

## Summary of common violations of Financial Reports of Listed Companies in 2018

Common missing	Violated Regulations	
Inventory	1. Did not disclose the amount of inventories recognized as an expense during the period, including unallocated production overheads and abnormal amounts of production costs of inventories.	Paragraph 36(d) and paragraph 38 of IAS 2 “Inventory”
	2. Did not disclose the circumstances or events that led to the reversal of a write-down of inventories.	Paragraph 36(g) of IAS 2 “Inventory”
	3. Inventories were not measured at the lower of cost and net realizable value.	Article 9 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
Notes Receivable Trade Receivables Financial Instruments	1. Did not disclose the aged analysis of notes receivable and trade receivables, and changes in loss allowances, or disclose incorrect amount.	Article 9 and Article 20 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	2. Did not disclose information about financial instruments in accordance with IFRS 7.	Article 15 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IFRS 7.
Goodwill	Did not test for impairment annually in accordance with IAS 36 on Goodwill which is recognized in connection with a business combination, or did not disclose the significant difference between the actual operation conditions of the acquired company after the business combination and the expected	Article 24-2 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

	benefits at the time of acquisition.	
Material contingent liabilities and unrecognized contractual commitments.	Did not disclose related information.	Article 15 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
Notes	1. Did not note the item which is subject to legal, regulatory, contractual, or other restriction, and the circumstances and timing of the restriction and other related information.	Article 15 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	2. Did not disclose in accordance with the Form or disclose incorrect amount on “Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function”.	Article 23 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	3. “Other receivables” 、 “Prepayments”, were listed under “Current assets”.	Article 9 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	4. The amount of “receivables-related party” did not match the total amount of disclosed information on related party in notes.	Article 9 and Article 18 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	5. Misstatement on information of “Lending funds to others”	Article 17 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	6. Misstatement on information of “Providing endorsements or guarantees for others.”	Article 17 of “Regulations Governing the Preparation of

		Financial Reports by Securities Issuers”.
Disclosure of revenue arising from contracts with customers	1. Did not disclose comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers shall be disclosed in accordance with IFRS 15, including details of revenue recognized from contracts with customers, contract balances, contract obligations, significant judgments and changes in the judgments, and any assets recognized from the costs to obtain or fulfil a contract with a customer.	Article 15 of “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
	2. The company were an agent and did not control the specified good or service, but did not recognize revenue by net amount.	Paragraph B36 of IFRS 15”Revenue from Contracts with Customers”.
Related party transactions	1. Did not fully disclose information on related party transactions in accordance with IAS 24.	Article 18 of Regulations Governing the Preparation of Financial Reports by Securities Issuers
	2. The company had subscribe the stock issued by the related party, but did not disclose the transaction in the financial report.	Paragraph 18 of IAS 24”
	3. The company did not identify related party relationship, and did not disclose the related party transactions.	
Lending funds to others and providing endorsements or guarantees for	1. The operational procedures for loaning funds to others and making endorsements/guarantee of the company (or its subsidiaries) were not compliance with the Regulation.	Article 9 and Article 12 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees

others		by Public Companies
	2. The company (or its subsidiaries) did not following the Regulation when loaning funds to others and making endorsements/guarantee.	Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies
	3. Did not report material loans of funds within 2 days commencing immediately from the date of occurrence.	Article 22 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies
	4. Did not report within 2 days commencing immediately from the date of occurrence when the balance of endorsements/guarantees of the company reaches significant standards.	Article 25 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies