct investment in mainland China.

(2) Indirect investment in mainland China through a third party:

1. Indirect investment through REC-BVI.

2. Indirect investment through Rotam LifeSciences Limited.

(3) Others:

1. Indirect investment through JRC.

2. Indirect investment through Yantai Rotam Fertilizer Co., Ltd.

Note 2: Disclosure shall be made if the following conditions exist:

(1) The Company was in the preparatory period with no profits or losses.

(2) The basis for recognition of profits or losses includes:

1. Financial statements audited by an international CPA firm which has a cooperative relationship with a CPA firm in the Republic of China.

2. Financial statements audited by the CPA of the parent company in the Republic of China.

3. Others.

Note 3: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2018: USD/NTD = \$30.5587; net income items denominated in foreign currencies are translated using the average exchange rate of 2018: USD/NTD = \$30.0876.

Note 4: Not applicable since the Company is not registered in the Republic of China.

Note 5: The transactions were eliminated in the consolidated financial statements.

Note 6: Including amortization of discounts and premiums.

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

- 1: The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period, and
- 2: The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period are as follows:

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
JRC	Sale	\$ 2,538,978	46	Based on market price and transfer pricing calculation	360-540 days	0-360 days for domestic customers; 30-150 days for foreign customers	\$ 3,260,021	91	\$22,464

- 3: The amount of property transactions and the amount of the resultant gains or losses: None.
- 4: The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes:
 The main purpose for guarantees provided was for short-term financing. Refer to Table 3 for the details.
- 5: The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds:
 The total interest of loans JRC provided to RACL for financing in 2018 was \$60,628 thousand. Refer to Table 2 for the details.
- 6: Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

Note: The abovementioned transactions were eliminated in the consolidated financial statements.

TABLE 11

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of U.S. Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 76,443	14	\$ 101,833	17
Notes receivable, net	3,056	1	4,951	1
Trade receivables, net	93,159	17	103,504	17
Trade receivables from related parties	-	-	1,833	-
Other receivables	4,424	1	6,421	1
Other receivables from related parties	-	-	1,246	-
Current tax assets	1,806	-	2,716	-
Inventories	69,525	12	69,573	12
Prepayments	7,066	1	8,742	2
Prepayments for leases	198	-	197	-
Other financial assets - current	23,323	4	17,450	3
Other current assets	1,014	-	1	-
Total current assets	<u>280,014</u>	<u>50</u>	<u>318,467</u>	<u>53</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method	309	-	228	-
Property, plant and equipment	33,181	6	36,251	6
Goodwill	3,824	1	4,017	1
Other intangible assets	205,029	37	199,321	33
Deferred tax assets	16,226	3	22,400	4
Other financial assets - non-current	12,078	2	12,884	2
Long-term prepayments for leases	6,243	1	6,569	1
Other non-current assets	1,882	-	2,200	-
Total non-current assets	<u>278,772</u>	<u>50</u>	<u>283,870</u>	<u>47</u>
TOTAL	<u>\$ 558,786</u>	<u>100</u>	<u>\$ 602,337</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 118,589	21	\$ 124,634	21
Financial liabilities at fair value through profit and loss - current	478	-	1,437	-
Contract liabilities - current	2,162	-	-	-
Notes payable	25,371	5	19,728	3
Notes payable to related parties	741	-	-	-
Trade payables	27,949	5	31,724	5
Trade payables to related parties	2,636	1	2,054	-
Other payables	35,799	6	38,200	7
Other payables to related parties	10,592	2	13,839	2
Current tax liabilities	5,714	1	4,249	1
Receipts in advance	-	-	4,989	1
Current portion of long-term borrowings	117,291	21	42,758	7
Finance lease payables - current	658	-	92	-
Other current liabilities	6	-	8	-
Total current liabilities	<u>347,986</u>	<u>62</u>	<u>283,712</u>	<u>47</u>
NON-CURRENT LIABILITIES				
Bonds payable	-	-	8,700	2
Long-term borrowings	3,590	1	96,336	16
Deferred tax liabilities	9,398	2	12,435	2
Finance lease payables - non-current	636	-	92	-
Other non-current liabilities	441	-	8	-
Total non-current liabilities	<u>14,065</u>	<u>3</u>	<u>117,571</u>	<u>20</u>
Total liabilities	<u>362,051</u>	<u>65</u>	<u>401,283</u>	<u>67</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	57,851	10	51,604	8
Capital surplus	104,267	19	97,021	17
Retained earnings				
Legal reserve	9,523	2	9,523	2
Special reserve	16,599	3	16,599	3
Unappropriated earnings	43,014	8	42,129	7
Total retained earnings	69,136	13	68,251	12
Other equity	(34,519)	(7)	(15,822)	(4)
Total equity	<u>196,735</u>	<u>35</u>	<u>201,054</u>	<u>33</u>
TOTAL	<u>\$ 558,786</u>	<u>100</u>	<u>\$ 602,337</u>	<u>100</u>

TABLE 11-1**ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017****(In Thousands of U.S. Dollars, Except Earnings (Loss) Per Share)**

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 300,882	99	\$ 308,771	98
Processing fees	<u>2,360</u>	<u>1</u>	<u>4,772</u>	<u>2</u>
Total operating revenue	<u>303,242</u>	<u>100</u>	<u>313,543</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold	(177,415)	(58)	(183,983)	(59)
Processing costs	<u>(1,735)</u>	<u>(1)</u>	<u>(3,411)</u>	<u>(1)</u>
Total operating costs	<u>(179,150)</u>	<u>(59)</u>	<u>(187,394)</u>	<u>(60)</u>
GROSS PROFIT	<u>124,092</u>	<u>41</u>	<u>126,149</u>	<u>40</u>
OPERATING EXPENSES				
Selling and marketing expenses	(61,021)	(20)	(64,494)	(20)
General and administrative expenses	(31,549)	(10)	(33,439)	(11)
Research and development expenses	(10,066)	(3)	(15,923)	(5)
Expected credit loss	<u>1,303</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>(101,333)</u>	<u>(33)</u>	<u>(113,856)</u>	<u>(36)</u>
PROFIT FROM OPERATIONS	<u>22,759</u>	<u>8</u>	<u>12,293</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Other income	4,661	2	6,300	2
Other gains and losses	(5,090)	(2)	(7,976)	(3)
Finance costs	(13,661)	(5)	(12,881)	(4)
Share of loss of associates and joint ventures	<u>(270)</u>	<u>-</u>	<u>(210)</u>	<u>-</u>
Total non-operating income and expenses	<u>(14,360)</u>	<u>(5)</u>	<u>(14,767)</u>	<u>(5)</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	8,399	3	(2,474)	(1)
INCOME TAX EXPENSE	<u>(5,199)</u>	<u>(2)</u>	<u>(2,529)</u>	<u>(1)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>3,200</u>	<u>1</u>	<u>(5,003)</u>	<u>(2)</u>

(Continued)

	2018		2017	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Exchange differences on translating foreign operations	\$ (18,697)	(6)	\$ 10,134	4
Other comprehensive (loss) income for the year, net of income tax	<u>\$ (18,697)</u>	<u>(6)</u>	<u>\$ 10,134</u>	<u>4</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (15,497)</u>	<u>(5)</u>	<u>\$ 5,131</u>	<u>2</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,200	1	\$ (5,003)	(2)
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,200</u>	<u>1</u>	<u>\$ (5,003)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (15,497)	(5)	\$ 5,131	2
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (15,497)</u>	<u>(5)</u>	<u>\$ 5,131</u>	<u>2</u>
EARNINGS (LOSS) PER SHARE				
From continuing operations				
Basic	<u>\$ 0.02</u>		<u>\$ (0.03)</u>	
Diluted	<u>\$ 0.02</u>		<u>\$ (0.03)</u>	

(Concluded)

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of U.S. Dollars)**

	Equity Attributable to Owners of the Company						Other Equity Exchange Differences on Translating Foreign Operations	Total Equity
	Share Capital		Capital Surplus	Retained Earnings				
	Number of Shares (Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		
BALANCE AT JANUARY 1, 2017	151,912	\$ 51,604	\$ 96,738	\$ 7,700	\$ 6,722	\$ 64,821	\$ (25,956)	\$ 201,629
Appropriation of 2016 earnings								
Legal reserve	-	-	-	1,823	-	(1,823)	-	-
Special reserve	-	-	-	-	9,877	(9,877)	-	-
Cash dividends	-	-	-	-	-	(5,989)	-	(5,989)
Net loss for the year ended December 31, 2017	-	-	-	-	-	(5,003)	-	(5,003)
Other comprehensive income for the year ended December 31, 2017, net of income tax	-	-	-	-	-	-	10,134	10,134
Total comprehensive (loss) income for the year ended December 31, 2017	-	-	-	-	-	(5,003)	10,134	5,131
Share-based payments	-	-	283	-	-	-	-	283
BALANCE AT DECEMBER 31, 2017	151,912	51,604	97,021	9,523	16,599	42,129	(15,822)	201,054
Effect of retrospective application and retrospective restatement	-	-	-	-	-	(2,315)	-	(2,315)
BALANCE AT JANUARY 1, 2018 AS RESTATED	151,912	51,604	97,021	9,523	16,599	39,814	(15,822)	198,739
Net income for the year ended December 31, 2018	-	-	-	-	-	3,200	-	3,200
Other comprehensive loss for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	(18,697)	(18,697)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	3,200	(18,697)	(15,497)
Issuance of ordinary shares for cash	19,233	6,247	7,246	-	-	-	-	13,493
BALANCE AT DECEMBER 31, 2018	171,145	\$ 57,851	\$ 104,267	\$ 9,523	\$ 16,599	\$ 43,014	\$ (34,519)	\$ 196,735

ROTAM GLOBAL AGROSCIENCES LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of U.S. Dollars)**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 8,399	\$ (2,474)
Adjustments for:		
Expected credit loss reversed on trade receivables	(1,303)	-
Impairment loss recognized on trade receivables	-	6,786
Depreciation expenses	4,388	3,817
Amortization expenses	7,099	6,372
Amortization of prepayments for leases	198	197
Net gain on fair value changes of financial liabilities at fair value through profit or loss	(37)	(774)
Compensation costs of employee share options	-	283
Finance costs	13,661	12,881
Interest income	(2,425)	(4,544)
Share of loss of associates and joint ventures	270	210
Loss on disposal of property, plant and equipment	70	27
Loss on disposal of intangible assets	501	56
Write-downs of inventories	-	64
Reversals of write-downs of inventories	(59)	-
Unrealized loss on foreign currency exchange	437	1,792
Loss on repurchase of bonds payable	738	-
Loss on hyperinflation adjustments	288	-
Changes in operating assets and liabilities		
Notes receivable	1,895	(148)
Trade receivables	9,338	(1,032)
Trade receivables from related parties	2,224	7,745
Other receivables	1,997	(976)
Inventories	144	(2,714)
Prepayments	1,676	(2,094)
Other current assets	(1,013)	3
Notes payable	5,643	(1,238)
Notes payable to related parties	741	-
Trade payables	(3,775)	6,519
Trade payables to related parties	582	1,268
Other payables	(2,793)	(3,360)
Contract liabilities	(2,827)	-
Receipts in advance	-	1,657
Other current liabilities	(2)	(119)
Cash generated from operations	46,055	30,204
Interest received	2,425	4,540
Interest paid	(12,050)	(11,353)
Income tax paid	(1,600)	(6,617)
Net cash generated from operating activities	<u>34,830</u>	<u>16,774</u>

(Continued)

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	\$ (400)	\$ (400)
Payments for property, plant and equipment	(1,893)	(2,125)
Proceeds from disposal of property, plant and equipment	225	69
Decrease (increase) in refundable deposits	27	(444)
Decrease (increase) in other receivables from related parties	1,777	(1,742)
Payments for acquisition of subsidiaries	(3,208)	-
Payments for intangible assets	(16,353)	(21,983)
Increase in other financial assets	(5,067)	(3,167)
Increase in prepayments for equipment	<u>(515)</u>	<u>(2,112)</u>
Net cash used in investing activities	<u>(25,407)</u>	<u>(31,904)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	13,493	-
Proceeds from short-term borrowings	97,089	82,576
Repayments of short-term borrowings	(103,134)	(77,999)
Proceeds from long-term borrowings	13,378	-
Repayments of long-term borrowings	(25,957)	(1,475)
Increase in guarantee deposits received	90	8
Decrease in other payables to related parties	(39)	(132)
Increase in finance lease payables	698	35
Dividends paid	-	(5,779)
Repurchase of bond payables	<u>(16,447)</u>	<u>-</u>
Net cash used in financing activities	<u>(20,829)</u>	<u>(2,766)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(13,984)</u>	<u>6,465</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25,390)	(11,431)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>101,833</u>	<u>113,264</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 76,443</u>	<u>\$ 101,833</u>

(Concluded)