ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

FOR THE SIX-MONTH PERIODS ENDED

JUNE 30, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of Zhen Ding Technology Holding Limited

Opinion

We have audited the accompanying consolidated balance sheets of Zhen Ding Technology Holding Limited and its subsidiaries (the "Group") as of June 30, 2021, and the related consolidated statements of comprehensive income for the three-month periods ended June 30, 2021 and 2020; consolidated statements of changes in equity and of cash flows for the six-month periods then ended; and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2021; its consolidated financial performance for the three-month and six-month periods ended June 30, 2021; and its consolidated cash flows for the six-month periods ended June 30, 2021, in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34 "Interim Financial Reporting", as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the second quarter of 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the consolidated financial statements of the Group for the second quarter of 2021 were as follows:

Cutoff of hub warehouse sales revenue

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The types of sale of the Group is separated into direct delivery from factory and warehouse operating revenue. The Group recognises revenue when the goods are directly shipped from factories and when customers accept the goods (the transfer of control) if picked up from hub warehouses. For pick-ups from hub warehouses, the Group recognises sales revenue based on movements of inventory records contained in the statements or other information provided by the warehouse custodians. The hub warehouses are located around the world with numerous warehouse custodians, the frequency and contents of statements provided by custodians are different, and the process of revenue recognition may involve manual procedures. These factors may potentially result in inaccurate timing of sales revenue recognition.

As there are numerous daily sales transactions from hub warehouses and the transaction amounts prior to and after the balance sheet date are significant to the consolidated financial statements, we consider the cutoff of hub warehouse sales revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed and tested internal controls over regular record verification between the Group and customers.
2. Assessed and checked the appropriateness of cutoff of sales revenue prior to or after the balance sheet date, and verified the statements provided by the hub warehouse custodians.
3. Performed confirmation of the storage quantities or observed physical counts in warehouse, compared against inventory records, and determined whether differences, if any, are properly adjusted.

Estimation of allowance for inventory valuation losses

Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimates and assumptions applied on inventory valuation, and Note 6(6) for details of inventory. As of June 30, 2021, the Group's inventory cost and allowance for valuation losses were NT$20,633,955 thousand and NT$1,372,126 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of printed circuit board. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of loss on inventory devaluation due to market value decline or obsolescence. The Group measures inventories at the lower of cost and net realisable value and recognises the allowance for inventory valuation losses based on the inventories over normal age and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories are numerous, and the estimation of net realisable value for individually obsolete or damaged inventories are subject to judgement, we consider the estimation of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the estimation of allowance for inventory valuation losses:

1. Assessed the reasonableness of accounting policy on allowance for inventory valuation losses and checked whether it has been consistently applied.
2. Checked whether the logic in calculating inventory aging report was appropriate and confirmed whether inventory over normal age has been included in the aging report.
3. Assessed the reasonableness of individually obsolete or damaged inventory identified by the Group against related supporting documents, reviewed scrap inventory before and after the balance sheet date, and verified the information obtained from physical count.
4. For net realisable value of inventories over normal age and those individually identified as obsolete and damaged inventory, discussed with the Group, obtained supporting documents and reviewed calculation of inventory loss.

Assessment of impairment losses on property, plant and equipment

Description

Refer to Notes 4(15) and 4(18) for accounting policies on the valuation of property, plant and equipment and on impairment of assets; Note 5 for the uncertainty of accounting estimates and assumptions applied on the assessment of impairment losses on property, plant and equipment; and and Note 6(8) for details of property, plant and equipment. As of June 30, 2021, the Group's cost and accumulated depreciation and impairment on property, plant and equipment were NT$125,812,873 thousand and NT$48,921,740 thousand, respectively.

The Group's property, plant and equipment are partially used in the manufacturing of PCBs. The risk of asset impairment increases with changes in market demand. When assessing assets for impairment, the Group relies on subjective judgements and determines the independent cash flows, useful lives, expected future revenue and expenses related to specific asset groups with consideration of how assets are used and the characteristics of the industry.

The process of assessment involves subjective judgements which might lead to inappropriate accounting estimates. Therefore, we consider the impairment assessment of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in addition to checking the accuracy of the recoverable amounts of those assets where there are any impairment indications as assessed by the Group at the balance sheet date:

1. Checked whether the company's asset impairment assessment procedure and accounting policies are in line with accounting principles and have been consistently applied, including the method adopted by the Group to determine the recoverable amounts of individual assets.
2. Obtained the assessment information with which the Group used to determine recoverable amounts and assessed the reasonableness of the independent cash flows, useful lives, expected future revenue and expenses related to specific asset groups.
3. Checked whether the Group's information on expected future revenue growth and profitability is consistent with the trends of historical information and information in economic and industry forecast reports.

Other matter－The consolidated financial statements for the second quarter of 2020 have only been reviewed, not audited.

We have reviewed the Group's consolidated financial statements for the second quarter of 2020, and expressed an unqualified conclusion on August 12, 2020.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting", as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the disclosures) and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence (and where applicable, related safeguards).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the second quarter of 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan
August 30, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021; DECEMBER 31, 2020 AND JUNE 30, 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

			June 30, 2021		December 31, 2020		June 30, 2020	
	Assets	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1) and 8	$ 36,265,569	21	$ 44,222,887	24	$ 53,996,611	37
1136	Current financial assets at amortised cost	6(1) and 8	1,672,012	1	2,552,215	1	2,310,460	2
1170	Accounts receivable, net	6(4)	20,003,777	11	31,048,067	17	16,832,070	11
1180	Accounts receivable due from related parties, net	6(4) and 7	2,230,020	1	2,693,088	2	2,519,829	2
1200	Other receivables	6(5)	300,098	-	1,002,641	1	278,975	-
130X	Inventories	6(6)	19,261,829	11	12,998,784	7	9,290,927	6
1410	Prepayments	6(8)	4,728,387	3	4,780,208	3	2,792,366	2
1470	Other current assets	8	64,221	-	14,115	-	-	-
11XX	**Total current assets**		84,525,913	48	99,312,005	55	88,021,238	60
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6(2)	1,065,152	1	753,522	-	598,012	1
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	444,910	-	431,266	-	187,422	-
1600	Property, plant and equipment	6(8) and 8	76,891,133	44	68,177,175	38	46,972,777	32
1755	Right-of-use assets	6(9)	8,688,231	5	8,609,465	5	7,664,337	5
1780	Intangible assets	6(10)	2,078,949	1	2,165,029	1	623,191	1
1840	Deferred income tax assets		1,383,390	1	1,285,039	1	938,516	1
1990	Other non-current assets	6(11) and 8	364,755	-	386,986	-	568,623	-
15XX	**Total non-current assets**		90,916,520	52	81,808,482	45	57,552,878	40
1XXX	**Total assets**		$ 175,442,433	100	$ 181,120,487	100	$ 145,574,116	100

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021; DECEMBER 31, 2020 AND JUNE 30, 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

			June 30, 2021		December 31, 2020		June 30, 2020	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12)	$ 15,533,901	9	$ 12,838,545	7	$ 10,770,188	8
2110	Short-term notes and bills payable	6(13)	600,105	-	949,666	-	-	-
2120	Financial liabilities at fair value through profit or loss－ Current	6(2)	6,541	-	-	-	-	-
2170	Accounts payable		16,029,834	9	22,863,017	13	12,001,930	8
2180	Accounts payable to related parties	7	766,033	1	986,556	1	350,189	-
2200	Other payables	6(14)	20,144,179	12	15,831,329	9	14,339,382	10
2230	Current income tax liabilities		511,281	-	777,204	-	304,009	-
2280	Current lease liabilities		132,684	-	132,310	-	84,469	-
2320	Long-term liabilities, current portion	6(16)	100,017	-	8,888,537	5	4,439,870	3
2399	Other current liabilities		146,676	-	156,634	-	28,801	-
21XX	**Total current liabilities**		53,971,251	31	63,423,798	35	42,318,838	29
	Non-current liabilities							
2530	Bonds payable	6(15)	10,351,626	6	10,480,741	6	10,798,606	7
2540	Long-term borrowings	6(16)	7,665,536	5	39,986	-	4,439,870	3
2570	Deferred income tax liabilities		1,780,665	1	2,022,315	1	708,663	1
2580	Non-current lease liabilities		458,241	-	523,511	-	111,798	-
2600	Other non-current liabilities		561,719	-	592,260	1	398,660	-
25XX	**Total non-current liabilities**		20,817,787	12	13,658,813	8	16,457,597	11
2XXX	**Total liabilities**		74,789,038	43	77,082,611	43	58,776,435	40
	Equity							
	Equity attributable to owners of parent							
	Share capital	6(19)						
3110	Ordinary share		9,470,492	5	9,470,492	5	9,022,299	6
	Capital surplus	6(20)						
3200	Capital surplus		35,934,624	21	35,671,212	19	30,562,473	21
	Retained earnings	6(21)						
3310	Legal reserve		6,029,763	4	5,219,158	3	5,219,158	4
3320	Special reserve		4,130,316	2	5,014,697	3	5,014,697	4
3350	Unappropriated retained earnings		24,948,730	14	27,429,476	15	21,470,230	15
	Other equity interest							
3400	Other equity interest	6(22)	(5,337,499)	(3)	(4,130,316)	(2)	(6,723,394)	(5)
3500	Treasury shares		(257,489)	-	(257,489)	-	-	-
31XX	**Equity attributable to owners of parent**		74,918,937	43	78,417,230	43	64,565,463	45
36XX	**Non-controlling interest**		25,734,458	14	25,620,646	14	22,232,218	15
3XXX	**Total equity**	6(32)	100,653,395	57	104,037,876	57	86,797,681	60
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	**Total liabilities and equity**		$ 175,442,433	100	$ 181,120,487	100	$ 145,574,116	100

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

			Three-month period ended June 30, 2021		Three-month period ended June 30, 2020		Six-month period ended June 30, 2021		Six-month period ended June 30, 2020	
	Item	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23), 7 and 14	$ 29,768,200	100	$ 26,490,069	100	$ 56,961,300	100	$ 44,002,507	100
5000	Operating costs	6(6) and 7	(24,932,578)	(84)	(21,802,688)	(82)	(47,373,706)	(83)	(36,228,190)	(82)
5950	Gross profit from operations		4,835,622	16	4,687,381	18	9,587,594	17	7,774,317	18
	Operating expenses	6(24)								
6100	Selling expenses		(395,804)	(1)	(597,049)	(2)	(776,372)	(1)	(878,342)	(2)
6200	Administrative expenses		(1,266,910)	(4)	(1,074,855)	(4)	(2,710,175)	(5)	(1,797,747)	(4)
6300	Research and development expenses		(1,948,271)	(7)	(1,178,043)	(5)	(3,576,167)	(6)	(2,077,254)	(5)
6450	Expected credit loss in accordance with IFRS 9	12	(8,597)	-	(12,709)	-	21,990	-	19,506	-
6000	Total operating expenses		(3,619,582)	(12)	(2,862,656)	(11)	(7,040,724)	(12)	(4,733,837)	(11)
6900	Net operating income		1,216,040	4	1,824,725	7	2,546,870	5	3,040,480	7
	Non-operating income and expenses									
7100	Interest income	6(26)	98,102	-	199,795	1	192,037	-	437,004	1
7010	Other income	6(27)	170,749	1	90,864	-	758,343	1	275,697	1
7020	Other gains and losses	6(28)	(171,100)	(1)	(126,464)	(1)	(147,739)	-	43,552	-
7050	Finance costs	6(29)	(126,212)	-	(105,001)	-	(251,279)	-	(229,740)	(1)
7000	Total non-operating income and expenses		(28,461)	-	59,194	-	551,362	1	526,513	1
7900	**Profit before income tax**		1,187,579	4	1,883,919	7	3,098,232	6	3,566,993	8
7950	Income tax expense	6(30)	(89,223)	-	(36,286)	-	(609,103)	(1)	(455,265)	(1)
8200	**Profit**		$ 1,098,356	4	$ 1,847,633	7	$ 2,489,129	5	$ 3,111,728	7

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ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)
(CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH AND THREE-MONTH PERIODS ENDED JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

			Three-month period ended June 30, 2021		Three-month period ended June 30, 2020		Six-month period ended June 30, 2021		Six-month period ended June 30, 2020	
	Item	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)(22)	$ 43,486	-	$ 9,491	-	$ 18,589	-	($ 2,571)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(7,521)	-	-	-	(4,300)	-	-	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		35,965	-	9,491	-	14,289	-	(2,571)	-
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation of foreign financial statements	6(22)	(952,313)	(3)	(1,347,193)	(5)	(1,636,880)	(3)	(2,331,036)	(5)
8300	**Other comprehensive income (loss)**		($ 916,348)	(3)	($ 1,337,702)	(5)	($ 1,622,591)	(3)	($ 2,333,607)	(5)
8500	**Total comprehensive income**		$ 182,008	1	$ 509,931	2	$ 866,538	2	$ 778,121	2
	Profit attributable to:									
8610	Owners of the parent		$ 759,385	3	$ 1,275,083	5	$ 1,707,199	4	$ 2,146,800	5
8620	Non-controlling interests		338,971	1	572,550	2	781,930	1	964,928	2
			$ 1,098,356	4	$ 1,847,633	7	$ 2,489,129	5	$ 3,111,728	7
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 74,558	1	$ 298,117	1	$ 500,016	1	$ 438,103	1
8720	Non-controlling interests		107,450	-	211,814	1	366,522	1	340,018	1
			$ 182,008	1	$ 509,931	2	$ 866,538	2	$ 778,121	2
	Basic earnings per share									
9750	Basic earnings per share	6(31)	$	0.80	$	1.41	$	1.81	$	2.38
	Diluted earnings per share									
9850	Diluted earnings per share	6(31)	$	0.79	$	1.41	$	1.77	$	2.38

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

		Equity attributable to owners of parent										
				Retained earnings			Other equity interest					
	Notes	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
Six-month period ended June 30, 2020												
Balance at January 1, 2020		$ 9,022,299	$ 29,534,781	$ 4,350,638	$ 2,948,306	$ 26,318,375	($ 4,960,710)	($ 53,987)	$ -	$ 67,159,702	$ 23,184,399	$ 90,344,101
Profit for the period		-	-	-	-	2,146,800	-	-	-	2,146,800	964,928	3,111,728
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	(1,709,349)	652	-	(1,708,697)	(624,910)	(2,333,607)
Total comprehensive income		-	-	-	-	2,146,800	(1,709,349)	652	-	438,103	340,018	778,121
Appropriations and distribution of retained earnings:												
General reserve		-	-	868,520	-	(868,520)	-	-	-	-	-	-
Special reserve		-	-	-	2,066,391	(2,066,391)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(4,060,034)	-	-	-	(4,060,034)	-	(4,060,034)
Conversion of convertible bonds		-	996,753	-	-	-	-	-	-	996,753	-	996,753
Compensation cost of employee restricted stock	6(18)	-	30,939	-	-	-	-	-	-	30,939	11,548	42,487
Change in non-controlling interests - acquisition of shares from subsidiaries		-	-	-	-	-	-	-	-	-	11,819	11,819
Change in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	(1,315,566)	(1,315,566)
Balance at June 30, 2020		$ 9,022,299	$ 30,562,473	$ 5,219,158	$ 5,014,697	$ 21,470,230	($ 6,670,059)	($ 53,335)	$ -	$ 64,565,463	$ 22,232,218	$ 86,797,681
Six-month period ended June 30, 2021												
Balance at January 1, 2021		$ 9,470,492	$ 35,671,212	$ 5,219,158	$ 5,014,697	$ 27,429,476	($ 4,136,945)	$ 6,629	($ 257,489)	$ 78,417,230	$ 25,620,646	$ 104,037,876
Profit for the period		-	-	-	-	1,707,199	-	-	-	1,707,199	781,930	2,489,129
Other comprehensive income (loss) for the period	6(22)	-	-	-	-	-	(1,213,938)	6,755	-	(1,207,183)	(415,408)	(1,622,591)
Total comprehensive income		-	-	-	-	1,707,199	(1,213,938)	6,755	-	500,016	366,522	866,538
Appropriations and distribution of retained earnings:	6(21)											
General reserve		-	-	810,605	-	(810,605)	-	-	-	-	-	-
reversal of special reserve		-	-	-	(884,381)	884,381	-	-	-	-	-	-
Cash dividends		-	-	-	-	(4,261,721)	-	-	-	(4,261,721)	-	(4,261,721)
Compensation cost of employee restricted stock	6(18)	-	30,221	-	-	-	-	-	-	30,221	11,280	41,501
Change in non-controlling interests -increase in subsidiary cash capital	6(32)	-	233,191	-	-	-	-	-	-	233,191	1,079,559	1,312,750
Change in non-controlling interests - distribution of retained earnings by subsidiaries		-	-	-	-	-	-	-	-	-	(1,343,549)	(1,343,549)
Balance at June 30, 2021		$ 9,470,49	$ 35,934,624	$ 6,029,763	$ 4,130,316	$ 24,948,730	($ 5,350,883)	$ 13,384	($ 257,489)	$ 74,918,937	$ 25,734,458	$ 100,653,395

The accompanying notes are an integral part of these consolidated financial statements.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

	Notes	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 3,098,232	$ 3,566,993
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	5,452,299	3,842,485
Amortisation expense	6(24)	185,551	119,598
Net gains on financial assets and liabilities at fair value through profit or loss	6(2)	(202,526)	-
Impairment losses	6(8)	47,416	71,333
Expected credit loss	12	(21,990)	(19,506)
Losses (gains) on disposal of property, plant and equipment	6(28)	(6,472)	137,426
Interest income	6(26)	(192,037)	(437,004)
Interest expenses	6(29)	251,279	229,740
Share-based payment	6(18)	41,501	42,487
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		25,303	35,264
Accounts receivable		10,629,253	7,241,083
Accounts receivable due from related parties		419,752	282,790
Other receivables		722,298	992,714
Inventories		(6,542,640)	(1,028,333)
Prepayments		(26,299)	174,577
Other current assets		(50,733)	-
Changes in operating liabilities			
Accounts payable		(6,552,952)	(1,494,878)
Accounts payable to related parties		(203,136)	(216,942)
Other payables		(545,578)	(982,515)
Other current liabilities		(8,989)	(35,337)
Cash inflow generated from operations		6,537,510	12,521,975
Income tax paid		(1,197,255)	(1,792,358)
Net cash from operating activities		5,340,255	10,729,617

(Continued)

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2020 HAVE ONLY BEEN REVIEWED, NOT AUDITED)

	Notes	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		($ 116,641)	($ 606,775)
Decrease in financial assets at amortised cost		809,547	2,400,893
Acquisition of property, plant and equipment		(14,316,825)	(7,575,460)
Proceeds from disposal of property, plant and equipment	6(33)	142,219	453,481
Acquisition of right-of-use assets		(394,213)	-
Increase in other non-current assets		(263,180)	(271,304)
Increase in other non-current liabilities		5,012	44,570
Interest received		191,788	487,048
Net cash used in investing activities		(13,942,293)	(5,067,547)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		2,892,301	1,285,311
Decrease in short-term notes and bills payable		(350,046)	-
Proceeds from long-term borrowings		7,816,249	-
Repayments of long-term borrowings		(8,612,039)	-
Decrease in guarantee deposits received		(44,182)	(36,050)
Proceeds from issuing convertible bond		-	11,795,359
Payments of lease liabilities		(67,367)	(45,767)
Interest paid		(141,987)	(228,928)
Change in non-controlling interests - distribution of retained earnings by subsidiaries		(1,343,549)	(1,285,621)
Change in non-controlling interests – increase in subsidiary cash capital		1,312,750	11,819
Net cash inflow from financing activities		(1,462,130)	11,496,123
Effect of exchange rate changes on cash and cash equivalents		(817,410)	(1,441,886)
Net increase (decrease) in cash and cash equivalents		(7,957,318)	15,716,307
Cash and cash equivalents at beginning of period		44,222,887	38,280,304
Cash and cash equivalents at end of period		$ 36,265,569	$ 53,996,611

The accompanying notes are an integral part of these consolidated financial statements.

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Zhen Ding Technology Holding Limited (the 'Company', formerly named as Foxconn Advanced Technology Limited) was incorporated in the Cayman Islands in June 2006. According to the resolution of the Board of Directors in May 2011, the Company was renamed to Zhen Ding Technology Holding Limited and related registration was completed in July 2011. The registration address is Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands. The Company and its subsidiaries (collectively referred herein as the 'Group') are engaged in manufacturing, processing and selling printed circuit boards (PCBs). The Company has been listed on the Taiwan Stock Exchange since December 26, 2011.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

The consolidated financial statements were authorized for issuance by the Board of Directors on August 30, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission ('FSC') (collectively referred herein as the 'IFRSs').

New, revised or amended standards and interpretations endorsed by the FSC effective from 2021 are as follows

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the Temporary Exemption from Applying IFRS 9'	January 1, 2021
Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 39, 'Interest Rate Benchmark Reform' - Phase 2	January 1, 2021
Amendments to IFRS 16, 'Covid-19-Related Rent Concessions beyond 30 June 2021'	April 1, 2021 (coming into effect early on January 1, 2021 permitted)

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

(2) Effects of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the Conceptual Framework'	January 1, 2022
Amendments to IFRS 16 'Property, Plant and Equipment — Proceeds before Intended Use'	January 1, 2022
Amendments to IFRS 37 'Onerous Contracts — Cost of Fulfilling a Contract'	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

(3) IFRSs issued by International Accounting Standards Board ('IASB') but not yet endorsed by the FSC

New standards, interpretations, and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17 'Insurance contracts'	January 1, 2023
Amendments to IFRS 1 'Classification of Liabilities as Current or Non-current'	January 1, 2023
Amendment to IAS 1, 'Disclosure of Accounting Policies'	January 1, 2023
Amendment to IAS 8, 'Definition of Accounting Estimates'	January 1, 2023
Amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial position and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as stated otherwise, the principal accounting policies applied in the preparation of theses consolidated financial statements have been consistently applied to all the periods presented.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers' and the IAS 34 'Interim Financial Reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets minus present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The items involving a higher degree of judgement or complexity, or items where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. 'Subsidiaries' are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) The profit or loss and each component of other comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, and total comprehensive income shall also be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of Investor	Name of subsidiary	Main Business Activities	June 30, 2021	December 31, 2020	June 30, 2020	Description
The Company	Zhen Ding Technology Co., Ltd.	Trading company	100	100	100	
The Company	Monterey Park Finance Limited (B.V.I.)	Holding company	100	100	100	
The Company	Zhen Ding Technology Singapore Private Limited (Singapore)	Holding company	100	100	-	(6)
The Company	BoardTek Electronics Corp.	Manufacturing company	100	100	-	(7)

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%) June 30, 2021	Ownership (%) December 31, 2020	Ownership (%) June 30, 2020	Description
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited (Cayman)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Coppertone Enterprises Limited (B.V.I.)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Pacific Fair International Limited (Hongkong)	Holding company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Henley International Limited (Hongkong)	Trading company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Qi Ding Technology Qinhuangdao Co., Ltd.	Manufacturing company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Huaian Jia Wei Industrial Development Co., Ltd.	Trading company	100	100	100	
Monterey Park Finance Limited (B.V.I.)	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Manufacturing company	70.39	100	-	(4)
Coppertone Enterprises Limited (B.V.I.)	Mayco Industrial Limited (Hongkong)	Holding company	100	100	100	
Mayco Industrial Limited (Hongkong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	66.09	66.38	66.38	(11)
Pacific Fair International Limited (Hongkong)	Avary Holding (Shenzhen) Co., Limited	Manufacturing company	6.42	6.44	6.44	(11)

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%) June 30, 2021	Ownership (%) December 31, 2020	Ownership (%) June 30, 2020	Description
Avary Holding (Shenzhen) Co., Limited	Hong Qun Sheng Precision Electronics (Yingkou) Co., Ltd.	Manufacturing company	-	-	-	(3)
Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Fu Bo Industrial (Shenzhen) Co., Ltd.	Manufacturing company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Yun Ding Technology (Shenzhen) Limited	Trading company	-	-	100	(5)
Avary Holding (Shenzhen) Co., Limited	Kui Sheng Technology (Shenzhen) Limited	Trading company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Holding Investment (Shenzhen) Co., Ltd.	Investing company	100	100	100	(1)
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited (Hongkong)	Trading company	100	100	100	
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited (Singapore)	Holding company	100	100	100	
Fu Bo Industrial (Shenzhen) Co., Ltd.	Zhan Yang Automation (Dongguan) Co., Ltd.	Trading company	60	60	60	(2)

Name of Investor	Name of subsidiary	Main Business Activities	Ownership (%) June 30, 2021	Ownership (%) December 31, 2020	Ownership (%) June 30, 2020	Description
Garuda International Limited (Hongkong)	Garuda Technology Co., Ltd.	Trading company	100	100	100	
Garuda International Limited (Hongkong)	Avary Japan Co., Ltd. (Japan)	Trading company	100	100	100	
Avary Singapore Private Limited (Singapore)	Avary Technology (India) Private Limited (India)	Manufacturing company	100	100	100	
BoardTek Electronics Corp.	BoardTek Investment Co., Ltd.	Trading company	100	100	-	(7)
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Manufacturing company	100	-	-	(8)
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	37.50	-	-	(9)
Zhen Ding Technology Singapore Private Limited (Singapore)	Zhen Ding Developer India Private Limited (India)	Property management company	37.50	-	-	(10)
FAT Holding Limited (Cayman)	Zhen Ding Technology India Private Limited (India)	Manufacturing company	62.50	-	-	(9)
FAT Holding Limited (Cayman)	Zhen Ding Developer India Private Limited (India)	Property management company	62.50	-	-	(10)

(a) The Group invested in Avary Holding Investment (Shenzhen) Co., Ltd. in Shenzhen and included the entity in the consolidated financial statement on January 19, 2020. The entity mainly engages in investment company business.

(b) The Group invested in Zhanyang Automation (Dongguan) Co., Ltd. in Dongguan and included the entity in the consolidated financial statement on February 3, 2020. The entity mainly engages in ATMs manufacturing business.

(c) The Group adjusted its investment structure in 2019, disposed of all the equity of Hong Qun Sheng Precision Electronics (Yingkou) Co., Ltd., and completed registration of change on March 12, 2020.

(d) The Group invested in Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. in Shenzhen and included the entity in the consolidated financial statement on September 4, 2020. The entity mainly engages in electronics processing and manufacturing business.

Monterey Park Finance Limited did not subscribe for the issuance of common stock by Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. in percentage of their ownership ratios in Q1 of 2021, thus its ownership ratios became 70.39%.

(e) The Group has restructured the investment structure. Yun Ding Technology (Shenzhen) Limited has completed the winding-up process in the third quarter of 2020.

(f) The Group invested in Zhen Ding Technology Singapore Private Limited and included the entity in the consolidated financial statements on September 30, 2020. The entity mainly engages in holding company business.

(g) The Group acquired all ownership of Boardtek Electronics Corporation and its subsidiaries through share exchange and included the entity in the consolidated financial statements on November 4, 2020. The entity mainly engages in manufacturing of PCB products.

(h) The Group invested in Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd. in Qinhuangdao and included the entity in the consolidated financial statement on April 16, 2021. The entity mainly engages in electronics processing and manufacturing business.

(i) The Group invested in Zhen Ding Technology India Private Limited in India and included the entity in the consolidated financial statements on May 27, 2021. The entity mainly engages in electronics processing and manufacturing.

(j) The Group invested in Zhen Ding Developer India Private Limited in India and included the entity in the consolidated financial statements on April 16, 2021. The entity mainly engages in property leasing.

(k) Mayco Industrial Limited (Hong Kong) and Pacific Fair International Limited (Hong Kong) did not subscribe for the issuance of common stock by Avary Holding (Shenzhen) Co., Ltd. in percentage of their ownership ratios on June 23, 2021, thus their ownership ratios became 66.09% and 6.42%, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of June 30, 2021, December 31, 2020 and June 30, 2020, the non-controlling interests of the Group amounted to $25,734,458, $25,620,646 and $22,232,218, respectively. The information on subsidiaries and their respective non-controlling interests is as follows:

Name of subsidiary	Principal place of business	Non-controlling interests June 30, 2021 Amount	Non-controlling interests June 30, 2021 Ownership (%)	Description
Avary Holding (Shenzhen) Co., Limited	China	$ 25,148,801	27.49%	

Name of subsidiary	Principal place of business	Non-controlling interests December 31, 2020 Amount	Non-controlling interests December 31, 2020 Ownership (%)	Description
Avary Holding (Shenzhen) Co., Limited	China	$ 25,614,981	27.18%	

Name of subsidiary	Principal place of business	Non-controlling interests June 30, 2020 Amount	Non-controlling interests June 30, 2020 Ownership (%)	Description
Avary Holding (Shenzhen) Co., Limited	China	$ 22,212,628	27.18%	

Summary of the financial information of subsidiaries

Consolidated balance sheets of Avary Holding (Shenzhen) Co., Limited

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	$ 57,276,871	$ 73,276,585	$ 61,186,851
Non-current assets	80,072,543	72,145,142	55,189,092
Current liabilities	(42,698,205)	(48,679,896)	(33,557,749)
Non-current liabilities	(3,182,487)	(2,492,413)	(1,072,936)
Total net assets	$ 91,468,722	$ 94,249,418	$ 81,745,258

The consolidated statements of comprehensive income of Avary Holding (Shenzhen) Co., Limited

	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Revenue	$ 52,054,779	$ 43,075,228
Profit before income tax	3,452,009	3,987,311
Income tax expense	(535,081)	(458,503)
Profit	2,916,928	3,528,808
Other comprehensive income, net of tax	19,089	22,849
Total comprehensive income	$ 2,936,017	$ 3,551,657
Comprehensive income, attributable to non-controlling interests	$ 366,522	$ 340,018

The consolidated statements of cash flows of Avary Holding (Shenzhen) Co., Limited

	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Net cash from operating activities	$ 5,638,806	$ 10,636,457
Net cash used in investing activities	(12,985,711)	(5,511,234)
Net cash flows from financing activities	(1,571,505)	(3,514,299)
Effect of exchange rate changes on cash and cash equivalents	(348,636)	(1,160,322)
Net increase (decrease) in cash and cash equivalents	(9,267,046)	450,602
Cash and cash equivalents at beginning of period	24,797,571	29,230,247
Cash and cash equivalents at end of period	$ 15,530,525	$ 29,680,849

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Company's functional currency is USD; however, the consolidated financial statements are presented in NTD because of regulatory requirements.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss in the period in which they arise.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss in the period in which they arise. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the Group's entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

When presenting the Group's functional currency-denominated financial statements in NT dollar, the average exchange rates were US$1=NT$28.17 and US$1=NT$30.00 for the periods January 1 to June 30, 2021 and 2020, respectively. The closing rates were US$1=NT$27.86, US$1=NT$28.48 and US$1=NT$29.63 as of June 30, 2021; December 31, 2020 and June 30, 2020, respectively.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date; or

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date

Assets not meeting the above criteria are classified by the Group as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date; or

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities not meeting the above criteria are classified by the Group as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets measured at amortised cost or fair value through other comprehensive income are designated as the financial assets at fair value through profit or loss at initial recognition by the Group if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.

C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently measured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

D. The Group recognises the dividend income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. The Group may make irrevocable election at initial recognition to recognise the changes in fair value in other comprehensive income for the investments in equity instruments that are not held for trading or the investments in debt instruments that meet both of the following conditions:

(a) The financial assets held within a business model whose objective is both collecting contractual cash flows and selling financial assets.

(b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity instruments are recognised in other comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income shall be recorded to retained earnings and not be reclassified to profit or loss upon the derecognition. Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(b) Except for the impairment losses, interest income and foreign exchange gains or losses which are recognised in profit or loss, the changes in fair value of debt instruments are recognised in other comprehensive income before derecognition. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are meet both of the following conditions:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not meet the condition of cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets containing a significant financing component, lease receivables, loan commitments and financial guarantee contracts, at each balance sheet date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information (including forecasts). On the other hand, the Group recognises the impairment provision for lifetime ECLs for accounts receivable or contract assets containing a significant financing component.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3-54 years
Machinery and equipment	2~11 years
Leasehold improvements	5 years
Other facilities	2~16 years

(16) Leasing (lessee)

A. The Group recognises lease assets as right-of-use assets and lease liabilities at the commencement date of the lease. For short-term leases or leases of low value assets, lease payments are recognised as expenses using the straight-line method during the lease term.

B. The Group measures right-of-use assets at cost on the commencement date of the lease. The costs include the initial measurement amount of lease liabilities and any initial direct costs incurred. The right-of-use assets are subsequently measured by adopting the cost model. The Group depreciates the right-of-use assets at the earlier of the right-of-use assets' useful life or the end of lease term.

C. On the commencement date, the Group measures lease liabilities by the present value of outstanding lease payments, using the Group's incremental borrowing rate. Lease payments include fixed payments less any lease incentives receivable. In subsequent periods, the Group measures lease liabilities at amortised cost using the effective interest method and recognises interest expense during the lease term. If the lease term or lease payment is changed due to reasons other than amendments to the lease contracts, the Group will remeasure the lease liabilities. The remeasurement amount is then recognised as an adjustment to the right-of-use assets.

(17) Intangible assets

A. Patents and Technical Skills

Separately acquired patents and technical skills are recognised as acquisition costs because the patents and technical skills acquired from business combinations are recognised at fair value on the date of acquisition. Patents and technical skills are assets with limited service life, and will be amortized in 5 years, based on the estimated service life using the straight-line method.

B. Computer software

Computer software is recognised as acquisition cost and is amortised on a straight-line basis using the estimated useful lives of 3-5 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there are any impairment indications. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated based on the operating segment to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(19) Borrowings

A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-own occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

C. Extension option is not closed related to the host debt instruments, unless the rates are also adjusted close to current market rates when extending.

(20) Accounts and notes payable

A. Accounts payable are the liabilities for purchases of raw materials, goods or services.

B. The short-term accounts and notes payable without bearing interest are measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged, cancelled, or expired.

(22) Financial liabilities and equity instruments

Convertible corporate bonds issued by the Group are embedded with conversion options (that is, the bondholders have the right to convert the bonds into the Group's ordinary shares by exchanging a fixed amount of cash for a fixed number of ordinary share), call options and put options. In accordance with the terms and conditions of the indenture, the Group classifies the convertible corporate bonds and the embedded derivative instruments on initial recognition as a financial asset, a financial liability or an equity instrument (the 'capital surplus-share options'). Convertible corporate bonds are accounted for as follows:

A. The exercise price of call options and put options embedded in the convertible corporate bonds is approximately equal to the amortised cost of the host debt instrument on each exercise date; therefore, call options and put options are closely related to the host debt contract.

B. Call options, put options and host debt of the convertible corporate bonds are initially recognised at fair value. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond outstanding using the effective interest method.

C. Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in the 'capital surplus-share options' at the residual amount of total issue price less amounts of the 'bonds payable' as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

E. When bondholders exercise conversion options, the liability component shall be remeasured on the conversion date. The carrying amount of ordinary shares issued due to the conversion shall be based on the remeasured carrying amount of the abovementioned liability component plus the carrying amount of 'capital surplus-share options'.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service, and shall be recognised as expenses when the employees have rendered service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions shall be recognised as pension expenses when they are due on an accrual basis. Prepaid contributions shall be recognised that excess as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is accrued from the present value of future benefits that employees have earned in return for their services in the current or prior periods. The Group recognised the present value of the defined benefit obligation deducting the fair value of plan assets at the balance sheet date. Net obligation of the defined benefit is calculated annually by independent actuaries using the projected unit credit method and is discounted by using the market yield on government bonds (at the balance sheet date).

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations and significant curtailments, settlements, or other significant one-off events since that time. Also, relevant information will be disclosed in conjunction with the above policy.

C. Employees' remuneration and directors' remuneration

Employees' remuneration and directors' remuneration are recognised as expense and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' remuneration (bonus) is distributed by shares, the Group calculates the number of shares based on the fair value per share (closing price) at the previous day of the Board of Directors' resolution.

(24) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the quantity of equity instruments that are expected to vest under the non-market vesting conditions. Ultimately, the amount of compensation cost is recognised based on the number of equity instruments that eventually vest.

B. Employee restricted stocks:

(a) Employee restricted stocks measured at the fair value of the equity instruments at the grant date, and are recognised as compensation cost over the vesting period.

(b) Those restricted stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) Employees have to pay to acquire those restricted stocks. If employees resign during the vesting period, the Group must refund their payments in exchange for the restricted stocks return by the employees. The Group recognises the payments to the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognises the payments for the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(25) <u>Income tax</u>

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Different tax regulations are applicable to the Group according to the countries where the companies are registered:

(a) Companies that are registered in Cayman Islands and British Virgin Islands are exempted from income tax in accordance with local regulations.

(b) For the companies that are registered in the Republic of China, except for income tax that is estimated in accordance with the tax laws, an additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings. When calculating income tax, except for applying the tax laws to calculate regular tax, the basic tax is calculated under the 'Income Basic Tax Act.' If regular tax is lower than basic tax, the difference between the two shall be added to income tax payable. The aforementioned difference shall not be offset with investment tax credits under other regulations.

(c) Income taxes of companies that are registered in Mainland China are calculated in accordance with 'Law of the People's Republic of China on Enterprise Income Tax' and its implementation and related notification letters.

(d) Income taxes of companies that are registered in the Government of the Hong Kong Special Administrative Region of the People's Republic of China are calculated based on the revenue earned in Hong Kong and in accordance with 'Hong Kong Inland Revenue Ordinance'.

(e) For companies registered in Singapore, India, and Japan, they shall estimate business income tax of the current year pursuant to local laws and regulations.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. The interim period income tax expense is accrued based on the estimated average annual effective income tax rate applied to the pretax income of the interim period, and the related information is disclosed accordingly.

G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(26) Dividends

Cash dividends to be distributed to the Company's shareholders are recorded as liabilities in the period in which they are resolved by the Company's Board of Directors; stock dividends to be distributed to the Company's shareholders are recorded as stock dividends distributable in the period in which they are resolved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells PCBs and related products. Sales are recognised when control of the products has been transferred, i.e., when the products are delivered to the customer. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales of PCBs and related products are recognised as the amount of contract price, net of the estimated discounts, credits and price concessions.

(b) Account receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financial components

The contract between the Group and the customer, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(28) Government grants

Government grants shall not recognised at fair value until there is reasonable assurance that the entity will comply with the conditions attaching to them, and that the grants will be received. Government grants shall be recognised in profit on a systematic basis over the periods in which the entity recognises as the related expenses for which the grants are intended to compensate. Government grants related to property, plant and equipment shall be recognised within non-current liabilities that are recognised in profit on the straight-line method over the estimated useful life of related assets.

(29) Business combinations

A. The Group accounts for a business combination by applying the acquisition method, unless it is a combination involving entities or businesses under common control or the acquire is a subsidiary of an investment entity, as defined in IFRS 10, 'Consolidated financial statements', which is required to be measured at fair value through profit or loss. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. If the total of the fair values of the consideration of acquisition, non-controlling interest in the acquiree, and previous equity interest in the acquiree is higher than the fair value of the identifiable assets and obligations acquired, the difference is recorded as goodwill; if the fair value of the identifiable assets and obligations acquired is higher than the total of the fair values of the consideration of acquisition, non-controlling interest in the acquiree, and previous equity interest in the acquiree, the difference is recognised directly in profit or loss as 'gain recognised in bargain purchase transaction'.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision-maker, who is responsible for allocating resources to operating segments and evaluating their performance.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

Critical accounting estimates and assumptions

Accounting estimates are based on the situation on the balance sheet date to estimate future events, though there could be differences between the actual events and estimation. Estimates and assumptions on the risk of possible critical adjustments to the carrying amount of assets and liabilities for the next fiscal year are as follows:

(1) Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgments and estimates. Because of the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Since an evaluation of inventories is principally based on the demand for products within a specified period in the future. Therefore, there might be material changes to the evaluation

As of June 30, 2021, the carrying amount of inventories was $19,261,829.

(2) Assessment of intangible asset impairment

In the process of evaluating the impairment of assets, the Group is required to make subjective judgments and determine independent cash flows, useful lives, expected future revenue and expenses related to specific asset groups with consideration of how assets are used and the characteristics of industry. Any changes in these estimates based on changed economic conditions or group strategies could result in significant impairment in future years.

As of June 30, 2021, the carrying amount of property, plant and equipment after impairment losses recognized was $76,891,133.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand and petty cash	$ 307	$ 189	$ 272
Checking accounts and demand deposits	22,440,935	25,316,229	44,964,316
Cash equivalents			
Time deposits	13,824,327	18,906,469	9,032,023
	$ 36,265,569	$ 44,222,887	$ 53,996,611

A. As of June 30, 2021, December 31, 2020 and June 30, 2020, the Group's time deposits with maturity of over three months which are recognised within 'financial assets at amortised cost' are referred to in Note 6(3).

B. Except for demand deposits whose purpose is restricted that are recognised within other current assets, the Group has no cash and cash equivalents pledged to others as referred to in Note 8.

(2) Financial assets and liabilities at fair value through profit or loss

Item	June 30, 2021	December 31, 2020	June 30, 2020
Assets - Non-current items			
Private Fund	$ 655,702	$ 616,580	$ 553,020
Partner's share in unlisted companies	404,266	117,679	53,755
	1,059,968	734,259	606,775
Net exchange differences	5,184	19,263	(8,763)
Total	$ 1,065,152	$ 753,522	$ 598,012
Liabilities - Current items			
Forward foreign exchange contracts	($ 6,541)	$ -	$ -

A. The Group recognised net gain of $136,855, $0, $202,526 and $0 within 'financial assets and liabilities at fair value through profit or loss' for the three-month and six-month periods ended June 30, 2021 and 2020, respectively.

B. The Group's derivative financial assets not applicable for hedging and contract information are as follows:

Item	June 30, 2021		
	Contract Amount (Notional Principal in Thousands)		Contract Period
Current items:			
Forward foreign exchange contracts	USD(SELL)	($ 3,404)	June ~ July, 2021
	USD(SELL)	(3,137)	June ~ August, 2021
Total		($ 6,541)	

The Group entered into forward foreign exchange contracts to sell USD forward transactions in advance (sell USD to purchase RMB) and hedge exchange rate risk of import and export transactions. However, these forward foreign exchange contracts do not meet the criteria of hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Notes and accounts receivable

	June 30, 2021	December 31, 2020	June 30, 2020
Current items:			
Guaranteed income financial products	$ 1,671,600	$ 1,840,110	$ 2,002,019
Time deposits with maturity of over three months	412	712,105	308,441
	$ 1,672,012	$ 2,552,215	$ 2,310,460

A. The Group recognised interest income in profit or loss for amortised cost for the three-month and six-month periods ended June 30, 2021 and 2020, respectively. Please refer to Note 6(26).

B. Except for time deposits with maturity of over three months, whose purpose is restricted to paying customs duty guarantees and government-subsidised security, that are recognised within other current assets and time deposits due for more than a year that are recognised within other non-currenet assets, the Group has no financial assets at amortised cost pledged to others as referred to in Note 8.

C. Please refer to Note12(2) for relevant credit risk information.

(4) Notes and accounts receivable

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	$ -	$ 25,474	$ 15,165
Accounts receivable	20,084,497	31,123,795	16,874,472
	20,084,497	31,149,269	16,889,637
Less: Allowance for bad debts	(80,720)	(101,202)	(57,567)
	$ 20,003,777	$ 31,048,067	$ 16,832,070
Accounts receivable due from related parties	$ 2,233,885	$ 2,699,345	$ 2,523,023
Less: Allowance for bad debts	(3,865)	(6,257)	(3,194)
	$ 2,230,020	$ 2,693,088	$ 2,519,829

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Not past due	$ 21,909,133	$ 33,496,860	$ 19,216,560
Between 1 and 90 days	342,647	320,265	192,970
Between 91 and 180 days	33,683	25,295	695
Over 180 days	32,919	6,194	2,435
	$ 22,318,382	$ 33,848,614	$ 19,412,660

B. The balance of accounts and notes receivable as of June 30, 2021, December 31, 2020 and June 30, 2020 is generated from customer contracts. The balance of receivables on customer contracts as of January 1, 2020 was $27,168,662.

C. The Group does not hold any collateral as security.

D. Please refer to Note12(2) for relevant credit risk information.

(5) Other receivables and prepayments

	June 30, 2021	December 31, 2020	June 30, 2020
Other receivables			
Interest income receivable	$ 204,728	$ 174,900	$ 192,578
Business tax refundable	14,602	757,497	-
Other	80,768	70,244	86,397
	$ 300,098	$ 1,002,641	$ 278,975

	June 30, 2021	December 31, 2020	June 30, 2020
Prepayments			
Excess business tax paid	$ 2,275,343	$ 2,387,018	$ 1,615,165
Prepaid expenses	2,453,044	2,393,190	1,177,201
	$ 4,728,387	$ 4,780,208	$ 2,792,366

The Group's Mainland China subsidiaries are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on business tax ('VAT') exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organizations, so the possibility of default is remote. The subsidiaries recognise related refunds and deductibles within 'other receivables' and 'prepayments', respectively.

(6) Inventories

	June 30, 2021		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	$ 4,134,710	($ 142,055)	$ 3,992,655
Work in process	6,014,299	(363,689)	5,650,610
Finished goods	10,484,946	(866,382)	9,618,564
	$ 20,633,955	($ 1,372,126)	$ 19,261,829

	December 31, 2020		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	$ 3,718,726	($ 328,129)	$ 3,390,597
Work in process	4,941,192	(315,174)	4,626,018
Finished goods	5,366,198	(384,029)	4,982,169
	$ 14,026,116	($ 1,027,332)	$ 12,998,784

	June 30, 2020		
	Cost	Allowance for valuation losses	Carrying amount
Raw materials	$ 2,716,304	($ 325,667)	$ 2,390,637
Work in process	3,489,334	(206,397)	3,282,937
Finished goods	4,136,776	(519,423)	3,617,353
	$ 10,342,414	($ 1,051,487)	$ 9,290,927

Expenses and losses incurred on inventories for the six-month periods ended June 30, 2021 and 2020 are as follows:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Cost of goods sold	$ 25,408,725	$ 22,035,327	$ 47,665,248	$ 36,212,754
Impairment losses	19,994	27,285	47,416	68,265
Losses (gains on price recovery) on inventory valuation	(133,811)	6,939	360,117	364,855
Income from sale of scraps and wastes	(362,330)	(266,863)	(699,075)	(417,684)
	$ 24,932,578	$ 21,802,688	$ 47,373,706	$ 36,228,190

Gain on price recovery was created because loss on allowance valuation decreased due to clearance of inventory, which is recognised as allowance for valuation losses, in the second quarter of 2021.

(7) Non-current financial assets at fair value through other comprehensive income

	June 30, 2021	December 31, 2020	June 30, 2020
Equity instruments			
Unlisted shares	$ 409,954	$ 409,954	$ 257,184
Valuation adjustment	42,097	23,508	(59,768)
Net exchange differences	(7,141)	(2,196)	(9,994)
Total	$ 444,910	$ 431,266	$ 187,422

A. The Group has elected to classify the stocks of non-TWSE/TPEx listed companies that are considered to be strategic investment as financial assets at fair value through other comprehensive income.

B. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Equity instruments	$ 43,486	$ 9,491	$ 18,589	($ 2,571)

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
At January 1, 2021						
Cost	$ 2,390,675	$ 26,672,561	$ 55,750,789	$ 21,315,866	$ 8,410,005	$ 114,539,896
Accumulated depreciation and impairment	-	(9,090,514)	(27,570,839)	(9,701,368)	-	(46,362,721)
	$ 2,390,675	$ 17,582,047	$ 28,179,950	$ 11,614,498	$ 8,410,005	$ 68,177,175
2021						
Opening net carrying amount	$ 2,390,675	$ 17,582,047	$ 28,179,950	$ 11,614,498	$ 8,410,005	$ 68,177,175
Additions (transfers)	-	1,429,877	6,339,419	3,780,074	3,708,488	15,257,858
Disposals	-	-	(65,031)	(70,716)	-	(135,747)
Depreciation expense	-	(862,365)	(2,552,677)	(1,835,301)	-	(5,250,343)
Impairment losses	-	-	(47,416)	-	-	(47,416)
Net exchange differences	(40,037)	(262,197)	(451,578)	(200,610)	(155,972)	(1,110,394)
Closing net carrying amount	$ 2,350,638	$ 17,887,362	$ 31,402,667	$ 13,287,945	$ 11,962,521	$ 76,891,133
At June 30, 2021						
Cost	$ 2,350,638	$ 26,080,660	$ 60,766,614	$ 24,652,440	$ 11,962,521	$ 125,812,873
Accumulated depreciation and impairment	-	(8,193,298)	(29,363,947)	(11,364,495)	-	(48,921,740)
	$ 2,350,638	$ 17,887,362	$ 31,402,667	$ 13,287,945	$ 11,962,521	$ 76,891,133

	Land	Buildings and structures	Machinery and equipment	Other facilities	Unfinished construction and equipment under acceptance	Total
At January 1, 2020						
Cost	$ 51,068	$ 20,861,687	$ 42,233,797	$ 14,794,602	$ 5,434,963	$ 83,376,117
Accumulated depreciation and impairment	-	(7,442,487)	(21,991,287)	(7,608,695)	(91,035)	(37,133,504)
	$ 51,068	$ 13,419,200	$ 20,242,510	$ 7,185,907	$ 5,343,928	$ 46,242,613
2020						
Opening net carrying amount	$ 51,068	$ 13,419,200	$ 20,242,510	$ 7,185,907	$ 5,343,928	$ 46,242,613
Additions (transfers)	-	1,162,431	1,132,218	437,920	3,891,536	6,624,105
Disposals	-	-	(420,441)	(170,466)	-	(590,907)
Depreciation expense	-	(652,814)	(2,013,549)	(1,006,772)	-	(3,673,135)
Impairment losses	-	-	(71,333)	-	-	(71,333)
Reclassification	-	(725,633)	866,173	(36,718)	(401,779)	(297,957)
Net exchange differences	(143)	(342,188)	(538,307)	(174,025)	(205,946)	(1,260,609)
Closing net carrying amount	$ 50,925	$ 12,860,996	$ 19,197,271	$ 6,235,846	$ 8,627,739	$ 46,972,777
At June 30, 2020						
Cost	$ 50,925	$ 20,027,522	$ 40,311,990	$ 14,202,802	$ 8,627,739	$ 83,220,978
Accumulated depreciation and impairment	-	(7,166,526)	(21,114,719)	(7,966,956)	-	(36,248,201)
	$ 50,925	$ 12,860,996	$ 19,197,271	$ 6,235,846	$ 8,627,739	$ 46,972,777

A. The significant parts of the Group's buildings and structures include main plants and auxiliary improvements, which are depreciated over 20~54 years and 3~10 years, respectively.

B. The Group evaluates the recoverable amount of assets at the end of the reporting period of the financial statements. The recoverable amount is calculated on the basis of value in use and fair value minus costs to sell. The discount rate for estimating value in use was 6.43% and 8.02%. In addition, fair value is recognised with reference to the replacement cost in accordance with market approach, and the fair value is categorised within Level 3. According to the results of evaluation using the aforementioned method, the Group recognised $47,416 and $71,333 in impairment losses on disposal of property, plant and equipment for the period from January 1 to June 30, 2021 and 2020, respectively. For the period from January 1 to June 30, 2021 and 2020, cost of goods sold was $47,416 and $68,265, respectively; while other gains and losses were $0 and $3,068, respectively. The aforementioned losses were attributed to the PCB segment.

C. Please refer to Note 8 for details on the pledging of property, plant and equipment.

(9) Right-of-use assets/lease liabilities

A. The assets leased by the Group include land right-of-use, buildings, official vehicles and other facilities. The Group's subsidiaries signed land right-of-use contracts with local governments whom the subsidiaries will return the right to when the contract expires. Except for the lease term of land right-of-use of 20 to 50 years, the remaining lease terms are between 2 and 8 years. The lease contracts are negotiated individually and contain various terms and conditions without other restrictions except for the leased assets restricted to pledge to others.

B. The Group has rented buildings and parking spaces for a lease tenor of not more than 12 months. The Group also rented office machines, which are low-value underlying assets.

C. The information of the carrying amount of the right-of-use assets and the recognition of depreciation expense are as follows:

	June 30, 2021 Carrying amount	December 31, 2020 Carrying amount	June 30, 2020 Carrying amount
Land right-of-use	$ 8,452,512	$ 8,316,001	$ 7,472,111
Buildings	216,519	277,406	181,265
Transportation equipment (official vehicles)	13,669	16,058	10,961
Other facilities	5,531	-	-
	$ 8,688,231	$ 8,609,465	$ 7,664,337

	Three-month period ended June 30, 2021 Depreciation	Three-month period ended June 30, 2020 Depreciation	Six-month period ended June 30, 2021 Depreciation	Six-month period ended June 30, 2020 Depreciation
Land right-of-use	$ 71,433	$ 60,709	$ 140,840	$ 122,825
Buildings	27,166	19,549	55,068	39,024
Transportation equipment (official vehicles)	2,467	3,707	4,968	7,501
Other facilities	899	-	1,080	-
	$ 101,965	$ 83,965	$ 201,956	$ 169,350

The acquisition of the right-of-use assets for the six-month period ended June 30, 2021 and 2020 amounted to $413,938 and $8,276, respectively.

D. As of June 30, 2021, the amount of $1,022,656 was still under the registration process in the land use rights contract signed between the Group's subsidiary and local government.

E. The Group recognised as rental expense for either the lease term of less than 12 months or leases for which the underlying asset is of low value. The information on the lease contract affecting profit or loss is as follows:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Items affecting current profit or loss				
Interest expense from lease liabilities	$ 4,559	$ 1,475	$ 9,492	$ 3,114
Rental expenses for short-term lease contracts	$ 93,651	$ 191,164	$ 124,259	$ 286,996

F. The cash flows used in the lease payments of the Group for the six-month periods ended June 30, 2021 and 2020 amounted to $595,331 and $335,877, respectively.

(10) Intangible assets

	2021			
	Patents and Technical Skills	Computer software	Goodwill	Total
At January 1, 2021				
Cost	$ 412,098	$ 1,088,808	$ 1,238,657	$ 2,739,563
Cumulative amortisation	(13,459)	(561,075)	-	(574,534)
	$ 398,639	$ 527,733	$ 1,238,657	$ 2,165,029
At January 1, 2021	$ 398,639	$ 527,733	$ 1,238,657	$ 2,165,029
Addition	-	138,658	-	138,658
Amortisation	(41,943)	(140,211)	-	(182,154)
Net exchange differences	(8,217)	(7,402)	(26,965)	(42,584)
At June 30, 2021	$ 348,479	$ 518,778	$ 1,211,692	$ 2,078,949
At June 30, 2021				
Cost	$ 403,126	$ 1,196,085	$ 1,211,692	$ 2,810,903
Cumulative amortisation	(54,647)	(677,307)	-	(731,954)
	$ 348,479	$ 518,778	$ 1,211,692	$ 2,078,949

	2020		
	Computer software	Goodwill	Total
At January 1, 2020			
Cost	$ 517,862	$ 89,511	$ 607,373
Cumulative amortisation	(247,003)	-	(247,003)
	$ 270,859	$ 89,511	$ 360,370
At January 1, 2020	$ 270,859	$ 89,511	$ 360,370
Addition	371,153	-	371,153
Amortisation	(97,198)	-	(97,198)
Net exchange differences	(10,089)	(1,045)	(11,134)
At June 30, 2020	$ 534,725	$ 88,466	$ 623,191
At June 30, 2020			
Cost	$ 901,139	$ 88,466	$ 989,605
Cumulative amortisation	(366,414)	-	(366,414)
	$ 534,725	$ 88,466	$ 623,191

A. The Group acquired 100% shares of BoardTek Electronics Corp. on November 4, 2020 and 100% shares of Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd. in 2008, and recognised them as goodwill and patents and technical skills under the acquisition method.

B. Goodwill is allocated to the cash-generating units of the Group which are recognised by the operating segment, and the recoverable amount is evaluated on the basis of value in use. Value in use is calculated mainly by considering the operating net interest rate, growth rate, and discount rate. Management determined budgeted operating profit margin based on its expectations of market development; the growth rates used are based on industry expectations; the discount rates used are based on the weighted average capital cost of peer industry. The discount rate used in 2021 was 6.43%.

(11) Other non-current assets

	June 30, 2021	December 31, 2020	June 30, 2020
Refundable deposits	$ 119,060	$ 103,404	$ 108,049
Prepayments for equipment	170,359	62,864	309,030
Other	75,336	220,718	151,544
	$ 364,755	$ 386,986	$ 568,623

Please refer to Note 8 for other non-current assets - other pledges provided for customs duty guarantees.

(12) Short-term borrowings

Type of borrowings	June 30, 2021	Interest rate range	Collateral
Credit loans	$ 15,533,901	0.34%~6.4%	No

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Credit loans	$ 11,938,862	0.47%~6.40%	No
Secured loans	899,683	0.87%	Land and buildings
	$ 12,838,545		

Type of borrowings	June 30, 2020	Interest rate range	Collateral
Credit loans	$ 10,770,188	0.75%~7.00%	No

Please refer to Note 8 for information on collaterals for short-term borrowings.

(13) Short-term notes and bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial papers	$ 600,105	$ 949,666	$ -
Interest rate	1.10%～1.11%	1.11%～1.21%	$ -

(14) Other payables

	June 30, 2021	December 31, 2020	June 30, 2020
Payable on machinery and equipment	$ 7,882,183	$ 7,060,667	$ 2,886,509
Stock dividends payable	4,261,721	-	4,090,000
Wages and bonuses payable	4,113,985	4,173,790	3,563,234
Payable on mold and jig	1,313,722	1,169,120	949,810
Repairs and maintenance fees payable	656,897	871,768	557,516
Payable on consumable goods	205,608	259,724	153,547
Other	1,710,063	2,296,260	2,138,766
	$ 20,144,179	$ 15,831,329	$ 14,339,382

(15) Bonds payable

	June 30, 2021	December 31, 2020	June 30, 2020
3rd overseas unsecured convertible bonds:			
Bonds payable	$ 11,144,000	$ 11,392,000	$ 11,852,000
Less: Discount on bonds payable	(792,374)	(911,259)	(1,053,394)
Bonds payable	$ 10,351,626	$ 10,480,741	$ 10,798,606

A. Conditions for 3rd issuance of overseas unsecured convertible bonds are as follows:

(a) The competent authority has approved the Company's third issuance of overseas unsecured corporate bonds on June 16, 2020. The total issue amount of the bonds is USD 400,000 thousand, at a coupon rate of 0% and maturity of 5 years from June 30, 2020 to June 30, 2025.

(b) The conversion price of the bonds is adjusted based on the pricing model in the terms of the bonds. As of June 30, 2021, the conversion price was NT$151.75 (exchange rate of NTD 29.5930 to USD 1), and no convertible bonds had been converted to ordinary shares.

(c) The bondholders have the right to require the Company to repurchase all or any portion of bonds at the price of the bonds' principal amount with an annual rate of 0% as interest compensation (100% of the principal amount of the corporate bonds) on the day when three years have elapsed since issuance of the bonds.

(d) Except for bonds redeemed before maturity, repurchased and retired, or converted by the bondholders, the Company will fully redeem the bonds at the maturity date with an annual rate of 0% based on the principal amount. The redemption amount is about 100% of the principal amount of the corporate bonds, and the bonds will be redeemed in full.

(e) According to the terms of the bonds, all bonds repurchased (including bonds repurchased from the secondary market), redeemed before or at maturity, or converted by the bondholders are retired and not to be re-issued.

(f) According to the terms of the bonds, the rights and obligations of newly issued shares after conversion are the same as other issued ordinary shares.

(g) The effective rate of the corporate bonds is 1.86%.

B. Regarding the issuance of overseas unsecured corporate bonds, the equity conversion options were separated from the liability component in accordance with IAS 32. The issuance of the 3rd overseas unsecured corporate bonds in 2020 was recognised as 'capital surplus-stock options' of $996,753 as of June 30, 2021.

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term		June 30, 2021
Syndicated loans	Borrowing period is from April 6, 2021 to April 6, 2024; principal is repayable semiannually from October 6, 2023 in two installments; 50% of principal has to be repaid respectively.	$	6,965,000
Credit loans	Borrowing period is from December 3, 2018 to December 3, 2021; principal is repayable every 3 months; 20% of principal has to be repaid respectively.		60,010
	Borrowing period is from November 18, 2019 to November 17, 2022; principal is repayable every 3 months; 10% of principal has to be repaid respectively.		60,010
	Borrowing period is from January 25, 2021 to July 25, 2024; principal has to be repaid at maturity.		278,598
	Borrowing period is from March 18, 2021 to July 25, 2024; principal has to be repaid at maturity.		139,299
	Borrowing period is from June 29, 2021 to July 25, 2024; principal has to be repaid at maturity.		278,598
Subtotal			7,781,515
Less: Syndicated loan arrangement fees		(	15,962)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		(	100,017)
		$	7,665,536
Interest rate			1.06%~2.04%

Type of borrowings	Borrowing period and repayment term		December 31, 2020
Syndicated loans	Borrowing period is from October 4, 2018 to October 4, 2021; principal is repayable semiannually from April 4, 2021 in two installments; 50% of principal has to be repaid respectively.	$	8,544,000
Credit loans	Borrowing period is from December 3, 2018 to December 3, 2021; principal is repayable every 3 months; 20% of principal has to be repaid respectively.		119,958
	Borrowing period is from March 26, 2019 to March 26, 2021; principal has to be repaid at maturity.		189,933
	Borrowing period is from November 18, 2019 to November 17, 2022; principal is repayable every 3 months; 10% of principal has to be repaid respectively.		79,972
Subtotal			8,933,863
Less: Syndicated loan arrangement fees		(	5,340)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		(	8,888,537)
		$	39,986
Interest rate			1.23%~1.50%

Type of borrowings	Borrowing period and repayment term		June 30, 2020
Syndicated loans	Borrowing period is from October 4, 2018 to October 4, 2021; principal is repayable semiannually from April 4, 2021 in two installments; 50% of principal has to be repaid respectively.	$	8,889,000
Less: Syndicated loan arrangement fees		(	9,260)
Less: Current portion of long-term borrowings (within 'Long-term liabilities, current portion')		(	4,439,87)
		$	4,439,870
Interest rate			3.10%

During the terms of the syndicated loans, in accordance with the syndicated loan agreement, the Company is required to calculate and maintain certain level of current ratio, liability ratio, times-interest-earned ratio and net tangible asset balance based on the audited annual consolidated financial statements and the reviewed semi-annual consolidated financial statements. The Company complied with the terms of the syndicated loans as of June 30, 2021.

(17) Pensions

A. Defined benefit plan

(a) The Group's subsidiary in Taiwan, Zhen Ding Technology Co., Ltd. and BoardTek Electronics Corp., has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent Supervisory Committee of Labor Retirement Reserve Fund (the 'Fund'). Before the end of each year, the Taiwan subsidiary assesses the balance in the aforementioned Fund. If the balance in the Fund is inadequate to pay the retirement benefits of employees who are eligible for retirement in the following year by the aforementioned method, the Taiwan subsidiary is required to fund the deficit in one appropriation before the end of next March.

(b) The pension costs recognised by the Group in accordance with the above pension plan were $10, $9, $19, and $18 for the three-month and six-month periods ended June 30, 2021 and 2020, respectively.

(c) Expected contributions to the defined benefit pension plans of the Group are $15 for the year 2022.

B. Defined contribution plan

(a) Effective July 1, 2005, the Taiwan subsidiaries of the Group has established a defined contribution pension plan (the 'New Plan') under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Taiwan subsidiaries of the Group contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The contribution plan accrued dividends from an employee's individual account is paid monthly or in lump sum upon retirement of an employee. The pension expenses recognised by the Group in accordance with the above pension plan were $19,391, $9,108, $39,259, and $18,118 for the three-month and six-month periods ended June 30, 2021 and 2020, respectively.

(b) The Mainland China subsidiaries of the Group have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages with the contribution percentage of 10%~20%, and pension is contributed to the employees' individual pension accounts. Pension of each employee is managed by the government. Other than the monthly contributions, the Group has no further obligations. The pension expenses recognised in accordance with local regulations were $297,937, $149,213, $588,806, and $305,813 for the three-month and six-month periods ended June 30, 2021 and 2020, respectively.

Due to COVID-19 pandemic in China at the beginning of 2020, local governments reduced pension expenses by half as of February 2020 for a period of 6 months.

(18) Share-based payment

A. The share-based payment arrangements of the Company's subsidiary, Avary Holding (Shenzhen) Co., Limited, are as follows:

Type of arrangements	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2017.02.27	185,080 thousand shares	7 years	(a)(c)
Restricted stocks to employees	2021.06.15	10,045 thousand shares	6 years	(b)(c)(d)

(a) 20% of employee subscription right are subscribed in installment each year when an employee remains employed by Avary Holding (Shenzhen) Co., Ltd. for 2 years starting from the subscription date.

For an employee who does not satisfy the vesting conditions, the employee's investment will be refunded net by the Group at the investment amount or the carrying amount of assets, whichever is lower. However, appropriated dividends are not required to be returned.

(b) 20% of employee subscription right are subscribed in installment each year when an employee remains employed by Avary Holding (Shenzhen) Co., Ltd. for 1 year starting from the subscription date. For an employee who does not satisfy the vesting conditions, the employee's investment will be repurchased and cancelled by the Group at the subscription price.

(c) Until the achievement of the vesting conditions, the right and obligations are as follows: cannot sell, pledge, transfer, give to others, create a right in rem over the stocks, or any other form of disposal.

(d) Outstanding restricted stock awards are released from trading restrictions only when the annual operating revenues reach the set target and employee's individual performance meets criteria. If the vesting conditions are not satisfied, the employee's investment will be repurchased and cancelled by the Group at the subscription price.

B. Employee restricted stocks

The numbers of first employees restricted stocks are as follows (in thousand shares):

	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Outstanding as of January 1	146,618	183,272
Numbers vested for the current period	(36,654)	(36,654)
Outstanding as of June 30	109,964	146,618

The numbers of second employees restricted stocks are as follows (in thousand shares):

	Six-month period ended June 30, 2021
Outstanding as of January 1	-
Numbers vested for the current period	10,045
Outstanding as of June 30	10,045

C. Expenses incurred on the share-based payment are as follows:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Expenses incurred on employees restricted stocks	$ 25,997	$ 19,823	$ 41,501	$ 42,487

(19) Share capital

A. As of June 30, 2021, the Company's authorised capital was $16,000,000, and the issued capital was $9,470,492, consisting of 947,049 thousand ordinary shares with a par value of NTD 10 per share.

B. Please refer to Note 6 (33) for information on the Company's issuance of new shares to acquire BoardTek Electronics and its subsidiaries on November 4, 2020.

C. The treasury shares initially held by the Group's subsidiary, BoardTek Investment Co., Ltd., were converted into ordinary shares issued by the Company in 2020 due to business combination. As of June 30, 2021, the number of shares was 2,093 thousand shares, and the acquisition cost amounted to $257,489 within the 'treasury shares'. The treasury shares shall not be pledged to others, and the shareholders' rights shall not be enjoyed before transfer under Securities and Exchange Act.

(20) Capital surplus

	Six-month period ended June 30, 2021					
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bonds conversion	Share options	Expired share options	Changes in non-controlling interests	Total
At January 1	$ 10,754,926	$ 13,624,555	$ 996,753	$ 59,426	$ 10,235,552	$ 35,671,212
Employee restricted stocks	-	-	-	-	30,221	30,221
Changes in subsidiaries' equity recognised	-	-	-	-	233,191	233,191
At June 30	$ 10,754,926	$ 13,624,555	$ 996,753	$ 59,426	$ 10,498,964	$ 35,934,624

	Six-month period ended June 30, 2020					
	Additional paid-in capital arising from ordinary share	Additional paid-in capital arising from bonds conversion	Share options	Expired share options	Changes in non-controlling interests	Total
At January 1	$ 5,690,348	$ 13,624,555	$ -	$ 59,426	$ 10,160,452	$ 29,534,781
Employee restricted stocks	-	-	-	-	30,939	30,939
Issuance of overseas convertible bonds	-	-	996,753	-	-	996,753
At June 30	$ 5,690,348	$ 13,624,555	$ 996,753	$ 59,426	$ 10,191,391	$ 30,562,473

A. Capital surplus arising from paid-in capital in excess of par value on issuance of ordinary share is used to offset accumulated losses incurred in previous years or distribute dividends to shareholders.

B. Please refer to Note 6(15) for the details of capital surplus-share options.

(21) Retained earnings

A. In accordance with the Company's Articles of Incorporation,

The Company shall set aside out of the current year's earnings sequentially as follows:

(a) A reserve for payment of tax for the relevant financial year;

(b) An amount to offset losses incurred in previous years;

(c) Ten percent (10%) as a general reserve, and

(d) A special surplus reserve as required by the applicable securities authority under the applicable public company rules or a reserve as determined by the Board of Directors.

Dividends equaling no less than 10% of the distributable amount shall be distributed. The Board of Directors may decide to use cash, the undistributed shares paid for with the cash amount, or both for the distribution of dividends, provided however that the cash dividends distributed may not be less than 50% of the total dividends.

Cash dividends shall be distributed following approval and resolution by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors; stock dividends shall be distributed following resolution and approval at the shareholders' meeting in each fiscal year.

B. The appropriations of 2020 earnings have been approved after the electronic voting rate in the shareholders' meeting reached the statutory threshold of a resolution on June 15, 2021, and the appropriations of 2019 earnings have been approved by the shareholders' meetings on June 19, 2020. Details are summarised as follows:

	2020		2019	
	Amount	Dividends per share (in New Taiwan dollars)	Amount	Dividends per share (in New Taiwan dollars)
Allocation to general reserve	$ 810,605		$ 868,520	
Allocation to (Reversal of) special reserve	(884,381)		2,066,391	
Cash dividends	4,261,721	4.50	4,060,034	4.50
Total	$ 4,187,945		$ 6,994,945	

The Company distributed $4,261,721 with cash dividend of NT$4.5 per share on July 1, 2021 after the proposal for the distribution of 2020 earnings was approved and resolved in the shareholders' meeting. Information on the appropriation of the Company's earnings as resolved at the shareholders' meeting is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(22) Other equity interest

	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1, 2021	$ 6,629	($ 4,136,945)	($ 4,130,316)
Valuation adjustment	6,755	-	6,755
Currency translation differences:			
- Group	-	(1,213,938)	(1,213,938)
At June 30, 2021	$ 13,384	($ 5,350,883)	($ 5,337,499)

	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign financial statements	Total
At January 1, 2020	($ 53,987)	($ 4,960,710)	($ 5,014,697)
Valuation adjustment	652	-	652
Currency translation differences:			
- Group	-	(1,709,349)	(1,709,349)
At June 30, 2020	($ 53,335)	($ 6,670,059)	($ 6,723,394)

(23) Operating revenue

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Revenue from contracts with customers	$ 29,768,200	$ 26,490,069	$ 56,961,300	$ 44,002,507

The Group's revenue comes from product and services transferred at a certain time. Revenue by region is further divided based on the country in which the customer is located:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Revenue from contracts with customers				
U.S.A.	$ 19,056,658	$ 15,466,719	$ 35,963,231	$ 25,483,741
Mainland China	6,481,870	7,422,678	12,499,213	12,660,859
Taiwan	2,115,704	1,492,897	4,050,518	2,482,774
Other regions	2,113,968	2,107,775	4,448,338	3,375,133
	$ 29,768,200	$ 26,490,069	$ 56,961,300	$ 44,002,507

(24) Expenses by nature

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Employee benefit expenses	$ 5,115,257	$ 3,843,179	$ 9,621,329	$ 6,934,452
Depreciation	2,777,679	1,891,823	5,452,299	3,842,485
Amortisation	82,991	78,022	185,551	119,598
	$ 7,975,927	$ 5,813,024	$ 15,259,179	$ 10,896,535

(25) Employee benefit expenses

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Wages and salaries	$ 4,131,986	$ 3,224,258	$ 7,771,566	$ 5,692,848
Employees' remuneration	9,181	17,761	18,226	25,740
Labor and health insurance fees	223,127	88,877	435,710	199,583
Pension expenses	317,338	158,330	628,084	323,949
Other personnel expenses	433,625	353,953	767,743	692,332
	$ 5,115,257	$ 3,843,179	$ 9,621,329	$ 6,934,452

A. In accordance with the Company's Articles of Incorporation, the Company shall distribute employee's remuneration between zero point five percent (0.5%) and twenty percent (20%) and distribute directors' remuneration no higher than zero point five percent (0.5%) of the distributed earnings covering accumulated losses.

B. In accordance with the above Articles of Incorporation, the Company recognised employees' remuneration of $9,181, $17,761, $18,226, and $25,740 and directors' remuneration of $4,414, $6,080, $8,789, and $8,700 for the three-month and six-month periods ended June 30, 2021 and 2020, respectively.

C. Employees' remuneration and directors' remuneration of the Board of Directors' resolution for the year ended December 31, 2020 were equal to the amount recognised in the financial statements for the year ended December 31, 2020.

D. Information on employees' remuneration and directors' remuneration of the Company as resolved by the Board of Directors and shareholders is posted in the 'Market Observation Post System' at the website of the Taiwan Stock Exchange.

(26) Interest income

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Interest income from bank deposits	$ 97,593	$ 178,832	$ 160,610	$ 301,757
Interest income from financial assets measured at amortised cost	509	20,963	31,427	135,247
	$ 98,102	$ 199,795	$ 192,037	$ 437,004

(27) Other income

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Government grants revenue	$ 99,499	$ 70,549	$ 666,561	$ 239,997
Others	71,250	20,315	91,782	35,700
	$ 170,749	$ 90,864	$ 758,343	$ 275,697

(28) Other gains and losses

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Net currency exchange gains (losses)	($ 257,250)	($ 15,436)	($ 246,564)	$ 201,108
Net gains on financial assets at fair value through profit or loss	136,855	-	202,526	-
Net gains (losses) on disposal of property, plant and equipment	21,116	(95,942)	6,472	(137,426)
Others	(71,821)	(15,086)	(110,173)	(20,130)
	($ 171,100)	($ 126,464)	($ 147,739)	$ 43,552

(29) Finance costs

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Interest expenses				
Bank borrowings	$ 66,958	$ 101,658	$ 134,889	$ 222,876
Amortisation of convertible bond discounts	49,719	-	100,149	-
Amortisation of syndicated loan arrangement fees	4,976	1,868	6,749	3,750
Interest expense from lease liabilities	4,559	1,475	9,492	3,114
	$ 126,212	$ 105,001	$ 251,279	$ 229,740

(30) Income tax

A. Components of income tax expense

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Current tax:				
Tax payable arising from the current period	$ 161,511	$ 319,377	$ 646,609	$ 661,201
Adjustments in respect of prior years	(18,674)	(71,607)	4,696	(71,607)
Total current tax	142,837	247,770	651,305	589,594
Deferred tax:				
Origination and reversal of temporary differences	(53,614)	(211,484)	(42,202)	(134,329)
Total deferred tax	(53,614)	(211,484)	(42,202)	(134,329)
Income tax expense	$ 89,223	$ 36,286	$ 609,103	$ 455,265

B. The income tax returns of the Group's subsidiaries, Zhen Ding Technology Co., Ltd., Garuda Technology Co., Ltd., BoardTek Electronics Corp., and BoardTek Investment Co., Ltd. through 2017 and 2019, 2018, 2019 and 2019 have been assessed and approved by the Tax Authority.

(31) Earnings per share

	Three-month period ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 759,385	944,956	$ 0.80
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 759,385	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Overseas convertible bonds	49,719	78,005	
Employees' remuneration	-	174	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	$ 809,104	1,023,135	$ 0.79

	Three-month period ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,275,083	902,230	$ 1.41
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,275,083	902,230	
Assumed conversion of all dilutive potential ordinary shares			
Overseas convertible bonds	-	826	
Employees' remuneration	-	200	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	$ 1,275,083	903,256	$ 1.41

	Six-month period ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,707,199	944,956	$ 1.81
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,707,199	944,956	
Assumed conversion of all dilutive potential ordinary shares			
Overseas convertible bonds	100,149	78,005	
Employees' remuneration	-	437	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	$ 1,807,348	1,023,398	$ 1.77

	Six-month period ended June 30, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in New Taiwan dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,146,800	902,230	$ 2.38
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,146,800	902,230	
Assumed conversion of all dilutive potential ordinary shares			
Overseas convertible bonds	-	413	
Employees' remuneration	-	599	
Profit attributable to ordinary shareholders of the parent considering assumed conversion of all dilutive potential ordinary shares	$ 2,146,800	903,242	$ 2.38

As employees' remuneration might be distributed in the form of shares, the diluted EPS is calculated based on the assumption that all distribution will be in the form of shares in the calculation of the weighted-average number of ordinary shares outstanding during the reporting period, taking into account the dilutive effects of stock bonus on potential ordinary shares.

(32) Non-controlling interest transactions

The Group's subsidiaries, Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd. and Avary Holding (Shenzhen) Co., Limited, issued new shares on March 30 and June 23, 2021 for cash capital increase, respectively. The Group's ownership reduced by 29.61% and 0.32% because it did not subscribe to shares in accordance with shareholding ratio. This transaction increased non-controlling interests by $1,079,559, and equity attributable to owners of parent increased by $233,191.

Impact of equity changes from the six-month period ended June 30, 2021 on equity attributable to owners of parent is as follows:

	Six-month period ended June 30, 2021
Cash	$ 1,312,750
Increase in carrying amount of non-controlling interests	(1,079,559)
Capital surplus- Changes in subsidiaries' equity recognised	$ 233,191

(33) Business combinations

A. On November 4, 2020, the Group acquired 100% ownership of BoardTek Electronics Corporation and its subsidiaries through share exchange and acquired control of BoardTek Electronics Corporation. Considering the company's manufacturing and selling of PCB products in Taiwan, the Group anticipates that such business combination can strengthen its position in the market and lower cost through economies of scale.

B. Information on the consideration paid to acquire BoardTek Electronics Corp., assets acquired, and liabilities assumed at fair value on the date of acquisition:

	November 4, 2020
Consideration of acquisition	
Equity instruments	$ 5,512,771
Fair value of identifiable assets acquired and liabilities assumed	
Cash	944,497
Notes and accounts receivable	2,031,592
Inventories	952,789
Prepayments	71,877
Financial assets at fair value through other comprehensive income	21,460
Other financial assets	257,489
Property, plant and equipment	5,266,738
Intangible assets	427,480
Deferred income tax assets	214,671
Other non-current assets	51,159
Short-term borrowings	(2,610,000)
Notes and accounts payable	(2,134,518)
Other payables	(422,405)
Other current liabilities	(429,430)
Deferred income tax liabilities	(217,313)
Other non-current liabilities	(87,415)
Total identifiable net assets	4,338,671
Goodwill	$ 1,174,100

C. The acquisition consideration for 44,819,274 ordinary shares of the Company at fair value of $5,512,771 was determined by the closing price on November 3, 2020.

D. The fair value of the identifiable intangible assets acquired (including patents and technical skills) is temporarily set at $419,412, pending the final estimation of these assets.

5. The operating revenues and net profit before tax contributed by BoardTek Electronics Corp. to the Group since the acquisition of BoardTek Electronics Corp. on November 4, 2020 to December 31, 2020 were $972,452 and $21,228, respectively.
6. Assuming BoardTek Electronics Corp. was acquired as of January 1, 2020, the operating revenues and net profit before tax of the Group in 2020 will be $136,079,575 and $12,748,875, respectively.

(34) Additional information of cash flows

A. Investing activities with partial cash payment:

	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Acquisition of property, plant and equipment	$ 15,257,858	$ 6,624,105
Add: Opening balance of payable on machinery and equipment (within 'other payables')	7,060,667	3,927,125
Less: Ending balance of payable on machinery and equipment (within 'other payables')	(7,882,183)	(2,886,509)
Net exchange differences	(119,517)	(89,261)
Cash paid during the period	$ 14,316,825	$ 7,575,460

B. Financing activities that do not affect cash flow:

	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Declared cash dividends	$ 4,261,721	$ 4,060,034

C. Changes in liabilities from financing activities

	Six-month period ended June 30, 2021						
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	$ 12,838,545	$ 949,666	$ 655,821	$ 10,480,741	$ 8,928,523	$ 186,613	$ 34,039,909
Change in cash flow from financing activities	2,892,301	(350,046)	(76,859)	-	(795,790)	(44,182)	1,625,424
Change in right-of-use assets	-	-	9,837	-	-	-	9,837
Amortisation of interest expenses	-	-	9,492	100,149	6,749	-	116,390
Effect of exchange rate fluctuation	(196,945)	485	(7,366)	(229,264)	(373,929)	(2,536)	(809,555)
At June 30	$ 15,533,901	$ 600,105	$ 590,925	$ 10,351,626	$ $ 7,765,553	$ 139,895	$ 34,982,005

	Six-month period ended June 30, 2020					
	Short-term borrowings	Lease liabilities	Bonds payable	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
At January 1	$ 9,682,812	$ 239,407	$ -	$ 8,980,884	$ 179,511	$ 19,082,614
Change in cash flow from financing activities	1,285,311	(48,881)	11,795,359	-	(36,050)	12,995,739
Share options arising from convertible bonds	-	-	(996,753)	-		(996,753)
Change in right-of-use assets	-	8,276	-	-	-	8,276
Amortisation of interest expenses	-	3,114	-	3,750	-	6,864
Effect of exchange rate fluctuation	(197,935)	(5,649)	-	(104,894)	(4,157)	(312,635)
At June 30	$ 10,770,188	$ 196,267	$ 10,798,606	$ 8,879,740	$ 139,304	$ 30,784,105

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	The entity has significant influence over the Group
CyberTAN Technology Inc. and its subsidiaries	Other related parties
Ennoconn Corporation and its subsidiaries	Other related parties
Foxconn Interconnect Technology Limited and its subsidiaries	Other related parties
General Interface Solution Holding Limited and its subsidiaries	Other related parties

(2) Significant related party transactions and balances

A. Sales

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Sale of goods:				
Entity with significant influence over the Group	$ 1,573,035	$ 1,759,077	$ 3,192,271	$ 2,921,424
Other related parties	420,984	553,109	933,891	1,318,489
	$ 1,994,019	$ 2,312,186	$ 4,126,162	$ 4,239,913

Unless the prices and terms were determined in accordance with mutual agreements due to no similar transactions, the sale prices and credit terms to related parties were similar to third parties. The normal credit term is around 1 to 4 months for general clients and related parties.

B. Purchases

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Purchase of goods:				
Entity with significant influence over the Group	$ 228,635	$ 200,657	$ 463,260	$ 297,843
Other related parties	677,387	255,318	1,174,119	971,357
Total	$ 906,022	$ 455,975	$ 1,637,379	$ 1,269,200

Unless the prices and terms were determined in accordance with mutual agreements due to no similar transactions, the purchase prices and payment terms to related parties were similar to third parties. The normal payment term is around 1 to 4 months for general suppliers and related parties.

C. Accounts receivable

	June 30, 2021	December 31, 2020	June 30, 2020
Accounts receivable - related parties:			
Entity with significant influence over the Group	$ 1,803,413	$ 2,316,129	$ 1,960,880
Other related parties	430,472	383,216	562,143
	2,233,885	2,699,345	2,523,023
Less: Allowance for bad debts	(3,865)	(6,257)	(3,194)
Total	$ 2,230,020	$ 2,693,088	$ 2,519,829

D. Notes and accounts payable

	June 30, 2021	December 31, 2020	June 30, 2020
Notes payable - related parties:			
Entity with significant influence over the Group	$ -	$ 3,679	$ -
Accounts payable - Related parties:			
Entity with significant influence over the Group	112,538	157,834	84,197
Other related parties	653,495	825,043	265,992
	$ 766,033	$ 986,556	$ 350,189

(3) Key management compensation

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Short-term employee benefits	$ 13,903	$ 16,694	$ 40,025	$ 39,544

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Carring amount			
Pledged assets	June 30, 2021	December 31, 2020	June 30, 2020	Collateral purpose
Other current assets				
- Time deposits with maturity of over three months	$ 12,361	$ 12,537	$ -	Tariff guarantee and government subsidy guarantee
- Demand deposit	51,708	950	-	Standby Letters of Credit and Other
Property, plant and equipment	-	2,624,489	-	Collateral for short-term borrowings
Other non-current assets				
- Time deposits with maturity of over one year	28,104	29,227	-	Tariff guarantee
	$ 92,173	$ 2,667,203	$ -	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet paid is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Property, plant and equipment	$ 7,145,854	$ 10,112,376	$ 6,144,742

B. The amount of unused letters of credit for the acquisition of property, plant and equipment is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Unused letters of credit	$ 5,100,221	$ 5,866,121	$ 4,206,762

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriations of 2020 earnings were approved by the shareholders' meeting on July 1, 2021. Please refer to Note 6(21).

12. OTHERS

(1) Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares when convertible bonds are converted, or issue new shares for consideration to achieve optimal structure.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets			
Financial assets at amortised cost	$ 60,563,801	$ 81,562,240	$ 75,937,945
Financial assets at fair value through profit or loss	1,065,152	753,522	598,012
Financial assets at fair value through other comprehensive income	444,910	431,266	187,422
	$ 62,073,863	$ 82,747,028	$ 76,723,379
Financial liabilities			
Financial liabilities at amortised cost	$ 71,331,126	$ 73,064,990	$ 57,279,339
Financial liabilities at fair value through profit or loss	6,541	-	-
Lease liabilities	590,925	655,821	196,267
	$ 71,928,592	$ 73,720,811	$ 57,475,606

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable(including to related parties), other receivables, other current assets, and other non-current assets-time deposits with maturity of over one year; and financial liabilities at amortised cost include short-term borrowings, Short-term notes and bills payable,accounts payable(including due from related parties), other payables, current portion of long-term liabilities, bonds payable, long-term borrowings and guarantee deposits received.

B. Risk management policies

(a) <u>Risk categories:</u>

The Group employs a comprehensive risk management and control system to clearly identify, measure, and control various kinds of financial risks it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk.

(b) <u>Management objectives</u>

i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be eliminated via internal control or operational procedures. Therefore, the goal in managing each of these risks is to reduce them to zero.

ii. As for market risk, the goal is to optimise its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of trends in the external economic/financial environment, internal operating conditions and the actual effects of market fluctuations.

iii. The Group's overall risk management policy focuses on the unpredictable item of financial markets and seeks to reduce the risk that potentially pose adverse effects on the Group's financial position and financial performance.

iv. The Group uses derivative financial instruments. Please refer to Note 6 for details.

(c) <u>Management system</u>

i. Risk management is carried out by a central treasury department (the Group treasury) under policies approved by the Board of Directors. The Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

ii. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from (a) the timing of recognition for accounts receivable, accounts payable, borrowings, and payables on machinery and equipment denominated in non-functional currencies is different, (b) recognised assets and liabilities and (c) net investments in foreign operations. Since the transacting currencies are different from functional currencies, foreign exchange risks arise.

ii. Management has set up a policy to require all subsidiaries within the Group to manage their foreign exchange risk against their functional currency. However, the overall foreign exchange risk is managed by the Group treasury for hedging.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other certain subsidiaries' functional currency: RMB or NTD) so it is impacted by the exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2021			Six-month period ended June 30, 2021	
				Sensitivity analysis	
	Foreign currency (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Degree of variation	Effect on comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	243,597	27.86	$ 6,786,612	1%	$ 67,866
USD:RMB	1,391,997	6.4601	38,748,424	1%	387,484
Net effect in consolidated entities with foreign currencies					
USD:NTD	3,133,681	27.86	87,304,353	1%	873,044
Financial liabilities					
Monetary items					
USD:NTD	172,380	27.86	4,802,507	1%	48,025
USD:RMB	607,846	6.4601	16,920,349	1%	169,203
JPY:RMB	9,514,903	0.0584	2,395,533	1%	23,955

	December 31, 2020			2020	
				Sensitivity analysis	
	Foreign currency (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Degree of variation	Effect on comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	256,604	28.48	$ 7,308,082	1%	$ 73,081
USD:RMB	1,809,982	6.5249	51,692,160	1%	516,922
Net effect in consolidated entities with foreign currencies					
USD: NTD	3,009,546	28.48	85,711,870	1%	857,119
Financial liabilities					
Monetary items					
USD:NTD	171,698	28.48	4,889,959	1%	48,900
USD:RMB	1,232,679	6.5249	35,204,679	1%	352,047
JPY:RMB	8,065,846	0.0632	2,232,498	1%	22,325

	June 30, 2020			Six-month period ended June 30, 2020 Sensitivity analysis	
	Foreign currency (In thousands)	Exchange rate	Carrying amount (In thousands of NTD)	Degree of variation	Effect on comprehen sive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	279,904	29.63	$ 8,293,556	1%	$ 82,936
USD:RMB	887,008	7.0795	26,317,690	1%	263,177
Net effect in consolidated entities with foreign currencies					
USD: NTD	2,586,116	29.63	76,626,617	1%	766,266
Financial liabilities					
Monetary items					
USD:NTD	230,602	29.63	6,832,737	1%	68,327
USD:RMB	557,386	7.0795	16,537,745	1%	165,377
JPY:RMB	1,367,834	0.0658	377,203	1%	3,772

v. Please refer to Note 6(28) Net Foreign Exchange Gain (Loss) for the total exchange gain (including realised and unrealised) arising from significant foreign exchange variation on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2021 and 2020.

Interest rate risk for cash flow and fair value

The Group's interest rate risk mainly arises from borrowings. Borrowings at floating rates expose the Group to interest rate risk of cash flow, which is partially offset by cash and cash equivalents held at floating rates.

Based on the simulations performed, the impact on after-tax profit of a quarter-point shift would be a maximum increase or decrease of $28,999 and $24,574 for the six-month periods ended June 30, 2021 and 2020, respectively. The simulation is based on a quarterly basis to ensure that the maximum potential loss is within the limit given by the management.

The financial assets at amortised cost held by the Group are fixed-rate products, and their changes of fair value arise from changes in market interest rate. However, the Group would hold the financial assets to the maturity because of the return at the effective rates for the duration, thus, there are no gains or losses on disposal or valuation arising from change in fair value.

Price risk

The Group's investments in equity securities comprise domestic listed stocks which are classified as investments in financial assets at fair value through other comprehensive income. The price of equity securities would be affected by the uncertainty of the future value of underlying investment. However, the Group expects the price fluctuations do not have significant impact on the price of equity securities.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments, and is managed and monitored by the Group treasury. The clients and counterparties are government organisations, banks with high credit quality and financial institutions with investment grade; thus, there is no significant default risk and critical credit risk.

ii. The Group assess whether there has been significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were an underlying more than 30 days past due based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(ii) If the credit rating grade of an underlying investment degrades two grades, there has been a significant increase in credit risk on that instrument since initial recognition.

iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Delinquency or default in interest or principal payments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

iv. The default occurs when the contract payment are more than 90 days past due.

v. The credit quality information of financial assets that are neither overdue nor impaired is as follows:

Cash and cash equivalents

The Group transacts with a variety of financial institutions with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

Financial assets at amortised cost

The Group's investments in debt classified as financial assets at amortised are low credit risk, and the carrying amount is measured as the expected credit loss for the 12 months following the balance sheet date.

Accounts receivable (including from related parties)

(i) The Group applies the following approaches to assess the expected credit losses (the 'ECLs') of accounts receivable:

1 Assess the ECLs on an individual basis if a significant default has been occurred to the certain customers.

2 Classifies the other customers' accounts receivables based on the Group's credit rating standards and estimates the ECLs using loss rate methodology or provision matrix.

3 Adjust the loss rates constructed from historical and recent information by taking into account the business cycle indicators of the National Development Council and forecasts of the Basel Committee on Banking Supervision.

4 As of June 30, 2021, December 31, 2020 and June 30, 2020, the individual provision for impairment of accounts receivable using loss rate methodology or provision matrix is as follows:

	Individual	Group 1	Group 2	Group 3	Group 4	Total
June 30, 2021						
Expected loss rate		0.03%	0.07%	0.1%~1%	1%~5%	
Total carring amount	$ -	$ 11,843,981	$ 7,316,977	$ 773,103	$ 2,384,321	$ 22,318,382
Loss allowance	$ -	($ 3,553)	($ 5,122)	($ 3,865)	($ 72,045)	($ 84,585)

	Individual	Group 1	Group 2	Group 3	Group 4	Total
December 31, 2020						
Expected loss rate		0.03%	0.07%	0.1%~1.00%	1%~5%	
Total carring amount	$ -	$ 21,958,771	$ 8,488,341	$ 677,722	$ 2,723,780	$ 33,848,614
Loss allowance	$ -	($ 6,588)	($ 5,942)	($ 6,777)	($ 88,152)	($ 107,459)

	Individual	Group 1	Group 2	Group 3	Group 4	Total
June 30, 2020						
Expected loss rate		0.03%	0.07%	0.10%~1.00%	1%~5%	
Total carring amount	$ -	$ 8,429,755	$ 7,575,650	$ 883,130	$ 2,524,125	$ 19,412,660
Loss allowance	$ -	($ 2,529)	($ 5,303)	($ 4,416)	($ 48,513)	($ 60,761)

Group 1: Standard Poor's, Fitch Ratings or Moody's ratings in A category, or A category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch Ratings in BBB category, Moody's ratings in Baa category, or in B or C category rated based on the Group's Credit Quality Control Policy for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch Ratings in BB+ category or below, or Moody's ratings in Bal category or below.

Group 4: Having no external agency rating. Ratings other than A, B, or C based on the Group's Credit Quality Control Policy.

(ii) Movements on allowance for accounts receivable adopting the modified approach (including due from related parties) as follows:

	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Beginning balance	$ 107,459	$ 81,012
Reversal of impairment loss	(21,990)	(19,506)
Net exchange differences	(884)	(745)
Ending balance	$ 84,585	$ 60,761

Other receivables

The Group's subsidiaries incorporated in Mainland China are engaged in export sales. Under local regulations, the subsidiaries are entitled to tax benefits on VAT exemption, deduction and refund on the exports of goods. The subsidiaries calculate VAT refund and deductible amounts based on monthly sales by product types. The subsidiaries' counterparties and performing parties are mainly government organisations, so the possibility of default is remote.

Financial assets at fair value through other comprehensive income

The equity securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

Financial assets at fair value through profit or loss

The bond securities issuer has high credit quality and the Group controls its credit risk through transaction limits control and critical assessment of credit rating levels, so it expects that the probability of default is remote.

(c) Liquidity risk

i. Cash flow forecasting is performed by each Group entity and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and applicable external regulatory or legal requirements, such as foreign currency restrictions.

ii. The Group has the following undrawn borrowing facilities:

	June 30, 2021	December 31, 2020	June 30, 2020
Expiring within one year	$ 61,375,827	$ 62,190,431	$ 50,357,694
Expiring beyond one year	4,033,577	5,231,995	5,091,450
	$ 65,409,404	$ 67,422,426	$ 55,449,144

iii. The following table analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows. The remaining period of corporate bonds payable is expressed as the period between the balance sheet date and the redeemable date by holders. Except those listed in the following table, all of the Group's derivative and non-derivative financial liabilities will attain maturity within one year:

Non-derivative financial liabilities:

June 30, 2021	Less than one year	Over one year	Total
Bonds payable	$ -	$ 11,144,000	$ 11,144,000
Long-term borrowings (Note)	107,902	7,909,915	8,017,817
Guarantee deposits received	-	139,895	139,895
Lease liabilities	148,694	514,491	663,185
	$ 256,596	$ 19,708,301	$ 19,964,897

Non-derivative financial liabilities:

December 31, 2020	Less than one year	Over one year	Total
Bonds payable	$ -	$ 11,392,000	$ 11,392,000
Long-term borrowings (Note)	9,027,198	40,302	9,067,500
Guarantee deposits received	-	186,613	186,613
Lease liabilities	145,543	549,837	695,380
	$ 9,172,741	$ 12,168,752	$ 21,341,493

Non-derivative financial liabilities:

June 30, 2020	Less than one year	Over one year	Total
Bonds payable	$ -	$ 11,852,000	$ 11,852,000
Long-term borrowings (Note)	4,685,614	4,478,945	9,164,559
Guarantee deposits received	-	139,304	139,304
Lease liabilities	89,263	113,589	202,852
	$ 4,774,877	$ 16,583,838	$ 21,358,715

Note: Including imputed interest payable.

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date will be significantly earlier, nor expect the actual cash flow amount would be significantly different.

(d) Cash flow risk of changes from interest rate

For the Group's borrowings at floating rates, the effective interest rate changes according to market interest rates. However, the working capital of the Group is sufficient to hedge the cash flow risk due to changes in interest rate. Furthermore, the Group's borrowings as fixed rates and lease payable have no cash flow risk due to changes in market interest rate.

(3) Fair value estimation

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., as prices) or indirectly (e.g., derived from prices). The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data.

B. Financial instruments not measured at fair value

(a) Except for those listed in the following table below, the carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortised cost-time deposits due for more than three months, financial assets at amortised cost-guaranteed income financial products, accounts receivable (including due from related parties), other receivables, other current assets, other non-current assets - time deposits with maturity of over one year, short-term borrowings, accounts payable (including related parties), other payables, lease liabilities, and long-term borrowings (including current portion) is a reasonable approximation of fair value.

	June 30, 2021			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 10,351,626	$ -	$ 10,754,222	$ -
Guarantee deposits received	139,895	-	139,713	-
Total	$ 10,491,521	$ -	$ 10,893,935	$ -

	December 31, 2020			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 10,480,741	$ -	$ 10,898,838	$ -
Guarantee deposits received	186,613	-	186,371	-
Total	$ 10,667,354	$ -	$ 11,085,209	$ -

	June 30, 2020			
		Fair value		
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 10,798,606	$ -	$ 11,612,491	$ -
Guarantee deposits received	139,304	-	139,012	-
Total	$ 10,937,910	$ -	$ 11,751,503	$ -

(b) The methods and assumptions of fair value measurement are as follows:

i. Bonds payable: Regarding the convertible bonds issued by Group, the fair value is estimated based on the expected cash flows using the present value and market rate.

ii. Guarantee deposits received: The fair value is estimated using the present value of the expected cash flows. The discount rate refers to the fixed interest rate of postal savings for a one-year time deposit.

iii. Financial assets at amortised cost-corporate bonds: The fair value is the quoted price in active markets.

C. Financial and non-financial instruments measured at fair value

(a) The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

June 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ -	$ 332,137	$ 733,015	$ 1,065,152
Financial assets at fair value through other comprehensive income	$ -	$ -	$ 444,910	$ 444,910
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss	$ -	$ 6,541	$ -	$ 6,541

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ -	$ -	$ 753,522	$ 753,522
Financial assets at fair value through other comprehensive income	$ -	$ -	$ 431,266	$ 431,266

June 30, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss	$ -	$ -	$ 598,012	$ 598,012
Financial assets at fair value through other comprehensive income	$ -	$ -	$ 187,422	$ 187,422

(b) The methods and assumptions thatthe Group used to measure the fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (i.e., Level 1).

ii. Except for the financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

D. The Level-3 movement for the six-month periods ended June 30, 2021 and 2020, is as follows:

	Six-month period ended June 30, 2021		Six-month period ended June 30, 2020	
	Financial assets at fair value through profit or loss- debt securities	Financial assets at fair value through other comprehensive income- equity securities	Financial assets at fair value through profit or loss- debt securities	Financial assets at fair value through other comprehensive income- equity securities
Beginning balance	$ 753,522	$ 431,266	$ -	$ 193,804
Acquisition of financial assets	116,641	-	606,775	-
Unrealized gains (losses) from financial assets	209,067	18,589	-	(2,571)
Transfer out from Level 3	(332,137)	-	-	-
Net exchange differences	(14,078)	(4,945)	(8,763)	(3,811)
Ending balance	$ 733,015	$ 444,910	$ 598,012	$ 187,422

(a) External appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in accordance with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

(b) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value as of June 30, 2021	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	$ 92,809	Market comparable companies	Enterprise value to EBIT multiple	7.26~42.79 [8.05]	The higher the EBIT, the higher the fair value
			Price to net value multiple	2.35~6.74 [2.47]	The higher the net value of shares, the higher the fair value
Unlisted shares	$ 207,553	Market comparable companies	Not applicable	Not applicable	Not applicable
Unlisted shares	$ 20,258	Income approach	Weighted average capital cost	9.61%	The higher the weighted average capital cost, the lower the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	$ 124,290	Market comparable companies	Enterprise value to EBIT multiple	4~20.65 [8.42]	The higher the EBIT, the higher the fair value

	Fair value as of June 30, 2021	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Debt Securities:					
Private fund	$ 559,722	Net asset value	Not applicable	Not applicable	Not applicable
Private fund	$ 103,205	Net asset value	Not applicable	Not applicable	Not applicable
Unlisted partnership share	$ 70,088	The last transaction price	Not applicable	Not applicable	Not applicable

	Fair value as of December 31, 2020	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:					
Unlisted shares	$ 102,503	Market comparable companies	Enterprise value to EBIT multiple	6.01~43.88 [8.19]	The higher the EBIT, the higher the fair value
			Price to net value multiple	1.59~6.16 [2.46]	The higher the net value of shares, the higher the fair value
Unlisted shares	$ 173,524	Market comparable companies	Enterprise value to EBIT multiple	29.89~57.44 [44.46]	The higher the EBIT, the higher the fair value
Unlisted shares	$ 23,929	Income approach	Weighted average cost of capital	7.91%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	40%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	$ 131,310	The last transaction price	Not applicable	Not applicable	Not applicable
Debt Securities:					
Private fund	$ 572,651	Net asset value	Not applicable	42.53	The higher the net asset value, the higher the fair value
Private fund	$ 59,978	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted partnership share	$ 120,893	Comparable listing companies	PER multiples	114	The higher the PER multiples, the higher the fair value
			Discount for lack of marketability	41%	The higher the discount for lack of marketability, the lower the fair value

		Fair value at June 30, 2020	Valuation technique	Significant unobservable input	Range [Weighted average]	Relationship of inputs to fair value
Equity securities:						
Unlisted shares	$	84,740	Market comparable companies	Enterprise value to EBIT multiple	6.41~27.85 [9.06]	The higher the EBIT, the higher the fair value
				Price to net value multiple	1.28~7.86 [2.27]	The higher the net value of shares, the higher the fair value
Unlisted shares	$	102,682	Market comparable companies	Enterprise value to EBIT multiple	31.35~56.31 [45.48]	The higher the EBIT, the higher the fair value
Debt Securities:						
Private fund	$	544,828	The last transaction price	Not applicable	Not applicable	Not applicable
Unlisted shares	$	53,184	The last transaction price	Not applicable	Not applicable	Not applicable

(c) The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, the use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			Six-month period ended June 30, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instruments	Enterprise value to EBIT multiple, etc.	± 1%	$ 7,330	($ 7,330)	$ -	$ -
Equity instruments		± 1%	-	-	4,449	(4,449)
Total			$ 7,330	($ 7,330)	$ 4,449	($ 4,449)

			Six-month period ended June 30, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Debt instruments	Enterprise value to EBIT multiple, etc.	± 1%	$ -	$ -	$ 5,980	($ 5,980)
Equity instruments		± 1%	-	-	1,874	(1,874)
Total			$ -	$ -	$ 7,854	($ 7,854)

E. For the six-month periods ended June 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. For the six-month period ended June 30, 2021, the fair value of the debt instruments held by the Group is the quoted price in the markets and therefore was transferred from Level 3 to Level 2. For the six-month period ended June 30, 2020, there was no transfer into or out from Level 3.

(4) Others

Due to COVID-19, there were no significant influence over the Group for the six-month periods ended June 30, 2021 and 2020, except for some subsidiaries that received reductions or subsidies due to compliance with the local government's implementation regulations for the phased reduction and exemption of corporate social insurance.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were audited by independent accountants. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exxcerding NT$300 million or 20% of paid-in capital or more: None..

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: Please refer to table 4.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchase or sale of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative financial instruments: Please refer to Note 6(2).

J. The business relationship and significant transactions between the inter-companies: Please refer to table 7.

(2) Information on investees

(The portions of transaction information with the investees were based on the financial statements of the investees for the same period which were audited by independent accountants. All the transactions with subsidiaries disclosed below had been eliminated in the consolidated financial statements. The disclosure information below is for reference only.)

Names, locations and other information of investee companies (excluding the investees in Mainland China): Please refer to Table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 9.

B. Significant transactions with the investees in Mainland China either directly or indirectly through other companies in the third areas: None.

(4) Information on major shareholders

Information on major shareholders: Please refer to Table 10.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacturing of various types of PCB products. The chief operating decision-maker considers the business and operations from the product perspective. Currently, the Group only discloses one reportable segment as all operating segments meet the aggregation criteria (similar gross profit margin and expected growth rate). In allocating resources and assessing performance of the Group, the chief operating decision-maker uses operating segments' revenue and net income, which reflect internal cost and expense allocation. Except for inter-segment charges, which were determined based on the Group's internal policy, accounting policies of operating segments are in agreement with Note 4, 'Summary of significant accounting policies'.

(2) Reportable segment information

Reportable segment information provided to the chief operating decision maker is as follows:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Revenue from external customers	$ 29,768,200	$ 26,490,069	$ 56,961,300	$ 44,002,507
Inter-segment revenue	-	-	-	-
Segments' revenue	$ 29,768,200	$ 26,490,069	$ 56,961,300	$ 44,002,507
Measure of segment profit	$ 1,030,208	$ 1,712,203	$ 2,373,691	$ 2,962,636

(3) Reconciliation of reportable segment's revenue and measure of profit and loss

Sales between segments are carried out at fair value. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

The reconciliation from total reportable segment's revenue to the enterprise income and from segment profit from reportable segment to the net income for the current period is as follows:

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Reportable segment's revenue	$ 29,768,200	$ 26,490,069	$ 56,961,300	$ 44,002,507

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2020	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020
Reportable segment's profit	$ 1,030,208	$ 1,712,203	$ 2,373,691	$ 2,962,636
Interest income and finance costs	(28,110)	94,794	(59,242)	207,264
Net foreign exchange gains (losses)	(257,250)	(15,436)	(246,564)	201,108
Net gains (losses) on disposal of property, plant and equipment	21,116	(95,942)	6,472	(137,426)
Net gains on financial assets and liabilities measured at fair value through profit or loss	136,855	-	202,526	-
Others	195,537	152,014	212,246	(121,854)
Profit	$ 1,098,356	$ 1,847,633	$ 2,489,129	$ 3,111,728

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
LOANS TO OTHERS
Six-month period ended June 30, 2021

Table1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period (Note 3)	Ending balance (Note 4)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transaction	Reason for short-term financing	Allowance for doubtful accounts	Collateral Name	Collateral Value	Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
1	Zhen Ding Technology Co., Ltd.	BoardTek Electronics Corp.	Other receivables	Yes	$ 800,000	800,000	$ -	-	Short-term financing	$ -	Operation requirements	$ -	No	$ -	$ 912,890	$ 912,890	
2	Mayco Industrial Limited	The Company	Other receivables	Yes	1,671,600	1,671,600	-	-	Short-term financing	-	Operation requirements	-	No	-	327,979,405	459,171,167	
2	Mayco Industrial Limited	Qi Ding Technology Qinhuangdao Co., Ltd.	Other receivables	Yes	1,393,000	1,393,000	696,500	1.06%-1.30%	Short-term financing	-	Operation requirements	-	No	-	327,979,405	459,171,167	
2	Mayco Industrial Limited	Henley International Limited	Other receivables	Yes	835,800	835,800	-	-	Short-term financing	-	Operation requirements	-	No	-	327,979,405	459,171,167	
2	Mayco Industrial Limited	Zhen Ding Technology India Private Limited	Other receivables	Yes	1,393,000	1,393,000	-	-	Short-term financing	-	Operation requirements	-	No	-	327,979,405	459,171,167	
2	Mayco Industrial Limited	BoardTek Electronics Corp.	Other receivables	Yes	1,393,000	1,393,000	-	-	Short-term financing	-	Operation requirements	-	No	-	26,238,352	26,238,352	
3	Pacific Fair International Limited	The Company	Other receivables	Yes	3,343,200	3,343,200	2,507,400	1.30%	Short-term financing	-	Operation requirements	-	No	-	47,698,385	66,777,738	
4	Qi Ding Technology Qinhuangdao Co., Ltd.	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Other receivables	Yes	323,175	323,175	-	-	Short-term financing	-	Operation requirements	-	No	-	885,119	885,119	
5	Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	1,393,000	1,393,000	696,500	0.55%	Short-term financing	-	Operation requirements	-	No	-	33,801,229	47,321,721	
5	Garuda International Limited	Avary Technology (India) Private Limited	Other receivables	Yes	1,114,400	1,114,400	-	-	Short-term financing	-	Operation requirements	-	No	-	2,704,098	2,704,098	
5	Garuda International Limited	Avary Singapore Private Limited	Other receivables	Yes	1,114,400	1,114,400	-	-	Short-term financing	-	Operation requirements	-	No	-	33,801,229	47,321,721	

No.	Lender	Borrower	General ledger account	Related party	Maximum outstanding balance during the current period (Note 3)	Ending balance (Note 4)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transaction	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Notes 1 & 2)	Limit on total lender's loans granted (Notes 1 & 2)	Footnote
													Name	Value			
6	Avary Holding (Shenzhen) Co., Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Other receivables	Yes	8,618,000	8,618,000	-	-	Short-term financing	-	Operation requirements	-	No	-	36,587,392	36,587,392	
6	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Other receivables	Yes	$ 8,618,000	$ 8,618,000	$ 5,483,203	3.85%	Short-term financing	-	Operation requirements	-	No	-	$ 36,587,392	$ 36,587,392	
6	Avary Holding (Shenzhen) Co., Limited	Fu Bo Industrial (Shenzhen) Co., Ltd.	Other receivables	Yes	861,800	861,800	150,815	3.85%	Short-term financing	-	Operation requirements	-	No	-	36,587,392	36,587,392	
6	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	6,463,500	6,463,500	3,757,448	3.85%	Short-term financing	-	Operation requirements	-	No	-	6,587,392	36,587,392	
6	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	Other receivables	Yes	1,292,700	1,292,700	603,260	3.85%	Short-term financing	-	Operation requirements	-	No	-	36,587,392	36,587,392	
6	Avary Holding (Shenzhen) Co., Limited	Kui Sheng Technology (Shenzhen) Limited	Other receivables	Yes	215,450	215,450	-	-	Short-term financing	-	Operation requirements	-	No	-	36,587,392	36,587,392	

Note 1: Financial limit on total loans granted to others by the Group is 50% of the lender's net assets based on their most recent audited or reviewed consolidated financial statements, of which:

(1) For parties having business relationship with the Company, the financial limit on total loans shall not exceed 10% of the Company's net worth and the financial limit on loans granted to a single party shall not exceed the year-to-date purchased amount or sales amount, whichever is higher, and shall not exceed 10% of the net worth of the Company as indicated in the financial statements for the most recent period certified or reviewed by a certified public accountant.

(2) For parties in need of short-term financing, the financial limit on total loans shall not exceed 40% of the Company's net worth and the financial limit on loans granted to a single party shall not exceed 40% of the net worth of the Company as indicated in the financial statements for the most recent period certified or reviewed by a certified public accountant.

Note 2: The amount of loans between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares or between the Company and overseas subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares is not limited to 40% of the borrower's net worth.

In accordance with the subsidiaries' respective Procedures for Lending Funds to Other Parties, the total amount of loans between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares or between the Company and overseas subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares is limited to 700% of the lender's net worth based on the latest audited or reviewed financial statements.

In accordance with the subsidiaries' respective Procedures for Lending Funds to Other Parties, for loans between subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares or between the Company and overseas subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares, the limit on loans to a single enterprise is limited to 500% of the lender's net assets based on the latest audited or reviewed financial statements.

Note 3: Maximum amount for the period ended on the balance sheet date.

Note 4: The amount of loans granted as resolved by the Company's Board of Directors.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
PROVISION OF ENDORSEMENTS/GUARANTEES TO OTHERS
Six-month period ended June 30, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Endorser/ guarantor	Entity for which the endorsement/ guarantee is made: Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement / guarantee amount during the current period (Note 5)	Ending balance of endorsement / guarantee amount at June 30, 2021 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)	Footnote
0	The Company	Qi Ding Technology Qinhuangdao Co., Ltd.	2	$ 7,491,894	$ 557,200	$ -	$ -	$ -	0.00%	$ 74,918,937	Y	N	Y	
1	Avary Technology (India) Private Limited	Avary Technology (India) Private Limited	1	7,491,894	278,600	278,600	22,567	22,567	0.37%	74,918,937	N	N	N	(Note 9)

Note 1: The explanation for numbers is as follows:
(1) Issuer is 0.
(2) Investees are numbered in order starting from '1'.

Note 2: Relationships between endorser/guarantor and the entity for which the endorsement/guarantee is made are classified into the following six categories (simply specify the respective category):
(1) Companies in a business relationship with the Company.
(2) Subsidiaries in which the Company directly holds more than 50% of its total outstanding ordinary shares.
(3) Investees in which parent company and subsidiary hold more than 50% of total outstanding ordinary shares combined.
(4) Parent company in which the Company directly or indirectly (along with subsidiary) holds more than 50% of its total outstanding ordinary shares.
(5) Companies providing mutual endorsements/guarantees for industry peers for purposes of undertaking a construction project.
(6) Companies where all capital-contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

Note 3: Limit on endorsements/guarantees to a single enterprise: Endorsements/guarantees that the Company makes for a single enterprise shall not exceed 10% of the parent company's net worth.

Note 4: Total amount of endorsements/guarantees: The total amount of endorsements/guarantees the Company makes for others shall not exceed 100% of the parent company's net worth.

Note 5: Highest balance of endorsements/guarantees to others for the year.

Note 6: Endorsement/guarantee liabilities are assumed when the amount of the endorsement/guarantee contracts or bills signed with the bank by the Company is approved as of the end of the year. Other matters related to endorsements/guarantees shall be included in the endorsement/guarantee balance.

Note 7: Actual amount drawn down by the companies for which the endorsements/guarantees are made within the range of endorsement/guarantee balance.

Note 8: Endorsements/guarantees made by TWSE/TPEx listed parent company for subsidiary, endorsements/guarantees made by subsidiary for TWSE/TPEx listed parent company, and endorsements/guarantees made in Mainland China are must be indicated with 'Y'.

Note 9:Guarantees made by the subsidiaries of the Company for their tax, science projects, and leases.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
As of June 30, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of June 30, 2021				
Securities held by	Marketable securities (Note 1)	Relationship with securities issuer (Note 2)	General ledger account	Number of shares	Carrying amount (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Zhen Ding Technology Co., Ltd.	SynPower Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,200,000	$ 92,809	8.12%	$ 92,809	
Avary Holding (Shenzhen) Co., Limited	Jiangsu Aisen Semiconductor Material Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,600,000	207,553	3.93%	207,553	
Avary Holding Investment (Shenzhen) Co., Ltd.	Dongguan Liuchun Intelligent Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,461,039	124,290	3.55%	124,290	
BoardTek Electronics Corp.	Chipboard Technology Corporation	None	Financial assets at fair value through other comprehensive income	1,337,068	20,258	15.60%	20,258	
Avary Holding (Shenzhen) Co., Limited	Jingning Dingqing Electronic Technology Partnership	None	Financial assets at fair value through profit or loss	-	332,137	12.53%	332,137	
Avary Holding Investment (Shenzhen) Co., Ltd.	Beijing Firstred Acquisition Fund	None	Financial assets at fair value through profit or loss	-	559,722	2.95%	559,721	
Avary Holding Investment (Shenzhen) Co., Ltd.	Zhuhai Hengqin Urban Enterprise Zone Leishi Tianhe Technology Industry Investment Partnership	None	Financial assets at fair value through profit or loss	-	70,088	99.39%	70,088	
Zhen Ding Technology Co., Ltd.	Zhuoyi II Investment Limited Partnership	None	Financial assets at fair value through profit or loss	-	103,205	13.30%	103,205	

Note 1: In accordance with IFRS 9, 'Financial Instruments', marketable securities in the table refer to shares, bonds, beneficiary certificates and other related derivative securities.
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
ACQUISITION OF REAL ESTATE REACHING NT$300 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
Six-month period ended June 30, 2021

Table 4

Unit: Foreign currency in thousands
(Except as otherwise indicated)

							If the counterparty is a related party, information on the penultimate transfer of the real estate is as follows:						
Real estate acquired by	Real estate name	Date of occurrence	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Penultimate owner	Relationship between the owner and the issuer	Date of transfer	Amount	Pricing basis	Purpose and use of acquisition	Other commitments
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Land right-of-use	January 28, 2021	RMB 70,300	RMB 70,300	Shenzhen Planning and Natural Resource Management Bureau	None	Not applicable	Not applicable	Not applicable	Not applicable	RMB 77,010	Operation requirements	None

Note 1: Appraisal results should be provided under "pricing basis" where appraisal is required for the acquired asset.

Note 2: Paid-in capital refers to the paid-in capital of the parent company. In the case of an issuer whose shares have no par value or a par value other than NT$10, for the calculation of transaction amounts of 20% of paid-in capital, 10% of equity attributable to owners of the parent shall be substituted.

Note 3: The incidence date refers to the date of transaction signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors' resolutions, or other dates that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
PURCHASE OR SALE OF GOODS FROM OR TO RELATED PARTIES REACHING NT$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
Six-month period ended June 30, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/Seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/ accounts receivable (payable)	Footnote
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	$ 22,028,015	82	60 days from the shipping date	Note 2	Note 2	$ 11,103,992	81	
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	3,993,164	15	90 days from the shipping date	Note 2	Note 2	2,036,214	15	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	14,909,054	89	90 days from the shipping date	Note 2	Note 2	5,001,578	86	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,653,708	10	90 days from the shipping date	Note 2	Note 2	702,768	12	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	2,036,277	68	60 days from the shipping date	Note 2	Note 2	320,199	62	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	792,508	27	90 days from the shipping date	Note 2	Note 2	109,576	21	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	132,044	4	30 days from the invoice date	Note 2	Note 2	72,730	14	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	Sales	11,463,813	87	60 days from the shipping date	Note 2	Note 2	2,557,187	82	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,520,766	12	90 days from the shipping date	Note 2	Note 2	493,907	16	
Qi Ding Technology Qinhuangdao Co., Ltd.	Henley International Limited	An indirect wholly-owned subsidiary	Sales	679,515	29	90 days from the shipping date	Note 2	Note 2	327	-	
Qi Ding Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,026,592	44	90 days from the shipping date	Note 2	Note 2	694,857	65	
Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	664,833	100	90 days from the shipping date	Note 2	Note 2	272,775	100	
Henley International Limited	Zhen Ding Technology Co., Ltd.	An indirect wholly-owned subsidiary	Sales	677,867	100	90 days from the shipping date	Note 2	Note 2	327	100	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/Seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/ accounts receivable (payable)	Footnote
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	Sales	$ 4,492,397	9	90 days from the first day of next month of shipping	Note 2	Note 2	$ 3,407,386	18	
Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	364,255	1	90 days from the first day of next month of shipping	Note 2	Note 2	39,986	-	
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	1,332,237	3	90 days from the first day of next month of shipping	Note 2	Note 2	691,783	4	
Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	Sales	101,796	-	90 days from the first day of next month of shipping	Note 2	Note 2	412	-	
Garuda International Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	3,022,779	6	90 days from the first day of next month of shipping	Note 2	Note 2	1,684,165	9	
Garuda International Limited	GIS Technology (Chengdu) Co., Ltd.	An investee company accounted for under the equity method of Hon Hai	Sales	185,405	-	60 days from the first day of next month of shipping	Note 2	Note 2	85,490	-	
Garuda Technology Co., Ltd.	Reco Technology (Chengdu) Co., Ltd.	An investee company accounted for under the equity method of Hon Hai	Sales	689,392	8	90 days from the first day of next month of receipt	Note 2	Note 2	318,897	8	
BoardTek Electronics Corp.	Foxconn (FarEast) and its subsidiaries	An investee company accounted for under the equity method of Hon Hai	Sales	128,267	5	90 days from the first day of next month of shipping	Note 2	Note 2	104,336	6	
Avary Holding (Shenzhen) Co., Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	358,330	2	90 days from invoice date	Note 2	Note 2	(77,280)	1	
Avary Holding (Shenzhen) Co., Limited	Foxconn Interconnect Technology Limited and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	456,485	2	90 days from invoice date	Note 2	Note 2	(255,803)	3	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	General Interface Solution Limited	An investee company accounted for under the equity method of Hon Hai	Purchases	495,339	4	30 days from invoice date	Note 2	Note 2	(288,635)	6	
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Foxconn Interconnect Technology Limited and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Purchases	208,317	2	90 days from invoice date	Note 2	Note 2	(103,335)	2	

Note 1: The opposite related party transactions are not disclosed.
Note 2: Unless the transaction terms were determined in accordance with mutual agreements due to no similar transactions, the transaction terms to related parties were similar to third parties.
Note 3: Advance sales receipts.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
As of June 30, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship	Receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	An indirect wholly-owned subsidiary	$ 11,103,992	2	$ -	-	$ 3,402,146	$ -
Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	2,036,214	2	-	-	628,310	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	5,001,578	2	-	-	2,477,581	-
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	702,768	2	-	-	128,984	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	320,199	4	-	-	316,550	-
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	109,576	4	-	-	108,317	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	An indirect wholly-owned subsidiary	2,557,187	2	-	-	2,111,012	-
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	An indirect wholly-owned subsidiary	493,907	2	-	-	354,059	-
Qi Ding Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	An indirect wholly-owned subsidiary	694,857	3	-	-	199,519	-
Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	272,775	2	-	-	131,709	-

Creditor	Counterparty	Relationship	Receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	An indirect wholly-owned subsidiary	$ 3,407,386	1	$ -	-	$ 245,517	$ -
Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	691,783	1	25,477	Subsequent collection	279,343	-
Zhan Yang Automation (Dongguan) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	An indirect wholly-owned subsidiary	127,063	0	62,484	Subsequent collection	112,922	-
Garuda International Limited	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	1,684,165	2	14,458	Subsequent collection	505,234	-
Garuda Technology Co., Ltd.	Reco Technology (Chengdu) Co., Ltd.	An investee company accounted for under the equity method	318,897	3	-	-	45,239	-
BoardTek Electronics Corp.	Foxconn (FarEast) and its subsidiaries	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	104,336	2	11,479	Subsequent collection	28,450	-

As to receivables from loans to related parties exceeding NT$100 million or 20% of issued capital, please refer to Table 1.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY
Six-month period ended June 30, 2021

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount (Note 3)	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 4)
1	Mayco Industrial Limited	Qi Ding Technology Qinhuangdao Co., Ltd.	3	Other receivables	$ 696,500	Note 5	-
2	Pacific Fair International Limited	The Company	2	Other receivables	2,507,400	"	1
3	Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Other receivables	696,500	"	-
4	Avary Holding (Shenzhen) Co., Limited	Fu Bo Industrial (Shenzhen) Co., Ltd.	3	Other receivables	150,815	"	-
4	Avary Holding (Shenzhen) Co., Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Other receivables	5,483,203	"	3
4	Avary Holding (Shenzhen) Co., Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	3,757,448	"	2
4	Avary Holding (Shenzhen) Co., Limited	Yu Ding Precision Electronics (Huaian) Co., Ltd.	3	Other receivables	603,260	"	-
4	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Sales	22,028,015	Note 8	39
4	Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	3	Accounts receivable	11,103,992	"	6
4	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Sales	3,993,164	Note 7	7
4	Avary Holding (Shenzhen) Co., Limited	Garuda Technology Co., Ltd.	3	Accounts receivable	2,036,214	"	1
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Sales	14,909,054	Note 8	26
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda International Limited	3	Accounts receivable	5,001,578	"	3
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	1,653,708	Note 7	3
5	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	702,768	"	-
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	2,036,277	Note 8	4
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	320,199	"	-
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Avary Holding (Shenzhen) Co., Limited	3	Sales	132,044	Note 9	-
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	792,508	Note 7	1
6	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	109,576	"	-
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Sales	11,463,813	Note 8	20
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda International Limited	3	Accounts receivable	2,557,187	"	1
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Sales	1,520,766	Note 7	3
7	Qing Ding Precision Electronics (Huaian) Co., Ltd.	Garuda Technology Co., Ltd.	3	Accounts receivable	493,907	"	-

				Transaction			
No. (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 3)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
8	Qi Ding Technology Qinhuangdao Co., Ltd.	Henley International Limited	3	Sales	679,515	Note 6	1
8	Qi Ding Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	4	Sales	1,026,592	"	2
8	Qi Ding Technology Qinhuangdao Co., Ltd.	Zhen Ding Technology Co., Ltd.	4	Accounts receivable	694,857	"	-
9	Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	664,833	Note 7	1
9	Kui Sheng Technology (Shenzhen) Limited	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	272,775	"	-
10	Henley International Limited	Zhen Ding Technology Co., Ltd.	3	Sales	$ 677,867	Note 6	1
11	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Sales	4,492,397	"	8
11	Garuda International Limited	Avary Holding (Shenzhen) Co., Limited	3	Accounts receivable	3,407,386	"	2
11	Garuda International Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	3	Sales	364,255	"	1
11	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Sales	1,332,237	"	2
11	Garuda International Limited	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Accounts receivable	691,783	"	-
11	Garuda International Limited	Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	3	Sales	101,796	"	-
12	Zhan Yang Automation (Dongguan) Co., Ltd.	Qing Ding Precision Electronics (Huaian) Co., Ltd.	3	Accounts receivable	127,063	"	-

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories: Example: For transactions between parent company and subsidiary, if disclosure is made by the parent company, then repeated disclosure is not required for the part regarding the subsidiary; for transactions between subsidiaries, if disclosure is made by one of the subsidiaries, then repeated disclosure is not required for the part regarding the other subsidiary):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Only the related party transactions exceeding the amount of NT$100 million or 20% paid-in capital are disclosed, and the opposite related party transactions are not disclosed.

Note 4: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is calculated based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.
All the transactions had been eliminated in the consolidated financial statements.

Note 5: Nature of other receivables and other payables are loans to (from) others. Please refer to Note 13(1) A for interest rate and limit on loans.

Note 6: The prices and terms to related parties were similar to third parties. Credit term is 90 days from the shipping date.

Note 7: The prices and terms to related parties were similar to third parties. Credit term is 90 days from the shipping date.

Note 8: The prices and terms to related parties were similar to third parties. Credit term is 60 days from the shipping date.

Note 9: The prices and terms to related parties were similar to third parties. Credit term is 30 days from the shipping date.

Note 10: The prices and terms to related parties were similar to third parties. Credit term is 60 days from the received date.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
NAMES, LOCATIONS AND OTHER INFORMATION OF INVESTEE COMPANIES (EXCLUDING THE INVESTEES IN MAINLAND CHINA):
Six-month period ended June 30, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of Investor	Investee	Location	Main business activities	Initial investment amount: Balance as of June 30, 2021	Initial investment amount: Balance as of December 31, 2020	Shares held as of June 30, 2021: Number of shares	Shares held as of June 30, 2021: Ownership (%)	Shares held as of June 30, 2021: Carrying amount	Net profit (loss) of investee for the current period	Investment income (loss) recognised by the Company for the current period	Footnote
The Company	Monterey Park Finance Limited	British Virgin Islands	Holding company	$ 25,248,125	$ 25,248,125	906,250,000	100	$ 79,472,699	$ 2,534,947	$ 2,534,947	
The Company	Zhen Ding Technology Co., Ltd.	Taiwan	Trading company	125,488	125,488	12,548,800	100	2,282,224	(292,536)	(292,536)	
The Company	BoardTek Electronics Corp.	Taiwan	Manufacturing company	5,512,771	5,512,771	224,096,373	100	4,748,411	(345,048)	(345,048)	
The Company	Zhen Ding Technology Singapore Private Limited	Singapore	Holding company	835,800	3	30,000,000	100	835,446	(360)	(360)	
Monterey Park Finance Limited	Coppertone Enterprises Limited	British Virgin Islands	Holding company	2,863,613	2,863,613	102,785,806	100	65,644,254	1,891,071	1,890,622	
Monterey Park Finance Limited	Pacific Fair International Limited	Hong Kong	Holding company	7,619,710	7,619,710	2,133,300,000	100	9,539,677	200,329	200,329	
Monterey Park Finance Limited	Henley International Limited	Hong Kong	Trading company	-	-	1	100	6,852	(3,363)	(3,363)	
Coppertone Enterprises Limited	Mayco Industrial Limited	Hong Kong	Holding company	33,295,707	33,295,707	9,321,841,932	100	65,595,881	1,891,070	1,891,070	
Zhen Ding Technology Co., Ltd.	FAT Holdings Limited	Cayman Islands	Holding company	139	139	5,000	100	698,694	(149)	(149)	
BoardTek Electronics Corp.	BoardTek Investment Co., Ltd.	Taiwan	Name of Investor	170,000	170,000	17,000,000	100	272,156	2	2	
Avary Holding (Shenzhen) Co., Limited	Garuda International Limited	Hong Kong	Trading company	1,643,740	1,643,740	460,200,000	73	4,728,929	497,230	369,584	
Avary Holding (Shenzhen) Co., Limited	Avary Singapore Private Limited	Singapore	Holding company	1,786,662	407,592	64,130,000	73	903,815	(410,097)	(298,635)	
Garuda International Limited	Garuda Technology Co., Ltd.	Taiwan	Trading company	1,525,000	1,525,000	152,500,000	73	1,174,408	20,232	14,733	
Garuda International Limited	Avary Japan Co., Ltd.	Japan	Trading company	24,573	22,567	3,260	73	11,105	(9,487)	(6,908)	
Avary Singapore Private Limited	Avary Technology (India) Private Limited	India	Manufacturing company	268,372	268,372	71,620,000	73	(185,187)	(409,625)	(298,291)	
FAT Holdings Limited	Zhen Ding Technology India Private Limited	India	Manufacturing company	23	-	6,250	63	(71)	(154)	(96)	
ZHEN DING TECHNOLOGY SINGAPORE PRIVATE LIMITED	Zhen Ding Technology India Private Limited	India	Manufacturing company	14	-	3,750	37	(42)	(154)	(58)	
FAT Holdings Limited	Zhen Ding Developer India Private Limited	India	Property management company	23	-	6,250	63	(306)	(539)	(337)	
ZHEN DING TECHNOLOGY SINGAPORE PRIVATE LIMITED	Zhen Ding Developer India Private Limited	India	Property management company	14	-	3,750	37	(184)	(539)	(202)	

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON THE INVESTMENTS IN MAINLAND CHINA
Six-month period ended June 30, 2021

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investees in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2021	Net profit (loss) of investee for the current period	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company in the current period (Note 3)	Carrying amount of investments as of June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacture and sales of PCB	$ 10,076,397	2	-	-	-	-	$ 1,472,481	73	$ 1,070,175	$ 18,721,969	-	
Hong Heng Sheng Electronical Technology (Huaian) Co., Ltd.	Manufacture and sales of PCB	3,992,228	2	-	-	-	-	(277,161)	73	(201,830)	238,207	-	
Avary Holding (Shenzhen) Co., Limited	Manufacture and sales of PCB	10,003,228	2	-	-	-	-	2,922,309	73	2,128,040	66,319,683	-	
Fu Bo Industrial (Shenzhen) Co., Ltd.	Manufacture and sales of PCB	474,291	2	-	-	-	-	3,031	73	2,207	457,286	-	
Yu Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	1,038,210	2	-	-	-	-	10,306	73	7,505	688,928	-	
Qing Ding Precision Electronics (Huaian) Co., Ltd.	Manufacture and sales of PCB	13,144,701	2	-	-	-	-	(1,172,678)	73	(834,857)	11,787,180	-	
Qi Ding Technology Qinhuangdao Co., Ltd.	Development, manufacture and sales of electronic products	2,055,503	2	-	-	-	-	459,975	100	459,975	2,212,797	-	
Kui Sheng Technology (Shenzhen) Limited	Manufacture and sales of PCB	86,180	2	-	-	-	-	4,106	73	2,990	106,208	-	
Huaian Jia Wei Industrial Development Co., Ltd.	Production and sale of construction materials, furniture and hardware tools	703,174	2	-	-	-	-	(1,150)	100	(1,150)	696,241	-	
Avary Holding Investment (Shenzhen) Co., Ltd.	Investments	775,619	2	-	-	-	-	(2,549)	73	(1,856)	560,338	-	
Zhan Yang Automation (Dongguan) Co., Ltd.	Research, development, sales, and processing of automated equipment and cargo or technology import/export	30,163	2	-	-	-	-	(2,877)	44	(27,832)	263	-	

Investees in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the current period		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2021	Net profit (loss) of investee for the current period	Ownership held directly or indirectly by the Company	Investment income (loss) recognised by the Company in the current period (Note 3)	Carrying amount of investments as of June 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	Development, manufacture and sales of electronic products	2,065,940	2	-	-	-	-	(18,728)	70	(11,770)	1,391,718	-	
Leading Interconnect Semiconductor Technology Qinhuangdao Co., Ltd.	Development, manufacture and sales of electronic products	$ 215,450	2	-	-	-	-	($ 393)	70	(277)	$ 151,382	-	

Note 1: The amounts in the table are shown in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates at the balance sheet date.

Note 2: The methods of investments to Mainland China are as follows:

1. The Group remits its own funds directly to the investee companies located in Mainland China.
2. Investee company, Monterey Park Finance Limited (B.V.I.), established by the Company and located outside of Taiwan and Mainland China, remits its own funds directly to the investee companies located in Mainland China.
3. Others

Note 3: The columns investment income (loss) recognised by the Company for the current period were based on the audited financial statements of the investees in Mainland China for the same period.

ZHEN DING TECHNOLOGY HOLDING LIMITED AND SUBSIDIARIES
INFORMATION ON MAJOR SHAREHOLDERS
As of June 30, 2021

Table 10

Major Shareholder Name	Shares	
	Number of Shares Held	Ownership (%)
Foxconn (Far East) Limited	305,515,627	32.26%