

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

**Consolidated Financial Statements
with Independent Auditors' Review Report for the
Nine Months Ended September 30, 2020 and 2019**

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

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INDEPENDENT AUDITORS' REVIEW REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Introduction

We have reviewed the accompanying consolidated balance sheets of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the "Company") as of September 30, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the nine months ended September 30, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards (IAS) No. 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on these interim 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, 2020 and 2019, the combined total assets of these insignificant subsidiaries were respectively NT\$13,513,844 thousand and NT\$11,123,095 thousand, representing 57.51% and 53.59%, of the corresponding consolidated total assets, and the combined total liabilities of these subsidiaries were respectively NT\$7,772,858 thousand and NT\$6,136,966 thousand, representing 52.48% and 48.93% of the corresponding consolidated total liabilities. For the three months and nine months ended September 30, 2020 and 2019, the combined comprehensive income and loss of these subsidiaries respectively amounted to NT\$ 26,906 thousand, NT\$(20,931) thousand, NT\$267,321 thousand, NT\$118,253 thousand, representing 10.63%, (18.61)%, 37.13%, and 31.58% of the corresponding consolidated total comprehensive income and loss. As of September 30, 2020 and 2019, the investment accounted for using equity method were NT\$ 822,217 thousand and NT\$783,194 thousand, respectively. For the three months and nine months ended September 30, 2020 and 2019, the share of other comprehensive income (loss) of associates accounted for using the equity method were respectively NT\$ 49,293 thousand, NT\$ 6,497 thousand, NT\$71,927 thousand, and NT\$30,766 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, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the nine months ended September 30, 2020 and 2019 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., CPAs

November 4, 2020

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, 2020 and 2019 are reviewed, not audited)

ASSETS	September 30, 2020		December 31, 2019		September 30, 2019	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (notes 6)	\$ 2,918,565	12.4	\$ 2,452,870	11.8	\$ 2,655,943	12.8
Financial assets at fair value through profit or loss (notes 7 and 35)	556,832	2.4	421,323	2.0	496,937	2.4
Financial assets at fair value through other comprehensive income (Notes 8 and 35)	21,959	0.1	5,348	—	4,811	—
Financial assets at amortized cost (notes 9)	293,389	1.3	252,933	1.2	216,179	1.0
Contract assets	35,842	0.2	172,886	0.8	172,271	0.8
Notes receivable, net (notes 10 and 36)	174,734	0.7	152,666	0.7	222,327	1.1
Accounts receivable, net (notes 10 and 36)	2,729,367	11.6	2,888,444	13.9	2,972,620	14.3
Other receivables	125,733	0.5	84,285	0.4	90,523	0.4
Inventories, net (notes 11)	3,349,987	14.3	3,429,976	16.5	3,150,100	15.2
Inventories (Construction), net (notes 11)	211,283	0.9	145,257	0.7	126,406	0.6
Prepayments	211,675	0.9	92,153	0.4	163,611	0.8
Other current assets (notes 37)	57,707	0.2	509,968	2.5	656,375	3.2
Total current assets	10,687,073	45.5	10,608,109	50.9	10,928,103	52.6
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 7 and 35)	1,858,660	7.9	1,497,990	7.3	1,247,328	6.0
Financial assets at fair value through other comprehensive income (notes 8, 35, and 37)	893,544	3.8	837,578	4.0	849,361	4.1
Investments accounted for using equity method (notes 12 and 37)	822,217	3.5	796,332	3.8	783,194	3.8
Property, plant and equipment (notes 13, 36 and 37)	6,074,901	25.9	4,821,771	23.2	4,861,648	23.4
Right-of-use assets (notes 14 and 37)	457,412	1.9	467,550	2.2	445,562	2.2
Investment property, net (notes 15 and 37)	1,151,931	4.9	1,104,437	5.3	1,105,736	5.3
Intangible assets (notes 16 and 37)	448	—	690	—	802	—
Deferred income tax assets	181,039	0.8	203,536	1.0	209,775	1.0
Prepayments for equipment	30,649	0.1	57,205	0.3	46,963	0.2
Refundable deposits (notes 37)	122,237	0.5	117,611	0.6	148,058	0.7
Net defined benefit asset	4,263	—	4,263	—	—	—
Other non-current assets (notes 17 and 37)	1,215,420	5.2	283,944	1.4	130,578	0.7
Total noncurrent assets	12,812,721	54.5	10,192,907	49.1	9,829,005	47.4
TOTAL	\$ 23,499,794	100.0	\$ 20,801,016	100.0	\$ 20,757,108	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (notes 18)	\$ 5,263,358	22.4	\$ 3,550,418	17.1	\$ 3,720,678	17.9
Short-term notes and bills payable (notes 19)	574,747	2.5	754,741	3.6	765,000	3.7
Financial liabilities at fair value through profit or loss (notes 7 and 35)	26,481	0.1	35,380	0.2	549	—
Contract liabilities	124,286	0.5	97,224	0.5	170,117	0.8
Notes payable (notes 36)	76,630	0.3	69,156	0.3	46,224	0.2
Accounts payable (notes 36)	714,216	3.0	536,250	2.6	506,778	2.4
Other payables (notes 36)	455,847	1.9	549,611	2.6	367,829	1.8
Income tax payable	79,677	0.3	52,068	0.2	79,514	0.4
Provisions (notes 22)	127,037	0.6	102,281	0.5	110,509	0.5
Lease liabilities (notes 14)	17,777	0.1	19,293	0.1	19,892	0.1
Receipts in advance (notes 36)	2,064	—	8,440	—	1,338	—
Current portion of long-term liabilities (notes 20 and 21)	1,010,615	4.3	2,085,487	10.0	1,879,158	9.1
Other current liabilities	81,585	0.4	31,508	0.2	44,946	0.2
Total current liabilities	8,554,320	36.4	7,891,857	37.9	7,712,532	37.1
NONCURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss (notes 7 and 35)	—	—	—	—	1,114	—
Bonds payable (note 20)	500,000	2.1	500,000	2.4	500,000	2.4
Long-term loans (note 21)	5,123,480	21.8	3,311,805	15.9	3,644,615	17.5
Provisions (note 22)	39,371	0.2	39,301	0.2	37,345	0.2
Deferred income tax liabilities	265,900	1.1	265,900	1.3	265,016	1.3
Lease liabilities (notes 14)	220,883	0.9	231,034	1.1	200,839	1.0
Net defined benefit liabilities (note 23)	30,434	0.1	66,743	0.3	75,872	0.4
Guarantee deposits	35,246	0.1	42,071	0.2	46,367	0.2
Other noncurrent liabilities	42,619	0.3	58,123	0.3	58,596	0.3
Total noncurrent liabilities	6,257,933	26.6	4,514,977	21.7	4,829,764	23.3
Total liabilities	14,812,253	63.0	12,406,834	59.6	12,542,296	60.4
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 24)						
Share capital						
Common Stock	5,950,680	25.3	5,950,680	28.6	5,950,680	28.7
Capital surplus	533,604	2.3	531,117	2.6	529,120	2.5
Retained earnings						
Appropriated as legal capital reserve	137,749	0.6	87,245	0.4	87,245	0.4
Appropriated as special capital reserve	147,555	0.6	147,555	0.7	147,555	0.7
Unappropriated earnings	870,115	3.7	556,359	2.7	393,918	1.9
Total retained earnings	1,155,419	4.9	791,159	3.8	628,718	3.0
Other components of equity	(152,485)	(0.6)	(146,288)	(0.7)	(120,496)	(0.6)
Treasury stock (notes 25)	(85,013)	(0.4)	(30,872)	(0.1)	(30,872)	(0.1)
Total equity attributable to owners of the parent company	7,402,205	31.5	7,095,796	34.2	6,957,150	33.5
NON-CONTROLLING INTERESTS (notes 24)	1,285,336	5.5	1,298,386	6.2	1,257,662	6.1
Total equity	8,687,541	37.0	8,394,182	40.4	8,214,812	39.6
TOTAL	\$ 23,499,794	100.0	\$ 20,801,016	100.0	\$ 20,757,108	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(Wüth Solomon & Co., reviewed report dated November 4, 2020)*

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>			
	2020		2019		2020		2019	
	<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)	\$ 4,673,803	100.0	\$ 4,615,004	100.0	\$12,847,512	100.0	\$ 13,573,867	100.0
OPERATING COST (notes 11, 29 and 36)	4,216,458	90.2	4,341,977	94.1	11,856,973	92.3	12,581,961	92.7
GROSS PROFIT	457,345	9.8	273,027	5.9	990,539	7.7	991,906	7.3
OPERATING EXPENSES (notes 29)								
Sales and marketing expenses	64,979	1.4	65,506	1.4	181,451	1.4	183,978	1.4
General and administrative expenses	190,762	4.1	175,436	3.7	512,871	4.0	471,088	3.5
Research and development expenses	15,021	0.3	11,866	0.4	53,222	0.4	48,346	0.4
Total operating expenses	270,762	5.8	252,808	5.5	747,544	5.8	703,412	5.2
INCOME FROM OPERATIONS	186,583	4.0	20,219	0.4	242,995	1.9	288,494	2.1
NON-OPERATING INCOME AND EXPENSES								
Interest income (note 30)	7,131	0.2	10,134	0.2	25,800	0.2	33,762	0.2
Other income (note 31)	104,704	2.2	84,105	1.8	119,674	0.9	107,835	0.9
Other gains and losses (note 32)	(40,357)	(0.9)	142,446	3.2	548,735	4.3	228,391	1.7
Finance costs (note 33)	(47,332)	(1.0)	(63,273)	(1.4)	(164,005)	(1.3)	(199,388)	(1.5)
Share of profit of associates (note 12)	49,293	1.1	6,497	0.1	71,927	0.6	30,766	0.2
Total non-operating income and expenses	73,439	1.6	179,909	3.9	602,131	4.7	201,366	1.5
INCOME BEFORE INCOME TAX	260,022	5.6	200,128	4.3	845,126	6.6	489,860	3.6
INCOME TAX EXPENSE (notes 26)	(48,224)	(1.0)	(64,726)	(1.4)	(114,466)	(0.9)	(126,998)	(0.9)
NET INCOME	211,798	4.6	135,402	2.9	730,660	5.7	362,862	2.7
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	50,445	1.1	3,215	0.1	53,428	0.4	13,759	0.1
Share of other comprehensive income (loss) of associates accounted for using the equity method	(992)	—	365	—	78	—	(142)	—
Income tax related to items that will not be reclassified subsequently (notes 26)	(49)	—	(6)	—	408	—	615	—
	49,404	1.1	3,574	0.1	53,914	0.4	14,232	0.1
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of foreign operations	(3,026)	(0.1)	(2,958)	(0.1)	(63,441)	(0.5)	20,055	0.2
Share of other comprehensive income (loss) of associates accounted for using the equity method	(3,527)	(0.1)	(30,228)	(0.7)	(7,974)	(0.1)	(25,530)	(0.2)
Income tax related to items that may be reclassified subsequently (notes 26)	(1,454)	—	6,680	0.1	6,726	0.1	2,845	—
	(8,007)	(0.2)	(26,506)	(0.7)	(64,689)	(0.5)	(2,630)	—
Other comprehensive income (loss), net of income tax	41,397	0.9	(22,932)	(0.6)	(10,775)	(0.1)	11,602	0.1
TOTAL COMPREHENSIVE INCOME	\$ 253,195	5.5	\$ 112,470	2.3	\$ 719,885	5.6	\$ 374,464	2.8
NET PROFIT ATTRIBUTABLE TO:								
Owners of the parent	\$ 166,192	3.6	\$ 121,190	2.6	\$ 624,094	4.9	\$ 331,038	2.5
Non-controlling interests	45,606	1.0	14,212	0.3	106,566	0.8	31,824	0.2
	\$ 211,798	4.6	\$ 135,402	2.9	\$ 730,660	5.7	\$ 362,862	2.7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the parent	\$ 209,995	4.6	\$ 96,139	2.0	\$ 637,870	5.0	\$ 337,385	2.5
Non-controlling interests	43,200	0.9	16,331	0.3	82,015	0.6	37,079	0.3
	\$ 253,195	5.5	\$ 112,470	2.3	\$ 719,885	5.6	\$ 374,464	2.8
EARNINGS PER SHARE (NT\$, notes 27)								
Basic earnings per share	\$ 0.29		\$ 0.21		\$ 1.07		\$ 0.56	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 4, 2020)

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

	<i>Capital Stock — Common Stock</i>		<i>Retained Earnings</i>				<i>Others</i>				
	<i>Shares</i>	<i>Amount</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>	<i>Treasury Stock</i>	<i>Non-controlling Interests</i>	<i>Total Equity</i>
BALANCE, JANUARY 1, 2019	572,180,791	\$ 5,721,808	\$ 524,667	\$ 46,746	\$ 264,909	\$ 378,000	\$ (138,115)	\$ 20,508	\$ (20,770)	\$ 1,303,901	\$ 8,101,654
Appropriation and distribution of 2018 retained earnings											
Legal reserve	—	—	—	40,499	—	(40,499)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(171,654)	—	—	—	—	(171,654)
Share dividends distributed by the Company	22,887,231	228,872	—	—	—	(228,872)	—	—	—	—	—
Reversal of special reserve	—	—	—	—	(117,354)	117,354	—	—	—	—	—
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	463	—	—	(427)	—	—	—	—	36
Net income for the nine months ended September 30	—	—	—	—	—	331,038	—	—	—	31,824	362,862
Other comprehensive income for the nine months ended September 30, net of income tax	—	—	—	—	—	—	(6,370)	12,717	—	5,255	11,602
Treasury stock- sales of parent company stock held by subsidiaries	—	—	—	—	—	—	—	—	(10,102)	(12,237)	(22,339)
Adjustments for dividends subsidiaries received from parent company	—	—	2,290	—	—	—	—	—	—	—	2,290
Changes in subsidiaries' ownership	—	—	1,700	—	—	1,794	—	(2,052)	—	2,359	3,801
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	(73,440)	(73,440)
Disposed of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	7,184	—	(7,184)	—	—	—
BALANCE, SEPTEMBER 30, 2019	595,068,022	\$ 5,950,680	\$ 529,120	\$ 87,245	\$ 147,555	\$ 393,918	\$ (144,485)	\$ 23,989	\$ (30,872)	\$ 1,257,662	\$ 8,214,812
BALANCE, JANUARY 1, 2020	595,068,022	\$ 5,950,680	\$ 531,117	\$ 87,245	\$ 147,555	\$ 556,359	\$ (183,063)	\$ 36,775	\$ (30,872)	\$ 1,298,386	\$ 8,394,182
Appropriation and distribution of 2019 retained earnings											
Legal reserve	—	—	—	50,504	—	(50,504)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(178,521)	—	—	—	—	(178,521)
Share of changes in net assets of associates and joint ventures accounted for using equity method	—	—	13	—	—	—	—	—	—	—	13
Net income for the nine months ended September 30	—	—	—	—	—	624,094	—	—	—	106,566	730,660
Other comprehensive income for the nine months ended September 30, 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

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 4, 2020)

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

	<i>For The Nine Months Ended September 30</i>	
	<i>2020</i>	<i>2019</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 845,126	\$ 489,860
Adjustments for :		
Depreciation expense	265,567	270,701
Amortization expense	288	347
Expected credit loss (gain)	—	(276)
Net loss (gain) of financial assets and liabilities at fair value through profit or loss	(349,964)	(184,324)
Interest expense	164,005	199,388
Interest income	(25,800)	(33,762)
Dividend income	(106,733)	(91,055)
Share of profits of associates accounted for using the equity method	(71,927)	(30,766)
Loss (gain) on disposal of property, plant and equipment	(1,599)	(646)
Property, plant and equipment transferred to expenses (including prepayments for equipment)	3,663	19,150
Gain on disposal of investment property	(301)	—
Loss (gain) on disposal of investments	(179,587)	2,175
Gain on disposal of associates accounted for using the equity method	(2,155)	(1,616)
Other losses (gains)	—	(291)
Income and expense adjustments	(304,543)	149,025
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	15,796	(145,854)
Contract assets	137,044	(132,727)
Notes and accounts receivable	137,338	19,457
Other receivables	(41,127)	4,497
Inventories	16,163	272,145
Prepayments	(119,522)	169,582
Other current assets	18,325	(98,702)
Contract liabilities	27,062	75,104
Notes and accounts payable	185,440	(171,518)
Other payables	(73,496)	(73,043)
Provisions	24,490	15,298
Advance receipts	(6,376)	(2,237)
Other current liabilities	50,077	340
Net defined benefit liabilities	(36,309)	(68,942)
Total changes in operating assets and liabilities	334,905	(136,600)
Total adjustments	30,362	12,425
Cash generated from operations	875,488	502,285
Interest received	25,808	33,649
Interest paid	(165,038)	(199,211)
Income tax paid	(58,820)	(77,676)
Net cash generated from operating activities	677,438	259,047

(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>2020</i>	<i>2019</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(101,149)	(88,189)
Proceeds from disposal of financial asset at fair value through other comprehensive income	66,801	82,566
The capital reduction on financial asset at fair value through other comprehensive income	15,693	22,525
Financial assets at amortized cost	(40,456)	98,874
Acquisition of investments under the equity method	—	(61,047)
Proceeds from disposal of investments under the equity method	4,570	9,626
Acquisition of property, plant and equipment (including prepayments for equipment)	(1,520,211)	(428,126)
Proceeds from disposal of property, plant and equipment	5,072	10,397
Increase in refundable deposits	(4,626)	(6,327)
Acquisition of intangible assets	(55)	(130)
Acquisition to right-of-use assets	(8,525)	(13,544)
Acquisition of investment properties	(52,242)	(3,838)
Proceeds from disposal of investment properties	1,000	—
Increase in other non-current assets	(460,313)	(11,306)
Dividend received	134,921	137,202
Other investing activities	(37,227)	(184,442)
Net cash used in investing activities	(1,996,747)	(435,759)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,712,940	561,670
Increase (decrease) in short-term notes and bills payable	(179,994)	5,264
Repayments of bonds payable	—	(200,000)
Proceeds from long-term bank loans	2,004,959	813,937
Repayment of long-term bank loans	(1,242,416)	(938,121)
Increase (decrease) in guarantee deposits	(6,825)	(2,948)
Repayment of principal of lease liabilities	(16,148)	(19,127)
Decrease in other noncurrent liabilities	(2,876)	—
Cash dividends	(176,103)	(169,364)
Increase in treasury stock	(54,141)	(22,339)
Increase in non-controlling interests	(195,194)	(73,440)
Net cash generated (used) from financing activities	1,844,202	(44,468)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(59,198)	9,164
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	465,695	(212,016)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,452,870	2,867,959
CASH AND CASH EQUIVALENTS, ENDING OF PERIOD	<u>\$ 2,918,565</u>	<u>\$ 2,655,943</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., reviewed report dated November 4, 2020)

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

Notes to Financial Statements

September 30, 2020 and 2019

(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, 2020. 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 4, 2020.

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 a significant effect on TA YA WIRE&CABLE CO. LTD., and its subsidiaries’(collectively as the “Company”) accounting policies.

Amendments to IAS 1 and IAS 8 “Definition of Material”

The Company adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “whole would influence the judgment made by a reasonable user on financial statements.” Therefore, the disclosures in the consolidated financial

report have been adjusted and immaterial information that may obscure material information has been deleted.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, ISA39, IFRS 7, IFRS 4 and IFRS 16 “Phase 2 of the interest rate benchmark reform.”	January 1, 2021
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 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. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

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

1, 2022.

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

Note 5: 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 accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance as a result of initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes the evaluation.

4. Summary Of Significant Accounting Policies

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

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

Statement Of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statement prepared under the IFRSs endorsed and issued into effect by the FSC.

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 Company 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 Company 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
			2020.9.30	2019.12.31	2019.9.30	
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 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	45.22%	45.22%	45.22%	Note 1
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.66%	63.16%	50.70%	Note 2
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	48.00%	Note 1
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 1
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	51.90%	51.90%	51.90%	
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	96.48%	96.48%	96.48%	
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%	

Investor	Investee	Main Business	% of Ownership			Additional Descriptions
			2020.9.30	2019.12.31	2019.9.30	
TA YI PLASTIC (HK)	DONGGUAN HUIJI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	100.00%	100.00%	100.00%	
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	100.00%	100.00%	100.00%	
HENG YA	TAYA ZHANGZHOU WIRES CABLE CO., LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITED	Investment holding	100.00%	100.00%	100.00%	
TA YA and TA YA VENTURE CAPITAL	TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	85.00%	75.00%	75.00%	Note 3
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 (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 : Although the Company has 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 2 : In September 2020 and October 2019, the Company further invested NT9,300 thousand and NT\$12,000 thousand separately in the subsidiary UNION STORAGE ENERGY SYSTEM LTD., which increased the shareholding ratio for the year ended December 31, 2020 and

December 31, 2019 in UNION STORAGE ENERGY SYSTEM LTD. to 70.66% and 63.16%.

Note 3 : The consolidated company purchase the shares from associates, TA YA GREEN ENERGY CO., increasing the shareholding ratio to 85%.

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, 2020 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, 2019.

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 Company'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, 2019.

6. Cash and Cash Equivalents

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand and petty cash	\$ 4,546	\$ 7,157	\$ 4,995
Cash in bank			
Checking accounts	456,850	394,568	400,434
Demand deposits	1,727,721	1,171,625	1,042,160
Foreign currency-demand deposits	381,333	324,017	374,494
Time deposits	348,115	555,503	833,860
Sub-total	2,914,019	2,445,713	2,650,948
Total	<u>\$ 2,918,565</u>	<u>\$ 2,452,870</u>	<u>\$ 2,655,943</u>

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

	September 30, 2020	December 31, 2019	September 30, 2019
Financial assets at FVTPL - current			
Listed stocks	\$ 276,719	\$ 248,591	\$ 294,968
Non-listed stocks	8,000	8,000	8,000
Metal commodities futures contracts	47	193	54,147
Metal options	1,499	3,310	790
Foreign exchange forward contracts	1,025	—	1,985
	287,290	260,094	359,890
Valuation adjustment	269,542	161,229	137,047
	<u>\$ 556,832</u>	<u>\$ 421,323</u>	<u>\$ 496,937</u>
Financial assets at FVTPL - noncurrent			
Listed stocks and emerging market stocks	\$ 99,793	\$ 46,579	\$ 172,651
Non-listed stocks	1,216,170	1,148,994	1,053,744
Metal commodities futures contracts	200,483	1,306	—
Metal options	—	460	—
	1,536,446	1,197,339	1,226,395
Valuation adjustment	322,214	300,651	20,933
	<u>\$ 1,858,660</u>	<u>\$ 1,497,990</u>	<u>\$ 1,247,328</u>
Financial liabilities at FVTPL - current			
Metal commodities futures contracts	\$ 21,387	\$ 31,343	\$ —
Foreign exchange forward contracts	5,094	4,037	549
	<u>\$ 26,481</u>	<u>\$ 35,380</u>	<u>\$ 549</u>
Financial liabilities at FVTPL - noncurrent			
Metal commodities futures contracts	\$ —	\$ —	\$ 793
Metal options	—	—	321
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,114</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, 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)
<u>December 31, 2019</u>								
Buy	225	2020.01~2021.07	USD	1,345	USD	1,395	USD	50
Sell	8,300	2020.01~2021.04	USD	50,190	USD	51,232 (USD	1,042)
<u>September 30, 2019</u>								
Buy	425	2020.02~2021.07	USD	2,467	USD	2,444 (USD	23)
Sell	8,625	2019.10~2019.12	USD	51,062	USD	49,319	USD	1,743

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

	Metric Tons	Maturity Date	National Amounts		Fair Value	
<u>September 30, 2020</u>						
Sell	300	2020.10~2021.01	USD	1,650	USD	52
<u>December 31, 2019</u>						
Sell	1,200	2020.01~2021.01	USD	6,600	USD	125
<u>September 30, 2019</u>						
Sell	900	2019.11~2021.01	USD	4,980	USD	15

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

	Currency	Maturity Date	Contract Amounts (Thousand)		
<u>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
<u>December 31, 2019</u>					
Buy	CNY/USD	2020.02	CNY	35,186/USD	5,000
Buy	NTD/USD	2020.03	NTD	185,799/USD	6,100
<u>September 30, 2019</u>					
Buy	CNY/USD	2019.12	CNY	92,140/USD	13,000
Buy	NTD/USD	2019.12	NTD	115,999/USD	3,720

8. Financial Assets at Fair Value Through Other Comprehensive Income

	September 30, 2020	December 31, 2019	September 30, 2019
Financial assets at fair value through other comprehensive income — current			
Listed stocks	\$ 15,707	\$ 4,783	\$ 4,618
Valuation adjustment	6,252	565	193
	<u>\$ 21,959</u>	<u>\$ 5,348</u>	<u>\$ 4,811</u>
Financial assets at fair value through other comprehensive income — non-current			
Listed stocks and emerging market stocks	\$ 20,861	\$ 20,781	\$ 38,900
Non-listed stocks and emerging market stocks	798,568	769,591	775,495
Valuation adjustment	74,115	47,206	34,966
	<u>\$ 893,544</u>	<u>\$ 837,578</u>	<u>\$ 849,361</u>

9. Financial Assets at amortized cost

	September 30, 2020	December 31, 2019	September 30, 2019
Time deposits with original maturities of more than 3 months	\$ 293,389	\$ 252,933	\$ 216,179

10. Notes and Accounts Receivable, Net

	September 30, 2020	December 31, 2019	September 30, 2019
Notes and accounts receivable	\$ 2,952,040	\$ 3,091,613	\$ 3,252,484
Allowance for impairment loss	(47,939)	(50,503)	(57,537)
Notes and accounts receivable, net	<u>\$ 2,904,101</u>	<u>\$ 3,041,110</u>	<u>\$ 3,194,947</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 Company to make judgments on any change of credit quality from the beginning to the end of the credit term.

Before accepting new customers, the Company 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 Company executes Credit Rating.

The Company 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 Company estimated the past default experience, the current financial

position, and the forecast direction of the future economic conditions of the debtor.

The Company 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 Company 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, 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>
December 31, 2019	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	\$ 2,642,145	\$ 367,715	\$ 55,577	\$ 6,733	\$ 19,443	\$ 3,091,613
Loss allowance (Lifetime ECL)	(16,341)	(7,134)	(5,734)	(1,851)	(19,443)	(50,503)
Amortized cost	<u>\$ 2,625,804</u>	<u>\$ 360,581</u>	<u>\$ 49,843</u>	<u>\$ 4,882</u>	<u>\$ —</u>	<u>\$ 3,041,110</u>
September 30, 2019	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%	30%~100%	100%	
Gross carrying amount	\$ 2,812,473	\$ 377,802	\$ 24,300	\$ 11,587	\$ 26,322	\$ 3,252,484
Loss allowance (Lifetime ECL)	(18,855)	(4,962)	(2,899)	(4,499)	(26,322)	(57,537)
Amortized cost	<u>\$2,793,618</u>	<u>\$ 372,840</u>	<u>\$ 21,401</u>	<u>\$ 7,088</u>	<u>\$ —</u>	<u>\$ 3,194,947</u>

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ 50,503	\$ 58,389
Amounts written off	(2,235)	(276)
Effect of exchange rate changes	(329)	(576)
Balance at September 30	<u>\$ 47,939</u>	<u>\$ 57,537</u>

11. Inventories, Net

a. Manufacturing

	September 30, 2020	December 31, 2019	September 30, 2019
Raw materials	\$ 628,963	\$ 969,237	\$ 726,352
Supplies	47,151	37,586	54,663
Work-in-process	769,984	569,810	670,131
Semi-finished goods	21,128	6,482	11,989
Finished goods	1,816,520	1,608,650	1,606,186
Merchandise	91,113	108,553	102,420
Inventory in transit	13,738	179,934	42,223
Total	3,388,597	3,480,252	3,214,144
Less: Allowance for inventory valuation losses	(38,610)	(50,276)	(64,044)
	<u>\$ 3,349,987</u>	<u>\$ 3,429,976</u>	<u>\$ 3,150,100</u>

b. Construction

	September 30, 2020	December 31, 2019	September 30, 2019
Land held for sale	\$ 71,880	\$ 83,369	\$ 11,489
Buildings held for sale	—	16,013	16,013
	<u>71,880</u>	<u>99,382</u>	<u>27,502</u>
Building and land in progress	69,062	7,000	71,880
Construction in progress	70,341	38,875	27,024
	<u>139,403</u>	<u>45,875</u>	<u>98,904</u>
	211,283	145,257	126,406
Less: Allowance for loss on decline in market value and obsolescence	—	—	—
	<u>\$ 211,283</u>	<u>\$ 145,257</u>	<u>\$ 126,406</u>

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

	For the Three Months Ended September 30	
	2020	2019
Cost of goods sold	\$ 4,223,812	\$ 4,349,879
Loss (gain) on physical inventory	466	3,872
(Reversal gain of) Write-down of inventories	(7,820)	(11,774)
	<u>\$ 4,216,458</u>	<u>\$ 4,341,977</u>
	For the Nine Months Ended September 30	
	2020	2019
Cost of goods sold	\$ 11,866,631	\$ 12,575,805
Loss (gain) on physical inventory	2,008	4,376
Write-down (Reversal gain) of inventories	(11,666)	1,780
	<u>\$ 11,856,973</u>	<u>\$ 12,581,961</u>

The reversal gain and loss of write-down of inventories for the nine months ended September 30 in 2020 and 2019 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, 2020	December 31, 2019	September 30, 2019	September 30, 2020	December 31, 2019	September 30, 2019
Ad Engineering Corporation	\$ 97,723	\$ 86,126	\$ 80,287	27.00	27.00	27.00
Jung Shing Wire Co., Ltd.	424,569	418,355	425,394	22.13	22.13	22.13
Teco(Vietnam) Electric & Machinery Co., Ltd.	74,960	87,225	89,920	20.00	21.10	21.10
Otto2 Holdings Corporation	22,098	22,193	22,282	27.27	27.27	27.27
Huizhou Boluo Huxing Flame-Retardant Materials Co., Ltd.	28,703	26,797	26,392	33.00	33.00	33.00
AMIT system service Ltd.	1,225	2,444	2,964	19.61	19.61	19.61
Hengs Technology Co., Ltd.	158,268	137,899	135,955	22.58	22.86	22.86
Tenart Biotech Limited	14,671	15,293	—	25.41	25.41	—
	<u>\$ 822,217</u>	<u>\$ 796,332</u>	<u>\$ 783,194</u>			

The summarized financial information in respect of the Company'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 Company using the equity method of accounting.

	September 30, 2020	December 31, 2019	September 30, 2019
Total assets	\$ 7,065,621	\$ 6,172,858	\$ 5,994,831
Total liabilities	(3,642,624)	(2,776,378)	(2,790,598)
Net assets	<u>\$ 3,422,997</u>	<u>\$ 3,396,480</u>	<u>\$ 3,320,233</u>

	For the Three Months Ended September 30	
	2020	2019
Net revenue	\$ 2,073,917	\$ 1,424,262
Net income	\$ 305,616	\$ 19,091
The Company's share of profits of associates	\$ 49,293	\$ 6,497

	For the Nine Months Ended September 30	
	2020	2019
Net revenue	\$ 4,216,253	\$ 3,023,276
Net income	\$ 398,243	\$ 129,831
The Company's share of profits of associates	\$ 71,927	\$ 30,766

- a. 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.
- b. The Company participated in the capital increase of Hengs Technology Co., Ltd. by cash in Q2 2019 and the investment amounted to 4,665 thousand shares. Moreover, the Group's ownership interest in Hengs Technology Co., Ltd. decreased to 22.58% after having disposed 573 thousand shares in Q3 2019, 90 thousand shares in Q1 2020, and 50 thousand shares in Q2, 2020.
- c. The Company invested Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value	\$ 405,409	\$ 393,210	\$ 386,256

For the year ended December 31, 2019, the Company paid \$17,500 thousand to acquire shares of Tenart Biotech Limited. Therefore, the Company's ownership interest in Tenart Biotech Limited. increased to 25.41%.

- d. 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

For the Nine Months Ended September 30, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of September 30
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>

For the Nine Months Ended September 30, 2020

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of September 30
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>

For the Nine Months Ended September 30, 2019

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of September 30
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,018,244	2,626	(7,361)	764	(3,622)	2,010,651
Machinery and equipment	6,039,638	19,535	(98,485)	96,235	(3,623)	6,053,300
Transportation equipment	137,944	3,046	(4,302)	768	(178)	137,278
Miscellaneous equipment	1,494,307	18,109	(22,047)	22,202	(2,884)	1,509,687
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	120,251	228,056	—	(20,653)	(95)	327,559
	<u>\$ 11,580,995</u>	<u>\$ 271,372</u>	<u>\$ (132,195)</u>	<u>\$ 99,316</u>	<u>\$ (10,402)</u>	<u>\$ 11,809,086</u>

For the Nine Months Ended September 30, 2019

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, As of September 30
Land and land improvements	\$ 11,677	\$ 1,988	\$ —	\$ —	\$ —	\$ 13,665
Buildings	1,290,600	43,029	(1,843)	—	(1,593)	1,330,193
Machinery and equipment	4,116,243	156,417	(94,781)	—	919	4,178,798
Transportation equipment	104,562	6,335	(4,039)	—	(103)	106,755
Miscellaneous equipment	1,298,353	42,046	(21,781)	—	(1,998)	1,316,620
Leasehold improvements	1,120	287	—	—	—	1,407
	<u>\$ 6,822,555</u>	<u>\$ 250,102</u>	<u>\$ (122,444)</u>	<u>\$ —</u>	<u>\$ (2,775)</u>	<u>\$ 6,947,438</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

For the Nine Months Ended September 30, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of September 30
Land	\$ 258,599	\$ 8,550	\$ —	\$ (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, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of September 30
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>

For the Nine Months Ended September 30, 2019

Cost	Balance, Beginning of Year	Initial		Effect of Exchange Rate Changes	Balance, As of September 30
		Application of IFRS 16	Additions		
Land	\$ —	\$ 211,223	\$ 13,544	\$ 323	\$ 225,090
Buildings	—	5,029	80	44	5,153
Transportation equipment	—	29,780	3,419	—	33,199
Miscellaneous equipment	—	160,460	37,964	—	198,424
	<u>\$ —</u>	<u>\$ 406,492</u>	<u>\$ 55,007</u>	<u>\$ 367</u>	<u>\$ 461,866</u>
Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of September 30
Land	\$ —	\$ 1,418	\$ —	\$ (28)	\$ 1,390
Buildings	—	1,073	—	—	1,073
Transportation equipment	—	6,684	—	—	6,684
Miscellaneous equipment	—	7,157	—	—	7,157
	<u>\$ —</u>	<u>\$ 16,332</u>	<u>\$ —</u>	<u>\$ (28)</u>	<u>\$ 16,304</u>

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Current	<u>\$ 17,777</u>	<u>\$ 19,293</u>	<u>\$ 19,892</u>
Non-current	<u>\$ 220,883</u>	<u>\$ 231,034</u>	<u>\$ 200,839</u>

Range of discount rate for lease liabilities is as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Land	1.32% ~ 9.80%	1.32% ~ 9.80%	1.32%
Buildings	1.55% ~ 3.70%	1.55% ~ 3.70%	1.55% ~ 3.70%
Transportation equipment	1.38% ~ 3.54%	1.38% ~ 3.54%	1.38% ~ 3.54%
Miscellaneous equipment	1.99% ~ 2.19%	1.99% ~ 2.19%	1.99% ~ 2.19%

c. Other lease information

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019
Expenses relating to short-term leases	<u>\$ 3,545</u>	<u>\$ 1,925</u>

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019
Expenses relating to low-value asset leases	\$ 9	\$ 3
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 613	\$ 2,092
Total cash outflow for leases	\$ (16,477)	\$ (9,654)
	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Expenses relating to short-term leases	\$ 5,249	\$ 5,606
Expenses relating to low-value asset leases	\$ 12	\$ 10
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,270	\$ 2,921
Total cash outflow for leases	\$ (29,218)	\$ (27,914)

15. Investment Property

	For the Nine Months Ended September 30, 2020			
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, As of September 30
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>

	For the Nine Months Ended September 30, 2020			
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, As of September 30
Buildings and improvements	\$ 61,949	\$ 4,049	\$ —	\$ 65,998

	For The Nine Months Ended September 30, 2019			
Cost	Balance, Beginning of Year	Additions	Disposals	Balance, As of September 30
Land	\$ 920,251	\$ —	\$ —	\$ 920,251
Buildings and improvements	241,835	3,838	—	245,673
	<u>\$ 1,162,086</u>	<u>\$ 3,838</u>	<u>\$ —</u>	<u>\$ 1,165,924</u>

For the Nine Months Ended September 30, 2019				
Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Balance, As of September 30
Buildings and improvements	\$ 55,921	\$ 4,267	\$ —	\$ 60,188

(a).The fair value of the Company'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, 2020	December 31, 2019	September 30, 2019
Fair value	\$ 1,113,145	\$ 1,332,684	\$ 1,348,861

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

16. Intangible Assets

For the Nine Months Ended September 30, 2020					
Cost	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of September 30
Computer Software	\$ 493	\$ 55	\$ —	\$ —	\$ 548
Patents and other intangible assets	3,504	—	(2,000)	(42)	1,462
	\$ 3,997	\$ 55	\$ (2,000)	\$ (42)	\$ 2,010

For the Nine Months Ended September 30, 2020					
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, As of September 30
Computer Software	\$ 220	\$ 143	\$ —	\$ —	\$ 363
Patents and other intangible assets	3,087	145	(2,000)	(33)	1,199
	\$ 3,307	\$ 288	\$ (2,000)	\$ (33)	\$ 1,562

For the Nine Months Ended September 30, 2019

Cost	Balance, Beginning of			Effect of	Balance,
	Year	Additions	Disposals	Exchange Rate Changes	As of September 30
Computer Software	\$ 588	\$ 54	\$ (149)	\$ —	\$ 493
Patents and other intangible assets	3,829	76	(381)	18	3,542
	<u>\$ 4,417</u>	<u>\$ 130</u>	<u>\$ (530)</u>	<u>\$ 18</u>	<u>\$ 4,035</u>

For the Nine Months Ended September 30, 2019

Accumulated depreciation and impairment	Balance, Beginning of			Effect of	Balance,
	Year	Additions	Disposals	Exchange Rate Changes	As of September 30
Computer Software	\$ 178	\$ 145	\$ (149)	\$ —	\$ 174
Patents and other intangible assets	3,226	202	(381)	12	3,059
	<u>\$ 3,404</u>	<u>\$ 347</u>	<u>\$ (530)</u>	<u>\$ 12</u>	<u>\$ 3,233</u>

17. Other Assets(Non-current)

	September 30, 2020	December 31, 2019	September 30, 2019
Pledge Deposit	\$ 575,589	\$ 104,426	\$ 96,175
Develop service accounts receivable	309,748	144,603	—
Refundable by land change of usages	176,419	—	—
Advance entity payment	97,708	2,147	2,147
Subsidy	17,511	16,654	16,121
Others	38,445	16,114	16,135
	<u>\$ 1,215,420</u>	<u>\$ 283,944</u>	<u>\$ 130,578</u>

18. Short-Term Loans

	December 31, 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>		

	December 31, 2019	Annual interest rate	Maturity date
Usance L/C loans	\$ 935,609	1.20%~4.56%	2020.01~2020.12
Mortgage loans	962,869	1.09%~5.80%	2020.01~2020.12
Unsecured loans	1,651,940	0.84%~5.90%	2020.01~2020.11
	<u>\$ 3,550,418</u>		

	September 30, 2019	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,448,429	1.20%~5.60%	2019.11~2020.09
Mortgage loans	686,480	1.09%~5.22%	2019.10~2020.01
Unsecured loans	1,585,769	1.09%~5.40%	2019.10~2020.07
	<u>\$ 3,720,678</u>		

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

19. Commercial Papers

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial Papers	\$ 575,000	\$ 755,000	\$ 765,000
Less: Discount on commercial papers	(253)	(259)	—
	<u>\$ 574,747</u>	<u>\$ 754,741</u>	<u>\$ 765,000</u>
Interest rate range	1.09%~1.37%	1.35%~1.43%	1.35%~1.54%
Maturity date	2020.10~2020.12	2020.01~2020.03	2019.10~2019.12

20. Bonds Payable

	September 30, 2020	December 31, 2019	September 30, 2019
The first domestic secured corporate bonds in 2018	<u>\$ 500,000</u>	<u>\$ 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

21. Long-Term Loans

	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>		
	December 31, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 3,250,847	1.44%~2.05%	2021.01~2038.06
Unsecured loans	2,146,445	1.44%~2.05%	2021.10~2038.06
Less: Current portion	(2,085,487)		
	<u>\$ 3,311,805</u>		
	September 30, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 2,935,216	1.44%~2.05%	2020.05~2038.09
Unsecured loans	2,588,557	1.44%~3.93%	2020.05~2038.09
Less: Current portion	(1,879,158)		
	<u>\$ 3,644,615</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.

22.Provisions

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>

For The Nine Months Ended September 30, 2019	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 115,005	\$ 17,254	\$ 132,259
Recognized	20,906	1,594	22,500
Paid	(6,905)	—	(6,905)
Balance, As of September 30,2019	<u>\$ 129,006</u>	<u>\$ 18,848</u>	<u>\$ 147,854</u>

	September 30, 2020	December 31, 2019	September 30, 2019
Current	<u>\$ 127,037</u>	<u>\$ 102,281</u>	<u>\$ 110,509</u>
Non-current	<u>\$ 39,371</u>	<u>\$ 39,301</u>	<u>\$ 37,345</u>

- a. The provision for warranty was based on historical experience, the management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income in the periods the related goods were sold.
- b. The decommissioning liability means that the solar power plants of the Company'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 Company 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 Company recognizes the increase in decommissioning liabilities due to discounts over time and the interest expenses annually. The Company reviews changes in decommissioning obligations at the end of each reporting period and adjusts to reflect the best estimates.

23.Retirement Benefit Plans

a. Defined contribution plans

Total pension expenses of NT\$8,724 thousand, NT\$5,461 thousand, NT\$19,283 thousand, and NT\$15,736 thousand are contributed by the Company for the three months ended September 30, 2020 and 2019, and the nine months ended September 30, 2020 and 2019, respectively.

b. Defined benefit plans

For the three months ended 2020 and 2019, and the nine months ended September 30, 2020 and 2019, the total pension expenses of NT\$3,119 thousand, NT\$3,262 thousand, NT\$9,594 thousand, and NT\$9,843 thousand, respectively, were recognized by the Company.

24.Equity

a. Capital stock

- (1) As of September 30, 2020, December 31, 2019 and September 30, 2019, TA YA's authorized capital was NT\$7,000,000 thousand and the paid-in capital was NT\$5,950,680 thousand, consisting of 595,068,022 shares with a par value of NT\$10 per share.
- (2) Distribution of earning of TA YA Electric Wire & Cable CO.,LTD. had approved that distribution NT\$228,872 thousand by TA YA's shareholders in its meeting held on June 12,2019 and FSC. Board of Directors had resolute that Ex-dividend date is August 6,2019.

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, 2020, December 31, 2019, and September 30, 2019, the balances of the Company's capital surplus were NT\$ 533,604 thousand, NT\$ 531,117 thousand, and NT\$ 529,120 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 2019 and 2018 had been approved in the stockholders’ meetings on June 11, 2020 and June 12, 2019, respectively.

The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal Year 2019	For Fiscal Year 2018	For Fiscal Year 2019	For Fiscal Year 2018
Legal capital reserve	\$ 50,504	\$ 40,499		
Cash dividends	178,521	171,654	0.30	0.30
Share dividends	—	228,872	—	0.40
	<u>\$ 229,025</u>	<u>\$ 441,025</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	
	2020	2019
Balance, beginning of period	\$ (183,063)	\$ (138,115)
Exchange differences arising on translation foreign operations	(35,310)	16,315
Share of other comprehensive income (loss) of associates	(7,974)	(25,530)
Income tax effect	6,726	2,845
Balance, end of period	<u>\$ (219,621)</u>	<u>\$ (144,485)</u>

The exchange differences of the Company’s foreign operations from their functional currencies to the Company’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	
	2020	2019
Balance, beginning of period	\$ 36,775	\$ 20,508
Unrealized loss on financial assets at fair value through other comprehensive income	49,848	12,244
Disposal of investments in equity instruments at fair value through other comprehensive income	(19,973)	(7,184)
Share of other comprehensive income of accounted for using the equity method	78	(2,194)
Income tax effect	408	615
Balance, end of period	<u>\$ 67,136</u>	<u>\$ 23,989</u>

e. Non-controlling interests

	Nine Months Ended September 30	
	2020	2019
Beginning balance	\$ 1,298,386	\$ 1,303,901
Changes in ownership interests in subsidiaries	338	2,359
Treasury stock- sales of parent company stock held by subsidiaries	—	(12,237)
Profit for the period	106,566	31,824
Exchange differences on translation of foreign financial statements	(28,131)	3,740
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	3,580	1,515
Disposal of investments in equity instruments at fair value through other comprehensive income	3,346	—
Increase (decrease) in non-controlling interests	(195,194)	(73,440)
Excess of the consideration received over the carrying amount of the subsidiaries' disposed of net assets	96,445	—
Balance, As of September 30	<u>\$ 1,285,336</u>	<u>\$ 1,257,662</u>

25. Treasury Stock

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	—	5,500,000	—	5,500,000
	<u>7,939,067</u>	<u>5,500,000</u>	<u>—</u>	<u>13,439,067</u>

Purpose of Treasury Shares	Nine Months Ended September 30, 2019			
	Beginning of period	Addition	Reduction	End of period
Shares held by subsidiaries reclassified from investments to treasury shares accounted for using equity method	<u>5,633,667</u>	<u>2,305,400</u>	<u>—</u>	<u>7,939,067</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, 2020, the Company has purchased 5,500,000 shares, which accounts for 0.92% of the Company's total issued shares, with the average buyback price of \$9.84 and the buyback cost of \$54,141 thousand.

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

- b. As of September 30, 2020, December 31, 2019, and September 30, 2019, treasury stocks held by subsidiaries were 7,939,067. The market values of the shares held by the subsidiaries were \$17.1, \$11.40, and \$10.55 per share, respectively.

26. Income Tax

a. Income tax expense recognized in profit or loss

	Three Months Ended September 30	
	2020	2019
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 21,179	\$ 21,644
Reserve for land value increment tax	516	469
Adjustments for prior years' tax in respect of the current year	(3,215)	10,825
	18,480	32,938
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	29,744	31,788
Income tax benefit recognized in profit or loss	<u>\$ 48,224</u>	<u>\$ 64,726</u>

	Nine Months Ended September 30	
	2020	2019
Current income tax expense (benefit)		
Current tax expense recognized in the current period	\$ 93,082	\$ 82,263
Reserve for land value increment tax	547	1,030
Adjustments for prior years' tax in respect of the current year	(7,224)	6,518
	86,405	89,811
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	28,061	37,187
Income tax benefit recognized in profit or loss	<u>\$ 114,466</u>	<u>\$ 126,998</u>

b. Income tax expense recognized in other comprehensive income

	Three Months Ended September 30	
	2020	2019
Related to unrealized gain/loss on translation of foreign operations	\$ 1,454	\$ (6,680)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	49	6
	<u>\$ 1,503</u>	<u>\$ (6,674)</u>

	Nine Months Ended September 30	
	2020	2019
Related to unrealized gain/loss on translation of foreign operations	\$ (6,726)	\$ (2,845)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(408)	(615)
	<u>\$ (7,134)</u>	<u>\$ (3,460)</u>

TA YA's income tax returns through 2018 have been assessed and approved by the Tax Authority. However, the appeal against the approved results of has already been filed.

27. Earnings Per Share

	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		(5,500)	
Regard as treasury stock-common stock held by subsidiaries		(7,939)	
Weighted average number of shares outstanding as of September 30, 2020		<u>581,629</u>	
Basic Earnings per share			<u>\$ 0.29</u>
<u>Three Months Ended September 30, 2019</u>			
Net income available to common shareholders	<u>\$ 121,190</u>		
Number of shares issued as of December 31, 2018		572,180	
Regard as treasury stock-common stock held by subsidiaries		(7,246)	
Issuance of bonus shares		22,887	
Weighted average number of shares outstanding as of September 30, 2019		<u>587,821</u>	
Basic Earnings per share			<u>\$ 0.21</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		(3,079)	
Regard as treasury stock-common stock held by subsidiaries		<u>(7,939)</u>	
Weighted average number of shares outstanding as of September 30, 2020		<u>584,050</u>	
Basic Earnings per share			<u>\$ 1.07</u>
	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Nine Months Ended September 30, 2019</u>			
Net income available to common shareholders	<u>\$ 331,038</u>		
Number of shares issued as of December 31, 2018		572,180	
Regard as treasury stock-common stock held by subsidiaries		(6,321)	
Issuance of bonus shares		<u>22,887</u>	
Weighted average number of shares outstanding as of September 30, 2019		<u>588,746</u>	
Basic Earnings per share			<u>\$ 0.56</u>

28.Operating Revenues

	<u>Three Months Ended September 30</u>	
	2020	2019
Sales Revenue	\$ 4,573,110	\$ 4,500,367
Construction Revenue	33,571	32,019
Electricity Revenue	59,015	43,058
Processing Revenue	4,495	3,262
Engineering Revenue	553	23,808
Others	<u>3,059</u>	<u>12,490</u>
	<u>\$ 4,673,803</u>	<u>\$ 4,615,004</u>

	Nine Months Ended September 30	
	2020	2019
Sales Revenue	\$ 12,627,457	\$ 13,319,892
Construction Revenue	33,571	67,650
Electricity Revenue	155,339	119,773
Processing Revenue	13,932	7,171
Engineering Revenue	3,639	36,340
Others	13,574	23,041
	<u>\$ 12,847,512</u>	<u>\$ 13,573,867</u>

29. Additional Information of Expenses by Nature

	Three Months Ended September 30	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 80,924	\$ 83,960
Depreciation of right-of-use assets	6,029	5,979
Depreciation of investment property	1,450	1,747
Amortization of intangible assets	82	102
	<u>\$ 88,485</u>	<u>\$ 91,788</u>
Employee benefits expenses		
Salaries and bonus	\$ 236,604	\$ 232,178
Labor and health insurance	18,549	12,783
Pension	11,843	8,723
Remuneration of directors	7,749	10,662
Others	10,546	16,612
	<u>\$ 285,291</u>	<u>\$ 280,958</u>

	Nine Months Ended September 30	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 243,091	\$ 250,102
Depreciation of right-of-use assets	18,427	16,332
Depreciation of investment property	4,049	4,267
Amortization of intangible assets	288	347
	<u>\$ 265,855</u>	<u>\$ 271,048</u>

	Nine Months Ended September 30	
	2020	2019
Employee benefits expenses		
Salaries and bonus	\$ 650,339	\$ 626,040
Labor and health insurance	52,046	45,513
Pension	28,877	25,579
Remuneration of directors	10,658	14,595
Others	37,507	46,126
	<u>\$ 779,427</u>	<u>\$ 757,853</u>

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

The employees' compensation and the remuneration of directors for the nine months ended September 30, 2020 and 2019 were as follows:

	Nine Months Ended September 30	
	2020	2019
Employees' compensation	<u>\$ 87,373</u>	<u>\$ 46,345</u>
Remuneration of directors	<u>\$ 18,723</u>	<u>\$ 9,931</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 have been approved by the Corporation's board of directors in March 2020 and 2019, respectively, were as follows:

	Years Ended December 31	
	2019	2018
Employees' compensation	<u>\$ 6,102</u>	<u>\$ 5,626</u>
Remuneration of directors	<u>\$ 18,307</u>	<u>\$ 16,878</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, 2019 and 2018.

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	
	2020	2019
Interest income		
Bank deposits	\$ 6,639	\$ 10,134
Other interest income	492	—
	<u>\$ 7,131</u>	<u>\$ 10,134</u>

	Nine Months Ended September 30	
	2020	2019
Interest income		
Bank deposits	\$ 24,807	\$ 32,517
Other interest income	993	1,245
	<u>\$ 25,800</u>	<u>\$ 33,762</u>

31. Other Income

	Three Months Ended September 30	
	2020	2019
Rental revenue	\$ 4,418	\$ 8,561
Dividend income	100,286	75,544
	<u>\$ 104,704</u>	<u>\$ 84,105</u>

	Nine Months Ended September 30	
	2020	2019
Rental revenue	\$ 12,941	\$ 16,780
Dividend income	106,733	91,055
	<u>\$ 119,674</u>	<u>\$ 107,835</u>

32.Other Gains And Losses

	Three Months Ended September 30	
	2020	2019
Gain (loss) on disposal of property, plant and equipment	\$ (147)	\$ (434)
Gain (loss) on disposal of investments	(21,315)	(1,540)
Net foreign exchange gain (loss)	34,374	(472)
Net gain (loss) arising on financial assets/liabilities at FVTPL	(72,221)	146,058
Others	18,952	(1,166)
	<u>\$ (40,357)</u>	<u>\$ 142,446</u>

	Nine Months Ended September 30	
	2020	2019
Gain (loss) on disposal of property, plant and equipment	\$ 1,298	\$ 646
Gain (loss) on disposal of investment property	301	—
Gain (loss) on disposal of investments	179,587	(2,175)
Gain on disposal of investments accounted for using the equity method	2,155	1,616
Net foreign exchange gain (loss)	70,832	5,709
Net gain (loss) arising on financial assets/liabilities at FVTPL	254,883	209,435
Others	39,679	13,160
	<u>\$ 548,735</u>	<u>\$ 228,391</u>

33.Finance Costs

	Three Months Ended September 30	
	2020	2019
Interest expense		
Bank loans	\$ 42,947	\$ 60,894
Interest of lease liabilities	2,040	1,285
Decommissioning liabilities	112	113
Other Interest expense	2,233	981
	<u>\$ 47,332</u>	<u>\$ 63,273</u>

	Nine Months Ended September 30	
	2020	2019
Interest expense		
Bank loans	\$ 151,579	\$ 190,403
Interest of lease liabilities	6,214	3,576
Decommissioning liabilities	336	297
Other Interest expense	5,876	5,112
	<u>\$ 164,005</u>	<u>\$ 199,388</u>

34. Capital Management

The Company'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 company 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 Company consists of net debt (i.e., borrowings offset by cash and cash equivalents) and equity of the Company (i.e., comprising issued capital, reserves and retained earnings).

The management of the company 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 Company may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Company's approach to capital management for the three months ended September 30, 2020.

35. Financial Instruments

a. Financial risk management objective

The Company 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 Company must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Company 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 Company's operating activities are denominated in foreign currencies. Consequently, the Company 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 Company 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 company as follows:

	September 30, 2020			December 31, 2019			September 30, 2019		
	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$
	currency	rate		currency	rate		currency	rate	
<u>Assets</u>									
<u>Monetary items</u>									
USD	\$37,443	29.1	\$1,089,587	\$ 71,453	30.10	\$2,150,735	\$ 40,689	31.03	\$1,262,580
HKD	1,232	3.76	4,631	915	3.86	3,532	840	3.96	3,326
CNY	2,612	4.29	11,205	2,368	4.32	10,230	6,289	4.34	27,294
JPY	398,661	0.28	111,625	253,717	0.28	71,041	227,380	0.29	65,940
	September 30, 2020			December 31, 2019			September 30, 2019		
	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$	Foreign	Exchange	NT\$
	currency	rate		currency	rate		currency	rate	
<u>Liabilities</u>									
<u>Monetary items</u>									
USD	\$90,433	29.1	\$2,631,600	\$ 87,168	30.10	\$2,623,757	\$ 83,809	31.03	\$2,600,593
CNY	685	4.29	2,941	1,513	4.32	6,536	838	4.34	3,637
JPY	126,571	0.28	35,440	126,610	0.28	35,451	55,794	0.29	16,180

For the nine months ended September 30, 2020 and 2019, realized and unrealized net foreign exchange gains and losses were NT\$70,832 thousand and NT\$5,709 thousand, respectively.

Foreign currency sensitivity analysis

The Company'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, 2020 and 2019 would have increased (decrease) the net profit after tax by NT\$13,817 thousand and NT\$12,613 thousand, respectively.

(b) Interest rate risk

The Company was exposed to fair value interest rate risk and cash flow interest rate risk because the Company 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 Company's net profit after tax would have (decreased) increased by NT\$8,070 thousand and NT\$6,345 thousand for the nine months ended September 30, 2020 and 2019, respectively.

This is mainly due to the Company's net assets in floating rates.

(c) Other price risk

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

Equity price sensitivity analysis

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

If equity prices had been 5% higher/lower, the Company's net profit after tax for the nine months ended September 30, 2020 and 2019 would have been higher/lower by NT\$119,451 thousand and NT\$84,367 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 Company's other comprehensive income for the nine months ended September 30, 2020 and 2019 would have been higher/lower by NT\$45,775 thousand and NT\$42,709 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 Company. The Company 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 Company 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 Company itself, transaction history, and current economic conditions that may affect the customer's ability to pay. The Company 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, 2020, December 31, 2019 and September 30, 2019, the ten largest customers of the company accounted for 13.22%, 21.28%, and 20.01% 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 Company's Finance Department to be measured and monitored. However, since the Company'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 Company has sufficient liquidity to fund its business requirements associated with existing operations. The Company manages its liquidity risk by maintaining adequate cash and banking facilities.

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

		September 30, 2020				
		Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Non-derivative financial liabilities</u>						
Short-term bank loans	\$ 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>	
<u>Derivative financial liabilities</u>						
<u>Metal commodities</u>						
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>	

December 31, 2019					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 3,550,418	\$ 3,550,418	\$ 3,550,418	\$ —	\$ —
Commercial papers	754,741	754,741	754,741	—	—
Notes payable (including related parties)	69,156	69,156	69,156	—	—
Accounts payable (including related parties)	536,250	536,250	536,250	—	—
Other payables	549,611	549,611	549,611	—	—
Lease liabilities	250,327	316,841	24,548	71,790	220,503
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	5,397,292	5,397,292	2,085,487	3,223,943	87,862
	<u>\$11,600,795</u>	<u>\$ 11,674,309</u>	<u>\$ 7,570,211</u>	<u>\$ 3,795,733</u>	<u>\$ 308,365</u>
Derivative financial liabilities					
Metal commodities futures contract	\$ 31,343	\$ 193,437	\$ 193,437	\$ —	\$ —
Forward exchange contract	4,037	336,279	336,279	—	—
	<u>\$ 35,380</u>	<u>\$ 529,716</u>	<u>\$ 529,716</u>	<u>\$ —</u>	<u>\$ —</u>

September 30, 2019					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 3,720,678	\$ 3,720,678	\$ 3,720,678	\$ —	\$ —
Commercial papers	765,000	765,000	765,000	—	—
Notes payable (including related parties)	46,224	46,224	46,224	—	—

	September 30, 2019				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Accounts payable (including related parties)	506,778	506,778	506,778	—	—
Other payables	367,829	367,829	367,829	—	—
Lease liabilities	220,731	220,731	19,892	43,642	157,197
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	5,523,773	5,523,773	1,879,158	2,941,092	703,523
	<u>\$11,651,013</u>	<u>\$ 11,651,013</u>	<u>\$ 7,305,559</u>	<u>\$ 3,484,734</u>	<u>\$ 860,720</u>

	September 30, 2019				
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
<u>Derivative financial liabilities</u>					
Metal options	\$ 321	\$ 33,511	\$ —	\$ 33,511	\$ —
Metal commodities futures contract	793	23,236	—	23,236	—
Forward exchange contract	549	115,999	115,999	—	—
	<u>\$ 1,663</u>	<u>\$ 172,746</u>	<u>\$ 115,999</u>	<u>\$ 56,747</u>	<u>\$ —</u>

e. Fair value of financial instruments

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

The Company 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, 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)

December 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 762,880	\$ —	\$ —	\$ 762,880
Unlisted stocks	—	629,882	521,283	1,151,165
Derivative not designated as a hedging instrument	—	5,268	—	5,268
	<u>\$ 762,880</u>	<u>\$ 635,150</u>	<u>\$ 521,283</u>	<u>\$ 1,919,313</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 122,352	\$ —	\$ —	\$ 122,352
Unlisted stocks	—	—	720,574	720,574
	<u>\$ 122,352</u>	<u>\$ —</u>	<u>\$ 720,574</u>	<u>\$ 842,926</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ (35,380)	\$ —	\$ (35,380)
	<u>\$ —</u>	<u>\$ (35,380)</u>	<u>\$ —</u>	<u>\$ (35,380)</u>
September 30, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 811,589	\$ —	\$ —	\$ 811,589
Unlisted stocks	—	272,151	603,603	875,754
Derivative not designated as a hedging instrument	—	56,922	—	56,922
	<u>\$ 811,589</u>	<u>\$ 329,073</u>	<u>\$ 603,603</u>	<u>\$ 1,744,265</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 130,680	\$ —	\$ —	\$ 130,680
Unlisted stocks	—	—	723,492	723,492
	<u>\$ 130,680</u>	<u>\$ —</u>	<u>\$ 723,492</u>	<u>\$ 854,172</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ (1,663)	\$ —	\$ (1,663)
	<u>\$ —</u>	<u>\$ (1,663)</u>	<u>\$ —</u>	<u>\$ (1,663)</u>

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, 2020.

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

Reconciliations for the nine months ended September 30, 2020 and 2019 were as follows:

	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, 2020	<u>\$ 699,832</u>	<u>\$ 475,519</u>	<u>\$ 1,175,351</u>

	Nine Months Ended September 30, 2019		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 713,062	\$ 494,713	\$ 1,207,775
Purchases	35,000	168,021	203,021
Disposal	—	(6,208)	(6,208)
Capital reduction	(22,525)	—	(22,525)
Recognized in profit or loss	—	(55,006)	(55,006)
Recognized in other comprehensive income	(3,310)	—	(3,310)
Effect of exchange rate changes	1,265	2,083	3,348
Balance at September 30, 2019	<u>\$ 723,492</u>	<u>\$ 603,603</u>	<u>\$ 1,327,095</u>

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

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

December 31, 2019	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 720,574	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	521,283	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A
September 30, 2019	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI – current and noncurrent	\$ 723,492	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL – current and noncurrent	603,603	The latest issue final price and issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	September 30,2020	December 31, 2019	September 30,2019
<u>Financial assets</u>			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 2,918,565	\$ 2,452,870	\$ 2,655,943
Notes receivable and trade receivables	2,904,101	3,041,110	3,194,947
Other receivables	125,733	84,285	90,523
Refundable deposits	122,237	117,611	148,058
Financial assets at amortized cost	293,389	252,933	216,179
Financial assets at FVTPL (current and non-current)	2,415,492	1,919,313	1,744,265
Financial assets at FVTOCI (current and non-current)	915,503	842,926	854,172

	September 30,2020	December 31, 2019	September 30,2019
<u>Financial liabilities</u>			
Financial liabilities at FVTPL (current and non-current)	26,481	35,830	1,663
Financial liabilities at amortized cost			
Short-term borrowings	5,263,358	3,550,418	3,720,678
Short-term notes and bills payable	574,747	754,741	765,000
Notes payable and trade payables	790,846	605,406	553,002
Other payables	455,847	549,611	367,829
Lease liabilities (current and non-current)	238,660	250,327	220,731
Bonds payable (including current portion)	500,000	500,000	500,000
Long-term borrowings (including current portion)	6,134,095	5,397,291	5,523,773
Guarantee deposits	35,246	42,071	46,367

36.Related Party Transactions

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

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
HENGST TECHNOLOGY CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO (VIETNAM) ELECTRIC & MACHINERY CO., LTD.	Associates
TA AN PRECISION CO., LTD.	Other related parties
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 Foundation	Other related parties
PACIFIC ELECTRIC WIRE&CABLE CO., LTD.	Joint venture

(b) Besides what have been disclosed on the consolidated financial statement or other notes, significant related party transactions as following:

Sales

Related Parties	For the Three Months Ended September 30	
	2020	2019
Associates	\$ 134,488	\$ 52,609
Joint venture	31,852	13,266
Others	158	5
	<u>\$ 166,498</u>	<u>\$ 65,880</u>

Related Parties	For the Nine Months Ended September 30	
	2020	2019
Associates	\$ 274,559	\$ 197,751
Joint venture	117,849	24,590
Others	3,414	8
	<u>\$ 395,822</u>	<u>\$ 222,349</u>

Aforementioned transaction conditions did not significantly different from non-related parties.

Purchases

Related Parties	For the Three Months Ended September 30	
	2020	2019
Associates	\$ 338	\$ 1,400
Joint venture	3,314	4,822
Others	197	1,158
	<u>\$ 3,849</u>	<u>\$ 7,380</u>

Related Parties	For the Nine Months Ended September 30	
	2020	2019
Associates	\$ 467	\$ 5,202
Joint venture	3,314	30,704
Others	773	2,834
	<u>\$ 4,554</u>	<u>\$ 38,740</u>

Aforementioned transaction conditions did not significantly different from non-related parties.

Others

			For the Three Months Ended September 30	
Account	Related Parties	Description	2020	2019
Manufacturing overhead	Others	Equipment Maintenance	\$ 666	\$ 641
Operating expenses	Others	Application expense	\$ 1,900	\$ 1,402
	Associates	Service expense	6	1,844
			<u>\$ 1,906</u>	<u>\$ 3,246</u>
Other income	Others	Rental expense	\$ 85	\$ 85
	Associates	Rental expense	254	—
			<u>\$ 339</u>	<u>\$ 85</u>
Other gains and losses	Others	Utility	\$ 107	\$ 104
	Associates	Insurance	74	53
			<u>\$ 181</u>	<u>\$ 157</u>

			For the Nine Months Ended September 30	
Account	Related Parties	Description	2020	2019
Manufacturing overhead	Others	Equipment Maintenance	\$ 2,285	\$ 2,738
	Associates	Research expense	307	—
			<u>\$ 2,592</u>	<u>2,738</u>
Operating expenses	Others	Application expense	\$ 5,084	\$ 4,462
	Associates	Service expense	18	5,775
			<u>\$ 5,102</u>	<u>\$ 10,237</u>
Other income	Others	Rental expense	\$ 255	\$ 255
	Associates	Rental expense	758	—
			<u>\$ 1,013</u>	<u>\$ 255</u>
Other gains and losses	Others	Utility	\$ 238	\$ 262
	Associates	Insurance	190	448
			<u>\$ 428</u>	<u>\$ 710</u>

Property Exchange

		For the Three Months Ended September 30	
Related Parties	Description	2020	2019
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	\$ 533,188	\$ 129,645
		For the Nine Months Ended September 30	
Related Parties	Description	2020	2019
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	\$ 1,196,987	\$ 183,700
		For the Three Months Ended September 30	
Related Parties	Description	2020	2019
HENGST TECHNOLOGY CO., LTD.	Development Services	\$ —	\$ —
		For the Nine Months Ended September 30	
Related Parties	Description	2020	2019
HENGST TECHNOLOGY CO., LTD.	Development Services	\$ 165,145	\$ 144,603
		For the Three Months Ended September 30	
Related Parties	Description	2020	2019
Associates	Advance payment	\$ 12	\$ —
		For the Nine Months Ended September 30	
Related Parties	Description	2020	2019
Associates	Advance payment	\$ 12	\$ —
		For the Three Months Ended September 30	
Related Parties	Description	2020	2019
HENGST TECHNOLOGY CO., LTD.	TA YAGREENENERGY TECHNOLOGY CO., LTD. Shares	\$ 200,224	\$ —
		For the Nine Months Ended September 30	
Related Parties	Description	2020	2019
HENGST TECHNOLOGY CO., LTD.	TA YAGREENENERGY TECHNOLOGY CO., LTD. Shares	\$ 200,224	\$ —

(c) Related Parties Receivables and payables summarized as follows:

Receivables

	Related Parties	September 30, 2020	December 31, 2019	September 30, 2019
(1) Notes receivable	Associates	\$ 842	\$ —	\$ —
	Joint venture	14,955	—	12,537
		<u>\$ 15,797</u>	<u>\$ —</u>	<u>\$ 12,537</u>
	Related Parties	September 30, 2020	December 31, 2019	September 30, 2019
(2) Accounts receivable	Associates	\$ 103,756	\$ 16,355	\$ 19,173
	Joint venture	12,508	—	—
	Others	204	60	65
		<u>\$ 116,468</u>	<u>\$ 16,415</u>	<u>\$ 19,238</u>

Payables

	Related Parties	September 30, 2020	December 31, 2019	September 30, 2019
(1) Notes payable	Others	<u>\$ 2</u>	<u>\$ 105</u>	<u>\$ 19</u>
	Related Parties	September 30, 2020	December 31, 2019	September 30, 2019
(2) Accounts payable	Joint venture	\$ 1,451	\$ —	\$ 1,244
	Others	897	1,455	829
		<u>\$ 2,348</u>	<u>\$ 1,455</u>	<u>\$ 2,073</u>
	Related Parties	September 30, 2020	December 31, 2019	September 30, 2019
(3) Other payables	HENGST TECHNOLOGY CO., LTD.	\$ 77,831	\$ 92,899	\$ 101,206
	Others	2,292	2,120	2,444
		<u>\$ 80,123</u>	<u>\$ 95,019</u>	<u>\$ 103,650</u>

Temporary Payments

Related Parties	September 30,2020	December 31,2019	September 30,2019
HENGST TECHNOLOGY CO. LTD.,	\$ —	\$ —	\$ 144,603

Other Non-Current Assets

Related Parties	September 30,2020	December 31,2019	September 30,2019
HENGST TECHNOLOGY CO. LTD.,	\$ 309,748	\$ 144,603	\$ —
Associates	84	—	—
	\$ 309,832	\$ 144,603	\$ —

Advance receipts

Related Parties	September 30,2020	December 31,2019	September 30,2019
Associates	\$ 193	\$ —	\$ 6

Guarantee Deposits Receivable

Related Parties	September 30,2020	December 31,2019	September 30,2019
Associates	\$ 254	\$ 254	\$ 254
Joint venture	57	57	57
	\$ 311	\$ 311	\$ 311

(d) Key management personnel compensation disclosure

Item	For the Three Months Ended September 30	
	2020	2019
Short-term employee benefits	\$ 16,971	\$ 18,242
Post-employment benefits	1,184	1,074
	\$ 18,155	\$ 19,316

Item	For the Nine Months Ended September 30	
	2020	2019
Short-term employee benefits	\$ 55,259	\$ 56,707
Post-employment benefits	3,401	3,694
	\$ 58,660	\$ 60,401

37. Mortgage Assets

	September 30, 2020		December 31, 2019		September 30, 2019	
	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	18,200,000	\$356,213	28,200,000	\$ 356,213	28,200,000	\$ 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						
SINJHONGSOLARPOWERCO.,LTD.	55,000,000	\$550,000	—	\$ —	—	\$ —

	September 30, 2020	December 31, 2019	September 30, 2019
Property, plant and equipment—			
Land (include revaluation increments)	\$ 1,181,795	\$ 1,181,397	\$ 1,181,845
Buildings, net	225,548	195,208	195,944
Machinery and equipment, net	1,404,095	1,426,953	1,254,465
	<u>\$ 2,811,438</u>	<u>\$ 2,803,558</u>	<u>\$ 2,632,254</u>
Investment property—land	<u>\$ 696,351</u>	<u>\$ 691,923</u>	<u>\$ 696,351</u>
Refundable deposits	<u>\$ 122,237</u>	<u>\$ 117,611</u>	<u>\$ 148,058</u>
Other current assets—			
Mortgage demand deposits	<u>\$ 8,798</u>	<u>\$ 442,426</u>	<u>\$ 481,320</u>
Other non-current assets—			
Mortgage demand deposits	<u>\$ 575,589</u>	<u>\$ 104,426</u>	<u>\$ 96,175</u>
Right-of-use assets—Land	<u>\$ 13,374</u>	<u>\$ 13,792</u>	<u>\$ 13,998</u>

38. Commitments and Contingent Liabilities

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

- (a) As of September 30, 2020, TA YA had outstanding usance letters of credit amounting to approximately \$2,836 thousand (USD \$81 thousand and JPY \$1,704 thousand).
- (b) TA YA pledged guarantee deposits amounting to \$346,397 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 \$3,293,002 thousand.
- (d) TA YA and CUPRIME MATERIAL entered contracts of procurement with 7,450 tons of copper.
- (e) TA HO engaged a contract of wire and cable installation project with the amount of \$700 thousand. As of September 30, 2020, \$64 thousand had not been paid.
- (f) TA YA, CUPRIME MATERIAL and HENG YA entered contracts of machinery and equipment procurement with the amount of \$104,359 thousand. As of September 30, 2020, \$36,445 thousand had not been paid.
- (g) TA HO signed a long-term technical consultant contract with FURUKAWA ELECTRIC CO., LTD., promising to pay USD \$7 thousand per month, with a total amount of USD \$63 thousand to be paid next year.
- (h) SIN JHONG, BOSI, BRAVO, DAIJU and TA YA GREEN signed a contract with HENG TECHNOLOGY CO., LTD. for solar system development services and project construction. As of September 30, 2020, \$2,070,989 thousand had not been paid.
- (i) As of September 30, 2020, December 31, 2019 and September 30, 2019, the information of TA YA provided endorsements and guarantee for related parties was as follows:

Related Parties	September 30, 2020	December 31, 2019	September 30, 2019
Subsidiaries	\$ 3,325,572	\$ 3,444,487	\$ 3,508,449

39. Significant Losses From Disasters : N/A

40. Significant Subsequent Events : N/A

41. Others:

1. The company has considered the economic implication of COVID-19. It indicated that would not significantly impact on consolidated company as the end of financial report issued date and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic.

2.Share-based Compensation

The following table shows share-based compensation agreement:

Content	Grant Date	Grant Quantity	Subscribe Date	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」, base on market price if available, taking into account the terms and conditions upon which those equity instruments were granted.

42.Operating Segments Information

a. The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Company'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.

b. Segment revenues and operating:

For the 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>

For the Nine Months Ended September 30, 2019				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 10,511,060	\$ 4,785,539	\$ (1,722,732)	\$ 13,573,867
Interest income	16,465	22,717	(5,420)	33,762
	<u>\$ 10,527,525</u>	<u>\$ 4,808,256</u>	<u>\$ (1,728,152)</u>	<u>\$ 13,607,629</u>
Segment Profit and				
Loss	\$ 659,597	\$ (12,288)	\$ (157,449)	\$ 489,860
Non-current Assets	\$ 5,798,120	\$ 823,417	\$ (30,248)	\$ 6,591,289
Segment total assets	<u>\$ 20,704,322</u>	<u>\$ 5,220,680</u>	<u>\$ (5,167,894)</u>	<u>\$ 20,757,108</u>

c. Business segment

For The Three Months Ended September 30			
Business segment	2020	2019	
Electric wire & cable	\$ 4,405,342	\$ 4,415,725	
Others	268,461	199,279	
	<u>\$ 4,673,803</u>	<u>\$ 4,615,004</u>	

For The Nine Months Ended September 30			
Business segment	2020	2019	
Electric wire & cable	\$ 12,245,455	\$ 12,965,343	
Others	602,057	608,524	
	<u>\$ 12,847,512</u>	<u>\$ 13,573,867</u>	