

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

**Consolidated Financial Statements
with Independent Auditors' Review Report for the
Nine Months Ended September 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 (collectively, the “Company”) as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, of changes in equity, and of cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission 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 Qualified 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 September 30, 2021 and 2020, the combined total assets of these insignificant subsidiaries were respectively NT\$20,242,770 thousand and NT\$13,513,844 thousand, representing 60.55% and 57.51%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$12,227,434 thousand and NT\$7,772,858 thousand, representing 52.19% and 52.48% of the corresponding consolidated total liabilities. For the three months and nine months ended September 30, 2021 and 2020, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$131,888 thousand, NT\$26,906 thousand, NT\$654,859 thousand, NT\$267,321 thousand, representing 255.40%, 10.63%, 67.24%, and 37.13% of the corresponding consolidated total comprehensive income and loss. As of September 30, 2021 and 2020, the investment accounted for using equity method were NT\$ 963,085 thousand and NT\$822,217 thousand, respectively. For the three months and nine months ended September 30, 2021 and 2020, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$12,221 thousand, NT\$49,293 thousand, NT\$102,619 thousand, and NT\$71,927 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.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees that are accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Company as of September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2021 and 2020 in accordance with 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., CPA,

November 12, 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 September 30, 2021 and 2020 are reviewed, not audited)

ASSETS	September 30, 2021		December 31, 2020		September 30, 2020	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 3,550,315	10.6	\$ 2,906,624	11.5	\$ 2,918,565	12.4
Financial assets at fair value through profit or loss (notes 7)	973,892	2.9	590,344	2.3	556,832	2.4
Financial assets at fair value through other comprehensive income (notes 8)	28,758	0.1	26,065	0.1	21,959	0.1
Financial assets at amortized cost (notes 9)	302,711	0.9	333,031	1.3	293,389	1.3
Contract assets	96,796	0.3	49,772	0.2	35,842	0.2
Notes receivable, net (notes 10 and 36)	348,330	1.0	156,484	0.7	174,734	0.7
Accounts receivable, net (notes 10 and 36)	4,536,239	13.6	3,448,935	13.7	2,729,367	11.6
Other receivables (notes 36)	274,156	0.8	51,430	0.2	125,733	0.5
Income tax receivable	162	—	438	—	—	—
Inventories, net (notes 11)	4,868,533	14.6	2,935,739	11.6	3,349,987	14.3
Inventories (Construction), net (notes 11)	194,680	0.6	225,370	0.9	211,283	0.9
Prepayments	552,673	1.6	202,583	0.9	211,675	0.9
Other current assets (notes 37)	262,068	0.8	105,891	0.4	57,707	0.2
Total current assets	15,989,313	47.8	11,032,706	43.8	10,687,073	45.5
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7)	2,514,933	7.5	2,232,668	8.9	1,858,660	7.9
Financial assets at fair value through other comprehensive income (notes 8 and 37)	979,140	2.9	920,106	3.7	893,544	3.8
Investments accounted for using equity method (notes 12 and 37)	963,085	2.9	884,224	3.5	822,217	3.5
Property, plant and equipment (notes 13, 36 and 37)	9,921,701	29.7	7,543,746	29.9	6,074,901	25.9
Right-of-use assets (notes 14 and 37)	972,195	2.9	487,434	1.9	457,412	1.9
Investment property, net (notes 15 and 37)	1,145,829	3.4	1,150,406	4.6	1,151,931	4.9
Intangible assets (notes 16 and 37)	154	—	325	—	448	—
Deferred income tax assets	128,760	0.4	149,720	0.6	181,039	0.8
Prepayments for equipment	70,072	0.2	49,058	0.2	30,649	0.1
Refundable deposits (notes 37)	101,079	0.3	101,659	0.4	122,237	0.5
Net defined benefit asset	18,867	0.1	6,227	—	4,263	—
Other non-current assets (notes 36 and 37)	624,298	1.9	645,924	2.5	1,215,420	5.2
Total noncurrent assets	17,440,113	52.2	14,171,497	56.2	12,812,721	54.5
TOTAL	\$ 33,429,426	100.0	\$ 25,204,203	100.0	\$ 23,499,794	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (notes 17)	\$ 8,670,510	25.9	\$ 4,522,706	17.9	\$ 5,263,358	22.4
Short-term notes and bills payable (notes 18)	939,743	2.8	454,930	1.8	574,747	2.5
Financial liabilities at fair value through profit or loss (notes 7)	4,452	—	127,753	0.5	26,481	0.1
Contract liabilities	332,168	1.0	141,319	0.6	124,286	0.5
Notes payable (notes 36)	95,695	0.3	85,919	0.3	76,630	0.3
Accounts payable (notes 36)	525,194	1.6	581,544	2.3	714,216	3.0
Other payables (notes 36)	1,001,028	3.0	725,608	2.9	455,847	1.9
Income tax payable	137,860	0.4	91,081	0.4	79,677	0.3
Provisions (notes 21)	123,054	0.4	100,000	0.4	127,037	0.6
Lease liabilities (notes 14)	43,450	0.1	19,302	0.1	17,777	0.1
Receipts in advance (notes 36)	1,966	—	923	—	2,064	—
Current portion of long-term loans (notes 19 and 20)	1,141,331	3.4	1,157,986	4.6	1,010,615	4.3
Other current liabilities	77,976	0.3	29,444	0.1	81,585	0.4
Total current liabilities	13,094,427	39.2	8,038,515	31.9	8,554,320	36.4
NONCURRENT LIABILITIES						
Bonds payable (note 19)	1,500,000	4.5	1,500,000	6.0	500,000	2.1
Long-term loans (note 20)	7,529,226	22.5	5,891,656	23.4	5,123,480	21.8
Provisions (note 21)	36,493	0.1	35,841	0.1	39,371	0.2
Deferred income tax liabilities	307,625	0.9	268,665	1.1	265,900	1.1
Lease liabilities (notes 14)	688,287	2.1	242,796	1.0	220,883	0.9
Net defined benefit liabilities (note 22)	19,358	0.1	27,325	0.1	30,434	0.1
Guarantee deposits	74,506	0.2	29,785	0.1	35,246	0.1
Other noncurrent liabilities	177,254	0.5	39,576	0.1	42,619	0.3
Total noncurrent liabilities	10,332,749	30.9	8,035,644	31.9	6,257,933	26.6
Total liabilities	23,427,176	70.1	16,074,159	63.8	14,812,253	63.0
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)						
Share capital						
Common Stock	5,950,680	17.8	5,950,680	23.6	5,950,680	25.3
Stock dividend to be distributed	208,274	0.6	—	—	—	—
Total share capital	6,158,954	18.4	5,950,680	23.6	5,950,680	25.3
Capital surplus	608,708	1.8	602,220	2.4	533,604	2.3
Retained earnings						
Appropriated as legal capital reserve	213,846	0.6	137,749	0.5	137,749	0.6
Appropriated as special capital reserve	147,555	0.5	147,555	0.6	147,555	0.6
Unappropriated earnings	1,416,299	4.2	1,088,298	4.3	870,115	3.7
Total retained earnings	1,777,700	5.3	1,373,602	5.4	1,155,419	4.9
Other components of equity	(135,501)	(0.4)	(125,666)	(0.5)	(152,485)	(0.6)
Treasury stock (notes 24)	(32,600)	(0.1)	(34,925)	(0.1)	(85,013)	(0.4)
Total equity attributable to owners of the parent company	8,377,261	25.0	7,765,911	30.8	7,402,205	31.5
NON-CONTROLLING INTERESTS (notes 23)						
Total equity	10,002,250	29.9	9,130,044	36.2	8,687,541	37.0
TOTAL	\$ 33,429,426	100.0	\$ 25,204,203	100.0	\$ 23,499,794	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 12, 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 September 30</i>				<i>For The Nine Months Ended September 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 28 and 36)	\$ 6,885,587	100.0	\$ 4,673,803	100.0	\$ 20,069,160	100.0	\$ 12,847,512	100.0
OPERATING COST (notes 11, 29 and 36)	6,298,891	91.5	4,216,458	90.2	18,058,448	90.0	11,856,973	92.3
GROSS PROFIT	586,696	8.5	457,345	9.8	2,010,712	10.0	990,539	7.7
OPERATING EXPENSES (notes 29)								
Sales and marketing expenses	71,304	1.0	64,979	1.4	207,329	1.0	181,451	1.4
General and administrative expenses	230,251	3.4	190,762	4.0	639,048	3.2	512,871	4.0
Research and development expenses	9,580	0.1	15,021	0.3	28,680	0.1	53,222	0.4
Expected credit loss (gains)	(5,754)	(0.1)	—	0.1	10,485	0.1	—	—
Total operating expenses	305,381	4.4	270,762	5.9	885,542	4.4	747,544	5.8
INCOME FROM OPERATIONS	281,315	4.1	186,583	3.9	1,125,170	5.6	242,995	1.9
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 30)	3,037	—	7,131	0.2	12,482	—	25,800	0.2
Other income (note 31)	131,151	1.9	139,552	3.0	192,297	1.0	185,415	1.4
Other gains and losses (note 32)	(227,666)	(3.3)	(75,205)	(1.6)	(24,041)	(0.1)	482,994	3.8
Finance costs (note 33)	(90,192)	(1.3)	(47,332)	(1.0)	(207,597)	(1.0)	(164,005)	(1.3)
Share of profit of associates (note 12)	12,221	0.2	49,293	1.1	102,619	0.5	71,927	0.6
Total non-operating income and expenses	(171,449)	(2.5)	73,439	1.7	75,760	0.4	602,131	4.7
INCOME BEFORE INCOME TAX	109,866	1.6	260,022	5.6	1,200,930	6.0	845,126	6.6
INCOME TAX EXPENSE (notes 25)	(45,187)	(0.7)	(48,224)	(1.0)	(229,917)	(1.2)	(114,466)	(0.9)
NET INCOME	64,679	0.9	211,798	4.6	971,013	4.8	730,660	5.7
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	(24,805)	(0.4)	50,445	1.1	24,671	0.1	53,428	0.4
Share of other comprehensive income (loss) of associates accounted for using the equity method	(63)	—	(992)	—	95	—	78	—
Income tax related to items that will not be reclassified subsequently (notes 25)	(82)	—	(49)	—	406	—	408	—
	(24,950)	(0.4)	49,404	1.1	25,172	0.1	53,914	0.4
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	11,541	0.2	(3,026)	(0.1)	(23,611)	(0.1)	(63,441)	(0.5)
Share of other comprehensive income (loss) of associates accounted for using the equity method	3,714	0.1	(3,527)	(0.1)	(1,540)	—	(7,974)	(0.1)
Income tax related to items that may be reclassified subsequently (notes 25)	(3,345)	—	(1,454)	—	2,894	—	6,726	0.1
	11,910	0.3	(8,007)	(0.2)	(22,257)	(0.1)	(64,689)	(0.5)
Other comprehensive income (loss), net of income tax	(13,040)	(0.2)	41,397	0.9	2,915	—	(10,775)	(0.1)
TOTAL COMPREHENSIVE INCOME	\$ 51,639	0.7	\$ 253,195	5.5	\$ 973,928	4.8	\$ 719,885	5.6
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 9,433	0.1	\$ 166,192	3.6	\$ 805,494	4.0	\$ 624,094	4.9
Non-controlling interests	55,246	0.8	45,606	1.0	165,519	0.8	106,566	0.8
	\$ 64,679	0.9	\$ 211,798	4.6	\$ 971,013	4.8	\$ 730,660	5.7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ (3,584)	(0.1)	\$ 209,995	4.6	\$ 812,077	4.0	\$ 637,870	5.0
Non-controlling interests	55,223	0.8	43,200	0.9	161,851	0.8	82,015	0.6
	\$ 51,639	0.7	\$ 253,195	5.5	\$ 973,928	4.8	\$ 719,885	5.6
EARNINGS PER SHARE (NT\$, notes 26)								
Basic earnings per share	\$ 0.01		\$ 0.28		\$ 1.32		\$ 1.03	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 12, 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)

	Capital Stock — Common Stock				Retained Earnings			Others				
	Shares	Amount	Stock dividend to be distributed	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity
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	—	—	—	—	—	—	(178,521)	—	—	—	—	(178,521)
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	13	—	—	—	—	—	—	—	13
Net income for the nine months ended September 30, 2020	—	—	—	—	—	—	624,094	—	—	—	106,566	730,660
Other comprehensive income for the nine months ended September 30, 2020, net of income tax	—	—	—	—	—	—	—	(36,558)	50,334	—	(24,551)	(10,775)
Treasury stock repurchase	—	—	—	—	—	—	—	—	—	(54,141)	—	(54,141)
Adjustments for dividends subsidiaries received from parent company	—	—	—	2,418	—	—	—	—	—	—	—	2,418
Excess of the consideration received over the carrying amount of the subsidiaries' disposed of net assets	—	—	—	—	—	—	(96,445)	—	—	—	96,445	—
Changes in subsidiaries ownership	—	—	—	56	—	—	(4,841)	—	—	—	338	(4,447)
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(195,194)	(195,194)
Disposed of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	—	19,973	—	(19,973)	—	3,346	3,346
BALANCE, SEPTEMBER 30, 2020	595,068,022	\$ 5,950,680	\$ —	\$ 533,604	\$ 137,749	\$ 147,555	\$ 870,115	\$ (219,621)	\$ 67,136	\$ (85,013)	\$ 1,285,336	\$ 8,687,541
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
Appropriation and distribution of 2020 retained earnings												
Legal reserve	—	—	—	—	76,097	—	(76,097)	—	—	—	—	—
Cash dividends	—	—	—	—	—	—	(208,274)	—	—	—	—	(208,274)
Stock dividends	—	—	208,274	—	—	—	(208,274)	—	—	—	—	—
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	—	104	—	—	(1,233)	—	—	—	—	(1,129)
Net income for the nine months ended September 30, 2021	—	—	—	—	—	—	805,494	—	—	—	165,519	971,013
Other comprehensive income for the nine months ended September 30, 2021, net of income tax	—	—	—	—	—	—	—	(15,807)	22,390	—	(3,668)	2,915
Changes in subsidiaries ownership	—	—	—	(737)	—	—	(33)	—	—	—	770	—
Disposal of the Corporation's shares held by subsidiaries	—	—	—	7,121	—	—	—	—	—	2,325	—	9,446
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	—	98,235	98,235
Disposed of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	—	16,418	—	(16,418)	—	—	—
BALANCE, SEPTEMBER 30, 2021	595,068,022	\$ 5,950,680	\$ 208,274	\$ 608,708	\$ 213,846	\$ 147,555	\$ 1,416,299	\$ (229,831)	\$ 94,330	\$ (32,600)	\$ 1,624,989	\$ 10,002,250

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 12, 2021)

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 Nine Months Ended September 30</i>	
	<i>2021</i>	<i>2020</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,200,930	\$ 845,126
Adjustments for :		
Depreciation expense	457,144	265,567
Amortization expense	169	288
Expected credit gain	10,485	—
Net gain of financial assets and liabilities at fair value through profit or loss	(374,352)	(349,964)
Finance costs	207,597	164,005
Interest income	(12,482)	(25,800)
Dividend income	(113,233)	(106,733)
Share of profits of associates accounted for using the equity method	(102,619)	(71,927)
Gain on disposal of property, plant and equipment	(572)	(1,599)
Property, plant and equipment transferred to expenses (including prepayments for equipment)	4,372	3,663
Gain on disposal of investment property	—	(301)
Gain on disposal of investments	(47,236)	(179,587)
Gains on disposal of associates	—	(2,155)
Income and expense adjustments	29,273	(304,543)
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(373,506)	15,796
Contract assets	(47,024)	137,044
Notes and accounts receivable	(1,289,141)	137,338
Other receivables	(222,671)	(41,127)
Inventories	(1,902,104)	16,163
Prepayments	(329,431)	(119,522)
Other current assets	80,608	18,325
Contract liabilities	190,849	27,062
Notes and accounts payable	(46,574)	185,440
Other payables	(116,633)	(73,496)
Provisions	23,357	24,490
Advance receipts	1,043	(6,376)
Other current liabilities	48,532	50,077
Net defined benefit liabilities	(20,607)	(36,309)
Total changes in operating assets and liabilities	(4,003,302)	334,905
Total adjustments	(3,974,029)	30,362
Cash generated from operations	(2,773,099)	875,488
Interest received	12,492	25,808
Interest paid	(205,314)	(165,038)
Income tax paid	(119,758)	(58,820)
Net cash generated from operating activities	(3,085,679)	677,438

(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 Nine Months Ended September 30</i>	
	<i>2021</i>	<i>2020</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(81,589)	(101,149)
Proceeds from disposal of financial asset at fair value through other comprehensive income	28,900	66,801
The capital reduction on financial asset at fair value through other comprehensive income	14,074	15,693
Financial assets at amortized cost	30,320	(40,456)
Acquisition of investments under the equity method	(4,620)	—
Proceeds from disposal of investments under the equity method	—	4,570
Net cash flow from acquisition of subsidiaries (exclude cash obtained)	(419,024)	—
Acquisition of property, plant and equipment (including prepayments for equipment)	(2,108,139)	(1,520,211)
Proceeds from disposal of property, plant and equipment	4,483	5,072
Increase (Decrease) in refundable deposits	580	(4,626)
Acquisition of intangible assets	—	(55)
Acquisition of right-of-use assets	(16,435)	(8,525)
Acquisition of investment properties	—	(52,242)
Proceeds from disposal of investment properties	—	1,000
Increase in other non-current assets	(115,609)	(460,313)
Dividend received	138,200	134,921
Other investing activities	(99,008)	(37,227)
Net cash used in investing activities	(2,627,867)	(1,996,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	4,147,804	1,712,940
Increase (decrease) in short-term notes and bills payable	484,813	(179,994)
Proceeds from long-term bank loans	2,740,222	2,004,959
Repayment of long-term bank loans	(1,098,940)	(1,242,416)
Increase (decrease) in guarantee deposits	44,721	(6,825)
Repayment of principal of lease liabilities	(41,143)	(16,148)
Decrease in other noncurrent liabilities	—	(2,876)
Cash dividends	—	(176,103)
Payments for buy-back of ordinary shares	—	(54,141)
Proceeds from disposal of treasury shares	9,446	—
Increase in non-controlling interests	98,235	(195,194)
Net cash generated (used) from financing activities	6,385,158	1,844,202
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(27,921)	(59,198)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	643,691	465,695
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,906,624	2,452,870
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	\$ 3,550,315	\$ 2,918,565

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 12, 2021)

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

Notes to Financial Statements

September 30, 2021 and 2020

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. General

TA YA ELECTRIC WIRE & CABLE CO., LTD. (TA YA) 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 September 30, 2021. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The accompanying consolidated financial statements were reported to Board of Director and issued on November 12, 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, 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 amendments to the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are 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 2: 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 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on 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 other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 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 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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 will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: 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 4: 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 other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4.Summary Of Significant Accounting 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

These interim 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. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual 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 a 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
			2021.9.30	2020.12.31	2020.9.30	
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	Ta Ya Genesis Capital Co., Ltd.	General investment	100.00%	—	—	Note 6
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

Investor	Investee	Main Business	% Of Ownership			Additional Descriptions
			2021.9.30	2020.12.31	2020.9.30	
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.66%	70.66%	70.66%	
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 2
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 2
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 3
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 4
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%	

Investor	Investee	Main Business	% Of Ownership			Additional Descriptions
			2021.9.30	2020.12.31	2020.9.30	
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%	85.00%	Note 5
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 6
TA YA GREEN ENERGY	JHJH-GUANG ENERGY CO., LTD.	Solar power business	100.00%	—	—	Note 6
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 : 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 3 : 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 4 : 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 non-subscription by some shareholders.

Note 5 : 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 6 : 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 September 30, 2021 were not reviewed by independent accountants.

Other Significant Accounting Policies

Except 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 expense is accrued using the tax rate would be applicable to expect total annual earnings, that is , the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. Critical Accounting Judgments And Key Sources Of Estimation And Uncertainly

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 have been followed in the consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2020.

6. Cash and Cash Equivalents

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand and petty cash	\$ 5,798	\$ 7,122	\$ 4,546
Cash in bank			
Checking accounts	645,212	604,567	456,850
Demand deposits	1,839,297	1,679,742	1,727,721
Foreign currency-demand deposits	802,641	289,205	381,333
Time deposits	257,367	325,988	348,115
Sub-total	3,544,517	2,899,502	2,914,019
Total	\$ 3,550,315	\$ 2,906,624	\$ 2,918,565

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

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at FVTPL - current			
Listed stocks	\$ 585,714	\$ 274,817	\$ 276,719
Non-listed stocks	8,000	8,000	8,000
Metal commodities futures contracts	76,081	—	47
Metal options	—	—	1,499
Foreign exchange forward contracts	405	192	1,025
	670,200	283,009	287,290
Valuation adjustment	303,692	307,335	269,542
	<u>\$ 973,892</u>	<u>\$ 590,344</u>	<u>\$ 556,832</u>
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 250,363	\$ 231,904	\$ 99,793
Non-listed stocks	1,276,188	1,192,117	1,216,170
Metal commodities futures contracts	456,336	372,034	200,483
	1,982,887	1,796,055	1,536,446
Valuation adjustment	532,046	436,613	322,214
	<u>\$ 2,514,933</u>	<u>\$ 2,232,668</u>	<u>\$ 1,858,660</u>
Financial liabilities at FVTPL - current			
Metal commodities futures contracts	\$ 4,341	\$ 121,473	\$ 21,387
Foreign exchange forward contracts	111	6,280	5,094
	<u>\$ 4,452</u>	<u>\$ 127,753</u>	<u>\$ 26,481</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>September 30, 2021</u>					
Buy	11,325	2021.10~2026.10	USD 82,626	USD 99,613	USD 16,987
Sell	3,375	2021.10~2022.01	USD 32,140	USD 30,162	USD 1,978
<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>September 30, 2020</u>					
Buy	5,575	2020.10~2023.06	USD 29,372	USD 37,250	USD 7,878
Sell	7,200	2020.10~2021.01	USD 47,028	USD 48,063	(USD 1,035)

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

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>National Amounts</u>	<u>Fair Value</u>
<u>September 30, 2020</u>				
Sell	300	2020.10~2021.01	USD 1,650	USD 52

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amounts (Thousand)</u>
<u>September 30, 2021</u>			
Buy	CNY/USD	2021.12	CNY 38,967/USD 6,000
Buy	NTD/USD	2021.12	NTD426,952/USD15,320
<u>December 31, 2020</u>			
Buy	NTD/USD	2021.06	NTD 288,583/USD 10,132
<u>September 30, 2020</u>			
Buy	CNY/USD	2020.10	CNY 12,870/USD 3,000
Buy	NTD/USD	2021.01	NTD 552,630/USD 18,898

8. Financial Assets at Fair Value Through Other Comprehensive Income

	<u>September 30, 2021</u>	<u>December 31, 2021</u>	<u>September 30, 2020</u>
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 15,707	\$ 15,707	\$ 15,707
Valuation adjustment	13,051	10,358	6,252
	<u>\$ 28,758</u>	<u>\$ 26,065</u>	<u>\$ 21,959</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stocks and emerging market stocks	\$ 160,652	\$ 141,544	\$ 20,861
Non-listed stocks and emerging market stocks	711,598	676,745	798,568
Valuation adjustment	106,890	101,817	74,115
	<u>\$ 979,140</u>	<u>\$ 920,106</u>	<u>\$ 893,544</u>

9. Financial Assets at amortized cost

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Time deposits with original maturities of more than 3 months	<u>\$ 302,711</u>	<u>\$ 333,031</u>	<u>\$ 293,389</u>

10. Notes and Accounts Receivable, Net

	September 30, 2021	December 31, 2020	September 30, 2020
Notes and accounts receivable	\$ 4,957,615	\$ 3,678,723	\$ 2,952,040
Allowance for impairment loss	(73,046)	(73,304)	(47,939)
Notes and accounts receivable, net	<u>\$ 4,884,569</u>	<u>\$ 3,605,419</u>	<u>\$ 2,904,101</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:

September 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	\$ 4,528,815	\$ 313,345	\$ 45,817	\$ 60,530	\$ 9,108	\$ 4,957,615
Loss allowance (Lifetime ECL)	(17,908)	(14,991)	(8,378)	(22,661)	(9,108)	(73,046)
Amortized cost	<u>\$ 4,510,907</u>	<u>\$ 298,354</u>	<u>\$ 37,439</u>	<u>\$ 37,869</u>	<u>\$ —</u>	<u>\$ 4,884,569</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>

September 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	\$2,732,208	\$ 177,094	\$ 13,648	\$ 13,017	\$ 16,073	\$ 2,952,040
Loss allowance (Lifetime ECL)	(24,275)	(2,530)	(1,381)	(3,680)	(16,073)	(47,939)
Amortized cost	<u>\$2,707,933</u>	<u>\$174,564</u>	<u>\$ 12,267</u>	<u>\$ 9,337</u>	<u>\$ —</u>	<u>\$ 2,904,101</u>

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 73,304	\$ 50,503
Recognition	10,485	—
Amounts written off	(10,249)	(2,235)
Effect of exchange rate changes	(494)	(329)
Balance at September 30	<u>\$ 73,046</u>	<u>\$ 47,939</u>

11. Inventories, Net

a. Manufacturing

	September 30, 2021	December 31, 2020	September 30, 2020
Raw materials	\$ 1,510,197	\$ 471,986	\$ 628,963
Supplies	53,172	29,378	47,151
Work-in-process	986,126	578,921	769,984
Semi-finished goods	103,573	11,477	21,128
Finished goods	2,182,100	1,776,947	1,816,520
Merchandise	54,426	79,586	91,113
Inventory in transit	36,248	25,878	13,738
Total	<u>4,925,842</u>	<u>2,974,173</u>	<u>3,388,597</u>
Less: Allowance for inventory valuation losses	<u>(57,309)</u>	<u>(38,434)</u>	<u>(38,610)</u>
	<u>\$ 4,868,533</u>	<u>\$ 2,935,739</u>	<u>\$ 3,349,987</u>

b. Construction

	September 30, 2021	December 31, 2020	September 30, 2020
Land held for sale	\$ 54,033	\$ 71,880	\$ 71,880
Buildings held for sale	70,285	—	—
	<u>124,318</u>	<u>71,880</u>	<u>71,880</u>
Building and land in progress	69,062	69,062	69,062
Construction in progress	1,300	84,428	70,341
	<u>70,362</u>	<u>153,490</u>	<u>139,403</u>
	<u>194,680</u>	<u>225,370</u>	<u>211,283</u>
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 194,680</u>	<u>\$ 225,370</u>	<u>\$ 211,283</u>

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

	For the Three Months Ended September 30	
	2021	2020
Cost of goods sold	\$ 6,308,084	\$ 4,223,812
Loss (gain) on physical inventory	1,313	466
(Reversal gain of) Write-down of inventories	(10,506)	(7,820)
	<u>\$ 6,298,891</u>	<u>\$ 4,216,458</u>
	For the Nine Months Ended September 30	
	2021	2020
Cost of goods sold	\$ 18,038,596	\$ 11,866,631
Loss (gain) on physical inventory	977	2,008
Write-down (Reversal gain) of inventories	18,875	(11,666)
	<u>\$ 18,058,448</u>	<u>\$ 11,856,973</u>

The reversal gain and loss of write-down of inventories for the nine months ended September 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 as the following:

Name of Associates	Carrying Amount			% Of ownership and Voting Rights Held by the Group		
	September 30, 2021	December 31, 2020	September 30, 2020	September 30, 2021	December 31, 2020	September 30, 2020
Ad Engineering Corporation	\$111,552	\$ 102,718	\$ 97,723	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	474,668	440,167	424,569	22.13	22.13	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	57,729	69,741	74,960	20.00	20.00	20.00
Otto2 Holdings Corporation	21,979	22,039	22,098	22.73	22.73	27.27
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	37,988	30,815	28,703	33.00	33.00	33.00
AMIT system service Ltd.	3,303	718	1,225	22.74	19.61	19.61
Hengs Technology Co., Ltd.	239,729	203,303	158,268	22.58	22.58	22.58
Tenart Biotech Limited	16,137	14,723	14,671	25.41	25.41	25.41
	<u>\$963,085</u>	<u>\$ 884,224</u>	<u>\$ 822,217</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.

	September 30, 2021	December 31, 2020	September 30, 2020
Total assets	\$ 8,201,776	\$ 7,819,657	\$ 7,065,621
Total liabilities	(4,212,449)	(3,944,514)	(3,642,624)
Net assets	<u>\$ 3,989,327</u>	<u>\$ 3,875,143</u>	<u>\$ 3,422,997</u>

	For the Three Months Ended September 30	
	2021	2020
Net revenue	<u>\$ 1,265,779</u>	<u>\$ 2,073,917</u>
Net income	<u>\$ 46,690</u>	<u>\$ 305,616</u>
The Group's share of profits of associates	<u>\$ 12,221</u>	<u>\$ 49,293</u>

	For the Nine Months Ended September 30	
	2021	2020
Net revenue	\$ 4,770,853	\$ 4,216,253
Net income	\$ 430,817	\$ 398,243
The Group's share of profits of associates	\$ 102,619	\$ 71,927

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.

	September 30, 2021	December 31, 2020	September 30, 2020
Fair value	\$ 542,674	\$ 472,446	\$ 405,409

- (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 37.

13. Property, Plant And Equipment

Cost	Balance at January 1, 2021	Acquisition through business combination	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30, 2021
Land and land improvements	\$ 1,773,650	\$ 12,664	\$ —	\$ —	\$ 3,900	\$ —	\$ 1,790,214
Buildings	2,014,558	—	12,511	—	9,860	(6,846)	2,030,083
Machinery and equipment	6,228,063	—	23,992	(93,944)	4,276,477	(11,355)	10,423,233
Transportation equipment	139,172	—	4,760	(5,653)	1,225	(494)	139,010
Miscellaneous equipment	1,556,496	—	24,530	(40,812)	22,240	(3,721)	1,558,733
Leasehold improvements	1,961	—	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	2,980,676	385,783	2,241,106	—	(4,219,847)	(99)	1,387,619
	<u>\$14,694,576</u>	<u>\$ 398,447</u>	<u>\$2,306,899</u>	<u>\$ (140,409)</u>	<u>\$ 93,855</u>	<u>\$ (22,515)</u>	<u>\$ 17,330,853</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Acquisition through business combination	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30, 2021
Land and land improvements	\$ 16,979	\$ —	\$ 2,106	\$ —	\$ —	\$ —	\$ 19,085
Buildings	1,386,608	—	46,121	—	—	(3,500)	1,429,229
Machinery and equipment	4,303,477	—	317,041	(91,842)	—	(10,841)	4,517,835
Transportation equipment	108,541	—	6,588	(4,693)	—	(382)	110,054
Miscellaneous equipment	1,333,481	—	42,514	(39,963)	—	(5,012)	1,331,020
Leasehold improvements	1,744	—	185	—	—	—	1,929
	<u>\$ 7,150,830</u>	<u>\$ —</u>	<u>\$ 414,555</u>	<u>\$ (136,498)</u>	<u>\$ —</u>	<u>\$ (19,735)</u>	<u>\$ 7,409,152</u>

Cost	Balance at January 1, 2020	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30, 2020
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,013,827	13,375	(1,913)	1,698	(12,745)	2,014,242
Machinery and equipment	6,222,423	9,934	(68,030)	85,322	(24,182)	6,225,467
Transportation equipment	138,473	4,305	(2,205)	(344)	(995)	139,234
Miscellaneous equipment	1,527,016	23,291	(22,269)	20,942	(4,387)	1,544,593
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	173,780	1,337,936	—	(33,574)	(115)	1,478,027
	<u>\$ 11,846,130</u>	<u>\$ 1,388,841</u>	<u>\$ (94,417)</u>	<u>\$ 74,044</u>	<u>\$ (42,424)</u>	<u>\$ 13,172,174</u>

Accumulated depreciation and impairment	Balance at January 1, 2020	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance at September 30, 2020
Land and land improvements	\$ 14,328	\$ 1,988	\$ —	\$ —	\$ —	\$ 16,316
Buildings	1,338,255	45,049	(1,899)	(1,286)	(7,087)	1,373,032
Machinery and equipment	4,234,408	152,919	(65,111)	(27,565)	(21,479)	4,273,172
Transportation equipment	107,195	6,155	(2,074)	(574)	(748)	109,954
Miscellaneous equipment	1,328,670	36,799	(21,860)	(16,824)	(3,670)	1,323,115
Leasehold improvements	1,503	181	—	—	—	1,684
	<u>\$ 7,024,359</u>	<u>\$ 243,091</u>	<u>\$ (90,944)</u>	<u>\$ (46,249)</u>	<u>\$ (32,984)</u>	<u>\$ 7,097,273</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 37.

14. Lease Arrangements

a. Right-of-use Assets

Cost	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Land	\$ 268,500	\$ 471,698	\$ —	\$ (4,720)	\$ 735,478
Buildings	3,598	253	—	(69)	3,782
Transportation equipment	31,649	15,203	(3,278)	—	43,574
Miscellaneous equipment	228,416	40,325	—	—	268,741
	<u>\$ 532,163</u>	<u>\$ 527,479</u>	<u>\$ (3,278)</u>	<u>\$ (4,789)</u>	<u>\$ 1,051,575</u>

Accumulated depreciation	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Land	\$ 6,696	\$ 19,559	\$ —	\$ (63)	\$ 26,192
Buildings	785	836	—	(20)	1,601
Transportation equipment	16,723	7,774	(3,278)	—	21,219
Miscellaneous equipment	20,525	9,843	—	—	30,368
	<u>\$ 44,729</u>	<u>\$ 38,012</u>	<u>\$ (3,278)</u>	<u>\$ (83)</u>	<u>\$ 79,380</u>

Cost	Balance at January 1, 2020	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2020
Land	\$ 258,599	\$ 8,525	\$ —	\$ (6,041)	\$ 261,083
Buildings	2,798	2,974	(2,032)	(72)	3,668
Transportation equipment	31,500	—	(1,622)	—	29,878
Miscellaneous equipment	198,424	2,780	—	—	201,204
	<u>\$ 491,321</u>	<u>\$ 14,279</u>	<u>\$ (3,654)</u>	<u>\$ (6,113)</u>	<u>\$ 495,833</u>

Accumulated depreciation	Balance at January 1, 2020	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30, 2020
Land	\$ 3,452	\$ 2,560	\$ —	\$ (106)	\$ 5,906
Buildings	1,439	1,148	(2,032)	(17)	538
Transportation equipment	9,073	6,686	(1,622)	—	14,137
Miscellaneous equipment	9,807	8,033	—	—	17,840
	<u>\$ 23,771</u>	<u>\$ 18,427</u>	<u>\$ (3,654)</u>	<u>\$ (123)</u>	<u>\$ 38,421</u>

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts			
Current	<u>\$ 43,450</u>	<u>\$ 19,302</u>	<u>\$ 17,777</u>
Non-current	<u>\$ 688,287</u>	<u>\$ 242,796</u>	<u>\$ 220,883</u>

Range of discount rate for lease liabilities is as follows:

	September 30, 2021	December 31, 2020	September 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	1.27%~3.54%	1.38%~3.54%	1.38%~3.54%
Miscellaneous equipment	1.77%~3.54%	1.97%~3.54%	1.99%~2.19%

c. Other lease information

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020
Expenses relating to short-term leases	<u>\$ 2,243</u>	<u>\$ 3,545</u>
Expenses relating to low-value asset leases	<u>\$ 69</u>	<u>\$ 9</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 472</u>	<u>\$ 613</u>
Total cash outflow for leases	<u>\$ (13,137)</u>	<u>\$ (16,477)</u>

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Expenses relating to short-term leases	\$ 7,761	\$ 5,249
Expenses relating to low-value asset leases	\$ 199	\$ 12
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,020	\$ 1,270
Total cash outflow for leases	\$ (63,478)	\$ (29,218)

15. Investment Property

Cost	Balance at January 1, 2021	Additions	Reclassification	Balance at September 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	Balance at January 1, 2021	Additions	Reclassification	Balance at September 30,2021
Buildings and improvements	\$ 67,522	\$ 4,577	\$ —	\$ 72,099

Cost	Balance at January 1, 2020	Additions	Disposals	Balance at September 30,2020
Land	\$ 919,784	\$ 18,872	\$ (699)	\$ 937,957
Buildings and improvements	246,602	33,370	—	279,972
	<u>\$ 1,166,386</u>	<u>\$ 52,242</u>	<u>\$ (699)</u>	<u>\$ 1,217,929</u>

Accumulated depreciation	Balance at January 1, 2020	Additions	Disposals	Balance at September 30,2020
Buildings and improvements	\$ 61,949	\$ 4,049	\$ —	\$ 65,998

(a).The fair value of the Group's investment properties was arrived on the basis of valuation carried out on March 20, 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 :

	September 30, 2021	December 31, 2020	September 30, 2020
Fair value	<u>\$ 1,467,547</u>	<u>\$ 1,359,052</u>	<u>1,113,145</u>

(b).The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 37.

16.Intangible Assets

Cost	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Computer Software	\$ 427	\$ —	\$ (215)	\$ —	\$ 212
Patents and other intangible assets	1,438	—	(76)	(7)	1,355
	<u>\$ 1,865</u>	<u>\$ —</u>	<u>\$ (291)</u>	<u>\$ (7)</u>	<u>\$ 1,567</u>

Accumulated depreciation and impairment	Balance at January 1, 2021	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2021
Computer Software	\$ 326	\$ 71	\$ (215)	\$ —	\$ 182
Patents and other intangible assets	1,214	98	(76)	(5)	1,231
	<u>\$ 1,540</u>	<u>\$ 169</u>	<u>\$ (291)</u>	<u>\$ (5)</u>	<u>\$ 1,413</u>

Cost	Balance at January 1, 2020	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30,2020
Computer Software	\$ 493	\$ 55	\$ —	\$ —	\$ 548
Patents and other intangible assets	3,504	—	(2,000)	(42)	1,462
	<u>\$ 3,997</u>	<u>\$ 55</u>	<u>\$ (2,000)</u>	<u>\$ (42)</u>	<u>\$ 2,010</u>

Accumulated depreciation and impairment	Balance at January 1, 2020	Additions	Disposals	Effect of Exchange Rate Changes	Balance at September 30, 2020
Computer Software	\$ 220	\$ 143	\$ —	\$ —	\$ 363
Patents and other intangible assets	3,087	145	(2,000)	(33)	1,199
	<u>\$ 3,307</u>	<u>\$ 288</u>	<u>\$ (2,000)</u>	<u>\$ (33)</u>	<u>\$ 1,562</u>

17. Short-Term Loans

	September 30, 2021	Annual interest rate	Maturity date
Usance L/C loans	\$ 5,631,691	0.70%~5.02%	2021.10~2022.08
Mortgage loans	842,167	0.95%~4.35%	2021.10~2022.09
Unsecured loans	2,196,652	0.71%~4.45%	2021.10~2022.09
	<u>\$ 8,670,510</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	2,289,688	0.66%~5.80%	2021.01~2021.12
	<u>\$ 4,522,706</u>		

	September 30, 2020	Annual interest rate	Maturity date
Usance L/C loans	\$ 2,298,718	0.73%~5.00%	2020.10~2021.09
Mortgage loans	785,318	0.95%~4.55%	2020.10~2021.09
Unsecured loans	2,179,322	0.66%~4.45%	2020.10~2021.09
	<u>\$ 5,263,358</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 37.

18. Commercial Papers

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial Papers	\$ 940,000	\$ 455,000	\$ 575,000
Less: Discount on commercial papers	(257)	(70)	(253)
	<u>\$ 939,743</u>	<u>\$ 454,930</u>	<u>\$ 574,747</u>
Interest rate range	1.09%~2.01%	1.09%~1.71%	1.09%~1.37%
Maturity date	2021.10~2021.12	2021.01~2021.03	2020.10~2020.12

19. Bonds Payable

	September 30, 2021	December 31, 2020	September 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

	September 30, 2021	Annual interest rate	Maturity date
Mortgage loans	\$ 6,433,907	1.19%~1.80%	2022.06~2038.06
Unsecured loans	2,236,650	1.10%~1.77%	2022.12~2038.06
Less: Current portion	(1,141,331)		
	<u>\$ 7,529,226</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>		

	September 30, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 4,026,808	1.29%~2.05%	2021.10~2038.06
Unsecured loans	2,107,287	1.20%~2.05%	2021.09~2038.06
Less: Current portion	(1,010,615)		
	<u>\$ 5,123,480</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 37.

21. Provisions

For The Nine Months Ended September 30, 2021	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 114,481	\$ 21,360	\$ 135,841
Recognized	23,123	823	23,946
Paid	(240)	—	(240)
Balance, As of September 30, 2021	<u>\$ 137,364</u>	<u>\$ 22,183</u>	<u>\$ 159,547</u>

For The Nine Months Ended September 30, 2020	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 120,778	\$ 20,804	\$ 141,582
Recognized	24,974	444	25,418
Paid	(592)	—	(592)
Balance, As of September 30, 2020	<u>\$ 145,160</u>	<u>\$ 21,248</u>	<u>\$ 166,408</u>

	September 30, 2021	December 31, 2020	September 30, 2020
Current	<u>\$ 123,054</u>	<u>\$ 100,000</u>	<u>\$ 127,037</u>
Non-current	<u>\$ 36,493</u>	<u>\$ 35,841</u>	<u>\$ 39,371</u>

- 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.
- 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\$4,264 thousand, NT\$8,724 thousand, NT\$16,886 thousand, and NT\$19,283 thousand are contributed by the Group for the three months ended September 30, 2021 and 2020, and the nine months ended September 30, 2021 and 2020, respectively.

b. Defined benefit plans

For the three months ended 2021 and 2020, and the nine months ended September 30, 2021 and 2020, the total pension expenses of NT\$2,356 thousand, NT\$3,119 thousand, NT\$6,894 thousand, and NT\$9,594 thousand, respectively, were recognized by the Group.

23.Equity

a. Capital stock

(1) As of September 30, 2021, December 31, 2020 and September 30, 2020, TA YA's authorized capital was NT\$8,000,000 thousand, NT\$7,000,000 thousand and the paid-in capital was NT\$7,000,000 thousand, consisting of 595,068,022 shares with a par value of NT\$10 per share.

(2) On August 13, 2021, the Company's shareholders annual general meeting resolved to approve the 2020 profit distribution, including the issuance of \$208,274 thousand share dividends.

Since the statutory procedures have not been completed yet on September 30 2021, the shares are temporarily recorded in Stock dividends to be distributed. The issuance date of bonus shares was on October 19, 2021, the basic earnings per share adjusted retrospectively were disclosed in Note 26.

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 September 30, 2021, December 31, 2020, and September 30, 2020, the balances of the Company's capital surplus were NT\$608,708 thousand, NT\$602,220 thousand, and NT\$ 533,604 thousand, mostly obtained from the trade of treasury stock.

c. Retained earnings and dividend policy

TAYA'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 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.

The appropriation for legal capital reserve shall be made until the reserve equals TA YA'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 TA YA incurs no loss.

Pursuant to existing regulations, TA YA 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 included in the distributable earnings when the net debit balance reverses.

TA YA 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 approved in the stockholders' meetings on August 13, 2021 and June 11, 2020, respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal Year 2020	For Fiscal Year 2019	For Fiscal Year 2020	For Fiscal Year 2019
Legal capital reserve	\$ 76,097	\$ 50,505		
Cash dividends	208,274	178,520	0.35	0.30
Share dividends	208,274	—	0.35	—
	<u>\$ 492,645</u>	<u>\$ 229,025</u>		

Refer to Note 29 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

	Nine Months Ended September 30	
	2021	2020
Balance, beginning of period	\$ (214,024)	\$ (183,063)
Exchange differences arising on translation foreign operations	(17,161)	(35,310)
Share of other comprehensive income (loss) of associates	(1,540)	(7,974)
Income tax effect	2,894	6,726
Balance, end of period	<u>\$ (229,831)</u>	<u>\$ (219,621)</u>

The exchange differences 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. The exchange differences that were 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

	Nine Months Ended September 30	
	2021	2020
Balance, beginning of period	\$ 88,358	\$ 36,775
Disposal of investments in equity instruments at fair value through other comprehensive income	(16,418)	(19,973)
Unrealized loss on financial assets at fair value through other comprehensive income	21,889	49,848
Share of other comprehensive income of accounted for using the equity method	95	78
Income tax effect	406	408
Balance, end of period	<u>\$ 94,330</u>	<u>\$ 67,136</u>

e. Non-controlling interests

	Nine Months Ended September 30	
	2021	2020
Balance, beginning of period	\$ 1,364,133	\$ 1,298,386
Profit for the period	165,519	106,566
Exchange differences on translation of foreign financial statements	(6,450)	(28,131)
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	2,782	3,580
Excess of the consideration received over the carrying amount of the subsidiaries' disposed of net assets	—	96,445
Changes in ownership interests in subsidiaries	770	338
Increase (decrease) in non-controlling interests	98,235	(195,194)
Disposal of investments in equity instruments at fair value through other comprehensive income	—	3,346
Balance, end of period	<u>\$ 1,624,989</u>	<u>\$ 1,285,336</u>

24. Treasury Stock

Purpose of Treasury Shares	Nine Months Ended September 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	7,539,067	—	500,000	7,039,067
	<u>7,539,067</u>	<u>—</u>	<u>500,000</u>	<u>7,039,067</u>
Purpose of Treasury Shares	Nine Months Ended September 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 September 30, 2021, 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 nine months ended September 30, 2021 and 2020, respectively.

c. As of September 30, 2021, December 31, 2020, and September 30, 2020, treasury stocks held by subsidiaries were 7,039,067, 7,539,067, and 7,939,067 shares, respectively. The market values of the shares held by the subsidiaries were \$26.75, \$11.4, and \$17.1 per share, respectively.

25. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended September 30	
	2021	2020
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 46,886	\$ 21,179
Income tax on unappropriated earnings	16,986	—
Reserve for land value increment tax	589	516
Adjustments for prior years' tax in respect of the current year	—	(3,215)
	<u>64,461</u>	<u>18,480</u>
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	(19,274)	29,744
Income tax benefit recognized in profit or loss	<u>\$ 45,187</u>	<u>\$ 48,224</u>

	Nine Months Ended September 30	
	2021	2020
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 149,141	\$ 93,082
Income tax on unappropriated earnings	16,986	—
Adjustments for prior years' tax in respect of the current year	1,971	(7,224)
Reserve for land value increment tax	—	547
	<u>168,098</u>	<u>86,405</u>
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	61,819	28,061
Income tax benefit recognized in profit or loss	<u>\$ 229,917</u>	<u>\$ 114,466</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended September 30	
	2021	2020
Related to unrealized gain/loss on translation of foreign operations	\$ 3,345	\$ 1,454
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	82	49
	<u>\$ 3,427</u>	<u>\$ 1,503</u>

	Nine Months Ended September 30	
	2021	2020
Related to unrealized gain/loss on translation of foreign operations	\$ (2,894)	\$ (6,726)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(406)	(408)
	<u>\$ (3,300)</u>	<u>\$ (7,134)</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 2017 has already been filed.

26. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS(NT\$)
<u>Three Months Ended September 30, 2021</u>			
Net income available to common shareholders	<u>\$ 9,433</u>		
Number of shares issued as of December 31, 2020		595,068	
Regard as treasury stock-common stock held by subsidiaries		(7,285)	
Issuance of bonus shares		<u>20,827</u>	
Weighted average number of shares outstanding as of September 30, 2021		<u>608,610</u>	
Basic Earnings per share			<u>\$ 0.01</u>
	Amount (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS(NT\$)
<u>Three Months Ended September 30, 2020</u>			
Net income available to common shareholders	<u>\$ 166,192</u>		
Number of shares issued as of December 31, 2019		595,068	
Treasury stock repurchase		(5,692)	
Regard as treasury stock-common stock held by subsidiaries		(8,217)	
Issuance of bonus shares		<u>20,827</u>	
Weighted average number of shares outstanding as of September 30, 2020		<u>601,986</u>	
Basic Earnings per share			<u>\$ 0.28</u>

	Amount (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS(NT\$)
<u>Nine Months Ended September 30, 2021</u>			
Net income available to common shareholders	<u>\$ 805,494</u>		
Number of shares issued as of December 31, 2020		595,068	
Regard as treasury stock-common stock held by subsidiaries		(7,507)	
Issuance of bonus shares		<u>20,827</u>	
Weighted average number of shares outstanding as of September 30, 2021		<u>608,388</u>	
Basic Earnings per share			<u>\$ 1.32</u>

	Amount (Numerator)	Number of Shares (Denominator) (In Thousands)	EPS(NT\$)
<u>Nine Months Ended September 30, 2020</u>			
Net income available to common shareholders	<u>\$ 624,094</u>		
Number of shares issued as of December 31, 2019		595,068	
Treasury stock repurchase		(3,186)	
Regard as treasury stock-common stock held by subsidiaries		(8,217)	
Issuance of bonus shares		<u>20,827</u>	
Weighted average number of shares outstanding as of September 30, 2020		<u>604,492</u>	
Basic Earnings per share			<u>\$ 1.03</u>

On August 13, 2021, the Company's shareholders annual general meeting resolved to approve the 2020 profit distribution, including the issuance of \$208,274 thousand share dividends (20,827 thousand shares in total). Because the date of bonus shares issuance was before the date financial statements were approved, the impact of bonus shares has been adjusted when earnings per share computation. Due to retrospective adjustments, the basic earnings per share adjusted retrospectively for the nine months ended September 30, 2019 and the three months ended September 30, 2019 were as follows:

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended September 30	For the Nine Months Ended September 30	For the Three Months Ended September 30	For the Nine Months Ended September 30
Basic earnings per share	\$ 0.29	\$ 1.07	\$ 0.28	\$ 1.03

27. Business Combinations

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)
JHIH-GUANG ENERGY CO., LTD.	Electric Power Generation and Aquaculture	July 2021	100%

JHIH-GUANG ENERGY CO., LTD. were acquired in 2021 in order to the expansion of the Group's Solar energy business.

b. Consideration transferred : Cash 645,505.

c. Assets acquired and liabilities assumed at the date of acquisition

	JHIH-GUANG ENERGY
Current assets	
Cash and cash equivalents	\$ 226,481
Income tax receivable	13
Prepayments	19,433
Other current assets	709
Non-current assets	
Property, plant and equipment	398,447
Other non-current assets	422
	<u>\$ 645,505</u>

d. Goodwill recognized on acquisitions

	JHIH-GUANG ENERGY	
Consideration transferred	\$	645,505
Less: Fair value of identifiable net assets acquired		(645,505)
Goodwill recognized on acquisition	\$	—

e. Net cash inflow (outflow) on the acquisition of subsidiaries

	JHIH-GUANG ENERGY	
Cash and cash equivalent acquired	\$	226,481
Less: Consideration paid in cash		(645,505)
	\$	(419,024)

f. Impact of acquisitions on the results of the Group

The financial results of the acquiree since the acquisitions dates, which are included in the consolidated financial statements, do not have significant impact on the results of the Group.

28. Operating Revenues

	Three Months Ended September 30	
	2021	2020
Sales Revenue	\$ 6,654,800	\$ 4,573,110
Construction Revenue	—	33,571
Electricity Revenue	205,717	59,015
Processing Revenue	11,732	4,495
Engineering Revenue	3,623	553
Others	9,715	3,059
	\$ 6,885,587	\$ 4,673,803

	Nine Months Ended September 30	
	2021	2020
Sales Revenue	\$ 19,298,196	\$ 12,627,457
Construction Revenue	58,741	33,571
Electricity Revenue	562,825	155,339
Processing Revenue	20,851	13,932
Engineering Revenue	98,632	3,639
Others	29,915	13,574
	<u>\$ 20,069,160</u>	<u>\$ 12,847,512</u>

29. Additional Information of Expenses by Nature

	Three Months Ended September 30	
	2021	2020
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 139,000	\$ 80,924
Depreciation of right-of-use assets	13,997	6,029
Depreciation of investment property	1,526	1,450
Amortization of intangible assets	41	82
	<u>\$ 154,564</u>	<u>\$ 88,485</u>
Employee benefits expenses		
Salaries and bonus	\$ 289,390	\$ 236,604
Labor and health insurance	14,395	18,549
Pension	6,620	11,843
Remuneration of directors	643	7,749
Others	15,369	10,546
	<u>\$ 326,417</u>	<u>\$ 285,291</u>

	Nine Months Ended September 30	
	2021	2020
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 414,555	\$ 243,091
Depreciation of right-of-use assets	38,012	18,427
Depreciation of investment property	4,577	4,049
Amortization of intangible assets	169	288
	<u>\$ 457,313</u>	<u>\$ 265,855</u>

	Nine Months Ended September 30	
	2021	2020
Employee benefits expenses		
Salaries and bonus	\$ 857,067	\$ 650,339
Labor and health insurance	52,796	52,046
Pension	23,780	28,877
Remuneration of directors	2,371	10,658
Others	46,313	37,507
	<u>\$ 982,327</u>	<u>\$ 779,427</u>

According to TA YA's Articles of Incorporation, TA YA should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

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

	Nine Months Ended September 30	
	2021	2020
Employees' compensation	<u>\$ 161,099</u>	<u>\$ 87,373</u>
Remuneration of directors	<u>\$ 24,165</u>	<u>\$ 18,723</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, 2020 and 2019 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 the remuneration of directors paid and the amounts recognized in the standalone financial statements for the years ended December 31, 2021 and 2020.

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.

30. Interest Income

	Three Months Ended September 30	
	2021	2020
Interest income		
Bank deposits	\$ 2,447	\$ 6,639
Other interest income	590	492
	<u>\$ 3,037</u>	<u>\$ 7,131</u>
	Nine Months Ended September 30	
	2021	2020
Interest income		
Bank deposits	\$ 11,357	\$ 24,807
Other interest income	1,125	993
	<u>\$ 12,482</u>	<u>\$ 25,800</u>

31. Other Income

	Three Months Ended September 30	
	2021	2020
Rental revenue	\$ 4,019	\$ 4,418
Dividend income	102,424	100,286
Others	24,708	34,848
	<u>\$ 131,151</u>	<u>\$ 139,552</u>
	Nine Months Ended September 30	
	2021	2020
Rental revenue	\$ 12,889	\$ 12,941
Dividend income	113,233	106,733
Others	66,175	65,741
	<u>\$ 192,297</u>	<u>\$ 185,415</u>

32. Other Gains And Losses

	Three Months Ended September 30	
	2021	2020
Loss on disposal of property, plant and equipment	\$ (590)	\$ (147)
Gain (loss) on disposal of investments	39,725	(21,315)
Net foreign exchange gain	11,619	34,374
Net gain (loss) arising on financial assets/liabilities at FVTPL	(276,184)	(72,221)
Others	(2,236)	(15,896)
	<u>\$ (227,666)</u>	<u>\$ (75,205)</u>

	Nine Months Ended September 30	
	2021	2020
Gain on disposal of property, plant and equipment	\$ 572	\$ 1,298
Gain on disposal of investment property	—	301
Gain on disposal of investments	47,236	179,587
Gain on disposal of investments accounted for using the equity method	—	2,155
Net foreign exchange gain	67,228	70,832
Net gain (loss) arising on financial assets/liabilities at FVTPL	(131,953)	254,883
Others	(7,124)	(26,062)
	<u>\$ (24,041)</u>	<u>\$ 482,994</u>

33. Finance Costs

	Three Months Ended September 30	
	2021	2020
Interest expense		
Bank loans	\$ 80,920	\$ 42,947
Interest of lease liabilities	4,577	2,040
Decommissioning liabilities	116	112
Other Interest expense	4,579	2,233
	<u>\$ 90,192</u>	<u>\$ 47,332</u>

	Nine Months Ended September 30	
	2021	2020
Interest expense		
Bank loans	\$ 179,692	\$ 151,579
Interest of lease liabilities	13,355	6,214
Decommissioning liabilities	349	336
Other Interest expense	14,201	5,876
	<u>\$ 207,597</u>	<u>\$ 164,005</u>

34. 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 (i.e., borrowings offset by cash and cash equivalents) and equity of the Group (i.e., 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 three months ended September 30, 2021.

35. 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 and 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 and interest rates. The risks were reduced by utilizing several derivative financial instruments.

(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 flow 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 significant exposure to foreign currency risk of the Group as follows:

	September 30, 2021			December 31, 2021			September 30, 2020		
	Foreign	Exchange		Foreign	Exchange		Foreign	Exchange	
	currency	rate	NT\$	currency	rate	NT\$	currency	rate	NT\$
<u>Assets</u>									
<u>Monetary items</u>									
USD	\$58,184	27.85	\$1,620,424	\$ 42,336	28.48	\$1,205,729	\$ 37,443	29.1	\$1,089,587
HKD	1,616	3.58	5,785	1,232	3.67	4,521	1,232	3.76	4,631
CNY	3,582	4.32	15,474	2,628	4.37	11,484	2,612	4.29	11,205
JPY	649,082	0.25	16,271	322,103	0.28	90,189	398,661	0.28	111,625
	September 30, 2021			December 31, 2020			September 30, 2020		
	Foreign	Exchange		Foreign	Exchange		Foreign	Exchange	
	currency	rate	NT\$	currency	rate	NT\$	currency	rate	NT\$
<u>Liabilities</u>									
<u>Monetary items</u>									
USD	\$118,385	27.85	\$3,297,022	\$ 95,030	28.48	\$2,706,454	\$90,433	29.1	\$2,631,600
CNY	1,730	4.32	7,474	1,422	4.37	6,214	685	4.29	2,941
JPY	69,184	0.25	17,296	131,889	0.28	36,929	126,571	0.28	35,440

For the nine months ended September 30, 2021 and 2020, realized and unrealized net foreign exchange gains and losses were NT\$67,228 thousand and NT\$70,832 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 nine months ended September 30, 2021 and 2020 would have (decrease) increased the net profit after tax by NT\$16,638 thousand and NT\$13,817 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 in the reporting period.

If the interest rate increases (decreases) by 0.1%, all other variable factors remain constant, the Group's net profit after tax would have (decreased) increased by NT\$11,119 thousand and NT\$8,070 thousand for the nine months ended September 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 analysis below has 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 nine months ended September 30, 2021 and 2020 would have been higher/lower by NT\$147,800 thousand and NT\$119,451 thousand, respectively, as the 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 nine months ended September 30, 2021 and 2020 would have been higher/lower by NT\$50,386 thousand and NT\$45,775 thousand, respectively, as the 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 trade receivables arising from operating activities as well as bank deposits, fixed-income investments, and other financial instruments arising from financing activities. 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 are evaluated through the customer's financial position, credit rating by both the credit rating agency and the Group itself, transaction history, and current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of September 30, 2021, December 31, 2020 and September 30, 2020, the ten largest customers of the Company accounted for 11.10%, 16.27%, and 13.22% of accounts receivable, respectively. The Company considers the concentration of credit risk for the remaining accounts receivable not material.

The customers are creditworthy counterparties; therefore, the Company 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 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 following table summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principles and interest.

September 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	\$ 8,670,510	\$ 8,670,510	\$ 8,670,510	\$ —	\$ —
Commercial papers	939,743	939,743	939,743	—	—
Notes payable					
(Including related parties)	95,695	95,695	95,695	—	—
Accounts payable					
(Including related parties)	525,194	525,194	525,194	—	—
Other payables	1,001,028	1,001,028	1,001,028	—	—
Lease liabilities	731,737	913,512	61,630	208,641	643,241
Bonds payable	1,500,000	1,500,000	—	1,500,000	—
Long-term bank loans	8,670,557	8,670,557	1,141,331	4,482,033	3,047,193
	<u>\$ 22,134,464</u>	<u>\$ 22,316,239</u>	<u>\$ 12,435,131</u>	<u>\$ 6,190,674</u>	<u>\$ 3,690,434</u>
<u>Derivative financial liabilities</u>					
Metal commodities	\$ 4,341	\$ 41,687	\$ 41,687	\$ —	\$ —
futures contract					
Forward exchange contract	111	167,070	167,070	—	—
	<u>\$ 4,452</u>	<u>\$ 208,757</u>	<u>\$ 208,757</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>

September 30, 2020					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 5,263,358	\$ 5,263,358	\$ 5,263,358	\$ —	\$ —
Commercial papers	574,747	574,747	574,747	—	—
Notes payable					
(Including related parties)	76,630	76,630	76,630	—	—
Accounts payable					
(Including related parties)	714,216	714,216	714,216	—	—
Other payables	455,847	455,847	455,847	—	—
Lease liabilities	238,660	493,691	25,477	68,980	399,234
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	6,134,095	6,134,095	1,010,615	3,621,678	1,501,802
	<u>\$13,957,553</u>	<u>\$ 14,212,584</u>	<u>\$ 8,120,890</u>	<u>\$ 4,190,658</u>	<u>\$ 1,901,036</u>
Derivative financial liabilities					
Metal commodities					
futures contract	\$ 21,387	\$ 1,437,540	\$ 1,437,540	\$ —	\$ —
Forward exchange contract	5,094	352,052	352,052	—	—
	<u>\$ 26,481</u>	<u>\$ 1,789,592</u>	<u>\$ 1,789,592</u>	<u>\$ —</u>	<u>\$ —</u>

e. Fair value of financial instruments

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

The Group considers 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 were determined in accordance with discounted cash flow analysis based on generally accepted pricing models.

(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

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 2,002,333	\$ —	\$ —	\$ 2,002,333
Unlisted stocks	—	322,697	630,973	953,670
Derivative not designated as a hedging instrument	—	532,822	—	532,822
	<u>\$ 2,002,333</u>	<u>\$ 855,519</u>	<u>\$ 630,973</u>	<u>\$ 3,488,825</u>

September 30, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 281,331	\$ —	\$ —	\$ 281,331
Unlisted stocks	—	22,039	704,528	726,567
	<u>\$ 281,331</u>	<u>\$ 22,039</u>	<u>\$ 704,528</u>	<u>\$ 1,007,898</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 4,452	\$ —	\$ 4,452
	<u>\$ —</u>	<u>\$ 4,452</u>	<u>\$ —</u>	<u>\$ 4,452</u>
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	\$ —	\$ 127,753	\$ —	\$ 127,753
	<u>\$ —</u>	<u>\$ 127,753</u>	<u>\$ —</u>	<u>\$ 127,753</u>

September 30, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 921,495	\$ —	\$ —	\$ 921,495
Unlisted stocks	—	795,424	475,519	1,270,943
Derivative not designated as a hedging instrument	—	223,054	—	223,054
	<u>\$ 921,495</u>	<u>\$ 1,018,478</u>	<u>\$ 475,519</u>	<u>\$ 2,415,492</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 46,786	\$ —	\$ —	\$ 46,786
Unlisted stocks	—	168,885	699,832	868,717
	<u>\$ 46,786</u>	<u>\$ 168,885</u>	<u>\$ 699,832</u>	<u>\$ 915,503</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 26,481	\$ —	\$ 26,481

ii. The transfer between Level 1 and Level 2.

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

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

Reconciliations for the nine months ended September 30, 2021 and 2020 were as follows:

Nine Months Ended September 30, 2021			
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 660,137	\$ 565,739	\$ 1,225,876
Purchases	—	119,303	119,303
Capital reduction	(14,074)	—	(14,074)
Recognized in OCI	60,024	—	60,024
Output to other level	—	(48,400)	(48,400)
Effect of exchange rate changes	(1,559)	(5,669)	(7,228)
Balance at September 30, 2021	<u>\$ 704,528</u>	<u>\$ 630,973</u>	<u>\$ 1,335,501</u>

	Nine Months Ended September 30, 2020		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 720,574	\$ 521,282	\$ 1,241,856
Purchases	—	121,459	121,459
Capital reduction	(15,693)	—	(15,693)
Recognized in profit or loss	—	(12,002)	(12,002)
Recognized in OCI	(2,198)	—	(2,198)
Output to other level	—	(155,137)	(155,137)
Input from other level	—	8,000	8,000
Effect of exchange rate changes	(2,851)	(8,083)	(10,934)
Balance at September 30, 2021	\$ 699,832	\$ 475,519	\$ 1,175,351

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

September 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	\$ 704,528	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	\$ 630,973	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
September 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	\$ 699,832	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	475,519	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	September 30,2021	December 31, 2020	September 30,2020
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 3,550,315	\$ 2,906,624	\$ 2,918,565
Notes receivable and trade receivables	4,884,569	3,605,419	2,904,101
Other receivables	274,156	51,430	125,733
Refundable deposits	101,079	101,659	122,237
Financial assets at amortized cost	302,711	333,031	293,389
Financial assets at FVTPL (current and non-current)	3,488,825	2,823,012	2,415,492
Financial assets at FVTOCI (current and non-current)	1,007,898	946,171	915,503
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	4,452	127,753	26,481
Financial liabilities at amortized cost			
Short-term borrowings	8,670,510	4,522,706	5,263,358
Short-term notes and bills payable	939,743	454,930	574,747
Notes payable and trade payables	620,889	667,463	790,846
Other payables	1,001,028	725,608	455,847
Lease liabilities (current and non-current)	731,737	262,098	238,660
Bonds payable (including current portion)	1,500,000	1,500,000	500,000
Long-term borrowings (including current portion)	8,670,557	7,049,642	6,134,095
Guarantee deposits	74,506	29,785	35,246

36.Related Party Transactions

i. The name of the company and its relationship with the Corporation.

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
HENG S TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO(Vietnam) Electric & Machinery CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Other related parties
TAAN 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

ii. Significant related party transactions

Sales

Related Parties	For the Three Months Ended September 30	
	2021	2020
Associates	\$ 98,644	\$ 134,488
Joint venture	43,483	31,852
Others	7	158
	<u>\$ 142,134</u>	<u>\$ 166,498</u>

Related Parties	For the Nine Months Ended September 30	
	2021	2020
Associates	\$ 252,855	\$ 274,559
Joint venture	99,134	117,849
Others	7	3,414
	<u>\$ 351,996</u>	<u>\$ 395,822</u>

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

Purchases

Related Parties	For the Three Months Ended September 30	
	2021	2020
Associates	\$ —	\$ 338
Joint venture	11,494	3,314
Others	—	197
	<u>\$ 11,494</u>	<u>\$ 3,849</u>

Related Parties	For the Nine Months Ended September 30	
	2021	2020
Associates	\$ 100	\$ 467
Joint venture	26,268	3,314
Others	—	773
	<u>\$ 26,368</u>	<u>\$ 4,554</u>

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

Others

		For The Three Months Ended September 30	
	Related Parties	2021	2020
Manufacturing overhead	Other related parties	\$ 980	\$ 666
Operating expenses	Other related parties	\$ 9,108	\$ 1,900
	Associates	2	6
		<u>\$ 9,110</u>	<u>\$ 1,906</u>
Other income	Other related parties	\$ 9	\$ 192
	Associates	555	328
		<u>\$ 564</u>	<u>\$ 520</u>
Manufacturing overhead	Other related parties	\$ 2,726	\$ 2,285
	Associates	—	307
		<u>\$ 2,726</u>	<u>\$ 2,592</u>

		For The Nine Months Ended September 30	
	Related Parties	2021	2020
Operating expenses	Other related parties	\$ 16,929	\$ 5,084
	Associates	26	18
		<u>\$ 16,955</u>	<u>\$ 5,102</u>
Other income	Other related parties	\$ 114	\$ 493
	Associates	948	948
		<u>\$ 1,062</u>	<u>\$ 1,441</u>

Property exchange

		For The Three Months Ended September 30	
	Related Parties	2021	2020
HENGST TECHNOLOGY CO., LTD.	Item		
	Machinery and equipment	<u>\$ 547,619</u>	<u>\$ 533,188</u>

		For The Nine Months Ended September 30	
	Related Parties	2021	2020
HENGST TECHNOLOGY CO., LTD.	Item		
	Machinery and equipment	<u>\$ 1,774,178</u>	<u>\$ 1,196,987</u>

		For The Nine Months Ended September 30	
	Related Parties	2021	2020
Associates	Item		
	Machinery and equipment	<u>\$ 3,200</u>	<u>\$ —</u>

		For The Three Months Ended September 30	
	Related Parties	2021	2020
HENGST TECHNOLOGY CO., LTD.	Item		
	Development Services	<u>\$ 19,040</u>	<u>\$ —</u>

		For The Nine Months Ended September 30	
	Related Parties	2021	2020
HENGST TECHNOLOGY CO., LTD.	Item		
	Development Services	<u>\$ 47,600</u>	<u>\$ 165,145</u>

Related Parties	Item	For The Three Months Ended September 30	
		2021	2020
Associates	Advance payment	\$ —	\$ 12

Related Parties	Item	For The Nine Months Ended September 30	
		2021	2020
Associates	Advance payment	\$ —	\$ 12

Related Parties	Item	For The Three Months Ended September 30	
		2021	2020
HENGST TECHNOLOGY CO., LTD.	TA YA GREENENERGY TECHNOLOGY CO., LTD. SHARES	\$ —	\$ 200,224

Related Parties	Item	For The Nine Months Ended September 30	
		2021	2020
HENGST TECHNOLOGY CO., LTD.	TA YA GREENENERGY TECHNOLOGY CO., LTD. SHARES	\$ —	\$ 200,224

The Group signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2021, the portion of the contracts not yet recognized was \$3,329,307 thousand.

iii. Receivables and payables arising from the above transactions were as follows:

Receivables

	Related Parties	September 30, 2021	December 31, 2020	September 30, 2020
(1) Notes receivable	Associates	\$ 5,543	\$ —	\$ 842
	Joint venture	—	—	14,955
		<u>\$ 5,543</u>	<u>\$ —</u>	<u>\$ 15,797</u>

		September 30, 2021	December 31, 2020	September 30, 2020
(2) Accounts receivable	Associates	\$ 32,198	\$ 56,811	\$ 103,756
	Joint venture	40,477	10,000	12,508
	Other related parties	8	2,067	204
		<u>\$ 72,683</u>	<u>\$ 68,878</u>	<u>\$ 116,468</u>
(3) Other receivables	HENGST TECHNOLOGY	\$ 1,145	\$ —	\$ —

Payables

	Related Parties	September 30, 2021	December 31, 2020	September 30, 2020
(1) Notes payable	Other related parties	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u>
	Related Parties	September 30, 2021	December 31, 2020	September 30, 2020
(2) Accounts payable	Joint venture	\$ 7,561	\$ 2,665	\$ 1,451
	Other related parties	—	3,697	897
		<u>\$ 7,561</u>	<u>\$ 6,362</u>	<u>\$ 2,348</u>
	Related Parties	September 30, 2021	December 31, 2020	September 30, 2020
(3) Other payables	HENGST TECHNOLOGY CO., LTD.	\$ 376,681	\$ 57,159	\$ 77,831
	Other related parties	4,668	3,266	2,292
		<u>\$ 381,349</u>	<u>\$ 60,425</u>	<u>\$ 80,123</u>

Other non-current assets

Related Parties	September 30,2021	December 31,2020	September 30,2020
HENGST TECHNOLOGY CO., LTD.	\$ —	\$ —	\$ 309,748
Associates	—	—	84
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 309,832</u>

Contract liabilities

Related Parties	September 30,2021	December 31,2020	September 30,2020
Joint venture	\$ 160	\$ 1,870	\$ 193

Guarantee deposits

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

iv. Key management personnel compensation disclosure

Item	For the Three Months Ended September 30	
	2021	2020
Short-term employee benefits	\$ 19,000	\$ 16,971
Post-employment benefits	1,263	1,184
	\$ 20,263	\$ 18,155

Item	For the Nine Months Ended September 30	
	2021	2020
Short-term employee benefits	\$ 55,431	\$ 55,259
Post-employment benefits	3,405	3,401
	\$ 58,836	\$ 58,660

37. Mortgage Assets

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

	September 30, 2021		December 31, 2020		September 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	18,200,000	\$356,213
Financial assets at FVTOCI						
Sun Ba Power Co. Ltd.,	30,000,000	\$464,250	30,000,000	\$ 464,250	30,000,000	\$464,250
Sub-subsidiary share SIN JHONG SOLAR POWER CO., LTD.	80,000,000	\$800,000	80,000,000	\$ 800,000	55,000,000	\$550,000
JHIH-GUANG ENERGY CO., LTD.	33,150,000	\$331,500	—	\$ —	—	\$ —

	September 30, 2021	December 31, 2020	September 30, 2020
Property, plant and equipment —			
Land (include revaluation increments)	\$ 1,186,745	\$ 1,181,397	\$ 1,181,795
Buildings, net	217,674	221,916	225,548
Machinery and equipment, net	5,360,958	1,383,702	1,404,095
	<u>\$ 6,765,377</u>	<u>\$ 2,787,015</u>	<u>\$ 2,811,438</u>
Investment property — land	<u>\$ 700,619</u>	<u>\$ 700,737</u>	<u>\$ 696,351</u>
Refundable deposits	<u>\$ 101,079</u>	<u>\$ 101,659</u>	<u>\$ 122,237</u>
Other current assets —			
Mortgage demand deposits	<u>\$ 247,253</u>	<u>\$ 10,588</u>	<u>\$ 8,798</u>
Other non-current assets —			
Mortgage demand deposits	<u>\$ 384,109</u>	<u>\$ 521,766</u>	<u>\$ 575,589</u>
Right-of-use assets — Land	<u>\$ 13,110</u>	<u>\$ 13,524</u>	<u>\$ 13,374</u>

38. 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 September 30, 2021, TA YA had outstanding usance letters of credit amounting to approximately \$2,659 thousand (USD \$44 thousand and JPY \$5,765 thousand).
- (b) TA YA pledged guarantee deposits amounting to \$429,026 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 \$3,888,649 thousand.
- (d) TA YA and CUPRIME MATERIAL entered into contracts of copper procurement with 10,550 ton.
- (e) TA HO engaged a contract of wire and cable installation project with the amount of \$48,443 thousand. As of September 30, 2021, \$10,875 thousand had not been paid.
- (f) TA YA, CUPRIME MATERIAL, HENG YA and TAYA ZHANGZHOU entered contracts of machinery and equipment procurement with the amount of \$374,930 thousand. As of September 30, 2021, \$138,140 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 63 thousand
- (h) JHIH-GUANG signed a contract with HENGGS TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2021, the portion of the contracts not yet recognized was \$3,329,307 thousand.

39. Significant Losses From Disasters : N/A

40. Significant Subsequent Events : N/A

41. Others:

1. 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.

2.Share-based Compensation

The following table shows share-based compensation agreement:

Content	Grant Date	Grant Quantity	Exercise Price	Vesting condition
The 16 th time implement	2020.10.13	5,500,000 shares	NT9.85	Immediately

Stock repurchased.

Fair value and share-based payment transaction in which service or goods are received effect profit & loss and disclose, compliance IFRS 2 「Transactions measured by reference to the fair value of the equity instruments granted」, based on market price if available, taking into account the terms and conditions upon which those equity instruments were granted.

42. 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

	Nine Months Ended September 30,2021		
	Electric wire & Cable	Solar power plants	Total
Revenue from			
external customers	\$ 19,506,335	\$ 562,825	\$ 20,069,160
Operating profit	857,376	267,794	1,125,170
Net non-operating			
income (expenses)			
Net interest income (expenses)			(195,115)
Dividend income			113,233
Share of profits of associates			
accounted for using the			
equity method			102,619
Gain on disposal of property,			
plant and equipment			572
Gain on disposal of investments			47,236
Net foreign exchange gain			67,228
Net gain (loss) of financial			
assets and liabilities at fair			
value through profit or loss			(131,953)
Other gains			71,940
Consolidated income			
before income tax			1,200,930

	Nine Months Ended September 30,2020		
	Electric wire & Cable	Solar power plants	Total
Revenue from			
external customers	\$ 12,692,173	\$ 155,339	\$ 12,847,512
Operating profit	170,608	72,387	242,995
Net non-operating			
income (expenses)			
Net interest income (expenses)			(138,205)
Dividend income			106,733
Share of profits of associates			
accounted for using the			
equity method			71,927
Gain on disposal of property,			
plant and equipment			1,298
Gain on disposal of investments			179,587
Gain on disposal of associates			
accounted for using the			
equity method			2,155
Net foreign exchange gain			70,832
Net gain of financial assets and			
liabilities at fair value			
through profit or loss			254,833
Other gains			52,921
Consolidated income			
before income tax			845,126

2) Segment assets and liabilities

	Electric wire & Cable	Solar power plants	Total
Segment assets			
September 30,2021	\$ 24,919,065	\$ 8,510,361	\$ 33,429,426
September 30,2020	\$ 19,584,182	\$ 3,915,612	\$ 23,499,794
Segment liabilities			
September 30,2021	\$ 17,345,396	\$ 6,081,780	\$ 23,427,176
September 30,2020	\$ 12,811,888	\$ 2,000,365	\$ 14,812,253

c. Geographical information

Nine Months Ended September 30, 2021				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 15,497,791	\$ 6,807,015	\$ 1 (2,235,646)	\$ 20,069,160
Interest income	3,794	12,594	(3,906)	12,482
	<u>\$ 15,501,585</u>	<u>\$ 6,819,609</u>	<u>\$ (2,239,552)</u>	<u>\$ 20,081,642</u>
Segment Profit and Loss	<u>\$ 1,627,652</u>	<u>\$ 182,208</u>	<u>\$ (608,930)</u>	<u>\$ 1,200,930</u>
Non-current Assets	<u>\$ 12,023,634</u>	<u>\$ 800,443</u>	<u>\$ (67,418)</u>	<u>\$ 12,756,659</u>
Segment total assets	<u>\$ 35,796,484</u>	<u>\$ 6,156,279</u>	<u>\$ (8,523,337)</u>	<u>\$ 33,429,426</u>
Nine Months Ended September 30, 2020				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 10,112,458	\$ 4,315,714	\$ (1,580,660)	\$ 12,847,512
Interest income	5,958	22,069	(2,227)	25,800
	<u>\$ 10,118,416</u>	<u>\$ 4,337,783</u>	<u>\$ (1,582,887)</u>	<u>\$ 12,873,312</u>
Segment Profit and Loss	<u>\$ 1,142,528</u>	<u>\$ 38,292</u>	<u>\$ (335,694)</u>	<u>\$ 845,126</u>
Non-current Assets	<u>\$ 7,779,034</u>	<u>\$ 1,204,208</u>	<u>\$ (48,218)</u>	<u>\$ 8,935,024</u>
Segment total assets	<u>\$ 24,284,271</u>	<u>\$ 5,027,646</u>	<u>\$ (5,812,123)</u>	<u>\$ 23,499,794</u>

d. Major customer information

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