

**Acter Group Corporation Limited and Subsidiaries  
Consolidated Financial Statements**

**With Independent Auditors' Review Report  
for the Six Months Ended**

**June 30, 2021 and 2020**

**Translated by Acter Group Co., Ltd., note for reader please see page 3-1.**

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## **Independent Auditors' Review Report**

The Board of Directors  
Acter Group Corporation Limited:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of the Acter Group Corporation Limited and its subsidiaries (the "Group") as of June 30, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended and six months ended June 30, 2021 and 2020, 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 ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards 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 stated in Note 4[b], the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to NT\$3,150,585 thousand and NT\$2,477,009 thousand, constituting 18% and 19% of consolidated total assets as of June 30, 2021 and 2020, respectively, total liabilities amounting to NT\$1,710,408 thousand and NT\$1,164,717 thousand, constituting 15% of consolidated total liabilities as of June 30, 2021 and 2020, respectively, and total comprehensive income(loss) amounting to NT\$80,844 thousand and NT\$32,537 thousand, and NT\$94,350 thousand and NT\$60,614 thousand constituting 20%, 10%, 16% and 11% of consolidated total comprehensive income (loss) for the three months ended and six months ended June 30, 2021 and 2020, respectively.

Furthermore, as stated in Note 6[g], the equity accounted investments of the Group in its investee companies of NT\$12,876 thousand as of June 30, 2021, respectively, and shares of gain of associates and joint ventures accounted for using equity method NT\$1,721 thousand and NT\$7,630 for the three months and the six months ended June 30, 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

## **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Acter Group Corporation Limited and its subsidiaries as of June 30, 2021 and 2020, and of its consolidated financial performance for the three months and the six months ended June 30, 2021 and 2020 ,and consolidated cash flows for the six months ended June 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

August 5, 2021

## **Note to Readers**

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

The auditors’ review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors’ review report and consolidated financial statements, the Chinese version shall prevail.



Reviewed only, not audited in accordance with the generally accepted auditing standards.

**Acter Group Corporation Limited and Subsidiaries**  
**Consolidated Statements Of Comprehensive Income**  
**For The Three Months Ended and Six Months Ended June 30, 2021 And 2020**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)**

		For the Three Months ended June 30				For the Six Months ended June 30			
		2021		2020		2021		2020	
		Amount	%	Amount	%	Amount	%	Amount	%
<b>Operating revenues:</b>									
4521	Construction revenue (Note 6(x))	\$ 5,128,372	94	3,780,070	98	8,482,806	94	6,798,604	98
4529	Less: allowances	<u>(797)</u>	-	<u>(1,051)</u>	-	<u>(1,668)</u>	-	<u>(3,137)</u>	-
		<u>5,127,575</u>	94	<u>3,779,019</u>	98	<u>8,481,138</u>	94	<u>6,795,467</u>	98
4110	Sales and Other operating revenue	<u>316,584</u>	6	<u>78,539</u>	2	<u>538,602</u>	6	<u>142,048</u>	2
		5,444,159	100	3,857,558	100	9,019,740	100	6,937,515	100
<b>Operating cost:</b>									
5520	Construction cost(Note 6(q) 、(s) and 7(b))	4,301,319	79	3,073,141	80	7,190,625	80	5,594,293	81
5110	Cost of goods sold and Other (Note 6(f))	<u>258,535</u>	5	<u>55,717</u>	1	<u>437,492</u>	5	<u>104,258</u>	1
		<u>4,559,854</u>	84	<u>3,128,858</u>	81	<u>7,628,117</u>	85	<u>5,698,551</u>	82
<b>Gross profit</b>		<u>884,305</u>	16	<u>728,700</u>	19	<u>1,391,623</u>	15	<u>1,238,964</u>	18
Operating expenses (Note 6(q) 、(s) and (y)):									
6100	Selling	36,138	1	25,655	1	70,221	-	54,274	1
6200	General and administrative	178,842	3	138,859	4	340,292	4	272,528	4
6300	Research and development	38,447	1	38,365	1	71,783	1	75,176	1
6450	Expected credit loss(gain)(Note 6 (d))	<u>23,879</u>	-	<u>15,603</u>	-	<u>7,774</u>	-	<u>(24,949)</u>	-
		<u>277,306</u>	5	<u>218,482</u>	6	<u>490,070</u>	5	<u>377,029</u>	6
<b>Operating income</b>		<u>606,999</u>	11	<u>510,218</u>	13	<u>901,553</u>	10	<u>861,935</u>	12
<b>Non-operating income and expenses:</b>									
<b>(Note 6(z))</b>									
7050	Finance costs	(6,089)	-	(1,521)	-	(10,998)	-	(2,803)	-
7100	Interest revenue	8,031	-	7,274	-	16,763	-	15,235	-
7010	Other income	3,087	-	4,220	-	20,359	-	20,704	1
7070	Share of gain of associates accounted for using equity method(Note 6(g))	1,721	-	-	-	7,630	-	-	-
7020	Other gains and losses, net	<u>(25,734)</u>	-	<u>14,747</u>	1	<u>(35,041)</u>	-	<u>9,110</u>	-
		<u>(18,984)</u>	-	<u>24,720</u>	1	<u>(1,287)</u>	-	<u>42,246</u>	1
<b>Profit before tax</b>		588,015	11	534,938	14	900,266	10	904,181	13
7950	<b>Income tax expense</b> (Note 6(t))	<u>158,789</u>	3	<u>162,954</u>	4	<u>257,431</u>	3	<u>267,962</u>	4
<b>Profit for the year</b>		<u>429,226</u>	8	<u>371,984</u>	10	<u>642,835</u>	7	<u>636,219</u>	9
<b>Other comprehensive income:</b>									
<b>Items that will not be reclassified subsequently to profit or loss</b>									
8311	Remeasurements of the defined benefit plans	(74)	-	-	-	(74)	-	-	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	713	-	845	-	(560)	-	375	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		<u>639</u>	-	<u>845</u>	-	<u>(634)</u>	-	<u>375</u>	-
<b>Items that will be reclassified subsequently to profit or loss</b>									
8361	Exchange differences on translation of foreign operations	(36,859)	(1)	(44,914)	(1)	(51,677)	-	(84,798)	(1)
8637	Debt at fair value through other comprehensive income	(606)	-	-	-	(606)	-	-	-
8399	Less: income tax relating to components of other comprehensive (Note 6(t))	<u>8,557</u>	-	<u>11,342</u>	-	<u>12,101</u>	-	<u>21,100</u>	-

		<u>(28,908)</u>	<u>(1)</u>	<u>(33,572)</u>	<u>(1)</u>	<u>(40,182)</u>	<u>-</u>	<u>(63,698)</u>	<u>(1)</u>
8300	<b>Other comprehensive income, net</b>	<u>(28,269)</u>	<u>(1)</u>	<u>(32,727)</u>	<u>(1)</u>	<u>(40,816)</u>	<u>-</u>	<u>(63,323)</u>	<u>(1)</u>
8500	<b>Net income after tax</b>	<u>\$ 400,957</u>	<u>7</u>	<u>339,257</u>	<u>9</u>	<u>602,019</u>	<u>7</u>	<u>572,896</u>	<u>8</u>
	<b>Profit attributable to :</b>								
8610	Shareholders of the parent	\$ 332,316	6	290,520	8	510,583	6	507,804	7
8620	Non-controlling interests	<u>96,910</u>	<u>2</u>	<u>81,464</u>	<u>2</u>	<u>132,252</u>	<u>1</u>	<u>128,415</u>	<u>2</u>
		<u>\$ 429,226</u>	<u>8</u>	<u>371,984</u>	<u>10</u>	<u>642,835</u>	<u>7</u>	<u>636,219</u>	<u>9</u>
	<b>Comprehensive income attributable to :</b>								
8710	Shareholders of the parent	\$ 308,395	5	263,377	7	476,090	5	456,952	6
8720	Non-controlling interests	<u>92,562</u>	<u>2</u>	<u>75,880</u>	<u>2</u>	<u>125,929</u>	<u>2</u>	<u>115,944</u>	<u>2</u>
		<u>\$ 400,957</u>	<u>7</u>	<u>339,257</u>	<u>9</u>	<u>602,019</u>	<u>7</u>	<u>572,896</u>	<u>8</u>
	<b>Earnings per share (attributable to shareholders of the parent) (Note 6(w))</b>								
9750	<b>Basic earnings per share</b>	<u>\$ 5.81</u>		<u>5.36</u>		<u>8.94</u>		<u>9.37</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 5.44</u>		<u>5.35</u>		<u>8.36</u>		<u>9.31</u>	

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Group Corporation Limited and Subsidiaries

Consolidated Balance Sheets

June 30, 2021, and 2020

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity					
	Ordinary shares	Advance receipts for ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total Other equity	Non-controlling interests	Total equity
<b>Balance, January 1, 2020</b>	<u>\$ 541,868</u>	<u>-</u>	<u>1,392,119</u>	<u>617,840</u>	<u>68,809</u>	<u>2,012,132</u>	<u>2,698,781</u>	<u>(123,035)</u>	<u>(6,150)</u>	<u>(129,185)</u>	<u>1,045,459</u>	<u>5,549,042</u>
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	103,609	-	(103,609)	-	-	-	-	-	-
Special reserve	-	-	-	-	60,377	(60,377)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(812,801)	(812,801)	-	-	-	-	(812,801)
	<u>\$ 541,868</u>	<u>-</u>	<u>1,392,119</u>	<u>721,449</u>	<u>129,186</u>	<u>1,035,345</u>	<u>1,885,980</u>	<u>(123,035)</u>	<u>(6,150)</u>	<u>(129,185)</u>	<u>1,045,459</u>	<u>4,736,241</u>
Share-based payment transaction	-	-	(268)	-	-	-	-	-	-	-	-	(268)
Profit for the period	-	-	-	-	-	507,804	507,804	-	-	-	128,415	636,219
Other comprehensive income for the period	-	-	-	-	-	-	-	(51,227)	375	(50,852)	(12,471)	(63,323)
Total comprehensive income	-	-	-	-	-	507,804	507,804	(51,227)	375	(50,852)	115,944	572,896
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(138,490)	(138,490)
<b>Balance, June 30, 2020</b>	<u>\$ 541,868</u>	<u>-</u>	<u>1,391,851</u>	<u>721,449</u>	<u>129,186</u>	<u>1,543,149</u>	<u>2,393,784</u>	<u>(174,262)</u>	<u>(5,775)</u>	<u>(180,037)</u>	<u>1,022,913</u>	<u>5,170,379</u>
<b>Balance, January 1, 2021</b>	<u>\$ 541,868</u>	<u>450,544</u>	<u>1,437,710</u>	<u>721,449</u>	<u>129,186</u>	<u>2,004,850</u>	<u>2,855,485</u>	<u>(136,159)</u>	<u>(3,302)</u>	<u>(139,461)</u>	<u>1,152,334</u>	<u>6,298,480</u>
Appropriation and distribution of retained earnings:												
Cash dividends	-	-	-	-	-	(686,241)	(686,241)	-	-	-	-	(686,241)
Issue of shares	30,000	(450,544)	465,900	-	-	-	-	-	-	-	-	45,356
Profit for the period	-	-	-	-	-	510,583	510,583	-	-	-	132,252	642,835
Other comprehensive income for the period	-	-	-	-	-	(64)	(64)	(33,263)	(1,166)	(34,429)	(6,323)	(40,816)
Total comprehensive income	-	-	-	-	-	510,519	510,519	(33,263)	(1,166)	(34,429)	125,929	602,019
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	155,895	155,895
<b>Balance, June 30, 2021</b>	<u>\$ 571,868</u>	<u>-</u>	<u>1,903,610</u>	<u>721,449</u>	<u>129,186</u>	<u>1,829,128</u>	<u>2,679,763</u>	<u>(169,422)</u>	<u>(4,468)</u>	<u>(173,890)</u>	<u>1,434,158</u>	<u>6,415,509</u>

**Reviewed only, not audited in accordance with the generally accepted auditing standards.**  
**Acter Group Corporation Limited and Subsidiaries**  
**Consolidated Statements Of Cash Flows**  
**For The Six Months Ended June 30, 2021 And 2020**  
**(All Amount Expressed in Thousands of New Taiwan Dollars)**

	<b>For the Six months Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 900,266	904,181
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation(Including investment property)	42,829	36,674
Amortization	5,338	4,971
Excepted credit loss(gain)	7,774	(24,949)
Interest income	(16,763)	(15,235)
Interest expense	10,998	2,803
Share of profit of associates and joint ventures accounted for using equity method	(7,630)	-
Financial liabilities at fair value through profit	(640)	-
Loss on disposal of property, plant and equipment	281	137
Investment losses	13,793	-
Lease modification benefits	(9)	(5)
<b>Total adjustments to reconcile profit (loss)</b>	<u>55,971</u>	<u>4,396</u>
<b>Changes in operating assets and liabilities</b>		
<b>Changes in operating assets</b>		
Decrease (increase) in current financial assets at fair value through profit or loss	11,925	(130,934)
Increase in current contract assets	(694,239)	(997,743)
(Increase) decrease in notes receivable	(121,205)	226,318
Increase in trade receivable	(798,307)	(35,417)
(Increase) decrease in inventories	(206,945)	217,519
Increase in other financial assets	(265,887)	(186,052)
<b>Total changes in operating assets</b>	<u>(2,074,658)</u>	<u>(906,309)</u>
<b>Changes in operating liabilities</b>		
Increase in current contract liabilities	118,249	122,416
Increase in notes payable	10,013	58,243
Increase in trade payable	906,476	374,469
Decrease in provisions	(23,645)	(20,513)
Decrease in other current liabilities	(115,078)	(80,521)
<b>Total changes in operating liabilities</b>	<u>896,015</u>	<u>454,094</u>
<b>Total adjustments</b>	<u>(1,122,672)</u>	<u>(447,819)</u>
Cash inflow generated from operations	(222,406)	456,362
Interest received	18,205	15,284
Interest paid	(5,428)	(2,649)
Income taxes paid	(264,856)	(196,968)
<b>Net cash flows from operating activities</b>	<u>(474,485)</u>	<u>272,029</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(79,234)	-
Acquisition of property, plant and equipment	(6,804)	(22,070)
Proceeds from disposal of property, plant and equipment	55	26
Acquisition of intangible assets	(10,798)	-
Acquisition of right-of-use assets	(493)	(364)
Increase in other non-current assets	(6,769)	(4,171)
Net cash flow from acquisition of subsidiaries	162,911	-
<b>Net cash flows used in investing activities</b>	<u>58,868</u>	<u>(26,579)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	925,961	98,920
Repayments of short-term loans	(831,179)	(56,000)
Increase in short-term notes and bill payable	100	-
Repayments of long-term debt	(6,146)	-
Increase in guarantee deposits received	207	-
Issuance of common stock for cash	45,356	-
Payment of lease liabilities	(26,686)	(19,329)
Change in non-controlling interests	(17,296)	7,686
<b>Net cash used in financing activities</b>	<u>90,317</u>	<u>31,277</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(79,927)</u>	<u>(83,278)</u>

<b>Net (decrease) increase in cash and cash equivalents</b>	(405,227)	193,449
<b>Cash and cash equivalents at beginning of period</b>	<u>5,165,884</u>	<u>3,874,953</u>
<b>Cash and cash equivalents at end of period</b>	<b>\$ <u>4,760,657</u></b>	<b><u>4,068,402</u></b>

**Reviewed only, not audited in accordance with the generally accepted auditing standards.**  
**ACTER GROUP CORPORATION LIMITED AND ITS SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2021 and 2020**  
**(Expressed in thousands of New Taiwan dollars, unless otherwise specified)**

**(1) Organization and business scope**

ACTER GROUP CORPORATION LIMITED (the “Company”) was incorporated on February 19, 1979, under the approval of the Ministry of Economic Affairs, R.O.C. The Company’s registered office address is located at 19F-1, No.201, Sec.2, Wenxin Road, Xitun District., Taichung City, Taiwan (R.O.C.). The consolidated financial statements of the Company as of and for the year ended June 30, 2021 comprised the Company and its subsidiaries (together referred to as the “Group”). The Company is engaged in providing construction, design, and maintenance services related to air conditioners, environmental control services, clean room set-up, ice water machine trading, energy storing equipment trading, ventilation engineering, and energy technology services. The principal operating activities of the rest of the Group entities are described in Notes 4 (b). Acter’s common shares were publicly listed on the Taipei Exchange (“TPEX”) on November 10, 2010.

**(2) Approval date and procedures of the consolidated financial Statements**

The consolidated financial statement were authorized for issuance by the Board of Directors on August 5, 2021.

**(3) New standards and interpretations adopted**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform – Phase 2”
- Amendments to IFRS 16 “COVID 19 Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.  The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 1 “Disclosure of Accounting Policies”
- Amendments to IFRS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”

#### (4) Summary of significant accounting policies:

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies (c) (d) and (e) mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of preparation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding(%)			Notes
			June 30, 2021	December 31, 2020	June 30, 2020	
(1)The Company	Nova Technology Corp. (Nova Tech)	Wholesale and design of electronic and chemical equipment	62.19	62.19	62.19	
	Her Suo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100	100	100	Note 4
	Enrich Tech Co., Ltd. (Enrich Tech)	Comprehensive construction company	56.94	56.94	56.94	Note 4
	Sheng Huei International Co., Ltd. (SHI)	Investment holding company	100	100	100	
(2)Nova Tech	Winmax Technology Corp. (Winmax)	Design and manufacture of air containers and liquid containers	100	100	100	
	Winmega Technology Corp. (Winmega)	Wholesale of electronic and chemical engineering equipment	100	100	100	
	Suzhou Winmax Technology Corp. (Suzhou Winmax)	Design and manufacture of air containers and liquid containers	100	100	100	
	Novatech Engineering & Construction Pte., Ltd. (NTEC Singapore)	Chemical supply system business	100	100	100	Note 4
	Rayzher industrial Co., Ltd.(Rayzher)	Piping engineering, installation cable and automatic control equipment, etc.	51.31	25	-	Note 3
(3)SHI	Acter Technology Integration Group Co. Ltd (Acter China)	Construction and set-up of electronic equipment and air conditioners	86.66	86.66	86.66	
	New Point Group Ltd.(New Point)	Investment holding company and trading of equipment	100	100	100	Note 4
(4) Acter China	Shenzhen Dingmao Trade Co., Ltd.(Shenzhen Dingmao)	Electronic equipment and machinery trading	100	100	100	Note 4
	Sheng Huei (Shenzhen) Engineering Co., Ltd. (Sheng Huei Shenzhen)	Construction and set-up of electronic equipment and air conditioners	100	100	100	Note 4
	Acter International Ltd. (AIL)	Investment holding company and trading of clean rooms and air conditioners	100	100	100	Note 4
	Nova Technology Singapore Pte., Ltd. (NTS)	Investment holding company	100	100	100	Note 4
(5)NTS	Nova Technology Malaysia Sdn. Bhd. (NTM)	Investment holding company	100	100	100	Note 4
	PT. Novamex Indonesia (NMI)	Equipment trading and set-up	99	99	99	Note 4
	Acter Technology Co., Ltd. (Acter Thailand)	Set-up of electronic protection systems and central air conditioners	49	49	49	Note 4
(6)AIL	PT. Novamex Indonesia (NMI)	Equipment trading and set-up	1	1	1	Note 4
	Sheng Huei Engineering Technology Co., Ltd. (Acter Vietnam)	Set-up of electronic protection systems and central air conditioners	100	100	100	Note 4
	Space Engineering Co., Ltd.(Space Thailand)	Investment holding company and trading of equipment	-	-	49	Note2 and Note4
(7) Space Thailand	Acter Thailand	Set-up of electronic protection systems and central air conditioners	-	-	49	Note2 and Note4
(8)New Point	Zhangjiagang Free Trade Zone Fuyu International Trade Co., Ltd. (Fuyu)	Agent for electronic equipment importing and exporting	-	-	100	Note1 and Note4

Note 1: Fuyu had been liquidated in December 2020.

Note 2: In 2020, the shareholders had gone through restructuring, resulting in the Group to lose control over Space Thailand. As a result, Space Thailand was not included in the consolidated financial statements and was classified as investments accounted for using equity method.

Note 3: The Group had been obtain the control of Rayzher and has been included in the consolidated financial statement of the group on March 31, 2021, please refer to Note6 (h).

Note 4: Companies are non-significant and their financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statement: None.

(c) Business combination

The Group obtained control of another company through acquisition for the first time on March 30, 2021. Therefore, since On March 30, 2021, the accounting policies related to Business combination were applied.

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of the consideration transferred (which is generally measured at fair value) and the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(d) Income taxes

The preparation of the consolidated interim financial statements in conformity with IAS 34 "Interim financial reporting" paragraph B12 measurement and disclosure of income tax expense for the interim period.

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by the management. This is recognized and allocated to current and deferred taxes proportionately.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation, and recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2020.

**(6) Explanation of significant accounts**

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2020. Please refer to Note 6 of the 2020 annual consolidated financial statements.

(a) Cash and cash equivalents

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Petty cash and cash on hand	\$ 2,407	2,588	1,223
Checking and demand deposits	1,784,107	2,673,188	2,250,249
Time deposits	2,480,543	2,145,731	1,768,930
Cash equivalent - repurchased commercial paper	493,600	344,377	48,000
	<b><u>\$ 4,760,657</u></b>	<b><u>5,165,884</u></b>	<b><u>4,068,402</u></b>

The repurchased commercial paper rate as of June 30, 2021, December 31, 2020 and June 30, 2020 were 0.20%~0.23% and 0.26%~0.35%, and 0.325% respectively, with maturity dates from July 12 to July 21, 2021 and from January 4 to February 3, 2021, and July 13, 2020, respectively.

(b) Financial assets at fair value through profit or loss

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Beneficiary securities - open-end funds	<b><u>\$ 358,220</u></b>	<b><u>370,145</u></b>	<b><u>303,334</u></b>

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Financial liabilities designated at fair value through profit or loss:			
Unsecured convertible corporate bonds-call and put provision	<u>\$ 800</u>	<u>1,440</u>	<u>-</u>
(c) Financial assets at fair value through other comprehensive income			
	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Debt instrument at fair value through other comprehensive income			
Ordinary corporate bonds	<u>\$ 77,845</u>	<u>-</u>	<u>-</u>
Equity investments at fair value through other comprehensive income			
Emerging stock	\$ 4,888	5,448	2,975
Unlisted stock	<u>129,646</u>	<u>129,646</u>	<u>127,400</u>
Total	<u>\$ 134,534</u>	<u>135,094</u>	<u>130,375</u>

(i) Debt instrument at fair value through other comprehensive income

The Group has assessed that the following securities were held within a business model whose objective was achieved by both collecting the contractual cash flows and by selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

(ii) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

No strategic investments were disposed as of June 30, 2021 and 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(iii) For credit risk and market risk; please refer to Note 6(aa).

(iv) The aforesaid financial assets were not pledged.

(d) Note and trade receivables

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Note receivables from operating activities	\$ 318,778	197,443	226,831
Trade receivables – measured as amortized cost	5,130,919	4,037,234	3,673,406
Less: Allowance for impairment	<u>(113,751)</u>	<u>(106,953)</u>	<u>(129,405)</u>
Total	<u>\$ 5,335,946</u>	<u>4,127,724</u>	<u>3,770,832</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	<b>June 30, 2021</b>		
<b>Aging days</b>	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
1 to 120 days	\$ 4,912,261	-	-
121 to 180 days	178,400	0.50%	892
181 to 360 days	221,017	1%	2,210
361 to 540 days	32,676	40%~50%	16,267
More than 541 days	77,960	100%	77,960
<b>Total</b>	<b>\$ 5,422,314</b>		<b>97,329</b>

	<b>December 31, 2020</b>		
<b>Aging days</b>	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
1 to 120 days	\$ 3,795,219	-	-
121 to 180 days	197,375	0.50%	987
181 to 360 days	123,286	1%	1,233
361 to 540 days	25,586	40%~50%	11,522
More than 541 days	76,582	100%	76,582
<b>Total</b>	<b>\$ 4,218,048</b>		<b>90,324</b>

	<b>June 30, 2020</b>		
<b>Aging days</b>	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
1 to 120 days	\$ 3,450,801	-	-
121 to 180 days	89,857	0.50%	449
181 to 360 days	179,120	1%	1,791
361 to 540 days	92,444	40%~50%	39,150
More than 541 days	88,015	100%	88,015
<b>Total</b>	<b>\$ 3,900,237</b>		<b>129,405</b>

The loss allowance provision from the other group of June 30, 2021 and December 31, 2020 was determined as follows:

	<b>June 30, 2021</b>		
<b>Aging days</b>	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
1 to 120 days	\$ -	100%	-
121 to 180 days	-	100%	-
181 to 360 days	10,326	100%	10,326
361 to 540 days	-	100%	-
More than 541 days	17,057	1% (Note) 、 100%	6,096
<b>Total</b>	<b>\$ 27,383</b>		<b>16,422</b>

Note: The Group separately evaluated the possibility of recovery of the receivables that aging more than 541 days, measured by the expected credit loss rate of 1%.

	<b>December 31, 2020</b>		
<b>Aging days</b>	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
1 to 120 days	\$ 1,051	100%	1,051
121 to 180 days	9,424	100%	9,424
181 to 360 days	-	-	-
361 to 540 days	6,154	100%	6,154
<b>Total</b>	<b>\$ 16,629</b>		<b>16,629</b>

The movement in the allowance for notes and trade receivable was as follows:

	<b>For the six months ended June 30</b>	
	<b>2021</b>	<b>2020</b>
Balance, January 1	\$ 106,953	157,122
Impairment losses recognized (reversed)	7,774	(24,949)
Foreign exchange gains (losses) and others	(976)	(2,768)
Balance, June 30	<b><u>\$ 113,751</u></b>	<b><u>129,405</u></b>

The notes and trade receivable are not pledged.

(e) Other receivables

	<b><u>June 30, 2021</u></b>	<b><u>December 31, 2020</u></b>	<b><u>June 30, 2020</u></b>
Other accounts receivable	<b><u>\$ 27,310</u></b>	<b><u>8,689</u></b>	<b><u>15,756</u></b>

For further credit risk information, please refer to Note 6(aa).

(f) Inventories

	<b><u>June 30, 2021</u></b>	<b><u>December 31, 2020</u></b>	<b><u>June 30, 2020</u></b>
Finished goods and merchandise	\$ 77,444	73,375	38,328
Work in process and semi-finished goods	47,165	-	15,356
Raw materials	372,012	170,833	226,922
	496,621	244,208	280,606
Less: provision for inventory devaluation	(12,023)	(14,381)	(13,394)
	<b><u>\$ 484,598</u></b>	<b><u>229,827</u></b>	<b><u>267,212</u></b>

For the three months ended June 30, 2021 and 2020, and six months ended June 30, 2021 and 2020, the write-down (upswing) of inventories amounted to \$(3,684) thousand, \$823 thousand, \$(2,252) thousand and \$2,765 thousand. The write-downs (upswings) are included in cost of goods sold.

No inventories were pledged as collaterals.

(g) Investments in equity-accounted investees

	<b><u>June 30, 2021</u></b>	<b><u>December 31, 2020</u></b>	<b><u>June 30, 2020</u></b>
Associated	<b><u>\$ 12,876</u></b>	<b><u>122,755</u></b>	<b><u>-</u></b>

(i) Associated

On December 29, 2020, the Group purchased 3,125 thousand shares of Rayzher Industrial Co., Ltd. (Rayzher) from the former shareholders for \$112,500 thousand, which accounted for 25% of its outstanding shares, and was approved by the board of directors on December 10, 2020.

On December 2020, the Group signed an investment agreement with Rayzher. According to the agreement, Rayzher would then issue 8,500 thousand ordinary shares by cash on March 30, 2021, in which the Group subscribed to 7,650 thousand shares, be issued at a premium price of \$ 33 per share, and the subscription amount was \$252,450 thousand. After the completion of the relevant transaction, the Group holds 51.31% of the equity of Rayzher. Please refer to Note 6 (h).

In December 2020, the Group purchased 49% shares of the Daejin Road (Thailand) Co., Ltd. amounting to USD46 thousand and SGD64 thousand, which were classified as investment accounted for using equity method.

In December 2020, the Group purchased 49% shares of the DJR (Thailand) Co., Ltd. amounting to USD31 thousand and SGD43 thousand, where were classified as investment accounted for using equity method.

In 2020, the shareholder has gone through restructuring, resulting in the Group to lose its control over Space Thailand. As a result, Space Thailand was not included in the consolidated financial statements and was classified as investments accounted for using equity method.

The Group's equity-accounted investment in all individually immaterial associates and the Group's share of the operating results are summarized below:

	<b><u>For the three months ended June 30,2021</u></b>	<b><u>For the six months ended June 30,2021</u></b>
Profit attributable to the Group		
Net income for the period	\$ 1,721	7,630
Other comprehensive income(loss)	-	-
Comprehensive income	<b><u>\$ 1,721</u></b>	<b><u>7,630</u></b>

(ii) Pledge

The investment accounted for using equity method was not pledged.

(iii) Investment using the equity method which have not been reviewed

The investments were accounted for by the equity method on June 30, 2021, and the share of profit or loss and other comprehensive income of those investments for the three months ended and six months ended June 30, 2021 were calculated based on the financial statements that have not been reviewed.

(h) Significant subsidiaries of non-controlling interest

The Group participated in the Rayzher's cash capital increase on March 30, 2021, with an investment amount of \$252,450 thousand. This capital increase obtained 26.31% of the Rayzher's shares. The Group's shareholding in Rayzher increased from the original 25% to 51.31%, and re-measure the non-controlling equity investment previously held by fair value. The difference of \$13,793 thousand losses is included in the current loss. Please refer to Note 6 (z).

Rayzher mainly specializes in gas piping, and it is expected to expand the market share of the Group in related fields. The Group obtained the control of Rayzher on March 30, 2021, and merged the financial statement into the Group.

If the acquisition had occurred on January 1, 2021, management estimates that consolidated revenue would have been \$9,133,862 thousand and consolidated profit after income tax would have been \$656,090 thousand for the six months end June 30, 2021. In determining these amounts, the management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2021.

The initial accounting treatment of the acquisition of Rayzher is only tentative on the end of the reporting period. As of the date when this consolidated financial report is issued, the required market evaluation and other calculations is incomplete. Therefore, it is only tentatively possible based on the best estimate of the management of the Group. The value is recorded in the account. The main types of transfer consideration, the assets acquired and liabilities assumed on the acquisition date, and the tentative amounts of recognized goodwill are as follows:

- (i) The following table summarizes the acquisition-date fair value of major class of consideration transferred.

Long-term equity investment-evaluation based on re-measurement	\$	103,125
Cash--Participate in cash capital increase		252,450
Total	\$	<u><u>355,575</u></u>

- (ii) Identifiable assets acquired and liabilities assumed

The following table summarizes the tentative fair value of assets acquired and liabilities assumed at the acquisition date

	<u>Amount</u>
Cash and cash equivalents	\$ 415,361
Notes receivable and Trade receivable	295,507
Inventories	47,826
Other financial assets – current	48,517
Contract Assets	200,037
Other current assets	13,160
Property, plant and equipment	126,230
Right-of-use asset	8,178
Other non-current assets	9,992
Deferred tax assets	278
Short-term loans	(168,135)
Short-term notes and bills payable	(11,200)
Long-term borrowings	(66,693)
Notes payable	(4,489)
Trade payable	(114,215)
Contract liabilities-current	(131,029)
Accrued salaries and bonuses	(16,739)
Lease liabilities – current	(1,946)
Other current liabilities	(44,637)
Lease liabilities – non-current	<u>(6,232)</u>
Total identifiable net assets acquired(Tentative)	\$ <u><u>599,771</u></u>

The fair value of identifiable assets acquired and liabilities have been determined provisionally pending completion of an independent valuation.

(iii) Goodwill arising from the acquisition has been recognized as follows.

	<u>Amount</u>
Consideration transferred	\$ 355,575
Add: Non-controlling interest in the acquiree, if any (proportionate share of the fair value of the identifiable net assets)(Tentative)	292,031
Less: Fair value of identifiable net assets	<u>(599,771)</u>
Goodwill(Tentative)	<u><u>\$ 47,835</u></u>

(i) Significant subsidiaries of non-controlling interest

No-controlling interests of subsidiaries of the Group that are significant to the Group are as follows:

Subsidiaries	Main Business Location/ Registered Country	Percentage of ownership and voting share		
		June 30, 2021	December 31, 2020	June 30, 2020
Nova Tech	Taiwan	37.81%	37.81%	37.81%
Enrich Tech	Taiwan	43.06%	43.06%	43.06%
Rayzher	Taiwan	48.69%	-	-
Acter China	China	13.34%	13.34%	13.34%

The following information of the aforementioned subsidiaries has been prepared in accordance with IFRS endorsed by the FSC. Included in these information are adjustment made about the fair value and relevant difference in accounting principles between the Company and its subsidiary as at acquisition date. Intra-Group transactions were not eliminated in this information.

(i) Information regarding of Nova Tech:

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Current assets	\$ 2,099,710	1,630,110	2,289,814
Non-current assets	1,940,769	1,816,662	1,486,462
Current liabilities	(1,517,698)	(828,512)	(1,402,376)
Non-current Liabilities	<u>(266,145)</u>	<u>(290,054)</u>	<u>(261,959)</u>
Net assets	<u><u>\$ 2,256,636</u></u>	<u><u>2,328,206</u></u>	<u><u>2,111,941</u></u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Operating revenue	<u>\$ 378,277</u>	<u>581,773</u>	<u>770,401</u>	<u>1,106,343</u>
Net income for the period	150,323	145,733	214,994	237,633
Other comprehensive income	(10,260)	(17,378)	(15,140)	(33,174)
Comprehensive income	<u><u>\$ 140,063</u></u>	<u><u>128,355</u></u>	<u><u>199,854</u></u>	<u><u>204,459</u></u>
Cash flows from operating activities			\$ (4,831)	94,704
Cash flows from investing activities			(239,161)	7,754
Cash flows from financing activities			41,034	(437)
Net (decrease) increase in cash and cash equivalents			<u><u>\$ (202,958)</u></u>	<u><u>102,021</u></u>

(ii) Information regarding of Enrich Tech

	<u>June 30,2021</u>	<u>December 31,2020</u>	<u>June 30,2020</u>
Current assets	\$ 206,462	279,129	\$ 252,706
Non-current assets	8,651	4,368	8,112
Current liabilities	(90,606)	(111,573)	(114,423)
Non- Current liabilities	(418)	(734)	(732)
Net assets	<u>\$ 124,089</u>	<u>171,190</u>	<u>\$ 145,663</u>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Operating revenue	<u>\$ 31,966</u>	<u>100,355</u>	<u>39,160</u>	<u>232,091</u>
Net income for the period	(2,668)	5,070	(17,102)	11,991
Other comprehensive income	-	-	-	-
Comprehensive income	<u>\$ (2,668)</u>	<u>5,070</u>	<u>(17,102)</u>	<u>11,991</u>
Cash flows from operating activities			\$ 5,063	4,947
Cash flows from investing activities			123	(2)
Cash flows from financing activities			(604)	(26,923)
Net increase (decrease) in cash and cash equivalents			<u>\$ 4,582</u>	<u>(21,978)</u>

(iii) Information regarding of Rayzher Industrial Co., Ltd.

	<u>June 30,2021</u>
Current assets	\$ 1,012,897
Non-current assets	152,914
Current liabilities	(468,898)
Non-Current liabilities	(64,647)
Net assets	<u>\$ 632,266</u>
	<u>For the three months ended June 30,2021</u>
Operating revenue	<u>391,479</u>
Net income for the period	32,494
Other comprehensive income	-
Comprehensive income	<u>32,494</u>
Cash flows from operating activities	\$ 45,795
Cash flows from investing activities	12,128
Cash flows from financing activities	(171,425)
Net increase (decrease) in cash and cash equivalents	<u>\$ (113,502)</u>

(iv) Information regarding of Acter China or Continent:

	<u>June 30,2021</u>	<u>December 31,2020</u>	<u>June 30,2020</u>
Current assets	\$ 2,207,557	2,110,116	2,058,327
Non-current assets	884,036	810,374	772,107
Current liabilities	(1,562,401)	(1,498,742)	(1,651,723)
Non- Current liabilities	(31,900)	(23,425)	(21,213)
Net assets	<u>\$ 1,497,292</u>	<u>1,398,323</u>	<u>1,157,498</u>

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 822,633</u>	<u>980,336</u>	<u>\$ 1,640,344</u>	<u>1,655,548</u>
Net income for the period	150,032	183,017	249,088	254,174
Other comprehensive income	(3,522)	7,397	(4,494)	549
Comprehensive income	<u>\$ 146,510</u>	<u>190,414</u>	<u>\$ 244,594</u>	<u>254,723</u>
Cash flows from operating activities			\$ (134,277)	347,149
Cash flows from investing activities			(230,767)	(45,974)
Cash flows from financing activities			(67,955)	(1,050)
Effect of movements in exchange rates			(2,819)	(15,641)
Net increase (decrease) in cash and cash equivalents			<u>\$ (435,818)</u>	<u>284,484</u>

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended June 30, 2020 and 2019, were as follows:

	Land	Building and construction	Other facilities	Unfinished construction and equipment under acceptance	Total
<b>Cost</b>					
Balance on January 1, 2021	\$ 176,502	304,908	145,343	-	626,753
Merger and acquisition	86,876	6,861	48,634	-	142,371
Additions	-	-	6,804	-	6,804
Disposals	-	-	(4,572)	-	(4,572)
Reclassification	-	219	(5)	-	214
Effect of movements in exchange rates	-	(2,170)	(1,254)	-	(3,424)
Balance on June 30, 2021	<u>\$ 263,378</u>	<u>309,818</u>	<u>194,950</u>	<u>-</u>	<u>768,146</u>
Balance on January 1, 2020	\$ 176,502	283,148	137,523	-	597,173
Additions	-	-	5,774	16,296	22,070
Disposals	-	-	(2,236)	-	(2,236)
Effect of movements in exchange rates	-	(5,678)	(2,970)	(311)	(8,959)
Balance on June 30, 2020	<u>\$ 176,502</u>	<u>277,470</u>	<u>138,091</u>	<u>15,985</u>	<u>608,048</u>
<b>Depreciation</b>					
Balance on January 1, 2021	\$ -	57,091	103,260	-	160,351
Merger and acquisition	-	441	15,700	-	16,141
Depreciation for the year	-	6,711	9,781	-	16,492
Disposals	-	-	(4,236)	-	(4,236)
Reclassification	-	219	-	-	219
Effect of movements in exchange rates	-	(446)	(831)	-	(1,277)
Balance on June 30, 2021	<u>\$ -</u>	<u>64,016</u>	<u>123,674</u>	<u>-</u>	<u>187,690</u>
Balance on January 1, 2020	-	45,152	88,149	-	133,301
Depreciation for the year	-	5,687	8,805	-	14,492
Disposals	-	-	(2,073)	-	(2,073)
Effect of movements in exchange rates	-	(969)	(1,852)	-	(2,821)
Balance on June 30, 2020	<u>\$ -</u>	<u>49,870</u>	<u>93,029</u>	<u>-</u>	<u>142,899</u>

**Book values:**

Balance on January 1, 2021	\$	<u>176,502</u>	<u>247,817</u>	<u>42,083</u>	<u>-</u>	<u>466,402</u>
Balance on June 30, 2021	\$	<u>263,378</u>	<u>245,802</u>	<u>71,276</u>	<u>-</u>	<u>580,456</u>
Balance on January 1, 2020	\$	<u>176,502</u>	<u>237,996</u>	<u>49,374</u>	<u>-</u>	<u>463,872</u>
Balance on June 30, 2020	\$	<u>176,502</u>	<u>227,600</u>	<u>45,062</u>	<u>15,985</u>	<u>465,149</u>

**(k) In Right-of-use asset**

The movements in the cost and depreciation of the leased land, building and construction and facility were as follows:

		<u>Land</u>	<u>Building and construction</u>	<u>Facilities</u>	<u>Total</u>
<b>Cost:</b>					
Balance on January 1, 2021	\$	32,146	100,095	68,444	200,685
Merger and acquisition			8,178	-	8,178
Additions		-	5,249	16,092	21,341
Decrease in other		-	(7,475)	(8,927)	(16,402)
Effect of movements in exchange rates		(322)	(665)	(291)	(1,278)
Balance on June 30, 2021	\$	<u>31,824</u>	<u>105,382</u>	<u>75,318</u>	<u>212,524</u>
Balance on January 1, 2020	\$	31,769	86,356	57,291	175,416
Additions		-	3,643	4,997	8,640
Decrease		-	(2,095)	(2,883)	(4,978)
Effect of movements in exchange rates		(924)	(823)	(788)	(2,535)
Balance on June 30, 2020	\$	<u>30,845</u>	<u>87,081</u>	<u>58,617</u>	<u>176,543</u>
<b>Depreciation</b>					
Balance on January 1, 2021	\$	1,611	37,442	30,448	69,501
Depreciation for the year		402	13,748	10,944	25,094
Decrease		-	(6,669)	(8,528)	(15,197)
Effect of movements in exchange rates		(19)	(360)	(167)	(546)
Balance on June 30, 2021	\$	<u>1,994</u>	<u>44,161</u>	<u>32,697</u>	<u>78,852</u>
Balance on January 1, 2020	\$	796	18,135	17,610	36,541
Depreciation for the year		394	11,200	9,345	20,939
Decrease in other		-	(2,096)	(2,106)	(4,202)
Effect of movements in exchange rates		(31)	(288)	(342)	(661)
Balance on June 30, 2020	\$	<u>1,159</u>	<u>26,951</u>	<u>24,507</u>	<u>52,617</u>
<b>Book values:</b>					
Balance on January 1, 2021	\$	<u>30,535</u>	<u>62,653</u>	<u>37,996</u>	<u>131,184</u>
Balance on June 30, 2021	\$	<u>29,830</u>	<u>61,221</u>	<u>42,621</u>	<u>133,672</u>
Balance on January 1, 2020	\$	<u>30,973</u>	<u>68,221</u>	<u>39,681</u>	<u>138,875</u>
Balance on June 30, 2020	\$	<u>29,686</u>	<u>60,130</u>	<u>34,110</u>	<u>123,926</u>

**(l) Investment Property**

Investment property comprises office buildings that are leased to third parties under operating leases, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 1 year. For all investment property leases, the rental income is fixed under the contracts.

	<u>Land</u>	<u>Building and construction</u>	<u>Facilities</u>	<u>Total</u>
<b>Book values:</b>				
Balance on January 1, 2021	\$ <u>139,922</u>	<u>98,343</u>	<u>15</u>	<u>238,280</u>
Balance on June 30, 2021	\$ <u>139,922</u>	<u>97,100</u>	<u>15</u>	<u>237,037</u>
Balance on January 1, 2020	\$ <u>139,922</u>	<u>100,830</u>	<u>15</u>	<u>240,767</u>
Balance on June 30, 2020	\$ <u>139,922</u>	<u>99,587</u>	<u>15</u>	<u>239,524</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of property, plant and equipment for the six months ended June 30 2021 and 2020. Information on amortization for the period is discussed in Note 12(a). Please refer to Note 6(l) of the 2020 annual consolidated financial statements for other related information.

The fair value of investment property was no significant different from Note 6(l) of the 2020 annual consolidated financial statements.

(m) Short-term loans

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Secured bank loans	\$ 434,895	346,892	177,840
Unsecured bank loans	483,587	319,978	-
	<u>\$ 918,482</u>	<u>666,870</u>	<u>177,840</u>
Unused facilities	<u>\$ 6,877,387</u>	<u>6,508,574</u>	<u>5,828,915</u>
Interest rate	<u>0.63%~4%</u>	<u>0.63%~2.6%</u>	<u>1.19%~2.25%</u>

(i) Issues and Repayments of Short-term loans

For the six months ended June 30, 2021 and 2020, the issues amounted to \$925,961 thousand and \$98,920 thousand, the rate is 0.70%~4% and 1.19%~1.32%, due from July to December, 2021 and August to September, 2020, respectively. The repayment amounted to \$831,179 thousand and \$56,000 thousand; Bank loans arising from acquisitions please refer to Note 6(ad).

(ii) Assets pledged for bank loans

The details of the related assets pledged for bank loans, please refer to Note 8.

(n) Short-term notes and bills payable

	<u>June 30, 2021</u>
Commercial paper payable	<u>\$ 11,300</u>

The rate of commercial paper payable is 1.19% on June 30, 2021, and due on July 29, 2021. Short-term notes payables arising from acquisitions please refer to Note 6(ad).

The details of the related assets pledged for short-term notes and bills payable, please refer to Note 8.

(o) Long-term borrowings

	<b>June 31, 2021</b>
Secured bank loans	\$ 60,547
Less: current portion	(4,620)
Total	<u>\$ 55,927</u>
Unused facilities	<u>\$ 12,533</u>
Interest rate	<u>1.13%~2.03%</u>

(i) Borrowing and repayment

For the six months ended June 30, 2021, there were no significant borrowing, repurchase or repayment, please refer to note6 (z) for interest expense. Long-term borrowings arising from acquisitions please refer to Note 6(ad).

(ii) Collateral for bank loans

For the collateral for long-term borrowings, please refer to note 8

(p) Bonds payable

The details of unsecured convertible bonds were as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Bond payable	<u>\$ 775,495</u>	<u>770,519</u>

For the six months ended June 30, 2021, there is no issue, repurchase or repayment of bonds, please refer to note6 (n) of the 2020 annual consolidated financial statements for other related information.

(q) Leases liabilities

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Current	<u>\$ 47,341</u>	<u>41,401</u>	<u>33,572</u>
Non-current	<u>\$ 59,081</u>	<u>64,348</u>	<u>63,803</u>

Leases liabilities arising from acquisitions please refer to note 6(ad).

For the maturity analysis, please refer to note 6(aa).

The amounts recognized in profit or loss was as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30 ,2021</b>	<b>June 30 ,2020</b>	<b>June 30 ,2021</b>	<b>June 30 ,2020</b>
Interest on lease liabilities	<u>\$ 643</u>	<u>577</u>	<u>1,290</u>	<u>1,193</u>
Expenses relating to short-term leases	<u>\$ 13,381</u>	<u>17,397</u>	<u>26,288</u>	<u>25,899</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 3,055</u>	<u>1,239</u>	<u>5,005</u>	<u>2,253</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	<b>For the six months ended June 30</b>	
	<b>2021</b>	<b>2020</b>
Total cash outflow for leases	<b>\$ <u>59,269</u></b>	<b><u>48,674</u></b>

(i) Real estate leases

The Group leases land and buildings for its office space. The leases of office space typically run for a period of three to five years.

(ii) Other leases

The Group leases vehicles, with lease terms of three to five years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group leases working offices, staff dormitory and business equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(r) Provisions

	<b><u>June 30, 2021</u></b>	<b><u>December 31, 2020</u></b>	<b><u>June 30, 2020</u></b>
Provisions	<b>\$ <u>245,669</u></b>	<b><u>270,772</u></b>	<b><u>296,675</u></b>

The Group's warranty provision is estimated based on historical data of the construction contract. Most liabilities are expected to occur during the warranty period that is mentioned in the contract since completion of the construction.

There were no significant fluctuation of provisions for the six months ended June 30, 2021 and 2020. Please refer to Note 6(p) of the 2020 annual consolidated financial statements for other related information.

(s) Employee benefits

(i) Defined benefit plans

Due to there are no significant market volatility, significant reduction, settlement or other significant one-time events after the end of previous financial year, the Group adopts the actuarial decision cost on December 31, 2020 and 2019 to measure and disclose pension cost during the period.

The Group's pension expenses recognized in profit or loss were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Operating cost	\$ 20	48	41	98
Operating expense	<u>521</u>	<u>48</u>	<u>709</u>	<u>314</u>
	<b>\$ <u>541</u></b>	<b><u>96</u></b>	<b><u>750</u></b>	<b><u>412</u></b>

(ii) Defined contribution plans

The Group's pension expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Operating cost	\$ 5,283	4,505	9,669	8,899
Operating expense	2,154	1,584	4,069	3,384
	<u>\$ 7,437</u>	<u>6,089</u>	<u>13,738</u>	<u>12,283</u>

The company, HerSuo Engineering, Nova Tech, Enrich and Winmega have deposited the retirement amount to Bureau of Labor and the overseas subsidiaries have deposited the retirement amount to local social insurance institutes base on the local regulation.

(t) Taxes

The amount of income tax expense were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Current income tax expense:				
Current period	\$ 144,711	181,785	224,676	240,313
Deferred tax expense:				
Origination and reversal of temporary differences	14,078	(18,831)	32,755	27,649
Income tax expense	<u>\$ 158,789</u>	<u>162,954</u>	<u>257,431</u>	<u>267,962</u>

The amount of tax income expense (benefit) recognized in other comprehensive income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation differences — foreign operations	<u>\$ (8,557)</u>	<u>(11,342)</u>	<u>(12,101)</u>	<u>(21,100)</u>

The income tax return of the Company has been examined by the tax authorities through year 2019.

(u) Capital and other equity

Except as described below, no significant changes in the Group capital and other equity for the six months ended June 30, 2021 and 2020. The related information, please refer to Note 6(s) of the Group financial statements for the year ended December 31, 2020.

(i) Issuance of ordinary shares

A resolution was passed during the board meeting held on September 14, 2020 for the issuance of 3,000 new ordinary shares for cash, at a par value of \$10 per share, amounting to \$30,000 thousand, with the tentative issuing prices of \$168 per share.

The actual issuing prices were determined by the chairman and lead securities underwriter based on the market condition. The capital increase became effective with the registration of Letter No. 1090371590 issued by the Financial Supervisory Commission on October 30, 2020. On December 7, 2020, the chairman determined the issue price of \$166 per share, with January 4, 2021 as the date of capital increase. All shares issued had been received, and had been recognized as Equity. The relevant statutory registration procedures have since been completed.

(ii) Capital surplus

The components of the capital surplus were as follows

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
From issuance of common stock	\$ 1,424,871	946,809	946,809
Difference between the consideration and the carrying amount of subsidiaries acquired or disposed	43,991	43,991	43,991
Changes in ownership interest in subsidiaries	381,801	381,801	381,801
From issuance of restricted stocks for employees	19,250	19,250	19,250
Cash capital increase reserved for employee subscription	-	12,162	-
Equity component of convertible bonds recognized in stock option	33,697	33,697	-
	<b><u>\$ 1,903,610</u></b>	<b><u>1,437,710</u></b>	<b><u>1,391,851</u></b>

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to Company's articles of incorporation, 10% of the annual earnings, after offsetting any accumulated deficit and payment of income taxes due, if any, shall be set aside as a legal reserve. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside and the remaining balance is partially reserved depending on the business environment, growth status, and long-term finance planning. After deducting the aforementioned partially reserve, the remaining balance, plus, any unappropriated earnings in previous years shall be used for distribution of stockholders' bonuses by the Board of Directors, depending on the capital status and economic development in the current year. Cash bonuses should not be less than 10% of the total shareholders' bonuses, and they will be recommended by the Board of Directors and resolved in the shareholders' meeting.

(1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distribute.

(2) Special reserve

In Accordance with Ruling No.1010012865 issued by the FSC on April 6, 2012, the difference between the total net reduction of other shareholders' equity and the carrying amount of special earnings reserve as stated above shall be reclassified as a special earnings reserve during earnings distribution. Other prior accumulated debit balance of shareholders' equity was recognized as additional special reserve from prior undistributed earnings since distributions were prohibited. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2020 and 2019 had been approved during the board meeting on February 25, 2021, and February 27, 2020, respectively. Other surplus distribution of 2020 and 2019 approved by the shareholders meeting on July 23, 2021 and May 27, 2020. The relevant dividend distributions to shareholders were as follows:

	<u>2020</u>	<u>2019</u>
Legal reserve	\$ <u>96,951</u>	<u>103,609</u>
Special reserve	\$ <u>10,275</u>	<u>60,377</u>
Dividends distributed to ordinary shareholders		
Cash	\$ <u>686,241</u>	<u>812,801</u>

(iv) Other equity interest (net of tax)

	<b>Foreign currency translation differences for foreign operations</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Balance, January 1, 2021	\$ (136,159)	(3,302)	(139,461)
Foreign currency translation differences (net of tax)	(33,263)	-	(33,263)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	<u>-</u>	<u>(1,166)</u>	<u>(1,166)</u>
Balance, June 30, 2021	<u>\$ (169,422)</u>	<u>(4,468)</u>	<u>(173,890)</u>
Balance, January 1, 2020	\$ (123,035)	(6,150)	(129,185)
Foreign currency translation differences (net of tax)	(51,227)	-	(51,227)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	<u>-</u>	<u>375</u>	<u>375</u>
Balance, June 30, 2020	<u>\$ (174,262)</u>	<u>(5,775)</u>	<u>(180,037)</u>

(v) Share-based payment

There were no significant changes for share-based payment for the six months ended June 30, 2021 and 2020. For the related information, please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2020.

(w) Earnings per share ("EPS")

(i) Basic Earnings per share

(1) Profit attributable to ordinary shareholders of the Company

	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2020	2021	2020
Profit attributable to ordinary shareholders of the Company	\$ <u>332,316</u>	<u>290,520</u>	<u>510,583</u>	<u>507,804</u>

(2) Weighted average number of ordinary shares

	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares	\$ <u>57,187</u>	<u>54,187</u>	<u>57,087</u>	<u>54,187</u>

(ii) Diluted earnings per share

(1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2020	2021	2020
Profit attributable to ordinary shareholders of the Company (basic)	\$ 332,316	290,520	510,583	507,804
Effect of dilutive potential ordinary shares Interest expense on convertible bonds, net of tax	<u>1,865</u>	<u>-</u>	<u>3,468</u>	<u>-</u>
Profit attributable to ordinary shareholders of the Company (diluted)	\$ <u>334,181</u>	<u>290,520</u>	<u>514,051</u>	<u>507,804</u>

(2) Weighted average number of ordinary shares (diluted)

	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2021	2021	2021
Weighted average number of ordinary shares (basic)	57,187	54,187	57,087	54,187
Effect of dilutive potential ordinary shares				
Effect of conversion of convertible bonds	4,100	-	4,100	-
Effect of employee share bonus	<u>120</u>	<u>108</u>	<u>280</u>	<u>331</u>
Weighted average number of ordinary shares (diluted)	<u>61,407</u>	<u>54,295</u>	<u>61,467</u>	<u>54,518</u>

(x) Revenue from contracts with customers

(i) Disaggregation of revenue

Primary geographical markets	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2020	2021	2020
Taiwan	\$ 2,195,338	1,612,758	3,714,275	2,966,445

Mainland China	2,348,385	2,069,026	3,939,195	3,550,344
Other countries	<u>900,436</u>	<u>175,774</u>	<u>1,366,270</u>	<u>420,726</u>
	<b><u>\$ 5,444,159</u></b>	<b><u>3,857,558</u></b>	<b><u>9,019,740</u></b>	<b><u>6,937,515</u></b>

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
Major products				
Cleanroom				
electromechanical				
integration engineering	\$ 3,148,024	2,338,269	5,400,509	4,111,721
Water gasification supply				
integration engineering	1,466,401	1,091,951	2,228,111	1,998,376
Consumer industry				
electromechanical				
integration engineering	380,310	213,805	537,202	346,095
Biomedical integration				
engineering	132,840	134,994	315,316	339,275
High-tech equipment and				
materials sales and				
services	<u>316,584</u>	<u>78,539</u>	<u>538,602</u>	<u>142,048</u>
	<b><u>\$ 5,444,159</u></b>	<b><u>3,857,558</u></b>	<b><u>9,019,740</u></b>	<b><u>6,937,515</u></b>

(ii) Contract balances

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Trade receivables	\$ 5,130,919	4,037,234	3,673,406
Less: allowance for impairment	<u>(113,751)</u>	<u>(106,953)</u>	<u>(129,405)</u>
	<b><u>\$ 5,017,168</u></b>	<b><u>3,930,281</u></b>	<b><u>3,544,001</u></b>
Contract assets-Construction			
and equipment	\$ 3,878,658	2,986,173	2,545,038
Less: allowance for impairment	<u>(49,132)</u>	<u>(50,923)</u>	<u>(50,526)</u>
	<b><u>\$ 3,829,526</u></b>	<b><u>2,935,250</u></b>	<b><u>2,494,512</u></b>
Contract liabilities-Construction			
and equipment	\$ 1,952,451	1,761,020	1,346,597
Contract liabilities- Advance			
sales receipts	<u>57,847</u>	<u>-</u>	<u>-</u>
	<b><u>\$ 2,010,298</u></b>	<b><u>1,761,020</u></b>	<b><u>1,346,597</u></b>

For details on trade receivables and allowance for impairment, please refer to Note 6(d).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There is no other majority change for the six months ended June 30, 2021 and 2020.

(y) Remuneration to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 3% shall be distributed as employee remuneration, and a maximum of 5% as remuneration to directors and supervisors.

For the three months ended June 30, 2021 and 2020, and the six months ended June 30, 2021 and 2020, the Company estimated its employee remuneration amounting to \$24,079 thousand and \$22,514 thousand, and \$38,189 thousand, and \$39,442 thousand, and directors' and supervisors' remuneration amounting to \$12,040 thousand and \$11,257 thousand, and \$19,095 thousand, and \$19,721 thousand, respectively. The estimated

amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were recognized under operating costs or expenses for each period. If the actual amounts differ from the estimated amount, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in following year.

For the year ended December 31, 2020 and 2019, the Company estimated its employee remuneration amounting to \$60,000 thousand and \$79,943 thousand, and directors' and supervisors' remuneration amounting to \$28,000 thousand and \$39,972 thousand, respectively. There is no different between estimation and paid. The information is available on the Market Observation Post System website.

(z) Non-operating income and expenses

(i) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Interest expense - bank loan	\$ 2,954	944	4,732	1,610
Interest expense - lease liabilities	643	577	1,290	1,193
Interest expense - bonds	2,492	-	4,976	-
	<u>\$ 6,089</u>	<u>1,521</u>	<u>10,998</u>	<u>2,803</u>

(ii) Interest revenue

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Interest income from bank deposits	\$ 6,895	6,403	15,191	14,277
Other interest income	1,136	871	1,572	958
	<u>\$ 8,031</u>	<u>7,274</u>	<u>16,763</u>	<u>15,235</u>

(iii) Other revenue

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Rental income	\$ 325	251	1,051	657
Others and government subsidy	2,762	3,969	19,308	20,047
	<u>\$ 3,087</u>	<u>4,220</u>	<u>20,359</u>	<u>20,704</u>

(iv) Other income and losses

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	2021	2020
Exchange Gain on foreign currency	\$ (26,739)	12,197	(21,455)	10,103
Gains(loss) on disposals of property, plant and equipment	(130)	(70)	(281)	(137)
Re-measure the investment losses	-	-	(13,793)	-
Net loss on financial assets at fair value through profit or loss	952	2,584	(175)	(892)
Net gain on financial liabilities at fair value through profit or loss	160	-	640	-
Others	23	36	23	36
	<u>\$ (25,734)</u>	<u>14,747</u>	<u>(35,041)</u>	<u>9,110</u>

(aa) Financial Instruments

Except as described below, there were no significant changes in the fair value of financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments, please refer to Note 6(y) of the Group's financial statements for the year ended December 31, 2020.

(i) Credit risk

(1) Exposure to credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

(2) Concentration of credit risk

As of June 30, 2021, December 31 and June 30, 2020, concentration of credit risk deriving from the Group's top customer did not constitute more than 9%, 16% and 7%, respectively, of the Group's receivables while those deriving from the Group's other top four customers did not constitute more than 17%, 23% and 20%, respectively, of the Group's receivables.

(3) Receivables

For credit risk exposure of note and trade receivables, please refer to Note 6 (d).

Other financial assets measured at amortized cost include other receivables and other financial assets.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4 (g) of the Group's financial statements for the year ended December 31, 2020. The loss allowance provision as for the six months ended June 30, 2021 and 2020 were determined as follows:

	<b>Other financial assets (guarantee deposits paid)</b>
Balance on January 1, 2021	\$ 21,832
Foreign exchange losses	(218)
Balance on June 30, 2021	<b><u>\$ 21,614</u></b>
Balance on January 1, 2020	21,576
Foreign exchange losses	(627)
Balance on June 30, 2020	<b><u>\$ 20,949</u></b>

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payment and excluding the impact of netting agreements:

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
<b>June 30, 2021</b>						
Non-derivative financial liabilities						
Secured bank loans	\$ 434,895	436,170	436,170	-	-	-
Unsecured bank loans	483,587	484,529	484,529	-	-	-
Short-term notes and bills payable	11,300	11,342	11,342	-	-	-
Notes payable	110,355	110,355	110,355	-	-	-
Accounts payable (including related parties)	4,557,891	4,557,891	4,027,759	373,430	141,824	14,878

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5years</u>	<u>More than 5 years</u>
Bonds payable	775,495	800,000	-	-	800,000	-
Accrued salaries and bonuses	279,162	279,162	279,162	-	-	-
Dividend payable and other accrued expenses	1,070,251	1,070,251	1,058,153	1,323	-	10,775
Long-term loans (including current portions)	60,547	65,240	5,339	5,339	16,017	38,545
Leases liabilities (current and non-current)	<u>106,422</u>	<u>109,766</u>	<u>49,235</u>	<u>23,365</u>	<u>34,145</u>	<u>3,021</u>
	<b><u>\$ 7,889,905</u></b>	<b><u>7,924,706</u></b>	<b><u>6,462,044</u></b>	<b><u>403,457</u></b>	<b><u>991,986</u></b>	<b><u>67,219</u></b>
<b>December 31, 2020</b>						
Non-derivative financial liabilities						
Secured bank loans	\$ 346,892	346,996	346,996	-	-	-
Unsecured bank loans	319,978	320,020	320,020	-	-	-
Notes payable	95,853	95,853	95,853	-	-	-
Accounts payable (including related parties)	3,537,200	3,537,200	3,187,030	191,768	137,731	20,671
Bonds payable	770,519	800,000	-	-	800,000	-
Accrued salaries and bonuses	323,816	323,816	323,816	-	-	-
Dividend payable and other accrued expenses	317,477	317,477	306,594	-	-	10,883
Lease liabilities (current and non-current)	<u>105,749</u>	<u>108,025</u>	<u>43,044</u>	<u>29,206</u>	<u>30,070</u>	<u>5,705</u>
	<b><u>\$ 5,817,484</u></b>	<b><u>5,849,387</u></b>	<b><u>4,623,353</u></b>	<b><u>220,974</u></b>	<b><u>967,801</u></b>	<b><u>37,259</u></b>
<b>June 30, 2020</b>						
Non-derivative financial liabilities						
Secured bank loans	\$ 177,840	178,017	178,017	-	-	-
Notes payable	121,880	121,880	121,880	-	-	-
Accounts payable (including related parties)	3,485,370	3,485,370	3,160,087	189,803	112,487	22,993
Accrued salaries and bonuses	238,986	238,986	238,986	-	-	-
Other accrued expenses	1,238,025	1,238,025	1,238,025	-	-	-
Lease liabilities (current and non-current)	<u>97,375</u>	<u>100,397</u>	<u>35,294</u>	<u>30,117</u>	<u>26,170</u>	<u>8,816</u>
	<b><u>\$ 5,359,476</u></b>	<b><u>5,362,675</u></b>	<b><u>4,972,289</u></b>	<b><u>219,920</u></b>	<b><u>138,657</u></b>	<b><u>31,809</u></b>

The Group is not expecting that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

(1) Foreign currency risk

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

	<u>June 30, 2021</u>			<u>December 31, 2020</u>			<u>June 30, 2020</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 58,658	27.91	1,637,145	40,267	28.515	1,148,214	41,882	29.64	1,241,382
CNY	81,742	4.3228	353,354	11,232	4.3664	49,043	1,480	4.1898	6,201
JPY	46,602	0.2523	11,758	52,471	0.2750	14,430	31,282	0.278	8,696
<u>Non-monetary items</u>									
USD	200	27.91	5,582	14,257	28.515	406,538	-	29.64	-
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	6,076	27.91	169,581	3,884	28.515	110,752	6,351	29.64	188,244
JPY	75,449	0.2523	19,036	32,470	0.2750	8,929	38,449	0.278	10,689

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, other receivables, financial assets at fair value through other comprehensive income, loans, trade payables and other payables that are denominated in foreign currency. A 1% of appreciation or depreciation of the TWD against the USD, CNY, SGD and JPY as of June 30, 2021 and 2020 would have increased or decreased the before-tax net income by \$18,136 thousand and \$10,573 thousand, respectively. The analysis is performed on the same basis for both periods.

As the Group transacts in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the six months ended June 30, 2021 and 2020, the foreign exchange gains or losses, including both realized and unrealized, amounted to \$(21,455) thousand and \$10,103 thousand, respectively.

(2) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in this note of liquidity risk management.

The following sensitivity analysis is based on the risk exposure to the interest rate on the non-derivatives financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate which increases or decreases by 1% when reporting to the internal management, which also represents the Group management's assessment of the reasonably possible interest rate change:

If the interest rate increases or decreases by 1%, the Group's net income will decrease by \$9,790 thousand and \$1,778 thousand for the six months ended June 30, 2021 and 2020, respectively, assuming all other variable factors remain constant. This is mainly due to the Group's borrowing in variable rate.

(3) Other market price risk

The sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the six months ended June 30			
	2021		2020	
Prices of securities at the reporting date	Other comprehensive income before-tax	Net income before tax	Other comprehensive income before-tax	Net income before tax
Increasing 3%	\$ 6,371	10,747	3,911	9,100
Decreasing 3%	\$ (6,371)	(10,747)	(3,911)	(9,100)

(iv) Fair value of financial instruments

(1) The kinds of financial instruments and fair value

The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is

reasonably close to the fair value, and leases liabilities disclosure of fair value information is not required :

<b>June 30 ,2021</b>					
	<b>Book value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 358,220	358,220	-	-	358,220
<b>Financial assets at fair value through other comprehensive income</b>					
Bonds payable	77,845	77,845	-	-	77,845
Emerging Stock	4,888	4,888	-	-	4,888
Unlisted stock	129,646	-	-	129,646	129,646
Subtotal	212,379	82,733	-	129,646	212,379
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	4,760,657	-	-	-	-
Contract Assets	3,829,526	-	-	-	-
Notes receivable	318,778	-	-	-	-
Trade receivable	5,017,168	-	-	-	-
Other receivable	27,310	-	-	-	-
Other financial assets	356,197	-	-	-	-
Subtotal	14,309,636	-	-	-	-
Total	<u>\$ 14,880,235</u>	<u>440,953</u>	<u>-</u>	<u>129,646</u>	<u>570,599</u>
<b>Financial liabilities at fair value through profit or loss</b>					
financial liabilities at fair value through profit or loss	\$ 800	-	800	-	800
<b>Financial liabilities at amortized cost</b>					
Short-term loans	\$ 918,482	-	-	-	-
Short-term notes and bills payable	11,300	-	-	-	-
Notes payable	110,355	-	-	-	-
Trade payable (including related parties)	4,557,891	-	-	-	-
Accrued salaries and bonuses	279,162	-	-	-	-
Dividend payable and Other accrued expenses	1,070,251	-	-	-	-
Bonds payable	775,495	-	968,000	-	968,000
Long-term loans (including current portion)	60,547	-	-	-	-
Leases liabilities (current and non-current)	106,422	-	-	-	-
Subtotal	7,889,905	-	968,000	-	968,000
Total	<u>\$ 7,890,705</u>	<u>-</u>	<u>968,800</u>	<u>-</u>	<u>968,800</u>
<b>December 31, 2020</b>					
	<b>Book value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 370,145	370,145	-	-	370,145
<b>Financial assets at fair value through other comprehensive income</b>					
Emerging Stock	5,448	5,448	-	-	5,448
Unlisted stock	129,646	-	-	129,646	129,646
Subtotal	135,094	5,448	-	129,646	135,094
<b>Financial assets at amortized cost</b>					

Cash and cash equivalents	5,165,884	-	-	-	-
Contract Assets	2,935,250	-	-	-	-
Notes receivable	197,443	-	-	-	-
<b>December 31, 2020</b>					
		<b>Fair Value</b>			
	<b>Book value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Trade receivable	3,930,281	-	-	-	-
Other receivables	8,689	-	-	-	-
Other current financial assets	297,554	-	-	-	-
Subtotal	12,535,101	-	-	-	-
Total	<b>\$ 13,040,340</b>	<b>375,593</b>	<b>-</b>	<b>129,646</b>	<b>505,239</b>
<b>Financial liabilities at fair value through profit or loss</b>					
financial liabilities at fair value through profit or loss	\$ 1,440	-	1,440	-	1,440
<b>Financial liabilities at amortized cost</b>					
Short-term loans	\$ 666,870	-	-	-	-
Notes payable	95,853	-	-	-	-
Trade payable (including related parties)	3,537,200	-	-	-	-
Accrued salaries and bonuses	323,816	-	-	-	-
Other accrued expenses	317,477	-	-	-	-
Bonds payable	770,519	-	918,240	-	918,240
Leases liabilities (current and non-current)	105,749	-	-	-	-
Subtotal	5,817,484	-	918,240	-	918,240
Total	<b>\$ 5,818,924</b>	<b>-</b>	<b>919,680</b>	<b>-</b>	<b>919,680</b>
<b>June 30, 2020</b>					
		<b>Fair Value</b>			
	<b>Book value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through profit or loss</b>					
Non derivative financial assets mandatorily measured at fair value through profit or loss	\$ 303,334	303,334	-	-	303,334
<b>Financial assets at fair value through other comprehensive income</b>					
Emerging Stock	2,975	2,975	-	-	2,975
Unlisted stock	127,400	-	-	127,400	127,400
Subtotal	130,375	2,975	-	127,400	130,375
<b>Financial assets at amortized cost</b>					
Cash and cash equivalents	4,068,402	-	-	-	-
Contract Assets	2,494,512	-	-	-	-
Notes receivable	226,831	-	-	-	-
Trade receivable	3,544,001	-	-	-	-
Other receivable	15,756	-	-	-	-
Other current financial assets	413,259	-	-	-	-
Subtotal	10,762,761	-	-	-	-
Total	<b>\$ 11,196,470</b>	<b>306,309</b>	<b>-</b>	<b>127,400</b>	<b>433,709</b>
<b>Financial liabilities at amortized cost</b>					
Short-term loans	\$ 177,840	-	-	-	-
Notes payable	121,880	-	-	-	-
Trade payable (including related parties)	3,485,370	-	-	-	-
Accrued salaries and bonuses	238,986	-	-	-	-
Dividend payable and other accrued expenses	1,238,025	-	-	-	-
Leases liabilities (current and non-current)	97,375	-	-	-	-
Total	<b>\$ 5,359,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2) Valuation techniques for financial instruments measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on the run bonds from Taipei Exchange can be used as basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or regulators and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid ask spreads is an indication of non-active market.

The Group's financial instruments are classified by their category, and the attributes of their fair value are as follows if such financial instruments are traded in active markets: beneficiary securities – open end fund ,company bond and emerging stock, whose fair value was determined based on market quoted prices.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

When the financial instrument of the Group is not traded in an active market, its fair value is determined as follows:

- The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

4) Transfers between Level 1 and Level 2

- There were no transfers from one level to another for the six months ended June 30, 2021 and 2020.

5) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
Opening balance, January 1, 2021	\$ 129,646
Purchased	-
Ending Balance, June 30,2021	<u><b>\$ 129,646</b></u>
Opening balance, January 1, 2020	\$ 127,400
Purchased	-
Ending Balance, June 30,2020	<u><b>\$ 127,400</b></u>

6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments" .

Most of the Group's financial assets in Level 3 have only one significant unobservable input, while its equity investments without an active market have more than one significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income - equity investments without an active market	Market Approach	<ul style="list-style-type: none"> <li>◆ P/E multiplier (As of 2021.06.30 , 2020.12.31 and 2020.06.30 were 13.81,15.81 and 14.54, respectively)</li> <li>◆ Discount for lack of marketability (As of 2021.06.30, 2020.12.31 and 2020.06.30 were both 30%)</li> </ul>	<ul style="list-style-type: none"> <li>◆ The higher the price-equity ratio, the higher the fair value.</li> <li>◆ The higher the discount for lack of marketability, the lower the fair value.</li> </ul>
Financial assets at fair value through other comprehensive income - equity investments without an active market	Net asset value method	<ul style="list-style-type: none"> <li>◆ Discount for lack of marketability (As of 2021.06.30 and 2020.12.31 were both 30%)</li> </ul>	<ul style="list-style-type: none"> <li>◆ The higher the discount for lack of marketability, the lower the fair value.</li> </ul>

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by 10% to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Inputs value</u>	<u>Increase or decrease</u>	<u>Effects of changes in fair value on other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
June 30, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/E ratio	10%	12,740	(12,740)
Equity investments without an active market	Discount for lack of marketability	10%	18,521	(18,521)
December 31, 2020				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/E ratio	10%	12,740	(12,740)
Equity investments without an active market	Discount for lack of marketability	10%	18,521	(18,521)

June 30, 2020

Financial assets at fair value through other comprehensive income

Equity investments without an active market	P/E ratio	10%	12,740	(12,740)
Equity investments without an active market	Discount for lack of marketability	10%	18,200	(18,200)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

(ab) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosure in Note 6(z) of the consolidated financial statements for the year ended December 31, 2020.

(ac) Capital management

The objectives, policies and processes of capital management of the Group are in conformity with those disclosed in the consolidated financial statements for the year ended December 31, 2020. There were no significant changes on summary of quantitative data of capital management compared with the consolidated financial statements for the year ended December 31, 2020. Please refer to Note 6(aa) of the Group financial statements for the year ended December 31, 2020.

(ad) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the six months ended June 30, 2021 and 2020, were as follows:

For acquisition of right-of-use assets under operating lease, please refer to Note 6(k).

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Non-cash changes				June 30, 2021
			Foreign exchange movement	Increased	Amortization	Acquisition	
Short-term loans	\$ 666,870	94,782	(11,305)	-	-	168,135	918,482
Short-term notes and bills payable	-	100	-	-	-	11,200	11,300
Lease liabilities	105,749	(26,695)	(453)	19,643	-	8,178	106,422
Bonds payable	770,519	-	-	-	4,976	-	775,495
Long-term borrowings	-	(6,146)	-	-	-	66,693	60,547
Total liabilities from financing activities	<u>\$ 1,543,138</u>	<u>62,041</u>	<u>(11,758)</u>	<u>19,643</u>	<u>4,976</u>	<u>254,206</u>	<u>1,872,246</u>

	January 1, 2020	Cash flows	Non-cash changes			June 30, 2020
			Foreign exchange movement	Increased		
Short-term loans	\$ 136,609	42,920	(1,689)	-	177,840	
Lease liabilities	110,264	(19,329)	(1,054)	7,494	97,375	
Guarantee deposit	150	-	-	-	150	
Total liabilities from financing activities	<u>\$ 247,023</u>	<u>23,591</u>	<u>(2,743)</u>	<u>7,494</u>	<u>275,365</u>	

**(7) Related party transactions:**

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Johnwell Ent Co.,Ltd	The key management personnel of the parent company's directors

(b) Other related party transactions

The amounts of significant purchase transactions and outstanding payables for goods and equipment between the Group and related parties were as follows:

	<u>Purchases</u>		<u>Purchases</u>		<u>Payables to Related Parties</u>		
	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>		<u>June 30,</u>	<u>December</u>	<u>June 30,</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>31, 2020</u>	<u>2020</u>
Entity under the key management's control	<u>\$ 1,436</u>	<u>466</u>	<u>2,040</u>	<u>918</u>	<u>1,529</u>	<u>654</u>	<u>512</u>

There were no differences in the purchase price and terms of payments offered to related parties and those of third-party vendors.

(c) Key management personnel compensation

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 23,700	23,602	53,312	49,988
Post-employment benefits	108	99	216	207
	<u>\$ 23,808</u>	<u>23,701</u>	<u>53,528</u>	<u>50,195</u>

**(8) Pledged assets:**

The Group's pledged assets were as follows:

<u>Asset</u>	<u>Purpose of pledge</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>
		<u>2021</u>	<u>2020</u>	<u>2020</u>
Other financial assets – current:				
Demand deposit and time deposit	Short-term loan and short-term bills payables guarantee, construction contract fulfillment and warranty guarantee	\$ 119,115	60,246	171,705
Property, plant and equipment	Long-term loan guarantee	93,288	-	-
Other non-current assets:				
Other non-current assets	warranty guarantee	510	509	508
		<u>\$ 212,913</u>	<u>60,755</u>	<u>172,213</u>

**(9) Significant commitments and contingencies:**

Significant commitments and contingencies for the Group as of June 30, 2021, and December 31, June 30, 2020 were as follows:

- (a) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to \$1,018,641, \$789,274 and \$1,356,372, respectively.
- (b) The amounts pledged to the bank for engaging in construction contracts amounted to \$1,838,531, \$1,669,789 and \$1,989,519, respectively.
- (c) Contract fulfillment guarantee and warranty guarantee (excluding related parties) for the competitive corporations amounted to \$348,000, respectively.
- (d) The Company's subsidiary, Nova Tech entered into an agreement with Jing He Science Co., Ltd. (Jing He) for the construction and expansion of a new factory and gas factory, respectively, wherein Nova Tech is responsible for the installation process of the pipelines, as well as for purchasing the related equipment according to the design layout and purchase order provided by Jing He. However, Jing He made certain changes to its layout plan, which in turn, requires extra work; and for this reason, Nova Tech requested Jing He for an additional payment, in which Jing He argued that the contract is a lump-sum contract; therefore, refused to make any additional payment. Furthermore, it unilaterally terminated the agreement prior to the completion of the construction. Nova Tech then filed a lawsuit to the District Court against Jing He, demanding the amount of the contract to be paid in full. Nova Tech has also engaged a lawyer to defend its case. On the other hand, the District Court appointed Taiwan Association of Construction and Development, as well as Taiwan Professional Electrical Engineers Association, to estimate the value of the completed part of the new factory building, with both parties providing supplementary opinions for the preliminary valuation. The District Court has also appointed Taiwan Construction Research Institute (TCRI) to estimate the value of the expansion of the gas factory, wherein the estimated result turned out to be the same as that of which conducted by Nova Tech. As of the issuance date of this financial statements, the Court's decision has yet to be made, wherein it included the compensation amount of the damage resulting in a recognition of allowance for impairment incurred from the construction cost by Nova Tech in accordance with the related accounting standards. Nova Tech has estimated the maximum loss incurred from this lawsuit to be \$70,000 thousand. On February 5, 2018, Jing He had partially paid the amount of \$10,500 thousand (including interest and tax) for the said construction.
- (e) The Company's subsidiary, Nova Tech, and Wuhan Hongxin Semiconductor Manufacturing Co., Ltd. (hereinafter referred to as HSMC) signed the "Wuhan Hongxin Manufacturing Co., Ltd. The International Equipment and Material Purchase Contract for the Chemical Supply System Engineering Phase I of the Semiconductor Manufacturing Project" (hereinafter referred to as the Purchase Contract), the contract price is US\$24,484 thousand. In order to fulfill the supply obligations stipulated in the purchase contract, Nova Tech produces and purchases related materials and equipment according to the contract, but HSMC has repeatedly delayed the 20% advance payment and the delivery time, as of June 30, 2021, the aforesaid advance payment was only paid of US\$4,500 thousand, and there was still an outstanding balance of US\$397 thousand. Nova Tech has entrusted a lawyer to send a letter to HSMC, claiming that the materials and equipment that Nova Tech has produced and purchased in order to fulfill the purchase contract are counted by the representative of HSMC, which is to request HSMC to bear the related losses of the aforementioned materials and equipment, including additional warehouse rent and transportation costs caused by HSMC's breach of contract, compensation from upstream manufacturers and interest on funds loss etc. HSMC sent a letter to Nova Tech on June 15, 2021, stating that although it had paid a prepayment of US\$4,500 thousand, but based on the current operating conditions, HSMC no longer required Nova Tech to fulfill its delivery obligations. Claiming that the materials and equipment purchased by Nova Tech can be disposed of and transferred by itself, and it shall not be regarded as a breach of contract. Nova Tech is currently negotiating with lawyers about the commercial

arbitration with HSMC. As of the date of this financial report, Nova Tech is unable to predict the future outcome of this case and assess whether there is any damage compensation.

(f) Others:

Acter Technology Integration Group Co. Ltd (hereinafter referred to as Acter China or the issuer), a subsidiary of the company, in order to expand the mainland business, attract local professionals, increase market awareness and enhance the company's competitiveness, and submitted an application to China Securities Regulatory Commission for listing on the main board of the Shanghai Stock Exchange. In accordance with the requirements of the China Securities Regulatory Commission and other securities regulatory authorities, the company and its subsidiary Sheng Hwei International Co., Ltd. (the two collectively referred to as controlling shareholders) and Acter China (the issuer) issued various commitments. Information about relevant commitments can be found in the Market Observation Post System website.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None**

**(12) Other:**

- (a) The employee benefits, depreciation and amortization expenses categorized by function were as follows:

<u>By item</u>	<b>For the three months ended June 30</b>					
	<b>2021</b>			<b>2020</b>		
	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefit						
Salary	\$ 229,094	160,987	390,081	198,985	129,572	328,557
Labor, health and social insurance	21,679	13,188	34,867	14,260	4,320	18,580
Pension	5,303	2,675	7,978	4,553	1,632	6,185
Other	6,923	6,357	13,280	3,702	4,556	8,258
Depreciation	6,503	15,922	22,425	2,741	14,897	17,638
Amortization	933	2,544	3,477	67	2,414	2,481

  

<u>By item</u>	<b>For the six months ended June 30</b>					
	<b>2021</b>			<b>2020</b>		
	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefit						
Salary	\$ 390,409	308,088	698,497	353,382	242,020	595,402
Labor, health and social insurance	39,692	30,236	69,928	25,528	14,182	39,710
Pension	9,710	4,778	14,488	8,997	3,698	12,695
Other	11,429	10,883	22,312	7,028	11,268	18,296
Depreciation	10,899	30,687	41,586	5,448	29,983	35,431
Amortization	945	4,393	5,338	135	4,836	4,971

Note: Depreciation for investment property for the six months ended June 30, 2021 and 2020 both were \$1,243 thousand, and were recorded in non-operating expenses.

- (b) Operation of seasonal:

The Group's operations were not affected by seasonality or cyclicity factors.

**(13) Others disclosures:****(a) Information on significant transactions.**

The follow is the information on significant required by the Regulation Governing the Preparation of Financial Report by Security Issuers for the company:

**(i) Loans to other parties**

(In Thousands of Taiwan Dollars)

No.	Name of lender	Name of borrower	Account name	Related Party	Maximum Balance for the Period	Ending Balance (Note 1)	Amount Actually Drawn	Interest Rate (%)	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	AIL	Acter Vietnam	Other receivables due from related parties	Y	228,416	167,460	167,460	1.00	Short-term financing	-	Operating capital	-	-	-	1,018,560 (Note 5)	1,018,560 (Note 5)
1	AIL	NMI Indonesia	Other receivables due from related parties	Y	132,767	87,917	87,917	1.20	Short-term financing	-	Operating capital	-	-	-	1,018,560 (Note 5)	1,018,560 (Note 5)
1	AIL	Acter Thailand	Other receivables due from related parties	Y	18,816	13,955	13,955	0.80	Short-term financing	-	Operating capital	-	-	-	40,742 (Note 5)	40,742 (Note 5)
2	Acter China	NMI Indonesia	Other receivables due from related parties	Y	57,274	56,738	-	-	Short-term financing	-	Operating capital	-	-	-	598,917 (Note 5)	598,917 (Note 5)
2	Acter China	Acter Vietnam	Other receivables due from related parties	Y	88,401	87,067	29,022	1.00	Short-term financing	-	Operating capital	-	-	-	598,917 (Note 5)	598,917 (Note 5)
2	Acter China	Sheng Huei Shenzhen	Other receivables due from related parties	Y	105,336	103,747	86,456	1.50	Short-term financing	-	Operating capital	-	-	-	598,917 (Note 5)	598,917 (Note 5)
2	Acter China	Shenzhen Dingmao	Other receivables due from related parties	Y	105,336	103,747	103,747	1.50	Short-term financing	-	Operating capital	-	-	-	598,917 (Note 5)	598,917 (Note 5)

2	Acter China	Acter Thailand	Other receivables due from related parties	Y	86,571	85,760	85,760	1.00	Short-term financing	-	Operating capital	-	-	-	598,917 (Note 5)	598,917 (Note 5)
3	Sheng Huei Shenzhen	Shenzhen Dingmao	Other receivables due from related parties	Y	86,456	86,456	69,165	1.50	Short-term financing	-	Operating capital	-	-	-	2,489,400 (Note 5)	2,489,400 (Note 5)

Note 1. The ending balance was the used credit line approved by the Board of Directors for the ended June 30, 2021.

Note 2. The limited amount and the total amount available for lending purpose shall not exceed 10% of the Company's net worth.

Note 3. The net worth was audited by a Certified Public Accountant.

Note 4. The total amounts available for loan to other parties shall not exceed 90% of the offshore subsidiaries' net worth. The total amount and maximum amount available loan to short term financing needs and loan to single party shall not exceed 40% of the foreign subsidiaries' net worth respectively; and the maximum amount to directly or indirectly wholly owned foreign subsidiaries for short term financing needs is not limited to 40% of the foreign subsidiaries' net worth; however, the total maximum amount for lending shall not exceed 90% of the net worth of each foreign subsidiary.

Note 5. Both the total amount and the maximum amount available for lending purpose and short-term financing needs, respectively, shall not exceed 40% of Acter China and its subsidiaries' net worth; and the maximum amount to directly or indirectly wholly owned subsidiaries outside Taiwan (must be within the scope of the consolidated financial statements of Acter China) for short-term financing needs is not limited to 40% of the net worth of each foreign subsidiary; however, the total amount and maximum amount for lending shall not exceed 1000% of the net worth of each foreign subsidiary.

Note 6. The transaction had been eliminated upon consolidation.

## (ii) Guarantees and endorsements for other parties

(In Thousands of Taiwan Dollars)

No	Endorsement/ Guarantee Provider	Guaranteed Party		Limited Amount for Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 13)										
0	The Company	Acter Vietnam	2	24,906,755 (Note3 and 4)	171,312	167,460	6,643	-	3.36	39,850,808 (Note3 and 4)	Y	N	N
0	The Company	Her Suo	2	24,906,755 (Note3 and 4)	187,438	184,813	184,813	-	3.71	39,850,808 (Note3 and 4)	Y	N	N
0	The Company	AIL	2	24,906,755 (Note3 and 4)	699,524	683,795	329,872	-	13.73	39,850,808 (Note3 and 4)	Y	N	N
0	The Company	Acter China and Sheng Huei Shenzhen	2	24,906,755 (Note3 and 4)	171,171	103,747	11,831	-	2.08	39,850,808 (Note3 and 4)	Y	N	Y
0	The Company	Acter China, Sheng Huei Shenzhen and Shenzhen Dingmao	2	24,906,755 (Note3 and 4)	171,312	167,460	108,341	-	3.36	39,850,808 (Note3 and 4)	Y	N	Y
0	The Company	Acter China	2	24,906,755 (Note3 and 4)	263,340	259,368	13,787	-	5.21	39,850,808 (Note3 and 4)	Y	N	Y
0	The Company	Enrich Tech	2	24,906,755 (Note3 and 4)	865,750	865,750	615,750	-	17.38	39,850,808 (Note3 and 4)	Y	N	N
1	Her Suo	Nova Tech	4	7,521,240 (Note6 and 8)	41,601	41,601	41,601	-	16.59	8,774,780 (Note6 and 8)	N	N	N
1	Her Suo	Chung Hsiang Engineering	5	7,521,240 (Note6)	348,000	348,000	348,000	-	138.81	8,774,780 (Note6)	N	N	N
1	Her Suo	The Company	3	7,521,240 (Note6)	648,583	648,583	648,583	-	258.70	8,774,780 (Note6)	N	Y	N

(In Thousands of Taiwan Dollars)

No	Endorsement/ Guarantee Provider	Guaranteed Party		Limited Amount for Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Guaranteed Party	Nature of Relationship (Note 14)										
2	Nova Tech	Winmax and Suzhou Winmax	2	4,513,272 (Note9)	691,268	529,543	239,652	-	23.47	6,769,908 (Note9)	N	N	Y
2	Nova Tech	Winmax	2	4,513,272 (Note9)	693,270	589,450	466,804	-	26.12	6,769,908 (Note9)	N	N	Y
2	Nova Tech	The Company	3	4,513,272 (Note9)	289,800	-	-	-	-	6,769,908 (Note9)	N	Y	N
2	Nova Tech	Sheng Huei Shenzhen	5	4,513,272 (Note9)	189,115	-	-	-	-	6,769,908 (Note9)	N	N	Y
3	Acter China	Acter Vietnam	2	8,983,752 (Note12)	1,023,256	1,013,665	1,013,665	-	67.70	11,978,336 (Note12)	N	N	N
3	Acter China	AIL	2	8,983,752 (Note12)	255,086	142,989	142,989	-	9.55	11,978,336 (Note12)	N	N	N
3	Acter China	Shenzhen Dingmao	2	8,983,752 (Note12)	555,045	525,033	419,756	-	35.07	11,978,336 (Note12)	N	N	Y
3	Acter China	Sheng Huei Shenzhen	2	8,983,752 (Note12)	131,670	129,684	-	-	8.66	11,978,336 (Note12)	N	N	Y
4	Shenzhen Sheng Huei	Acter China	3	3,734,100 (Note12)	160,488	158,984	158,984	-	63.86	4,480,920 (Note12)	N	N	Y
5	Winmax	Nova Tech	3	3,230,757 (Note10)	166,017	-	-	-	-	5,384,595 (Note10)	N	N	N
5	Winmax	Suzhou Winmax	4	3,230,757 (Note10)	87,780	86,456	2,421	-	8.03	5,384,595 (Note10)	N	N	Y
6	Shenzhen Dingmao	Acter China	3	1,369,560 (Note12)	43,890	43,228	43,228	-	47.35	1,643,472 (Note12)	N	N	Y
7	Enrich Tech	The Company	3	5,135,700 (Note6)	30,804	30,804	30,804	-	17.99	5,991,650 (Note6)	N	Y	N

- Note 1. Inter-industry mutual endorsement guarantee based on the needs of the contracted project is subject to contractual mutual endorsement guarantee. The total amount shall not exceed 5 times the company's net worth, and the amount of endorsement guarantee for a single company shall not exceed 3 times the company's net worth.
- Note 2. For non-group subsidiaries, in addition to contracting engineering guarantees, the limit of endorsement guarantees to a single company shall not exceed 10% of the company's net worth. If there is a business relationship, in addition to the above regulations, the limit of endorsement guarantees to a single company it shall not exceed the value of the purchase or sale of the goods within a year of the business between the two parties, and the total amount of accumulated external endorsements shall not exceed 20% of the company's net worth.
- Note 3. For companies that directly or indirectly hold more than 50% of the voting shares, the total amount of endorsements and guarantees shall not exceed 8 times the company's net worth, and the amount of endorsements and guarantees for a single company shall not exceed the net worth of the company 5 times as a limit.
- Note 4. The company and its subsidiaries need mutual endorsement guarantee for non-group companies in accordance with the contractual provisions of the contracted projects, and the parent-subsidiary company or the company directly and indirectly hold 100% of the voting shares in the company's endorsement guarantee, the total guarantee amount shall not exceed the company's net worth is 8 times, and the amount of endorsement guarantee for a single enterprise is limited to not more than 5 times the net worth of the company.
- Note 5. Transactions of purchases or sales and net value of business refer to the most recent financial statement amount that has been certified or reviewed by an accountant.
- Note 6. The total amount of endorsement guarantee provided by Her Suo Company and Enrich Tech Company shall not exceed 35 times the net worth of the company; the amount of endorsement guarantee for a single enterprise shall not exceed 30 times the net worth of the company.
- Note 7. Net worth refers to the most recent financial statement amount that has been certified or reviewed by an accountant.
- Note 8. In accordance with the first paragraph of Article 13 of the company's endorsement guarantee procedures, the endorsement guarantee object originally complied with but later did not meet the requirements, and the relevant endorsement guarantee amount was proposed to improve the relevant plan.
- Note 9. Nova Tech requires mutual endorsement guarantee between the peer in accordance with the contract provisions for the contracted project, and the total amount shall not exceed 3 times of the company's net worth, and the amount of endorsement guarantee for a single enterprise shall not exceed 2 times of the company's net worth; Except for contracting projects that require mutual endorsement guarantee between the peer in accordance with the provisions of the contract, the total accumulated external endorsement guarantee shall not exceed the limit of 3 times the company's net worth, and the limit of endorsement guarantees for a single enterprise shall not exceed the limit of 2 times the company's net worth; if there is business for those in a relationship, in addition to the above regulations, the limit of the endorsement guarantee for a single enterprise shall not exceed the actual purchase or sale amount that can be reasonably estimated by both parties in the last year or the next year, whichever is higher.

Note 10. The total amount of endorsement guarantee provided by Winmax shall not exceed 5 times the net value of the company; the amount of endorsement guarantee for a single enterprise shall not exceed 3 times the net worth of the company. For those engaged in endorsements due to business relationships, in addition to the aforementioned provisions, the amount of individual endorsements shall not exceed the amount of business transactions. The "business transaction amount" refers to the higher of the actual purchase or sale amount that can be reasonably estimated by the two parties in the last year or the next year.

Note 11. Suzhou Winmax endorses the parent company, the parent company directly and indirectly holds 100% of the voting shares, the total amount of endorsement guarantee shall not exceed 35 times the company's net worth; the endorsement guarantee amount for a single company shall not exceed the company's net worth 35 times. In addition to the foregoing, the total amount of external endorsements and guarantees of Suzhou Winmax shall not exceed 5 times the company's net worth; the amount of endorsements and guarantees for a single enterprise shall not exceed 3 times the net worth of the company.

Note 12. The total amount of external guarantees of China Acter shall not exceed 8 times of the company's most recent audited consolidated net worth; the amount of external guarantees for a single company shall not exceed 6 times of the company's most recent audited consolidated net worth; The total amount of external guarantees provided by its subsidiaries shall not exceed 18 times of the latest audited net assets of the subsidiary; the amount of external guarantees provided to a single enterprise shall not exceed 15 times of the latest audited net assets of the subsidiary. For those who engage in guarantees due to business relationships, in addition to the aforementioned provisions, the amount of individual guarantees shall not exceed the amount of business transactions. The amount of business transactions refers to the higher of the purchase or sale amount between the two parties in the most recent year.

Note 13. The relationship between the endorsement guarantor and the endorsed guarantor is as follows:

1. Companies with business relationships.
2. A company where the company directly or indirectly holds more than 50% of the voting shares.
3. A company that directly or indirectly holds more than 50% of the voting rights of the company.
4. Between companies where the company directly or indirectly holds more than 90% of the voting shares.
5. Based on the needs of the contracting project, peer or co-builder by the people in accordance with the contractual guarantee.

## (iii) Securities fields held at the reporting date (excluding investment in subsidiaries and associates)

Unit: Thousand NTD Dollars / Thousand Stock

Name of holder	Category and name of security	Relationship with the company	Account code	Ending balance				Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Nomura EMD & High Yield Bond Portfolio	-	Current financial assets at fair value through profit or loss	832	10,426	-	10,426	
The Company	JPMorgan (Taiwan) Multi Inc FOF TWD Acc	-	Current financial assets at fair value through profit or loss	1,158	15,040	-	15,040	
The Company	Chailease Holding Company Limited Class A Preferred Shares	-	Current financial assets at fair value through profit or loss	15	<u>1,500</u>	-	<u>1,500</u>	
					<u>26,966</u>		<u>26,966</u>	
The Company	Holy Stone Healthcare Co., Ltd.	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	250	4,888	0.20	4,888	
The Company	Waste Recovery Technology Inc.	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	1,560	<u>127,400</u>	9.77	<u>127,400</u>	
					<u>132,288</u>		<u>132,288</u>	
Nova Tech	Pine Bridge Preferred Securities Income fund USD A	-	Current financial assets at fair value through profit or loss	18	6,303	-	6,303	
Nova Tech	Chailease Holding Company Limited Class A Preferred Shares	-	Current financial assets at fair value through profit or loss	200	<u>20,000</u>	-	<u>20,000</u>	
					<u>26,303</u>		<u>26,303</u>	
Her Suo	UPAMC James Bond Money Market Fund	-	Current financial assets at fair value through profit or loss	1,484	25,024	-	25,024	
Her Suo	Taishin Ta-Chong Money Market Fund	-	Current financial assets at fair value through profit or loss	1,746	25,028	-	25,028	
Her Suo	FSITC Money Market Fund	-	Current financial assets at fair value through profit or loss	139	25,029	-	25,029	
Her Suo	Fuh Hwa Money Market	-	Current financial assets at fair value through profit or loss	344	5,004	-	5,004	
Her Suo	Mega Diamond Money Market Fund	-	Current financial assets at fair value through profit or loss	2,372	30,038	-	30,038	

Name of holder	Category and name of security	Relationship with the company	Account code	Ending balance				Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Her Suo	Jih Sun Money Market Fund	-	Current financial assets at fair value through profit or loss	1,672	25,035	-	25,035	
Her Suo	Franklin Templeton Sinoam Money Market Fund	-	Current financial assets at fair value through profit or loss	2,397	25,033	-	25,033	
Her Suo	DFE DWS Taiwan Money Market	-	Current financial assets at fair value through profit or loss	2,120	<u>25,031</u>	-	<u>25,031</u>	
					<u>185,222</u>		<u>185,222</u>	
Her Suo	Hsinchu Golf Country Club Co., Ltd.	-	Non-current investments in equity instruments measured at fair value through other comprehensive income	0.002	<u>2,246</u>	-	<u>2,246</u>	
SHI	JPMorgan Funds - Emerging Markets Debt Fund A (mth)-USD	-	Current financial assets at fair value through profit or loss	1	496	-	496	
SHI	Allianz Global Investors Fund – Allianz Global Multi-Asset Credit AT-USD	-	Current financial assets at fair value through profit or loss	45	14,146	-	14,146	
SHI	Citibank red arc term liquidity fund-185a3USD	-	Current financial assets at fair value through profit or loss	19	55,975	-	55,975	
SHI	Allianz US Short Duration High Income Bond - IT - USD	-	Current financial assets at fair value through profit or loss	79	<u>27,998</u>	-	<u>27,998</u>	
					<u>98,615</u>		<u>98,615</u>	
SHI	JPMORGAN CHASE&CO Corporate Bond	-	Current financial assets at fair value through other comprehensive income	9	25,742	-	25,742	
SHI	Nordstrom Corporate Bond	-	Current financial assets at fair value through other comprehensive income	10	26,377	-	26,377	
SHI	Ecopetrol Corporate Bond	-	Current financial assets at fair value through other comprehensive income	8	<u>25,726</u>	-	<u>25,726</u>	
					<u>77,845</u>		<u>77,845</u>	
AIL	JPMorgan Funds - US Aggregate Bond Fund A (moth) - USD	-	Current financial assets at fair value through profit or loss	3	<u>972</u>	-	<u>972</u>	
Winmega	Franklin Templeton Sinoam Money Market Fund.	-	Current financial assets at fair value through profit or loss	1,929	<u>20,142</u>	-	<u>20,142</u>	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of holder	Category and name of security	Account code	Name of counter-party	Nature of relationship	Beginning Balance		Purchases		Sales				Ending balance	
					Shares	Amount	Shares	Amount	Shared	Price	Cost	Gain(loss) on disposal (Note)	Shares	Amount
Nova Tech	Ordinary shares	Investments accounted for using equity method	Rayzher industrial Co., Ltd	-	3,125	112,500	7,650	252,450	-	-	-	(9,375)	10,775	355,575

Note: The Gain (loss) on disposal for the current period is the sum of the re-measure loss of \$13,793 thousand and the investment profit of 4,418 thousand

(v) Acquisition of individual real estate with amount exceeding \$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding \$300million or 20% of the capital stock : None

(vii) Related-party transaction for purchases and sales for which amounts exceeding \$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable(payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable(payable)	
Nova Tech	The Company	The parent company of Nova Tech	Sales	104,915	14%	Depend on individual contract	Depend on individual contract	No significant difference	-	-%	Note

Note: The transactions have been eliminated upon consolidation.

(viii) Receivables from related parties with amounts exceeding \$100 million or 20% of the capital stock:

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions

No (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 4)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Nova Tech	The Company	2	Construction cost	104,915	Same with the third parties	1.2%

Note 1. Accounts which exceed 1% of the total assets from the balance sheets and total operating revenue from the statements of comprehensive income should be disclosed.

Note 2. The transactions have been eliminated upon consolidation.

Note 3. The number filled in as follows:

- 1) 0 represents the Company.
- 2) Subsidiaries are sorted in a numerical order starting from 1.

Note 4. Transactions labeled as follows:

- 1) 1 represents the transactions from parent company to subsidiaries.
- 2) 2 represents the transactions from subsidiaries to parent company.
- 3) 3 represents the transactions between subsidiaries.

## (b) Information on investees (excluding mainland invested companies):

The following is the information on investees for the six months ended June 30, 2021:

Unit: Thousand NTD Dollars / Thousand Stock

Name of investor	Name of investee	Location	Main business and product	Original investment amount		Balance as of June 30, 2021			Net income of investee	Share of profits of investee	Note
				June 30, 2021	December 31, 2020	Share (Thousand)	Percentage of ownership	Carrying value			
The Company	Nova Tech	Hsinchu	Wholesale of electronic and design chemical supply system for semi-conductor industrial	141,364	141,364	21,098	62.19%	1,403,294	214,994	133,695	Note2
The Company	Her Suo	Hsinchu	Construction and set up of freezing equipment	60,000	60,000	10,000	100%	226,346	25,576	25,576	Note2
The Company	Enrich Tech	Taichung	Comprehensive construction company	68,841	68,841	5,694	56.94%	74,119	(17,102)	(10,317)	Note2
The Company	SHI	Samoa	Investment holding company	121,302	129,126	3,950	100%	1,984,084	201,330	201,330	Note2
Nova Tech	Winmega	Hsinchu	Wholesale of electronic and chemical engineering equipment	15,000	15,000	3,000	100%	98,586	15,717	15,717	Note2
Nova Tech	NTEC	Singapore	Chemical supply system business	24,179	24,179	1,000	100%	51,524	(1,825)	(1,825)	Note2
Nova Tech	Rayzher	Taoyuan	Piping engineering, installation cable and automatic control equipment, etc.	355,575	112,500	10,775	51.31%	371,572	50,167	20,415	Note2 and Note3
SHI	New Point	Seychelles	Investment holding company and trading of equipment	6,110	6,110	200	100%	166,569	(12,050)	(12,050)	Note2
Acter China	AIL	Hong Kong	Investment holding company and trading of clean rooms and air conditioners	99,994	99,994	25,327	100%	124,224	24,681	24,681	Note2
Acter China	NTS	Singapore	Investment holding company	80,000	80,000	3,376	100%	91,164	14,247	14,247	Note2
NTS	NTM	Malaysia	Investment holding company	26,780	26,780	2,600	100%	2,910	(26)	(26)	Note2
NTS	NMI	Indonesia	Equipment trading and set-up	14,816	14,816	491	99%	59,681	7,242	7,170	Note2
NTS	Acter Thailand	Thailand	Set up of electronic protection systems and central air conditioners	14,428	14,428	147	49%	18,295	16,879	8,271	Note2
NTS	DJR	Thailand	Investment holding company	908	908	13	25%	913	-	-	
NTS	Daejin Road	Thailand	Investment holding company	1,371	1,371	13	25%	1,379	-	-	
AIL	NMI	Indonesia	Equipment trading and set-up	150	150	5	1%	603	7,242	72	Note2
AIL	Acter Vietnam	Vietnam	Set up of electronic protection systems and central air conditioners	48,238	48,238	Note1	100%	133,331	24,627	24,627	Note2

AIL	Space Acter Thailand	Thailand	Investment holding company and trading of equipment	7,308	7,308	74	49%	8,396	6,557	3,212	
AIL	DJR	Thailand	Investment holding company	871	871	12	24%	871	-	-	
AIL	Daejin Road	Thailand	Investment holding company	1,371	1,371	12	24%	1,317	-	-	

Note 1: Limited company.

Note 2: Relevant transactions and ending balances have all been written off.

Note 3: The original investment amount at the end of June 30, 2021 is the sum of the re-measurement of the investment amount at December 31, 2020 \$103,125 thousand and \$252,450 thousand of investment gained in the current period

(c) Information on investment in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 10)	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 8)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Winmax	Design and manufacture of air containers and liquid containers	151,426 (Note 1)	1	9,635	-	-	9,635	174,837	62.19%	108,723	669,684	621,053
Acter China	Construction and set-up of electronic equipment and air conditioners	284,355 (Note 2)	2	106,177	-	-	106,177	249,088	86.66%	215,867	1,297,599	256,455 (Note 4)
Shenzhen Dingmao	Electronic equipment and machinery trading	22,984	3	-	-	-	-	50,303	86.66%	43,594	121,580	-
Sheng Huei Shenzhen	Construction and set up of electronic equipment and air conditioners	172,877 (Note 3)	3	15,980	-	-	15,980	9,629	86.66%	8,344	221,860	55,876 (Note 4)
Suzhou Winmax	Design and manufacture of air containers and liquid containers	32,478	1	32,478	-	-	32,478	17,192	62.19%	10,691	139,374	-

2. Limitation on investment in Mainland China

<b>Accumulated Investment in Mainland China as of June 30,2021 (Note7)</b>	<b>Investment Amounts Authorized by investment Commission,MOEA (Note5 and 7)</b>	<b>Upper Limit on Investment (Note 6)</b>
170,379(USD5,450 thousand)	664,832(USD21,002 thousand)	2,988,810

Note 1: The total amount of capital included the capital increase incurred from retained earnings of USD4,590 thousand in 2007 and 2012.

Note 2: The total amount of capital included the capital increase incurred from retained earnings of USD4,537 thousand in 2006, 2007, 2010, 2011 and 2019.

Note 3: The total amount of capital included the capital increase incurred from retained earnings of USD4,830 thousand in 2009, 2010 and 2011.

Note 4: The amounts of cash dividends distributed to the Company and SHI were \$78,958 thousand (USD2, 616 thousand) and CNY51,221 thousand, respectively.

Note 5: The accumulated investment in Mainland China included through Nova Tech amounting to \$183,904 thousand (USD5,890 thousand) was authorized by the Investment Commission. However, the remittance from Winmax to Nova Tech amounting to \$621,053 thousand (USD20,362 thousand)and the remittance from Fuyu International to SHI amounting to \$164,079 thousand (USD 5,879 thousand) and the remittance from Acter China to the Company amounting to \$78,958 thousand (USD2,616 thousand) were not included in the accumulated investment amounts.

Note 6: According to the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” issued by the Investment Commission on August 29, 2008, the maximum amount on investment in Mainland China shall not exceed 60% of the Company’s net worth.

Note 7: All foreign currency amounts were translated at the exchange rates and authorized by the Investment Commission.

Note 8: The amount of Acter China, Winmax and Suzhou Winmax was recognized based on the audited financial statements.

Note 9: Fuyu had been liquidated in December 2020. However, the accumulated investment in Mainland China amounting to \$6,110 thousand (USD200 thousand) has yet to be remitted to the Company.

Note 10: Ways to invest in Mainland China:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland China through a foreign company.
- (3) Investment in Mainland China through an existing company in Mainland China.

3. Significant transaction

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, were disclosed in “the Information on significant transactions” and “Business relationships and significant intercompany transactions”.

(d) Major shareholder information:

As of June 30, 2021, there were no shareholders holding more than 5% of the shares.

**(14) Segment information:**

The Group's operating segment information and reconciliation are as follows:

<b>For the three months ended June 30, 2021</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 2,385,910	2,189,773	868,476	-	5,444,159
Intersegment revenues	<u>56,801</u>	<u>63,542</u>	<u>-</u>	<u>(120,343)</u>	<u>-</u>
Total revenue	<u>\$ 2,442,711</u>	<u>2,253,315</u>	<u>868,476</u>	<u>(120,343)</u>	<u>5,444,159</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 429,226</u></b>
<b>For the three months ended June 30, 2020</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 2,060,940	1,641,628	154,990	-	3,857,558
Intersegment revenues	<u>131,803</u>	<u>463,256</u>	<u>-</u>	<u>(595,059)</u>	<u>-</u>
Total revenue	<u>\$ 2,192,743</u>	<u>2,104,884</u>	<u>154,990</u>	<u>(595,059)</u>	<u>3,857,558</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 371,984</u></b>
<b>For the six months ended June 30, 2021</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 4,044,674	3,672,588	1,302,478	-	9,019,740
Intersegment revenues	<u>170,879</u>	<u>82,680</u>	<u>-</u>	<u>(253,559)</u>	<u>-</u>
Total revenue	<u>\$ 4,215,553</u>	<u>3,755,268</u>	<u>1,302,478</u>	<u>(253,559)</u>	<u>9,019,740</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 642,835</u></b>
<b>For the six months ended June 30, 2020</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
Revenue:					
Revenue from external customers	\$ 3,804,521	2,763,035	369,959	-	6,937,515
Intersegment revenues	<u>198,989</u>	<u>467,738</u>	<u>-</u>	<u>(666,727)</u>	<u>-</u>
Total revenue	<u>\$ 4,003,510</u>	<u>3,230,773</u>	<u>369,959</u>	<u>(666,727)</u>	<u>6,937,515</u>
<b>Reportable segment profit or loss</b>					<b><u>\$ 636,218</u></b>
<b>Reportable segment asset</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
June 30, 2021	<u>\$ 15,413,070</u>	<u>7,340,879</u>	<u>3,561,461</u>	<u>(8,792,082)</u>	<u>17,523,328</u>
December 31, 2020	<u>\$ 12,894,445</u>	<u>6,393,717</u>	<u>3,644,775</u>	<u>(7,814,342)</u>	<u>15,118,595</u>
June 30, 2020	<u>\$ 12,017,052</u>	<u>10,318,655</u>	<u>3,115,994</u>	<u>(12,337,348)</u>	<u>13,114,353</u>
<b>Reportable segment liability</b>	<b>Taiwan</b>	<b>Mainland China</b>	<b>Other Asian</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
June 30, 2021	<u>\$ 7,093,798</u>	<u>4,146,247</u>	<u>908,829</u>	<u>(1,041,055)</u>	<u>11,107,819</u>
December 31, 2020	<u>\$ 4,888,328</u>	<u>3,227,747</u>	<u>873,075</u>	<u>(169,035)</u>	<u>8,820,115</u>
June 30, 2020	<u>\$ 5,305,950</u>	<u>4,141,740</u>	<u>491,006</u>	<u>(1,994,722)</u>	<u>7,943,974</u>