

**TA YA ELECTRIC WIRE & CABLE CO., LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
with Independent Auditors' Review Report for the  
Six Month Ended June 30, 2021 and 2020**

# **TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**

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**INDEPENDENT AUDITORS' REVIEW REPORT**

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

**Introduction**

We have reviewed the accompanying consolidated balance sheets of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the "Group") as of June 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the related consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 Accounting Standards (IAS) No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

**Scope of Review**

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Generally Accepted Auditing Standards (GAAS) No. 65, "Review of Financial Statements". A review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and

applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Modified Conclusion**

As disclosed in Note 4 to the consolidated financial statements, the financial statements of some insignificant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2021 and 2020, the combined total assets of these insignificant subsidiaries were respectively NT\$17,727,625 thousand and NT\$10,929,576 thousand, representing 55.47% and 49.66%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$10,484,275 thousand and NT\$5,750,104 thousand, representing 48.10% and 42.98% of the corresponding consolidated total liabilities. For the three months and six months ended June 30, 2021 and 2020, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$270,441 thousand, NT\$210,066 thousand, NT\$483,379 thousand, NT\$240,415 thousand, representing 62.08%, 62.43%, 52.41%, and 51.51% of the corresponding consolidated total comprehensive income and loss. As of June 30, 2021 and 2020, the investment accounted for using equity method were NT\$946,396 thousand and NT\$792,957 thousand, respectively. For the three months and six months ended June 30, 2021 and 2020, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$ 69,787 thousand, NT\$ 15,791 thousand, NT\$ 90,398 thousand, and NT\$22,634 thousand. These amounts as well as the related financial information of the investees as disclosed in Note 12 to the consolidated financial statements were based on the subsidiaries' and associates' unreviewed financial statements for the same reporting periods as those of the Company.

### **Modified Conclusion**

Based on our reviews, except as discussed in the preceding paragraph whereby the carrying amounts of the investments in subsidiaries and associates are based on unreviewed financial statements of the subsidiaries and associates, and except for the effects of related adjustments, if any, as might have been made had we applied review procedures on the financial statements of the investees referred to in the preceding paragraph, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the Group as of June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

*Solomon & Co., CPAs*

August 3, 2021

### *Notice to Readers*

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

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in Thousands of New Taiwan Dollars)  
(The consolidated balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

<b>ASSETS</b>	<b>June 30, 2021</b>		<b>December 31, 2020</b>		<b>June 30, 2020</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (notes 4 and 6)	\$ 4,342,765	13.6	\$ 2,906,624	11.5	\$ 2,920,598	13.3
Financial assets at fair value through profit or loss (notes 4, 7 and 34)	937,125	2.9	590,344	2.3	572,054	2.6
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	29,554	0.1	26,065	0.1	23,643	0.1
Financial assets at amortized cost (notes 9)	277,256	0.9	333,031	1.3	244,435	1.1
Contract assets	163,515	0.5	49,772	0.2	62,766	0.3
Notes receivable, net (notes 4, 10 and 35)	196,471	0.6	156,484	0.7	195,041	0.9
Accounts receivable, net (notes 4, 10 and 35)	4,800,770	15.0	3,448,935	13.7	2,608,152	11.7
Other receivables (note 35)	109,307	0.3	51,430	0.2	102,404	0.5
Income tax receivable	161	—	438	—	—	—
Inventories, net (notes 4 and 11)	3,843,599	12.0	2,935,739	11.6	2,875,118	13.0
Inventories (Construction), net (notes 4 and 11)	194,680	0.6	225,370	0.9	234,680	1.1
Prepayments	495,403	1.6	202,583	0.9	187,904	0.9
Other current assets	262,095	0.8	105,891	0.4	22,862	0.1
Total current assets	15,652,701	48.9	11,032,706	43.8	10,049,657	45.6
<b>NONCURRENT ASSETS</b>						
Financial assets at fair value through profit or loss (notes 4, 7 and 34)	2,641,244	8.3	2,232,668	8.9	1,727,535	7.9
Financial assets at fair value through other comprehensive income (notes 4, 8 and 34)	956,345	3.0	920,106	3.7	909,101	4.1
Investments accounted for using equity method (notes 4, 12 and 36)	946,396	3.0	884,224	3.5	792,957	3.6
Property, plant and equipment (notes 4, 13 and 36)	8,682,734	27.2	7,543,746	29.9	5,412,915	24.6
Right-of-use assets (notes 4 and 14)	941,927	3.0	487,434	1.9	458,465	2.1
Investment Property, net (notes 4 and 15)	1,147,355	3.6	1,150,406	4.6	1,101,139	5.0
Intangible assets (notes 16)	194	—	325	—	509	—
Deferred income tax assets (notes 2 and 25)	129,646	0.4	149,720	0.6	213,226	1.0
Prepayments for equipment	42,546	0.1	49,058	0.2	52,069	0.2
Refundable deposits (note 36)	89,761	0.3	101,659	0.4	149,749	0.7
Net defined benefit asset	14,010	—	6,227	—	4,263	—
Other non-current assets	713,065	2.2	645,924	2.5	1,139,068	5.2
Total noncurrent assets	16,305,223	51.1	14,171,497	56.2	11,960,996	54.4
<b>TOTAL</b>	<b>\$ 31,957,924</b>	<b>100.0</b>	<b>\$ 25,204,203</b>	<b>100.0</b>	<b>\$ 22,010,653</b>	<b>100.0</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term loans (note 17)	\$ 7,507,166	23.5	\$ 4,522,706	17.9	\$ 4,501,675	20.5
Short-term notes and bills payable (note 18)	874,545	2.7	454,930	1.8	589,793	2.7
Financial liabilities at fair value through profit or loss (notes 4 and 7)	392	—	127,753	0.5	104,178	0.5
Contract liabilities	325,870	1.0	141,319	0.6	152,170	0.7
Notes payable	77,623	0.2	85,919	0.3	75,043	0.3
Accounts payable (note 35)	714,360	2.2	581,544	2.3	584,222	2.6
Other payables	769,288	2.4	725,608	2.9	1,160,505	5.3
Income tax payable (note 25)	99,423	0.3	91,081	0.4	81,735	0.4
Provisions (note 21)	113,468	0.4	100,000	0.4	120,111	0.5
Lease liabilities (notes 4 and 14)	39,524	0.1	19,302	0.1	17,450	0.1
Receipts in advance	3,678	—	923	—	2,557	—
Current portion of long-term loans (notes 19 and 20)	1,128,873	3.5	1,157,986	4.6	1,066,795	4.8
Other current liabilities	78,772	0.2	29,444	0.1	35,032	0.2
Total current liabilities	11,732,982	36.5	8,038,515	31.9	8,491,266	38.6
<b>NONCURRENT LIABILITIES</b>						
Bonds payable (note 19)	1,500,000	4.7	1,500,000	6.0	500,000	2.3
Long-term loans (note 20)	7,334,561	23.1	5,891,656	23.4	3,733,591	17.0
Provisions (note 21)	36,427	0.1	35,841	0.1	39,278	0.2
Deferred income tax liabilities (note 25)	324,210	1.0	268,665	1.1	265,900	1.2
Lease liabilities (notes 4 and 14)	653,559	2.1	242,796	1.0	223,477	1.0
Net defined benefit liability (note 22)	19,358	0.1	27,325	0.1	35,302	0.2
Guarantee deposits	38,685	0.1	29,785	0.1	38,561	0.2
Other noncurrent liabilities	157,957	0.5	39,576	0.1	52,710	0.1
Total noncurrent liabilities	10,064,757	31.7	8,035,644	31.9	4,888,819	22.2
Total liabilities	21,797,739	68.2	16,074,159	63.8	13,380,085	60.8
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)</b>						
Share capital	5,950,680	18.6	5,950,680	23.6	5,950,680	27.0
Capital surplus	608,708	1.9	602,220	2.4	531,163	2.4
Retained earnings						
Appropriated as legal capital reserve	137,749	0.4	137,749	0.5	137,749	0.6
Appropriated as special capital reserve	147,555	0.5	147,555	0.6	147,555	0.7
Unappropriated earnings	1,883,102	5.9	1,088,298	4.3	785,909	3.6
Total retained earnings	2,168,406	6.8	1,373,602	5.4	1,071,213	4.9
Others	(106,066)	(0.3)	(125,666)	(0.5)	(176,988)	(0.8)
Treasury stock (notes 4 and 24)	(32,600)	(0.1)	(34,925)	(0.1)	(85,013)	(0.4)
Total equity attributable to owners of the parent	8,589,128	26.9	7,765,911	30.8	7,291,055	33.1
<b>NON-CONTROLLING INTERESTS (notes 23)</b>	1,571,057	4.9	1,364,133	5.4	1,339,513	6.1
Total equity	10,160,185	31.8	9,130,044	36.2	8,630,568	39.2
<b>TOTAL</b>	<b>\$ 31,957,924</b>	<b>100.0</b>	<b>\$ 25,204,203</b>	<b>100.0</b>	<b>\$ 22,010,653</b>	<b>100.0</b>

*The accompanying notes are an integral part of the consolidated financial statements*  
(With Solomon & Co., reviewed report dated August 3, 2021)

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)  
(Reviewed, Not Audited)

	<i>For The Three Months Ended June 30</i>				<i>For The Six Months Ended June 30</i>			
	<i>2021</i>		<i>2020</i>		<i>2021</i>		<i>2020</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET OPERATING INCOME (notes 27)	\$ 7,171,922	100.0	\$ 4,216,698	100.0	\$ 13,183,573	100.0	\$ 8,173,709	100.0
OPERATING COST (notes 11, 22, 28 and 35)	6,368,070	88.8	3,945,197	93.5	11,759,557	89.2	7,640,515	93.5
GROSS PROFIT	803,852	11.2	271,501	6.5	1,424,016	10.8	533,194	6.5
OPERATING EXPENSES (notes 22, 28 and 35)								
Sales and marketing expenses	69,869	1.0	60,204	1.4	136,025	1.1	116,472	1.4
General and administrative expenses	225,668	3.1	171,067	4.0	408,797	3.1	322,109	3.9
Research and development expenses	10,479	0.2	20,950	0.6	19,100	0.1	38,201	0.5
Expected credit impairment gains (notes 10)	16,502	0.2	—	—	16,239	0.1	—	—
Total operating expenses	322,518	4.5	252,221	6.0	580,161	4.4	476,782	5.8
INCOME FROM OPERATIONS	481,334	6.7	19,280	0.5	843,855	6.4	56,412	0.7
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 29)	5,381	0.1	10,596	0.3	9,445	0.1	18,669	0.2
Other income (note 30)	14,380	0.2	9,572	0.2	19,679	0.1	14,970	0.2
Other gains and losses (note 31)	36,259	0.5	347,012	8.2	245,092	1.9	589,092	7.2
Finance costs (note 32)	(62,919)	(0.9)	(57,073)	(1.4)	(117,405)	(0.9)	(116,673)	(1.4)
Share of profit of associates (note 12)	69,787	1.0	15,791	0.4	90,398	0.7	22,634	0.2
Total non-operating income and expenses	62,888	0.9	325,898	7.7	247,209	1.9	528,692	6.4
INCOME BEFORE INCOME TAX	544,222	7.6	345,178	8.2	1,091,064	8.3	585,104	7.1
INCOME TAX EXPENSE (notes 25)	(105,983)	(1.5)	(4,275)	(0.1)	(184,730)	(1.4)	(66,242)	(0.8)
NET INCOME	438,239	6.1	340,903	8.1	906,334	6.9	518,862	6.3
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	32,555	0.5	38,150	0.9	49,476	0.4	2,983	0.1
Share of other comprehensive income (loss) of associates accounted for using the equity method	124	—	1,637	—	158	—	1,070	—
Income tax related to items that will not be reclassified subsequently (notes 25)	106	—	119	—	488	—	457	—
	32,785	0.5	39,906	0.9	50,122	0.4	4,510	0.1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	(36,789)	(0.5)	(44,759)	(1.0)	(35,152)	(0.3)	(60,415)	(0.7)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(5,254)	(0.1)	(4,447)	(0.1)	(5,254)	—	(4,447)	(0.1)
Income tax related to items that may be reclassified subsequently (notes 25)	6,677	0.1	4,883	0.1	6,239	—	8,180	0.1
	(35,366)	(0.5)	(44,323)	(1.0)	(34,167)	(0.3)	(56,682)	(0.7)
Other comprehensive income (loss), net of income tax	(2,581)	—	(4,417)	(0.1)	15,955	0.1	(52,172)	(0.6)
TOTAL COMPREHENSIVE INCOME	\$ 435,658	6.1	\$ 336,486	8.0	\$ 922,289	7.0	\$ 466,690	5.7
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 360,628	5.0	\$ 318,095	7.6	\$ 796,061	6.1	\$ 457,902	5.6
Non-controlling interests	77,611	1.1	22,808	0.5	110,273	0.8	60,960	0.7
	\$ 438,239	6.1	\$ 340,903	8.1	\$ 906,334	6.9	\$ 518,862	6.3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 364,203	5.1	\$ 333,491	7.9	\$ 815,661	6.2	\$ 427,875	5.2
Non-controlling interests	71,455	1.0	2,995	0.1	106,628	0.8	38,815	0.5
	\$ 435,658	6.1	\$ 336,486	8.0	\$ 922,289	7.0	\$ 466,690	5.7
EARNINGS PER SHARE (NT\$, notes 26)								
Basic earnings per share	\$ 0.61		\$ 0.54		\$ 1.35		\$ 0.78	

*The accompanying notes are an integral part of the consolidated financial statements*  
(With Solomon & Co., reviewed report dated August 3, 2021)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)  
(Reviewed, Not Audited)

	<i>Capital Stock — Common Stock</i>		<i>Retained Earnings</i>				<i>Others</i>				
	<i>Shares</i>	<i>Amount</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>	<i>Treasury Stock</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>
BALANCE, JANUARY 1, 2020	595,068,022	\$ 5,950,680	\$ 531,117	\$ 87,245	\$ 147,555	\$ 556,359	\$ (183,063)	\$ 36,775	\$ (30,872)	\$ 1,298,386	\$ 8,394,182
Appropriation and distribution of 2019 retained earnings											
Legal reserve	—	—	—	50,504	—	(50,504)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(178,521)	—	—	—	—	(178,521)
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	8	—	—	—	—	—	—	—	8
Changes in subsidiaries' ownership	—	—	38	—	—	—	—	—	—	1	39
Net income in the first half of 2020	—	—	—	—	—	457,902	—	—	—	60,960	518,862
Other comprehensive income in the first half of 2020, net of income tax	—	—	—	—	—	—	(34,311)	4,284	—	(22,145)	(52,172)
Treasury stock acquired	—	—	—	—	—	—	—	—	(54,141)	—	(54,141)
Disposed of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	—	—	—	—	2,284	2,284
Changes in non-controlling interests	—	—	—	—	—	673	—	(673)	—	27	27
BALANCE, JUNE 30, 2020	595,068,022	\$ 5,950,680	\$ 531,163	\$ 137,749	\$ 147,555	\$ 785,909	\$ (217,374)	\$ 40,386	\$ (85,013)	\$ 1,339,513	\$ 8,630,568
BALANCE, JANUARY 1, 2021	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 1,364,133	\$ 9,130,044
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	104	—	—	(1,234)	—	—	—	—	(1,130)
Net income in the first half of 2021	—	—	—	—	—	796,061	—	—	—	110,273	906,334
Other comprehensive income in the first half of 2021, net of income tax	—	—	—	—	—	—	(27,150)	46,750	—	(3,645)	15,955
Changes in subsidiaries ownership	—	—	(737)	—	—	(23)	—	—	—	760	—
Disposal of the Corporation's shares held by subsidiaries	—	—	7,121	—	—	—	—	—	2,325	—	9,446
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	99,536	99,536
BALANCE, JUNE 30, 2021	595,068,022	\$ 5,950,680	\$ 608,708	\$ 137,749	\$ 147,555	\$ 1,883,102	\$ (241,174)	\$ 135,108	\$ (32,600)	\$ 1,571,057	\$ 10,160,185

*The accompanying notes are an integral part of the consolidated financial statements*  
(With Solomon & Co., reviewed report dated August 5, 2020)



**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Expressed in Thousands of New Taiwan Dollars)**  
**(Reviewed, Not Audited)**

	<i><b>For The Six Months Ended June 30</b></i>	
	<i><b>2021</b></i>	<i><b>2020</b></i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,091,064	\$ 585,104
Adjustments for :		
Depreciation expense	302,621	177,164
Amortization expense	128	205
Expected credit impairment gains	16,239	—
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	(651,481)	(195,337)
Finance costs	117,405	116,673
Interest income	(9,445)	(18,669)
Dividend income	(10,809)	(6,446)
Share of profits of associates	(90,398)	(22,634)
Loss (gain) on disposal of property, plant and equipment	(1,162)	(1,445)
Property, plant and equipment transferred to expenses	1,970	1,768
Gain on disposal of investment property	—	(301)
Gain on disposal of investments	(7,511)	(200,902)
Gains on disposal of associates	—	(2,155)
Income and expense adjustments	(332,443)	(152,079)
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(229,485)	80,735
Contract assets	(113,743)	110,120
Notes and accounts receivable	(1,407,432)	238,572
Other receivables	(37,632)	(5,223)
Inventories	(877,170)	467,635
Prepayments	(291,607)	(95,751)
Other current assets	86,031	54,456
Contract liabilities	184,551	54,946
Notes and accounts payable	124,520	53,859
Other payables	(135,055)	(87,688)
Provisions	13,821	17,583
Advance receipts	2,755	(5,883)
Other current liabilities	49,328	3,524
Net defined benefit liability	(15,750)	(31,441)
Total changes in operating assets and liabilities	(2,646,868)	855,444
Total adjustments	(2,979,311)	703,365
Cash generated from operations	(1,888,247)	1,288,469
Interest received	9,455	18,677
Interest paid	(113,780)	(114,620)
Income tax paid	(94,224)	(38,189)
Net cash generated from operating activities	(2,086,796)	1,154,337

(Continued)

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	<i>For The Six Months Ended June 30</i>	
	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial asset at fair value through other comprehensive income	—	(101,149)
Proceeds from disposal of financial asset at fair value through other comprehensive income	—	5,618
The capital reduction on financial asset at fair value through other comprehensive income	8,212	7,311
Financial assets at amortized cost	55,775	8,498
Purchase of associates under the equity method	(4,620)	—
Proceeds from disposal of associates under the equity method	—	4,570
Acquisition of property, plant and equipment (including prepayments for equipment)	(1,126,757)	(252,960)
Proceeds from disposal of property, plant and equipment	3,376	4,553
Increase (Decrease) in refundable deposits	11,898	(32,138)
Acquisition of intangible assets	—	(29)
Payments for right-of-use assets	(16,639)	(4,257)
Proceeds from disposal of investment property	—	1,000
Increase in other non-current assets	(189,911)	(449,292)
Dividend received	15,587	11,738
Other investing activities	(120,054)	26,818
Net cash used in investing activities	<u>(1,363,133)</u>	<u>(769,719)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	2,984,460	951,257
Increase (decrease) in short-term notes and bills payable	419,615	(164,948)
Proceeds from long-term bank loans	2,398,518	79,415
Repayment of long-term bank loans	(966,687)	(667,350)
Increase (decrease) in guarantee deposits	8,900	(3,510)
Repayment of principal of lease liabilities	(35,367)	(11,576)
Decrease in other noncurrent liabilities	—	(2,875)
Increase in treasury stock	—	(54,141)
Proceeds from disposal of treasury share	9,446	—
Increase in non-controlling interests	99,536	2,284
Net cash generated by financing activities	<u>4,918,421</u>	<u>128,556</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS</b>	<u>(32,351)</u>	<u>(45,446)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>1,436,141</u>	<u>467,728</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>2,906,624</u>	<u>2,452,870</u>
<b>CASH AND CASH EQUIVALENTS, ENDING OF PERIOD</b>	<u><u>\$ 4,342,765</u></u>	<u><u>\$ 2,920,598</u></u>

(Concluded)

*The accompanying notes are an integral part of the consolidated financial statements*  
*(With Solomon & Co., reviewed report dated August 3, 2021)*

# **TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**

## **Notes to Financial Statements**

**June 30, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)**

### **1. Organization**

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 7,000,000 thousand, of which NTD 5,950,680 thousand was issued as of June 30, 2021. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

### **2. The Authorization Of Financial Statements**

The consolidated financial statements were approved and authorized for issue by the Board of Directors on August 3, 2021.

### **3. Application Of New And Revised International Financial Reporting Standards**

- 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)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Effective immediately upon promulgation by the IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 8)
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or

after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

#### **4. Summary Of Significant Accounting Policies**

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

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

#### **Statement Of Compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The disclosed information included in these interim consolidated financial statements is less than the disclosed information required in complete set of annual consolidated financial statements.

### **Basis Of Preparation**

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

### **The Basis for the Consolidated Financial Statements**

The consolidated financial statements incorporate the financial statements of TA YA and entities controlled by TA YA (its subsidiaries). Significant intergroup transactions have been eliminated on consolidation.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (and transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity

When the Group loses control of a subsidiary, the Group measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of an associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2021.6.30	2020.12.31	2020.6.30	
TA YA	TA YA (CHINA) HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA VENTURE HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Sales Agent	99.99%	99.99%	99.99%	
TA YA and TA YI PLASTIC CO., LTD.	PLASTIC TECHNOLOGY INVESTMENT HOLDING	Investment holding	59.13%	59.13%	59.13%	
TA YA	TA YA Innovation Investment Co., Ltd.	General investment	100.00%	100.00%	100.00%	
TA YA And CUPRIME MATERIAL	TA YA VENTURE CAPITAL CO., LTD.	General investment	99.99%	99.99%	99.99%	
TA YA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	54.01%	54.01%	45.22%	Note 1
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.66%	70.66%	63.16%	Note 2
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 3
TA YA and TA YA VENTURE CAPITAL	UNITED ELECTRIC INDUSTRY CO., LTD.	Manufacturing, processing and marketing of cable wire and electromechanical	42.78%	42.78%	42.78%	Note 3
TA YA and CUPRIME MATERIAL	TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Manufacturing, processing and marketing of electric wire	64.15%	64.15%	64.15%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	54.56%	54.56%	51.90%	Note 4
CUPRIME MATERIAL	CUPRIME MATERIAL PTE.LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO.,LTD.	General investment	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	100.00%	
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	98.43%	96.48%	96.48%	Note 5

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2021.6.30	2020.12.31	2020.6.30	
CUPRIME MATERIAL PTE. LTD.	CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Marketing of cable, wire and copper	100.00%	100.00%	100.00%	
PLASTIC TECHNOLOGY INVESTMENT HOLDING	TA YI PLASTIC (H.K.) LTD.	Manufacturing and marketing of wire and cable	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
TA YI PLASTIC (H.K)	DONGGUAN HUI JI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	100.00%	100.00%	100.00%	
HENG YA	TAYA ZHANGZHOU WIRES CABLE CO., LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITED	Investment holding	100.00%	100.00%	100.00%	
TA YA and TA YA VENTURE CAPITAL	TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	85.00%	88.06%	75.00%	Note 6
TA YA GREEN ENERGY	BOSI SOLAR ENERGY CO., LTD.	Energy Technical Services	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	DAIJU ELECTRIC CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BRAVO SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	100.00%	
TA YA GREEN ENERGY	BO YAO POWER CO., LTD.	Energy Technical Services	100.00%	—	—	Note 7



Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2021.6.30	2020.12.31	2020.6.30	
TA YA (Vietnam) INVESTMENT HOLDING and CUPRIME INVESTMENT HOLDING COMPANY LIMITED	TA YA VIETNAM (Cayman) HOLDINGS LTD.	Investment holding	100.00%	100.00%	100.00%	
TA YA VIETNAM (Cayman) HOLDINGS	TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	Building wire and cable	80.00%	80.00%	80.00%	

Note 1 : In December 2020, the Group further invested 9,798 thousand shares in CUPRIME MATERIAL CO, LTD, which increased the shareholding ratio for the year ended December 31, 2020 in CUPRIME MATERIAL CO, LTD to 54.01%.

Note 2 : In September 2020, the Group further invested 930 thousand shares and in UNION STORAGE ENERGY SYSTEM LTD., which increased the shareholding ratio for the year ended December 31, 2020 in UNION STORAGE ENERGY SYSTEM LTD. to 70.66%.

Note 3 : Although the Group is less than 50 percent of the shares, it has control over the finance and business operation. Therefore, it is included in the consolidated financial report.

Note 4 : In December 2020, the Group purchased 202 thousand shares from other related parties in TA YI PLASTIC CO.LTD, which increased the shareholding ratio for the year ended December 31, 2020 in TA YI PLASTIC CO.LTD to 54.56%.

Note 5 : In March 2021, CUGREEN METAL TECH CO., LTD. offset accumulated deficits via capital reduction and increased capital by cash. CUPRIME MATERIAL increased the shareholding ratio for the three months ended March 31, 2020 in CUGREEN METAL TECH CO., LTD. to 98.43% due to due to non-subscription by some shareholders.

Note 6 : In September 2020, The Group purchased the shares, TA YA GREEN ENERGY CO, from associates. In January 2020 and October 2020, the Group further invested 15,000 thousand shares and 25,000 thousand shares separately in the subsidiary TA YA GREEN

ENERGY CO. which increasing the shareholding ratio for the year ended December 31, 2020 in TA YA GREEN ENERGY CO. to 88.06%. The Group further invested 81,100 thousand shares in the subsidiary TA YA GREEN ENERGY CO. in March 2021, and its percentage of ownership decreased from 88.06% to 85.00% because the Group did not subscribe for new shares issued by its investee based on its percentage of ownership interest.

Note 7 : The investees were newly invested in 2021.

b. Subsidiaries that are not included in the consolidated financial statements: None.

c. Adjustments for subsidiaries with different balance sheet dates: None.

d. Significant restrictions: None.

e. Subsidiaries included in the consolidated financial statements do not meet the definition of significant subsidiaries; their financial statements as of June 30, 2021 were not reviewed by independent accountants.

#### **Other significant accounting policies**

Except for the following, please refer to significant accounting policies to the consolidated financial statements for the years ended December 31, 2020.

#### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

#### **5. Critical Accounting Judgments And Key Sources Of Estimation And 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 which the estimates are revised if the revision affects only that period; or both in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting judgments and key sources of estimation and uncertainty used in the consolidated financial statements this period are the same to the consolidated financial statements for the year ended December 31, 2020.

## **6. Cash and Cash Equivalents**

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand and petty cash	\$ 3,567	\$ 7,122	\$ 4,884
Cash in bank			
Checking accounts	683,759	604,567	445,854
Demand deposits	3,049,138	1,679,742	1,307,043
Foreign currency-demand deposits	455,171	289,205	511,173
Time deposits	151,130	325,988	651,644
Sub-total	4,339,198	2,899,502	2,915,714
Total	<u>\$ 4,342,765</u>	<u>\$ 2,906,624</u>	<u>\$ 2,920,598</u>

## **7. Financial Assets and Liabilities at Fair Value Through Profit or Loss**

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at FVTPL - current			
Listed stocks	\$ 438,825	\$ 274,817	\$ 276,568
Non-listed stocks	8,000	8,000	8,000
Metal commodities futures contracts	104,265	—	1,836
Metal options	—	—	1,788
Foreign exchange forward contracts	365	192	44
	551,455	283,009	288,236
Valuation adjustment	385,670	307,335	283,818
	<u>\$ 937,125</u>	<u>\$ 590,344</u>	<u>\$ 572,054</u>

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 250,364	\$ 231,904	\$ 129,447
Non-listed stocks	1,239,541	1,192,117	1,150,302
Metal commodities futures contracts	567,371	372,034	131,751
	2,057,276	1,796,055	1,441,500
Valuation adjustment	583,968	436,613	316,035
	<u>\$ 2,641,244</u>	<u>\$ 2,232,668</u>	<u>\$ 1,727,535</u>
Financial liabilities at FVTPL - current			
Metal commodities futures contracts	\$ 39	\$ 121,473	\$ 97,645
Foreign exchange forward contracts	353	6,280	6,533
	<u>\$ 392</u>	<u>\$ 127,753</u>	<u>\$ 104,178</u>

- a. At the end of the reporting period, outstanding metal commodities futures contracts not under hedge accounting were as follows:

	Metric Tons	Maturity Date	Contract Amount	Fair Value	Gain (Loss) on Evaluate
<u>June 30, 2021</u>					
Buy	7,825	2021.07~2026.10	USD 50,309	USD 72,265	USD 21,956
Sell	2,950	2021.07~2021.10	USD 29,797	USD 27,648	USD 2,149
<u>December 31, 2020</u>					
Buy	5,400	2021.02~2023.06	USD 28,779	USD 41,819	USD 13,040
Sell	7,600	2021.01~2021.03	USD 54,750	USD 58,993	(USD 4,243)
<u>June 30, 2020</u>					
Buy	5,500	2020.07~2022.08	USD 28,770	USD 33,308	USD 4,538
Sell	7,400	2020.07~2020.10	USD 41,189	USD 44,517	(USD 3,328)

- b. At the end of the reporting period, outstanding metal options not under hedge accounting were as follows:

	Metric Tons	Maturity Date	National Amounts	Fair Value
<u>June 30, 2020</u>				
Sell	600	2020.08~2021.01	USD 3,300	USD 60

- c. At the end of the reporting period, outstanding Foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amounts (Thousand)
<u>June 30, 2021</u>			
Buy	CNY/USD	2021.07	CNY 13,002/USD 2,000
Buy	NTD/USD	2021.09	NTD 295,009/USD 10,580
<u>December 31, 2020</u>			
Buy	NTD/USD	2021.06	NTD 288,583/USD 10,132

	Currency	Maturity Date	Contract Amounts (Thousand)
June 30, 2020			
Buy	CNY/USD	2020.08	CNY 42,794/USD 6,000
Buy	NTD/USD	2021.04	NTD 364,784/USD 12,190

## 8. Financial Assets at Fair Value Through Other Comprehensive Income

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 15,707	\$ 15,707	\$ 21,548
Valuation adjustment	13,847	10,358	2,095
	<u>\$ 29,554</u>	<u>\$ 26,065</u>	<u>\$ 23,643</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stocks and emerging market stocks	\$ 141,544	\$ 141,544	\$ 179,579
Non-listed stocks and emerging market stocks	667,466	676,745	681,954
Valuation adjustment	147,335	101,817	47,568
	<u>\$ 956,345</u>	<u>\$ 920,106</u>	<u>\$ 909,101</u>

## 9. Financial Assets at amortized cost

	June 30, 2021	December 31, 2020	June 30, 2020
Time deposits with original maturities of more than 3 months	<u>\$ 277,256</u>	<u>\$ 333,031</u>	<u>\$ 244,435</u>

## 10. Notes and Accounts Receivable, Net

	June 30, 2021	December 31, 2020	June 30, 2020
Notes and accounts receivable	\$ 5,075,957	\$ 3,678,723	\$ 2,850,788
Allowance for impairment loss	(78,716)	(73,304)	(47,595)
Notes and accounts receivable, net	<u>\$ 4,997,241</u>	<u>\$ 3,605,419</u>	<u>\$ 2,803,193</u>

The average credit period on the sale of goods was approximately 30~90 days, and no interest was charged on trade receivables. The determination of the collectability of account receivables and note receivable requires the Group to make judgments on any change of credit quality from the beginning to the end of the credit term.

Before accepting new customers, the Group assesses the credit quality of the customers and set their line of credit by Credit Management Method. The management evaluates and confers the line of credit after the Group executes Credit Rating.

The Group applies the simplified approach to estimate expected credit losses prescribed by IFRS9, which permits the use of a lifetime expected losses allowance for all trade receivables. To set the expected credit losses rate, the Group estimated the past default experience, the current financial position, and the forecast direction of the future economic conditions of the debtor.

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 recover the receivable due. When recoveries are made, they are recognized in profit or loss.

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

June 30, 2021	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	2%~10%	10%~35%	30%~100%	100%	
Gross carrying amount	\$ 4,703,573	\$ 259,309	\$ 70,272	\$ 35,865	\$ 6,938	\$ 5,075,957
Loss allowance (Lifetime ECL)	(27,567)	(16,860)	(14,218)	(13,133)	(6,938)	(78,716)
Amortized cost	<u>\$ 4,676,006</u>	<u>\$ 242,449</u>	<u>\$ 56,054</u>	<u>\$ 22,732</u>	<u>\$ —</u>	<u>\$ 4,997,241</u>
December 31, 2020	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	2%~10%	10%~35%	30%~100%	100%	
Gross carrying amount	\$ 3,362,699	\$ 247,527	\$ 45,510	\$ 6,607	\$ 16,380	\$ 3,678,723
Loss allowance (Lifetime ECL)	(23,726)	(18,597)	(12,165)	(2,436)	(16,380)	(73,304)
Amortized cost	<u>\$ 3,338,973</u>	<u>\$ 228,930</u>	<u>\$ 33,345</u>	<u>\$ 4,171</u>	<u>\$ —</u>	<u>\$ 3,605,419</u>
June 30, 2020	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~1%	0%~2%	10%~12%	25%~100%	100%	
Gross carrying amount	\$ 2,575,330	\$ 189,344	\$ 23,007	\$ 45,729	\$ 17,378	\$ 2,850,788
Loss allowance (Lifetime ECL)	(13,036)	(3,044)	(2,433)	(11,704)	(17,378)	(47,595)
Amortized cost	<u>\$ 2,562,294</u>	<u>\$ 186,300</u>	<u>\$ 20,574</u>	<u>\$ 34,025</u>	<u>\$ —</u>	<u>\$ 2,803,193</u>

b. The movement of the loss allowance of trade receivables were as follows:

	For The Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 73,304	\$ 50,503
Recognition	16,239	—
Amounts written off	(10,198)	(2,253)
Effect of exchange rate changes	(629)	(655)
Balance at June 30	<u>\$ 78,716</u>	<u>\$ 47,595</u>

## 11. Inventories, Net

a. Manufacturing

	June 30, 2021	December 31, 2020	June 30, 2020
Raw materials	\$ 860,702	\$ 471,986	\$ 575,135
Supplies	44,933	29,378	52,122
Work-in-process	880,618	578,921	682,822
Semi-finished goods	25,925	11,477	20,689
Finished goods	2,001,302	1,776,947	1,461,222
Merchandise	74,011	79,586	73,877
Inventory in transit	23,923	25,878	55,318
Total	3,911,414	2,974,173	2,921,185
Less: Allowance for inventory valuation losses	(67,815)	(38,434)	(46,067)
	<u>\$ 3,843,599</u>	<u>\$ 2,935,739</u>	<u>\$ 2,875,118</u>

b. Construction

	June 30, 2021	December 31, 2020	June 30, 2020
Land held for sale	\$ 54,033	\$ 71,880	\$ 83,369
Buildings held for sale	70,285	—	16,013
	<u>124,318</u>	<u>71,880</u>	<u>99,382</u>
Building and land in progress	69,062	69,062	69,062
Construction in progress	1,300	84,428	66,236
	<u>70,362</u>	<u>153,490</u>	<u>135,298</u>
	<u>194,680</u>	<u>225,370</u>	<u>234,680</u>
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 194,680</u>	<u>\$ 225,370</u>	<u>\$ 234,680</u>

c. Expense and losses incurred on inventories recognized for the period :

	For The Three Months Ended June 30	
	2021	2020
Cost of goods sold	\$ 6,337,962	\$ 3,984,396
Loss (gain) on physical inventory	(336)	1,542
(Reversal gain of) Write-down of inventories	30,444	(40,741)
	<u>\$ 6,368,070</u>	<u>\$ 3,945,197</u>
	For The Six Months Ended June 30	
	2021	2020
Cost of goods sold	\$ 11,730,512	\$ 7,642,819
Loss (gain) on physical inventory	(336)	1,542
(Reversal gain of) Write-down of inventories	29,381	(3,846)
	<u>\$ 11,759,557</u>	<u>\$ 7,640,515</u>

The reversal gain and loss of write-down of inventories for the six months ended June 30 in 2021 and 2020 were mainly because of the rise and fall of the price of copper.

## **12. Investments Accounted For Using Equity Method**

a. Investments in associates

Associates consisted of the following:

Name of Associates	Carrying Amount			% of ownership and Voting Rights Held by the Group		
	June 30, 2021	December 31, 2020	June 30, 2020	June 30, 2021	December 31, 2020	June 30, 2020
Ad Engineering Corporation	\$ 107,491	\$ 102,718	\$ 90,956	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	461,095	440,167	426,002	22.13	22.13	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	64,930	69,741	83,358	20.00	20.00	21.10
Otto2 Holdings Corporation	21,980	22,039	22,149	22.73	22.73	27.27
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	35,977	30,815	27,395	33.00	33.00	33.00
AMIT system service Ltd.	3,599	718	1,688	22.74	19.61	19.61
Hengs Technology Co., Ltd.	236,207	203,303	126,862	22.58	22.58	22.58
Tenart Biotech Limited	15,117	14,723	14,547	25.41	25.41	25.41
	<u>\$ 946,396</u>	<u>\$ 884,224</u>	<u>\$ 792,957</u>			



The summarized financial information in respect of the Group's associates is set out below. The information represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the consolidated Financial Statements, which is also adjusted by the Group using the equity method of accounting.

	June 30, 2021	December 31, 2020	June 30, 2020
Total assets	\$ 8,172,398	\$ 7,819,657	\$ 6,883,748
Total liabilities	(4,238,159)	(3,944,514)	(3,756,303)
Net assets	\$ 3,934,239	\$ 3,875,143	\$ 3,127,445

	For The Three Months Ended June 30	
	2021	2020
Net revenue	\$ 2,490,253	\$ 769,960
Net income	\$ 299,287	\$ 61,582
The Company's share of profits of associates	\$ 69,787	\$ 15,791

	For The Six Months Ended June 30	
	2021	2020
Net revenue	\$ 3,505,074	\$ 2,142,336
Net income	\$ 384,127	\$ 92,627
The Company's share of profits of associates	\$ 90,398	\$ 22,634

These amounts and the related information disclosed in the accompanying consolidated financial statements were based on the unreviewed financial statements of consolidated subsidiaries and investments accounted for under equity method.

- (1) The Group investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	June 30, 2021	December 31, 2020	June 30, 2020
Fair value	\$ 649,613	\$ 472,446	\$ 359,123

- (2) The Group participated in the capital increase of AMIT system service Ltd. in Q1 2021. Therefore, the Group's ownership interest in AMIT system service Ltd. increased from 19.61% to 22.74%.
- (3) The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 36.

### 13. Property, Plant And Equipment

Cost	Balance at January 1, 2021	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2021
Land and land improvements	\$ 1,773,650	\$ —	\$ —	\$ 3,900	\$ —	\$ 1,777,550
Buildings	2,014,558	4,255	—	1,883	(9,985)	2,010,711
Machinery and equipment	6,228,063	12,698	(40,302)	3,945,335	(17,671)	10,128,123
Transportation equipment	139,172	3,863	(2,904)	1,082	(702)	140,511
Miscellaneous equipment	1,556,496	8,629	(28,665)	22,113	(4,577)	1,553,996
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	2,980,676	1,320,575	—	(3,900,917)	(140)	400,194
	<u>\$ 14,694,576</u>	<u>\$ 1,350,020</u>	<u>\$ (71,871)</u>	<u>\$ 73,396</u>	<u>\$ (33,075)</u>	<u>\$ 16,013,046</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2021
Land and land improvements	\$ 16,979	\$ 1,355	\$ —	\$ —	\$ —	\$ 18,334
Buildings	1,386,608	30,712	—	—	(5,570)	1,411,750
Machinery and equipment	4,303,477	210,959	(39,624)	—	(15,287)	4,459,525
Transportation equipment	108,541	4,364	(2,176)	—	(552)	110,177
Miscellaneous equipment	1,333,481	28,038	(27,857)	—	(5,007)	1,328,655
Leasehold improvements	1,744	127	—	—	—	1,871
	<u>\$ 7,150,830</u>	<u>\$ 275,555</u>	<u>\$ (69,657)</u>	<u>\$ —</u>	<u>\$ (26,416)</u>	<u>\$ 7,330,312</u>

Cost	Balance at January 1, 2020	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2020
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,013,827	12,495	(1,773)	2,008	(13,312)	2,013,245
Machinery and equipment	6,222,423	8,529	(53,407)	65,066	(22,067)	6,220,544
Transportation equipment	138,473	3,456	(1,144)	(604)	(792)	139,389
Miscellaneous equipment	1,527,016	17,479	(20,591)	15,232	(5,761)	1,533,375
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	173,780	638,554	—	(39,427)	(248)	772,659
	<u>\$ 11,846,130</u>	<u>\$ 680,513</u>	<u>\$ (76,915)</u>	<u>\$ 42,275</u>	<u>\$ (42,180)</u>	<u>\$ 12,449,823</u>

Accumulated depreciation and impairment	Balance at January 1, 2020	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at June 30, 2020
Land and land improvements	\$ 14,328	\$ 1,325	\$ —	\$ —	\$ —	\$ 15,653
Buildings	1,338,255	30,136	(1,773)	(1,296)	(6,995)	1,358,327
Machinery and equipment	4,234,408	101,608	(50,808)	(27,780)	(16,392)	4,241,036
Transportation equipment	107,195	4,025	(1,025)	(579)	(571)	109,045
Miscellaneous equipment	1,328,670	24,953	(20,201)	(16,955)	(5,243)	1,311,224
Leasehold improvements	1,503	120	—	—	—	1,623
	<u>\$ 7,024,359</u>	<u>\$ 162,167</u>	<u>\$ (73,807)</u>	<u>\$ (46,610)</u>	<u>\$ (29,201)</u>	<u>\$ 7,036,908</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 36.

## 14. Lease Arrangements

### a. Right-of-use Assets

Cost	Balance at January 1, 2021	Additions	Deductions	Effect of Exchange Rate Changes	Balance at June 30, 2021
Land	\$ 268,500	\$ 471,903	\$ —	\$ (5,149)	\$ 735,254
Buildings	3,598	253	—	(62)	3,789
Transportation equipment	31,649	5,355	(3,278)	—	33,726
Miscellaneous equipment	228,416	6,078	—	—	234,494
	<u>\$ 532,163</u>	<u>\$ 483,589</u>	<u>\$ (3,278)</u>	<u>\$ (5,211)</u>	<u>\$ 1,007,263</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Deductions	Effect of Exchange Rate Changes	Balance at June 30, 2021
Land	\$ 6,696	\$ 13,042	\$ —	\$ (113)	\$ 19,625
Buildings	785	538	—	(17)	1,306
Transportation equipment	16,723	4,213	(3,278)	—	17,658
Miscellaneous equipment	20,525	6,222	—	—	26,747
	<u>\$ 44,729</u>	<u>\$ 24,015</u>	<u>\$ (3,278)</u>	<u>\$ (130)</u>	<u>\$ 65,336</u>

Cost	Balance at January 1, 2020	Additions	Deductions	Effect of Exchange Rate Changes	Balance at June 30, 2020
Land	\$ 258,599	\$ 4,257	\$ —	\$ (3,804)	\$ 259,052
Buildings	2,798	—	—	(20)	2,778
Transportation equipment	31,500	—	(1,259)	—	30,241
Miscellaneous equipment	198,424	2,780	—	—	201,204
	<u>\$ 491,321</u>	<u>\$ 7,037</u>	<u>\$ (1,259)</u>	<u>\$ (3,824)</u>	<u>\$ 493,275</u>

Accumulated depreciation and impairment	Balance at January 1, 2020	Additions	Deductions	Effect of Exchange Rate Changes	Balance at June 30, 2020
Land	\$ 3,452	\$ 1,713	\$ —	\$ (77)	\$ 5,088
Buildings	1,439	721	—	(23)	2,137
Transportation equipment	9,073	4,616	(1,259)	—	12,430
Miscellaneous equipment	9,807	5,348	—	—	15,155
	<u>\$ 23,771</u>	<u>\$ 12,398</u>	<u>\$ (1,259)</u>	<u>\$ (100)</u>	<u>\$ 34,810</u>

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Current	<u>\$ 39,524</u>	<u>\$ 19,302</u>	<u>\$ 17,450</u>
Non-current	<u>\$ 653,559</u>	<u>\$ 242,796</u>	<u>\$ 223,477</u>

Range of discount rate for lease liabilities is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Land	1.32%~9.80%	1.32%~9.80%	1.32%~9.80%
Buildings	1.55%~3.54%	1.55%~3.70%	1.55%~3.70%
Transportation equipment	1.42%~3.54%	1.38%~3.54%	1.38%~3.54%
Miscellaneous equipment	1.97%~3.54%	1.97%~3.54%	1.99%~2.19%

c. Other lease information

	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020
Expenses relating to short-term leases	\$ 2,839	\$ 1,544
Expenses relating to low-value asset leases	\$ 65	\$ —
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 120	\$ 458
Total cash outflow for leases	\$ (12,006)	\$ (9,078)
	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Expenses relating to short-term leases	\$ 5,518	\$ 3,242
Expenses relating to low-value asset leases	\$ 130	\$ 3
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 548	\$ 865
Total cash outflow for leases	\$ (50,341)	\$ (17,812)

**15. Investment Property**

Cost	Balance at January 1, 2021	Additions	Deductions	Balance at June 30, 2021
Land	\$ 937,957	\$ —	\$ —	\$ 937,957
Buildings and improvements	279,971	—	—	279,971
	<u>\$ 1,217,928</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,217,928</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Deductions	Balance at June 30, 2021
Buildings and improvements	\$ 67,522	\$ 3,051	\$ —	\$ 70,573

Cost	Balance at January 1, 2020	Additions	Deductions	Balance at June 30, 2020
Land	\$ 919,784	\$ —	\$ (699)	\$ 919,085
Buildings and improvements	246,602	—	—	246,602
	<u>\$ 1,166,386</u>	<u>\$ —</u>	<u>\$ (699)</u>	<u>\$ 1,165,687</u>

Accumulated depreciation and impairment	Balance at January 1, 2020	Additions	Deductions	Balance at June 30, 2020
Buildings and improvements	\$ 61,949	\$ 2,599	\$ —	\$ 64,548

The fair value of the Group's investment properties was arrived on the basis of valuation carried out on March 20, 2019 and December 31, 2019 by independent appraisers, who are not related parties. Lands were valued under market approach and income approach, while buildings were valued under cost approach. The important assumptions and fair value were as follows :

	June 30, 2021	December 31, 2020	June 30, 2020
Fair value	<u>\$ 1,416,133</u>	<u>\$ 1,359,052</u>	<u>\$ 1,328,152</u>

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 36.

## **16.Intangible Assets**

Cost	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2021
Computer Software	\$ 427	\$ —	\$ (215)	\$ —	\$ 212
Patents and other intangible assets	1,438	—	(76)	(19)	1,343
	<u>\$ 1,865</u>	<u>\$ —</u>	<u>\$ (291)</u>	<u>\$ (19)</u>	<u>\$ 1,555</u>
Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2021
Computer Software	\$ 326	\$ 59	\$ (215)	\$ —	\$ 170
Patents and other intangible assets	1,214	69	(76)	(16)	1,191
	<u>\$ 1,540</u>	<u>\$ 128</u>	<u>\$ (291)</u>	<u>\$ (16)</u>	<u>\$ 1,361</u>

Cost	Balance at January 1, 2020	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2020
Computer Software	\$ 493	\$ 29	\$ —	\$ —	\$ 522
Patents and other intangible assets	3,504	—	(2,000)	(21)	1,483
	<u>\$ 3,997</u>	<u>\$ 29</u>	<u>\$ (2,000)</u>	<u>\$ (21)</u>	<u>\$ 2,005</u>

  

Accumulated depreciation and impairment	Balance at January 1, 2020	Additions	Disposals	Effect of Exchange Rate Changes	Balance at June 30, 2020
Computer Software	\$ 220	\$ 95	\$ —	\$ —	\$ 315
Patents and other intangible assets	3,087	110	(2,000)	(16)	1,181
	<u>\$ 3,307</u>	<u>\$ 205</u>	<u>\$ (2,000)</u>	<u>\$ (16)</u>	<u>\$ 1,496</u>

### 17. Short-Term Loans

	June 30, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 4,655,928	0.64%~5.20%	2021.07~2022.06
Mortgage loans	792,078	0.95%~4.35%	2021.07~2022.06
Unsecured loans	<u>2,059,160</u>	0.91%~4.45%	2021.07~2022.06
	<u>\$ 7,507,166</u>		

  

	December 31, 2020	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,033,533	0.84%~1.12%	2021.01~2021.06
Mortgage loans	1,199,485	0.95%~5.90%	2021.01~2021.12
Unsecured loans	<u>2,289,688</u>	0.66%~5.80%	2021.01~2021.12
	<u>\$ 4,522,706</u>		

  

	June 30, 2020	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,925,530	0.83%~5.05%	2020.07~2021.05
Mortgage loans	1,315,070	0.95%~4.55%	2020.08~2021.06
Unsecured loans	<u>1,261,075</u>	0.66%~4.75%	2020.07~2021.06
	<u>\$ 4,501,675</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 36.

**18. Commercial Papers**

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial Papers	\$ 875,000	\$ 455,000	\$ 590,000
Less: Discount on commercial papers	(455)	(70)	(207)
	<u>\$ 874,545</u>	<u>\$ 454,930</u>	<u>\$ 589,793</u>
Interest rate range	1.09%~2.01%	1.09%~1.71%	1.25%~1.44%
Maturity date	2021.07~2021.09	2021.01~2021.03	2020.07~2020.09

**19. Bonds Payable**

	June 30, 2021	December 31, 2020	June 30, 2020
The first domestic secured corporate bonds in 2018	\$ 500,000	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2020	1,000,000	1,000,000	—
Less : current portion	—	—	—
	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 500,000</u>

Related issuance conditions were as follows:

Category	Period	Conditions	Rate(%)
The first domestic secured corporate bonds in 2018	2018.09.25~ 2023.09.25	Principal repayable on due date; interest payable annually	0.97
The first domestic secured corporate bonds in 2020	2020.12.02~ 2025.12.02	Principal repayable in five equal payments in 2023~2026 ; interest payable semiannually	0.61

**20. Long-Term Loans**

	June 30, 2021	Annual interest rate	Maturity date
Mortgage loans	\$ 6,393,545	1.19%~1.80%	2022.06~2038.06
Unsecured loans	2,069,889	1.10%~1.77%	2022.09~2038.06
Less: Current portion	(1,128,873)		
	<u>\$ 7,334,561</u>		

	December 31, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 5,286,715	1.19%~2.11%	2021.01~2038.06
Unsecured loans	1,762,927	1.10%~1.84%	2022.05~2038.06
Less: Current portion	(1,157,986)		
	<u>\$ 5,891,656</u>		



	June 30, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 2,374,375	1.29% ~ 2.05%	2021.10 ~ 2038.06
Unsecured loans	2,426,011	1.20% ~ 2.05%	2021.09 ~ 2038.06
Less: Current portion	(1,066,795)		
	<u>\$ 3,733,591</u>		

On April 22 2020, Sub-subsidiary company, SIN JHONG SOLAR POWER CO LTD., entered into a syndicated loan with group of financial institutions, to construct solar power plant in Tainan and repay bank loans.

The major content as follows:

1.The credit line was divided into part A and B, which amounted to \$3 billion and \$3.2 billion, respectively; and the total line of credit amounted to 3.2 billion.

2.Credit period

Part A will be repaid 30 months from the signing date.

Part B will be repaid 5 years from the first implement date, only if conform to the agreement can be extendable.

3.Collateral:

A. Pledge stocks: All the SIN JHONG SOLAR POWER CO LTD., shares have been pledged before the first application.

B. Movables: Consolidated company will sign Mortgage Setting Contract for maximum movables what mortgage the solar power plant that will be constructed and reached maximum mortgage setting condition. As well as setting first priority.

C. Real estate: Consolidated company will sign Mortgage Setting Contract for buildings improvement what mortgage the booster station of solar power plant and set first priority.

4.Under the agreement SIN JHONG CO., LTD. should maintain certain multiples of Interest Protection on every half fiscal year during the tenors of the loans. The computations are done based on the audited financial report and semiannual financial report before audited.

The carrying amounts of long-term loans pledged as collateral for bank loans were disclosed in Note 36.

## 21. Provisions

	Warranty	Decommissioning liability	Total
Balance at January 1, 2021	\$ 114,481	\$ 21,360	\$ 135,841
Recognized	13,659	706	14,365
Paid	(311)	—	(311)
Balance at June 30, 2021	<u>\$ 127,829</u>	<u>\$ 22,066</u>	<u>\$ 149,895</u>

	Warranty	Decommissioning liability	Total
Balance at January 1, 2020	\$ 120,778	\$ 20,804	\$ 141,582
Recognized	18,025	332	18,357
Paid	(550)	—	(550)
Balance at June 30, 2020	<u>\$ 138,253</u>	<u>\$ 21,136</u>	<u>\$ 159,389</u>

	June 30, 2021	December 31, 2020	June 30, 2020
Current	<u>\$ 113,468</u>	<u>\$ 100,000</u>	<u>\$ 120,111</u>
Non-current	<u>\$ 36,427</u>	<u>\$ 35,841</u>	<u>\$ 39,278</u>

- a. The provision for warranty was based on historical experience, the management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income in the periods the related goods were sold.
- b. The decommissioning liability means that the solar power plants of the Group's subsidiaries have a legal decommissioning obligation when it reaches the operational life in the future and is approved for decommissioning by the competent authority. According to the requirements of International Accounting Standards No. 37, "Provisions, Contingent Liabilities and Contingent Assets", the Group estimates the decommissioning costs at that time and discounts the cost amount at the effective interest rate as the carrying amount of the recognized decommissioning liabilities and capitalizes the cost of decommissioning, increasing the carrying amount of property, plant and equipment. The Group recognizes the increase in decommissioning liabilities due to discounts over time and the interest expenses annually. The Group reviews changes in decommissioning obligations at the end of each reporting period and adjusts to reflect the best estimates.

## **22.Retirement Benefit Plans**

### **a. Defined contribution plans**

Total pension expenses of NT\$6,996 thousand, NT\$5,103 thousand, NT\$12,622 thousand, and NT\$10,559 thousand are contributed by the Group for the three months ended June 30, 2021 and 2020, and the six months ended June 30, 2021 and 2020, respectively.

### **b. Defined benefit plans**

For the three months ended June 30, 2021 and 2020, and the six months ended June 30, 2021 and 2020, the total pension expenses of NT\$2,266 thousand, NT\$3,213 thousand, NT\$4,538 thousand, and NT\$6,475 thousand, respectively, were recognized by the Group.

## **23.Equity**

### **a. Capital stock**

As of March 31, 2021, December 31, 2020 and March 31, 2020, the Company's authorized capital were NT\$7,000,000 thousand and the paid-in capital were NT\$5,950,680 thousand, consisting of 595,068,022 shares of ordinary stock with a par value of NT\$10 per share.

### **b. Capital surplus**

In accordance with the Company Act, the realized capital reserves can only be reclassified as share or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains.

ROC SEC regulations also stipulated that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Company's operating results and is limited to a certain ratio of paid-in capital in excess of par value in relation to issued capital. As of June 30, 2021, December 31, 2020, and June 30, 2020, the balances of the Company's capital surplus were NT\$608,708 thousand, NT\$ 602,220 thousand, and NT\$ 531,163 thousand, mostly obtained from the trade of treasury stock.

c. Retained earnings and dividend policy

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

- (a) Payment of tax;
- (b) Offset accumulated deficits, if any;
- (c) Of the remaining balance, if any, 10% is to be set aside as legal reserve.
- (d) 20% to 90% as appropriate dividends to stockholders; cash dividend should not be lower than 10% of such dividends.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The Company appropriates or reverses their special reserve in accordance with Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs".

The appropriations of earnings for 2020 and 2019 had been proposed by the Company's board of directors on April 22, 2021, and approved in the stockholders' meetings on June 11, 2020,

respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal	For Fiscal	For Fiscal	For Fiscal
	Year 2020	Year 2019	Year 2020	Year 2019
Legal capital reserve	\$ 76,096	\$ 50,505		
Cash dividends	208,274	178,520	0.35	0.30
Share dividends	208,274	—	0.35	—
	<u>\$ 492,644</u>	<u>\$ 229,025</u>		

The Group suspends its originally scheduled shareholders' meeting in response to the FSC's announcement: "For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings". The appropriation of earnings for 2020 is subject to the resolution of the shareholders in the shareholders' meeting to be held on August 13, 2021.

Refer to Note 28 for TA YA's Articles that stipulated the distribution of employees' compensation and remuneration of directors and supervisors.

#### d. Others

##### 1) Foreign currency translation reserve

	Six Months Ended June 30	
	2021	2020
Balance, beginning of period	\$ (214,024)	\$ (183,063)
Exchange differences arising on translation of foreign operations	(28,135)	(38,044)
Share of other comprehensive income (loss) of associates	(5,254)	(4,447)
Income tax effect	6,239	8,180
Balance, end of period	<u>\$ (241,174)</u>	<u>\$ (217,374)</u>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	Six Months Ended June 30	
	2021	2020
Balance, beginning of period	\$ 88,358	\$ 36,775
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	46,104	2,757
Disposal of investments in equity instruments at fair value through other comprehensive income	—	(673)
Share of other comprehensive income of accounted for using the equity method	158	1,070
Income tax effect	488	457
Balance, end of period	<u>\$ 135,108</u>	<u>\$ 40,386</u>

e. Non-controlling interests

	Six Months Ended June 30	
	2021	2020
Balance, beginning of period	\$ 1,364,133	\$ 1,298,386
Changes in ownership interests in subsidiaries	760	1
Profit for the period	110,273	60,960
Exchange differences on translation of foreign financial statements	(7,017)	(22,371)
Unrealized gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	3,372	226
Disposal of investments in equity instruments at fair value through other comprehensive income	—	2
Increase (decrease) in non-controlling interests	<u>99,536</u>	<u>2,284</u>
Balance, end of period	<u>\$ 1,571,057</u>	<u>\$ 1,339,513</u>

## 24. Treasury Stock

Purpose of Treasury Shares	Six Months Ended June 30, 2021			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	<u>7,539,067</u>	<u>—</u>	<u>(500,000)</u>	<u>7,039,067</u>

  

Purpose of Treasury Shares	Six Months Ended June 30, 2020			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	7,939,067	—	—	7,939,067
For transfer to employees	<u>—</u>	<u>5,500,000</u>	<u>—</u>	<u>5,500,000</u>
	<u>7,939,067</u>	<u>5,500,000</u>	<u>—</u>	<u>13,439,067</u>

### a. Common Stock

(1) The Board of Directors, during its meeting on March 16, 2020, adopted a resolution to purchase 10,000 thousand common stock shares at a price between \$5.68 and \$15.55 per share, which will be transferred to employees. The estimated total number of shares purchased is capped at \$1,010,283 thousand. As of June 30, 2020, the Company has purchased 5,500,000 shares, which accounts for 0.92% of the Company's total issued shares, with the average buyback price of \$9.84 and the buyback cost of \$54,141 thousand.

(2) The treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

b. The subsidiaries sold a total of 500,000 shares and 0 share of its shares in the Company for the six months ended June 30, 2021 and 2020, respectively.

c. As of June 30, 2021, December 31, 2020, and June 30, 2020, treasury stocks held by subsidiaries were 7,039,067 shares, 7,939,067 shares, and 7,939,067 shares. The market values of the shares held by the subsidiaries were \$30.50, \$11.40, and \$10.85 per share, respectively.

## 25. Income Tax

### a. Income tax expense recognized in profit or loss

		Three Months Ended June 30	
		2021	2020
Current tax			
In respect of the current period	\$	70,198	\$ 40,168
Adjustments for prior years		1,382	(4,009)
Land value increment tax		—	31
		71,580	36,190
Deferred tax			
In respect of the current period		34,403	(31,915)
Income tax benefit recognized in profit or loss	\$	105,983	\$ 4,275

		Six Months Ended June 30	
		2021	2020
Current tax			
In respect of the current period	\$	102,255	\$ 71,903
Adjustments for prior years		1,382	(4,009)
Land value increment tax		—	31
		103,637	67,925
Deferred tax			
In respect of the current period		81,093	(1,683)
Income tax benefit recognized in profit or loss	\$	184,730	\$ 66,242

### b. Income tax expense recognized in other comprehensive income

		Three Months Ended June 30	
		2021	2020
Related to unrealized gain/loss on translation of foreign operations		\$ (6,677)	\$ (4,883)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(106)	(119)
	\$	(6,783)	\$ (5,002)



	Six Months Ended June 30	
	2021	2020
Related to unrealized gain/loss on translation of foreign operations	\$ (6,239 )	\$ (8,180)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(488 )	(457)
	<u>\$ (6,727 )</u>	<u>\$ (8,637)</u>

TA YA's income tax returns through 2019 have been assessed and approved by the Tax Authority. However, the appeal against the approved results of has already been filed.

## **26.Earnings Per Share**

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Three Months Ended June 30, 2021</u>			
Net income available to common shareholders	<u>\$ 360,628</u>		
Number of shares issued as of December 31, 2020		595,068	
Treasury stock repurchase		—	
Regard as treasury stock-common stock held by subsidiaries		(7,187 )	
Weighted average number of shares outstanding as of June 30, 2021		<u>587,881</u>	
Basic Earnings per share			<u>\$ 0.61</u>
	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Three Months Ended June 30, 2020</u>			
Net income available to common shareholders	<u>\$ 318,095</u>		
Number of shares issued as of December 31, 2019		595,068	
Treasury stock repurchase		(3,669)	
Regard as treasury stock-common stock held by subsidiaries		(7,939 )	
Weighted average number of shares outstanding as of June 30, 2020		<u>583,460</u>	
Basic Earnings per share			<u>\$ 0.54</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Six Months Ended June 30, 2021</u>			
Net income available to common shareholders	<u>\$ 796,061</u>		
Number of shares issued as of December 31, 2020		595,068	
Treasury stock repurchase		—	
Regard as treasury stock-common stock held by subsidiaries		<u>(7,362 )</u>	
Weighted average number of shares outstanding as of June 30, 2021		<u>587,706</u>	
Basic Earnings per share			<u>\$ 1.35</u>
	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Six Months Ended June 30, 2020</u>			
Net income available to common shareholders	<u>\$ 457,902</u>		
Number of shares issued as of December 31, 2019		595,068	
Treasury stock repurchase		(1,855)	
Regard as treasury stock-common stock held by subsidiaries		<u>(7,939 )</u>	
Weighted average number of shares outstanding as of June 30, 2020		<u>585,274</u>	
Basic Earnings per share			<u>\$ 0.78</u>

## **27.Operating Revenues**

	<u>Three Months Ended June 30</u>	
	2021	2020
Sales Revenue	\$ 6,776,498	\$ 4,145,168
Construction Revenue	58,741	—
Electricity Revenue	303,598	53,478
Processing Revenue	3,792	5,820
Engineering Revenue	13,282	3,086
Others	16,011	9,146
	<u>\$ 7,171,922</u>	<u>\$ 4,216,698</u>

	Six Months Ended June 30	
	2021	2020
Sales Revenue	\$ 12,643,396	\$ 8,054,347
Construction Revenue	58,741	—
Electricity Revenue	357,108	96,324
Processing Revenue	9,119	9,437
Engineering Revenue	95,009	3,086
Others	20,200	10,515
	<u>\$ 13,183,573</u>	<u>\$ 8,173,709</u>

## 28. Additional Information of Expenses by Nature

	Three Months Ended June 30	
	2021	2020
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 193,942	\$ 81,851
Depreciation of right-of-use assets	11,962	6,560
Depreciation of investment property	1,525	1,300
Amortization of intangible assets	64	102
	<u>\$ 207,493</u>	<u>\$ 89,813</u>
Employee benefits expenses		
Salaries and bonus	\$ 314,500	\$ 217,460
Labor and health insurance	18,406	15,159
Pension	9,262	8,316
Remuneration of directors	1,203	1,874
Others	16,284	12,821
	<u>\$ 359,655</u>	<u>\$ 255,630</u>

	Six Months Ended June 30	
	2021	2020
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 275,555	\$ 162,167
Depreciation of right-of-use assets	24,015	12,398
Depreciation of investment property	3,051	2,599
Amortization of intangible assets	128	205
	<u>\$ 302,749</u>	<u>\$ 177,369</u>

	Six Months Ended June 30	
	2021	2020
Employee benefits expenses		
Salaries and bonus	\$ 567,677	\$ 413,735
Labor and health insurance	38,401	33,497
Pension	17,160	17,034
Remuneration of directors	1,728	2,909
Others	30,944	26,961
	<u>\$ 655,910</u>	<u>\$ 494,136</u>

According to the Company's Articles of Incorporation, the Company shall allocate compensation to directors and profit sharing bonus to employees of the Company not more than 3% and not less than 1% of annual profits during the period, respectively.

The employees' compensation and the remuneration of directors for the six months ended June 30, 2021 and 2020 were as follows:

	Six Months Ended June 30	
	2021	2020
Employees' compensation	<u>\$ 152,820</u>	<u>\$ 54,076</u>
Remuneration of directors	<u>\$ 22,923</u>	<u>\$ 9,543</u>

If there is a change in the proposed amounts after the annual standalone financial statements are authorized for issue, the difference will be recorded as a change in accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2020 which have been approved by the Corporation's board of directors in March 2021 and 2020, respectively, were as follows:

	Years Ended December 31	
	2020	2019
Employees' compensation	<u>\$ 9,644</u>	<u>\$ 6,102</u>
Remuneration of directors	<u>\$ 28,931</u>	<u>\$ 18,307</u>

There was no difference between the actual amounts of the employees' compensation and remuneration of directors paid and the amounts recognized in the standalone financial statements for the years ended December 31, 2020 and 2019.

Information on the employees' compensation and the remuneration of directors resolved by the board of directors are available at the Market Observation Post System website of the Taiwan Stock Exchange.

## **29. Interest Income**

	Three Months Ended June 30	
	2021	2020
Interest income		
Bank deposits	\$ 5,355	\$ 10,348
Other interest income	26	248
	<u>\$ 5,381</u>	<u>\$ 10,596</u>

  

	Six Months Ended June 30	
	2021	2020
Interest income		
Bank deposits	\$ 8,910	\$ 18,168
Other interest income	535	501
	<u>\$ 9,445</u>	<u>\$ 18,669</u>

## **30. Other Income**

	Three Months Ended June 30	
	2021	2020
Rental revenue	\$ 4,431	\$ 4,210
Dividend income	9,949	5,362
	<u>\$ 14,380</u>	<u>\$ 9,572</u>

  

	Six Months Ended June 30	
	2021	2020
Rental revenue	\$ 8,870	\$ 8,523
Dividend income	10,809	6,447
	<u>\$ 19,679</u>	<u>\$ 14,970</u>

**31. Other Gains And Losses**

	Three Months Ended June 30	
	2021	2020
Gain (loss) on disposal of property, plant and equipment	\$ 250	\$ 1,838
Gain (loss) on disposal of investment property	—	301
Gain on disposal of investments	(7,106 )	125,693
Gain (loss) on disposal of investments accounted for using the equity method	—	2,155
Net foreign exchange gain (loss)	42,364	32,023
Net gain (loss) arising on financial assets/liabilities at FVTPL	(26,494 )	176,750
Others	27,245	8,252
	<u>\$ 36,259</u>	<u>\$ 347,012</u>

	Six Months Ended June 30	
	2021	2020
Gain (loss) on disposal of property, plant and equipment	\$ 1,162	\$ 1,445
Gain (loss) on disposal of investment property	—	301
Gain on disposal of investments	7,511	200,902
Gain (loss) on disposal of investments accounted for using the equity method	—	2,155
Net foreign exchange gain (loss)	55,609	36,458
Net gain (loss) arising on financial assets/liabilities at FVTPL	144,231	327,104
Others	36,579	20,727
	<u>\$ 245,092</u>	<u>\$ 589,092</u>

**32. Finance Costs**

	Three Months Ended June 30	
	2021	2020
Interest expense		
Bank loans	\$ 52,720	\$ 51,832
Interest of lease liabilities	4,361	2,984
Decommissioning liabilities	117	112
Other Interest expense	5,721	2,145
	<u>\$ 62,919</u>	<u>\$ 57,073</u>

	Six Months Ended June 30	
	2021	2020
Interest expense		
Bank loans	\$ 98,772	\$ 108,632
Interest of lease liabilities	8,778	4,174
Decommissioning liabilities	233	224
Other Interest expense	9,622	3,643
	<u>\$ 117,405</u>	<u>\$ 116,673</u>

### **33. Capital Management**

The Group's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

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

The management of the Group periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Group's approach to capital management for the six months ended June 30, 2021.

### **34. Financial Instruments**

#### **a. Financial risk management objective**

The Group manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Group is exposed to the market risks arising from changes in foreign exchange rates, interest rates and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Some of the Group's operating activities are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group utilizes derivative financial instruments, including currency forward contracts and short-term borrowings in foreign currencies, to hedge its currency exposure.

The Group's significant exposure to foreign currency risk were as follows :

	June 30, 2021			December 31, 2020			June 30, 2020		
	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$
	currency	rate		currency	rate		currency	rate	
<u>Assets</u>									
<u>Monetary items</u>									
USD	\$ 69,882	27.86	\$1,946,913	\$ 42,336	28.48	\$1,205,729	\$ 36,763	29.64	\$1,089,665
HKD	1,615	3.59	5,798	1,232	3.67	4,521	10,190	3.82	38,926
CNY	3,980	4.32	17,194	2,628	4.37	11,484	3,389	4.19	14,200
JPY	607,647	0.25	151,912	322,103	0.28	90,189	537,571	0.28	150,520

	June 30, 2021			December 31, 2020			June 30, 2020		
	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$
	currency	rate		currency	rate		currency	rate	
<u>Liabilities</u>									
<u>Monetary items</u>									
USD	\$ 138,553	27.86	\$3,860,087	\$ 95,030	28.48	\$2,706,454	\$ 79,225	29.64	\$2,348,229
CNY	1,781	4.32	7,694	1,422	4.37	6,214	984	4.19	4,123
JPY	16,095	0.25	4,024	131,889	0.28	36,929	91,158	0.28	25,524



For the six months ended June 30, 2021 and 2020, realized and unrealized net foreign exchange gains and losses were NT\$55,609 thousand and NT\$36,458 thousand, respectively.

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, and accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the six months ended June 30, 2021 and 2020 would have increased (decrease) the net profit after tax by NT\$17,500 thousand and NT\$10,846 thousand, respectively.

(b) Interest rate risk

The Group was exposed to fair value interest rate risk and cash flow interest rate risk because the Group holds assets and liabilities at both fixed and floating interest rates.

Interest rate sensitivity analysis

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.1%, all other variable factors that remains constant, the Group's net profit after tax would have (decreased) increased by NT\$6,679 thousand and NT\$4,259 thousand for the six months ended June 30, 2021 and 2020, respectively. This is mainly due to the Group's net assets in floating rates.

(c) Other price risk

The Group is exposed to equity price risk arising from equity investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Group's net profit after tax for the six months ended June 30, 2021 and 2020 would have been higher/lower by NT\$145,318 thousand and NT\$109,771 thousand, respectively, as a result of the fair value changes of financial assets at

fair value through profit or loss.

If equity prices had been 5% higher/lower, the Group's other comprehensive income for the six months ended June 30, 2021 and 2020 would have been higher/lower by NT\$49,295 thousand and NT\$46,637 thousand, respectively, as a result of the fair value changes of financial assets at fair value through other comprehensive income.

c. Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business-related and financial-related exposures.

Business-related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Group's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of June 30, 2021, December 31, 2020 and June 30, 2020, the Group's ten largest customers accounted for 22.57%, 16.27%, and 16.67% of accounts receivable, respectively. The Group considers the concentration of credit risk for the remaining accounts receivable not material.

The customers are creditworthy counterparties; therefore, the Group believes the concentration of credit risk is insignificant.

Financial credit risk

Bank deposits, fixed-income investment and other financial instruments are credit risk sources required by the Group's Department of Finance Department to be measured and monitored. However, since the Group's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

d. Liquidity risk management

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements associated with existing operations. The Group manages its liquidity risk by maintaining adequate cash and banking facilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principles and interest.

	June 30, 2021				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 7,507,166	\$ 7,507,166	\$ 7,507,166	\$ —	\$ —
Commercial papers	874,545	874,545	874,545	—	—
Notes payable (including related parties)	77,623	77,623	77,623	—	—
Accounts payable (including related parties)	714,360	714,360	714,360	—	—
Other payables	769,288	769,288	769,288	—	—
Lease liabilities	693,083	906,413	58,349	204,151	643,913
Bonds payable	1,500,000	1,500,000	—	1,500,000	—
Long-term bank loans	8,463,434	8,463,434	1,128,873	4,332,000	3,002,561
	<u>\$20,599,499</u>	<u>\$ 20,812,829</u>	<u>\$11,130,204</u>	<u>\$ 6,036,151</u>	<u>\$ 3,646,474</u>
<u>Derivative financial liabilities</u>					
<u>Metal commodities</u>					
futures contract	\$ 39	\$ 91,431	\$ 91,431	\$ —	\$ —
Forward exchange contract	353	312,021	312,021	—	—
	<u>\$ 392</u>	<u>\$ 403,452</u>	<u>\$ 403,452</u>	<u>\$ —</u>	<u>\$ —</u>

December 31, 2020					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 4,522,706	\$ 4,522,706	\$ 4,522,706	\$ —	\$ —
Commercial papers	454,930	454,930	454,930	—	—
Notes payable (including related parties)	85,919	85,919	85,919	—	—
Accounts payable (including related parties)	581,544	581,544	581,544	—	—
Other payables	725,608	725,608	725,608	—	—
Lease liabilities	262,098	486,849	23,785	68,405	394,659
Bonds payable	1,500,000	1,500,000	—	1,500,000	—
Long-term bank loans	7,049,642	7,049,642	1,157,986	5,712,000	179,656
	<u>\$15,182,447</u>	<u>\$ 15,407,198</u>	<u>\$ 7,552,478</u>	<u>\$ 7,280,405</u>	<u>\$ 574,315</u>
<u>Derivative financial liabilities</u>					
<u>Metal commodities</u>					
futures contract	\$ 121,473	\$ 1,593,532	\$ 1,593,532	\$ —	\$ —
Forward exchange contract	6,280	173,512	173,512	—	—
	<u>\$ 127,753</u>	<u>\$ 1,767,044</u>	<u>\$ 1,767,044</u>	<u>\$ —</u>	<u>\$ —</u>

June 30, 2020					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Short-term bank loans	\$ 4,501,675	\$ 4,501,675	\$ 4,501,675	\$ —	\$ —
Commercial papers	589,793	589,793	589,793	—	—
Notes payable (including related parties)	75,043	75,043	75,043	—	—
Accounts payable (including related parties)	584,222	584,222	584,222	—	—
Other payables	1,160,505	1,160,505	1,160,505	—	—
Lease liabilities	240,927	334,511	26,080	71,903	236,528
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	4,800,386	4,800,386	1,066,795	3,039,492	694,099
	<u>\$12,452,551</u>	<u>\$ 12,546,135</u>	<u>\$ 8,004,113</u>	<u>\$ 3,611,395</u>	<u>\$ 930,627</u>
<u>Derivative financial liabilities</u>					
<u>Metal commodities</u>					
futures contract	\$ 97,645	\$ 1,268,980	\$ 1,268,980	\$ —	\$ —
Forward exchange contract	6,533	513,034	513,034	—	—
	<u>\$ 104,178</u>	<u>\$ 1,782,014</u>	<u>\$ 1,782,014</u>	<u>\$ —</u>	<u>\$ —</u>

e. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost:

The Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

(b) Valuation techniques and assumptions used in fair value measurement:

The fair value of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks).
- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching

maturities of the contracts.

- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the consolidated balance sheets:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) .

i. Information of fair value hierarchy of financial instruments

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 1,981,952	\$ —	\$ —	\$ 1,981,952
Unlisted stocks	—	330,115	594,301	924,416
Derivative not designated as a hedging instrument	—	672,001	—	672,001
	<u>\$ 1,981,952</u>	<u>\$ 1,002,116</u>	<u>\$ 594,301</u>	<u>\$ 3,578,369</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 290,438	\$ —	\$ —	\$ 290,438
Unlisted stocks	—	22,040	673,421	695,461
	<u>\$ 290,438</u>	<u>\$ 22,040</u>	<u>\$ 673,421</u>	<u>\$ 985,899</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 392	\$ —	\$ 392

December 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 1,419,269	\$ 212,259	\$ —	\$ 1,631,528
Unlisted stocks	—	253,519	565,739	819,258
Derivative not designated as a hedging instrument	—	372,226	—	372,226
	<u>\$ 1,419,269</u>	<u>\$ 838,004</u>	<u>\$ 565,739</u>	<u>\$ 2,823,012</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 255,968	\$ —	\$ —	\$ 255,968
Unlisted stocks	—	30,066	660,137	690,203
	<u>\$ 255,968</u>	<u>\$ 30,066</u>	<u>\$ 660,137</u>	<u>\$ 946,171</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	<u>\$ —</u>	<u>\$ 127,753</u>	<u>\$ —</u>	<u>\$ 127,753</u>
June 30, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 966,912	\$ —	\$ —	\$ 966,912
Unlisted stocks	—	624,464	572,794	1,197,258
Derivative not designated as a hedging instrument	—	135,419	—	135,419
	<u>\$ 966,912</u>	<u>\$ 759,883</u>	<u>\$ 572,794</u>	<u>\$ 2,299,589</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 223,183	\$ —	\$ —	\$ 223,183
Unlisted stocks	—	—	709,561	709,561
	<u>\$ 223,183</u>	<u>\$ —</u>	<u>\$ 709,561</u>	<u>\$ 932,744</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	<u>\$ —</u>	<u>\$ 104,178</u>	<u>\$ —</u>	<u>\$ 104,178</u>

ii. The transfer between Level 1 and Level 2.

There were no transfers between Level 1 and 2 for the six months ended June 30, 2021.

iii. Reconciliation of Level 3 fair value measurements of financial assets

Reconciliations for the six months ended June 30, 2021 and 2020 were as follows:

	Six Months Ended June 30, 2021		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 660,137	\$ 565,739	\$ 1,225,876
Purchases	—	82,445	82,445
Capital reduction	(8,212)	—	(8,212)
Recognized in profit or loss	—	—	—
Recognized in other comprehensive income	23,032	—	23,032
Level 3 transfers out	—	(48,400)	(48,400)
Effect of exchange rate changes	(1,536)	(5,483)	(7,019)
Balance at June 30, 2021	<u>\$ 673,421</u>	<u>\$ 594,301</u>	<u>\$ 1,267,722</u>

  

	Six Months Ended June 30, 2020		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 720,574	\$ 521,283	\$ 1,241,857
Purchases	—	69,336	69,336
Capital reduction	(7,311)	—	(7,311)
Recognized in profit or loss	—	(14,144)	(14,144)
Recognized in other comprehensive income	(2,293)	—	(2,293)
Effect of exchange rate changes	(1,409)	(3,681)	(5,090)
Balance at June 30, 2020	<u>\$ 709,561</u>	<u>\$ 572,794</u>	<u>\$ 1,282,355</u>

iv. Quantitative information of fair value measurement of significant unobservable inputs (level 3)

June 30, 2021	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 673,421	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 594,301	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A



December 31, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 660,137	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 565,739	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A
June 30, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 709,561	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 572,794	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 4,342,765	\$ 2,906,624	\$ 2,920,598
Notes receivable and trade receivables	4,997,241	3,605,419	2,803,193
Other receivables	109,307	51,430	102,404
Refundable deposits	89,761	101,659	149,749
Financial assets at amortized cost	277,256	333,031	244,435
Financial assets at FVTPL (current and non-current)	3,578,369	2,823,012	2,299,589
Financial assets at FVTOCI (current and non-current)	985,899	946,171	932,744
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	392	127,753	104,178

Financial liabilities at amortized cost

Short-term borrowings	7,507,166	4,522,706	4,501,675
Short-term notes and bills payable	874,545	454,930	589,793
Notes payable and trade payables	791,983	667,463	659,265
Other payables	769,288	725,608	1,160,505
Lease liabilities (current and non-current)	693,083	262,098	240,927
Bonds payable (including current portion)	1,500,000	1,500,000	500,000
Long-term borrowings (including current portion)	8,463,434	7,049,642	3,733,591
Guarantee deposits	38,685	29,785	38,561

**35. Related Party Transactions**

**(a) The name of the company and its relationship with the Corporation.**

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
HENGST TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO(Vietnam) Electric & Machinery CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Other related parties
TA AN PRECISION CO., LTD.	Other related parties before Q2 2021
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties
Shen Shang Tao	Other related parties
Green inside	Other related parties
PACIFIC ELECTRIC WIRE&CABLE CO., LTD.	Joint venture

**(b) Significant related party transactions****Sales**

Related Parties	For The Three Months Ended June 30	
	2021	2020
Associates	\$ 73,992	\$ 81,013
Joint venture	22,830	85,997
Others	—	2,245
	<u>\$ 96,822</u>	<u>\$ 169,255</u>

Related Parties	For The Six Months Ended June 30	
	2021	2020
Associates	\$ 154,211	\$ 140,071
Joint venture	55,651	85,997
Others	—	3,256
	<u>\$ 209,862</u>	<u>\$ 229,324</u>

Prices and credit terms for such sales were similar to those given to third parties.

**Purchases**

Related Parties	For The Three Months Ended June 30	
	2021	2020
Associates	\$ —	\$ 129
Joint venture	6,903	—
Others	—	125
	<u>\$ 6,903</u>	<u>\$ 254</u>

Related Parties	For The Six Months Ended June 30	
	2021	2020
Associates	\$ —	\$ 129
Joint venture	14,774	—
Others	—	576
	<u>\$ 14,774</u>	<u>\$ 705</u>

Prices and credit terms for such purchases were similar to those given to third parties.

## Others

		For The Three Months Ended June 30	
	Related Parties	2021	2020
Manufacturing overhead	Other related parties	\$ 194	\$ 919
	Associates	—	—
		<u>\$ 194</u>	<u>\$ 919</u>
		For The Three Months Ended June 30	
	Related Parties	2021	2020
Operating expenses	Other related parties	\$ 4,895	\$ 1,822
	Associates	—	6
		<u>\$ 4,895</u>	<u>\$ 1,828</u>
Other income	Other related parties	\$ 3	\$ 85
	Associates	254	253
		<u>\$ 257</u>	<u>\$ 338</u>
Other gains and losses	Other related parties	\$ —	\$ 77
	Associates	(4,532)	60
		<u>\$ (4,532)</u>	<u>\$ 137</u>
		For The Six Months Ended June 30	
	Related Parties	2021	2020
Manufacturing overhead	Other related parties	\$ 1,746	\$ 1,619
	Associates	—	307
		<u>\$ 1,746</u>	<u>\$ 1,926</u>
		For The Six Months Ended June 30	
	Related Parties	2021	2020
Operating expenses	Other related parties	\$ 7,821	\$ 3,184
	Associates	24	12
		<u>\$ 7,845</u>	<u>\$ 3,196</u>
Other income	Other related parties	\$ 60	\$ 170
	Associates	507	504
		<u>\$ 567</u>	<u>\$ 674</u>
Other gains and losses	Other related parties	\$ 45	\$ 131
	Associates	(4,477)	116
		<u>\$ (4,432)</u>	<u>\$ 247</u>

**Property exchange**

Related Parties	Item	For The Three Months Ended June 30	
		2021	2020
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	\$ 711,509	\$ 569,142

Related Parties	Item	For The Six Months Ended June 30	
		2021	2020
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	\$ 1,226,559	\$ 663,799

Related Parties	Item	For The Three Months Ended June 30	
		2021	2020
Associates	Machinery and equipment	\$ 800	\$ —

Related Parties	Item	For The Six Months Ended June 30	
		2021	2020
Associates	Machinery and equipment	\$ 3,200	\$ —

Related Parties	Item	For The Three Months Ended June 30	
		2021	2020
HENGST TECHNOLOGY CO., LTD.	Development Services	\$ 28,560	\$ 165,145

Related Parties	Item	For The Six Months Ended June 30	
		2021	2020
HENGST TECHNOLOGY CO., LTD.	Development Services	\$ 28,560	\$ 165,145

The Group signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of June 30, 2021, the portion of the contracts not yet recognized was \$193,360 thousand.

(c) Receivables and payables arising from the above transactions were as follows:

**Receivables**

	Related Parties	June 30, 2021	December 31, 2020	June 30, 2020
(1) Notes receivable	Joint venture	\$ 5,500	\$ —	\$ 26,705
		June 30, 2021	December 31, 2020	June 30, 2020
(2) Accounts receivable	Associates	\$ 30,868	\$ 56,811	\$ 66,599
	Joint venture	21,247	10,000	1,662
	Other related parties	—	2,067	2,655
		\$ 52,115	\$ 68,878	\$ 70,916
(3) Other receivables	HENGs TECHNOLOGY CO., LTD.	\$ 69,784	\$ —	\$ —

**Payables**

	Related Parties	June 30, 2021	December 31, 2020	June 30, 2020
(1) Notes payable	Other related parties	\$ —	\$ —	\$ 4
	Related Parties	June 30, 2021	December 31, 2020	June 30, 2020
(2) Accounts payable	Joint venture	\$ 1,446	\$ 2,665	\$ —
	Other related parties	—	3,697	1,076
		\$ 1,446	\$ 6,362	\$ 1,076
	Related Parties	June 30, 2021	December 31, 2020	June 30, 2020
(3) Other payables	HENGs TECHNOLOGY CO., LTD.	\$ 350,883	\$ 57,159	\$ 567,678
	Other related parties	4,113	3,266	2,223
		\$ 354,996	\$ 60,425	\$ 569,901

**Other non-current assets**

Related Parties	June 30,2021	December 31,2020	June 30,2020
HENGST TECHNOLOGY CO., LTD.	\$ 28,560	\$ —	\$ 321,271

**Contract liabilities**

Related Parties	June 30,2021	December 31,2020	June 30,2020
Joint venture	\$ 3,214	\$ 1,870	\$ 1,583

**Guarantee deposits**

Related Parties	June 30,2021	December 31,2020	June 30,2020
Associates	\$ 254	\$ 254	\$ 254
Other related parties	—	57	57
	\$ 254	\$ 311	\$ 311

**(d) Key management personnel compensation disclosure**

Item	For The Three Months Ended June 30	
	2021	2020
Short-term employee benefits	\$ 15,514	\$ 16,818
Post-employment benefits	1,010	1,043
	\$ 16,524	\$ 17,861

Item	For The Six Months Ended June 30	
	2021	2020
Short-term employee benefits	\$ 36,431	\$ 38,288
Post-employment benefits	2,142	2,217
	\$ 38,573	\$ 40,505

**36.Mortgage Assets**

As of June 30, 2021, December 31, 2020 and June 30, 2020, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of June 30, 2021, December 31, 2020 and June 30, 2020 were summarized as follows:

	June 30, 2021		December 31, 2020		June 30, 2020	
	Number of shares	Original cost	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method —						
Jung Shing Wire Co., Ltd	28,200,000	\$ 356,213	28,200,000	\$ 356,213	28,200,000	\$ 356,213
Financial assets at fair value through other comprehensive income —						
Sun Ba Power Corporation	30,000,000	\$ 464,250	30,000,000	\$ 464,250	30,000,000	\$ 464,250
Sub-subsidiary stock —						
SIN JHONG SOLAR POWER CO., LTD.	80,000,000	\$ 800,000	80,000,000	\$ 800,000	—	\$ —

	June 30, 2021	December 31, 2020	June 30, 2020
Property, plant and equipment —			
Land (include revaluation increments)	\$ 1,186,397	\$ 1,181,397	\$ 1,181,807
Buildings, net	211,684	221,916	229,278
Machinery and equipment, net	5,115,897	1,383,702	1,407,859
	<u>\$ 6,513,978</u>	<u>\$ 2,787,015</u>	<u>\$ 2,818,944</u>
Investment property — land	<u>\$ 700,658</u>	<u>\$ 700,737</u>	<u>\$ 696,351</u>
Refundable deposits	<u>\$ 89,761</u>	<u>\$ 101,659</u>	<u>\$ 149,749</u>
Other current assets —			
Mortgage demand deposits	<u>\$ 253,411</u>	<u>\$ 10,588</u>	<u>\$ 10,085</u>
Other non-current assets —			
Mortgage demand deposits	<u>\$ 398,996</u>	<u>\$ 521,766</u>	<u>\$ 510,259</u>
Right-of-use assets — Land	<u>\$ 13,139</u>	<u>\$ 13,524</u>	<u>\$ 13,209</u>

### **37. Commitments And Contingent Liabilities**

Significant contingent liabilities and unrecognized commitments of the Group as of the end of the reporting period, excluding those disclosed in other notes, were as follows :

- (a) As of June 30, 2021, TA YA had outstanding usance letters of credit amounting to approximately \$6,272 thousand (JPY \$25,086 thousand).



- (b) TA YA pledged guarantee deposits amounting to \$323,934 thousand due to the wire and cable installation project.
- (c) The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was \$3,571,310 thousand.
- (d) TA YA and CUPRIME MATERIAL entered into contracts of copper procurement with 19,400 ton.
- (e) TA HO engaged a contract of wire and cable installation project with the amount of \$75,936 thousand. As of June 30, 2021, \$35,046 thousand had not been paid.
- (f) TA YA, CUPRIME MATERIAL, HENG YA and TAYA ZHANGZHOU entered into contracts of machinery and equipment procurement with the amount of \$280,814 thousand. As of June 30, 2021, \$106,247 thousand had not been paid.
- (g) TA HO ENGINEERING, CO., LTD. With FURUKAWA ELECTRIC CO., LTD. signed a long-term technical consultant contract, promising to pay USD 7 thousand per month, and the total amount to be paid in the next year is USD 84 thousand.
- (h) BOSI and TA YA GREEN signed a contract with HENGSHI TECHNOLOGY CO., LTD. for solar system development services and project construction. As of June 30, 2021, the portion of the contracts not yet recognized was \$193,360 thousand.

**38. Significant Losses From Disasters : N/A**

**39. Significant Subsequent Events : N/A**

**40. Others:**

Since the year 2020, the outbreak of Covid-19 has caused some subsidiaries, customers, and suppliers from several regions to be asked to self-isolate and to follow the travel restriction.

However, governments of various countries have successively implemented epidemic prevention measures. As the epidemic slowdown, the increase in the number of people vaccinated, and the lockdown restrictions relaxed, the Group evaluated the overall financial and business aspect and concluded that there were no huge effects on the Group and that it does not have the concerns of continuing to operate, risks of funding, and impairment of assets.

#### **41. Segment Information**

##### **a. Basic information**

###### **1) Classification**

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.

###### **(1) Electric wire & cable**

The segment mainly engages in the manufacturing and sale of electric wire & cable.

###### **(2) Solar power plants**

The segment mainly engages in the development of solar power plants for renewable energy.

###### **2) Estimates of operating segment income and expenses, assets and liabilities**

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by income before income tax and is the basis for assessment of segment performance. Sales and transfers between segments are treated as transactions with third parties and evaluated at fair value.

The Group does not allocate income tax expense (benefit), investment income (loss) recognized under the equity method, foreign exchange gain (loss), net investment income (loss), gain (loss) on disposal of investments, gain (loss) on valuation of financial assets and liabilities and extraordinary items to reportable segments. The amounts reported are consistent with the report used by operating decision-makers.

###### **3) Identification of operating segments**

The reported operating segments are classified according to the different products and services that are managed separately because they use different technology and selling strategies.

b. Financial information

1) Segment revenues and results

	Six Months Ended June 30,2021		
	Electric wire & cable	Solar power plants	Total
Revenue from			
external customers	\$ 12,826,465	\$ 357,108	\$ 13,183,573
Operating profit	678,239	165,616	843,855
Net non-operating			
income (expenses)			
Net interest income (expenses)			(107,960 )
Dividend income			10,809
Share of profits of associates			
accounted for using the			
equity method			90,398
Gain on disposal of property,			
plant and equipment			1,162
Gain on disposal of investments			7,512
Net foreign exchange gain			55,609
Net gain of financial assets and			
liabilities at fair value			
through profit or loss			144,231
Other gains			36,578
Consolidated income			
before income tax			1,091,064

	Six Months Ended June 30,2020		
	Electric wire & cable	Solar power plants	Total
Revenue from			
external customers	\$ 8,077,385	\$ 96,324	\$ 8,173,709
Operating profit	14,749	41,663	56,412
Net non-operating income (expenses)			
Net interest income (expenses)			(98,004)
Dividend income			6,447
Share of profits of associates accounted for using the equity method			22,634
Gain on disposal of property, plant and equipment			1,445
Gain on disposal of investments			200,902
Gain on disposal of associates accounted for using the equity method			2,155
Net foreign exchange gain			36,458
Net gain of financial assets and liabilities at fair value through profit or loss			327,104
Other gains			20,727
Consolidated income before income tax			585,104

2) Segment assets and liabilities

	Electric wire & cable	Solar power plants	Total
Segment assets			
June 30,2021	\$ 24,045,130	\$ 7,912,794	\$ 31,957,924
June 30,2020	\$ 18,928,591	\$ 3,082,062	\$ 22,010,653
Segment liabilities			
June 30,2021	\$ 16,257,909	\$ 5,539,830	\$ 21,797,739
June 30,2020	\$ 11,312,814	\$ 2,067,271	\$ 13,380,085

c. Geographical information

Six Months Ended June 30,2021				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 9,881,943	\$ 4,694,738	\$ (1,393,108)	\$ 13,183,573
Interest income	2,853	9,331	(2,739)	9,445
	<u>\$ 9,884,796</u>	<u>\$ 4,704,069</u>	<u>\$ (1,395,847)</u>	<u>\$ 13,193,018</u>
Segment Profit and				
Loss	\$ 1,434,375	\$ 182,419	\$ (525,730)	\$ 1,091,064
Non-current Assets	\$ 10,837,293	\$ 773,494	\$ (68,956)	\$ 11,541,831
Segment total assets	<u>\$ 33,809,080</u>	<u>\$ 6,442,009</u>	<u>\$ (8,293,165)</u>	<u>\$ 31,957,924</u>
Six Months Ended June 30,2020				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 6,437,816	\$ 2,663,298	\$ (927,405)	\$ 8,173,709
Interest income	4,630	15,519	(1,480)	18,669
	<u>\$ 6,442,446</u>	<u>\$ 2,678,817</u>	<u>\$ (928,885)</u>	<u>\$ 8,192,378</u>
Segment Profit and				
Loss	\$ 790,008	\$ (25,370)	\$ (179,534)	\$ 585,104
Non-current Assets	\$ 6,996,946	\$ 1,198,705	\$ (27,024)	\$ 8,168,627
Segment total assets	<u>\$ 22,642,366</u>	<u>\$ 4,959,575</u>	<u>\$ (5,591,288)</u>	<u>\$ 22,010,653</u>

d. Major customer information

For the Six Months Ended June 30, 2021 and 2020, there was no other individual customer exceeded 10% of the Group's operating revenue.